

# WHEN TENURE ENDS: TEACHER TURNOVER IN RESPONSE TO POLICY CHANGES IN LOUISIANA



By **Katharine O. Strunk**, *University of Southern California*  
**Nathan Barrett**, *Tulane University*  
**Jane Arnold Lincove**, *University of Maryland - Baltimore County*

## Overview

In 2012, the Louisiana legislature made major reforms to teacher tenure, empowering districts to dismiss ineffective teachers. In this study, we estimate the short-term effects of this policy change on teacher exits from public school employment. We draw the following conclusions:

- After the removal of tenure, the overall teacher exit rate for all traditional public school teachers increased by 1.5 percentage points per year. Effects were largest among teachers who already held tenure, as their loss of job security was greatest.
- The effects of removing tenure were greatest among teachers who were eligible for retirement with immediate, full pension benefits. These were also the most experienced teachers with at least 25 years of public school employment.
- The increase in teacher exits was highest in schools with the lowest standardized test scores. Schools with a letter grade of “F” on the state report card saw exits increase from 7.4% to 9.4% (a 27% increase), while “A”-rated schools saw no change.
- Our results support prior findings that teachers value the job security that tenure provides. In places where the supply of teachers is already limited, districts may need to provide higher teacher salaries or improve working conditions to make up for the diminished job security that accompanies tenure reform.

Though we cannot address the effects of this policy change on its main target, teacher quality, these effects on turnover rates are important in themselves.

### Data Sources

**Data:** Teacher-level administrative data from Louisiana from 2005 through 2012

**Source:** Louisiana Department of Education

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## BACKGROUND

Prior to 2009, all states provided teachers with some form of employment protection broadly referred to as “tenure.” A typical state tenure policy placed teachers in probationary status for 2-5 years, after which substantial administrative hurdles protected tenured teachers from dismissal.

Advocates argue that tenure laws protect teachers from arbitrary or politically-motivated dismissal. Opponents cite the inability to remove ineffective tenured teachers as an obstacle to school improvement. Either way, tenure has historically been a valued employment benefit for teachers, partially offsetting low salaries and challenging working conditions in some public schools.

Teacher tenure policies were the norm in all states until a recent national push for reform centered on the objectives of measuring and holding teachers accountable for performance. By 2016, approximately half of all states required measurement of teacher performance *and* linked tenure protections to these measures.

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In 2012, the Louisiana legislature implemented Act 1, making employment protections fully contingent on the state’s new measures of teacher effectiveness, available via the state’s new teacher evaluation system called Compass. Immediately upon implementation, Act 1 extended the time to tenure and made tenure status contingent upon Compass performance. For untenured teachers as of the beginning of the 2012-13 school year, tenure would be granted only after a teacher received a highly-effective Compass rating for five out of six consecutive years, a stipulation that makes it very difficult to gain tenure. In addition, tenure status would be revoked if a teacher was rated ineffective once, and that teacher would then have to regain tenure by receiving consecutive highly-effective ratings. Although Louisiana still has a “tenured” status for

teachers who are never rated ineffective or are rated highly-effective for multiple years, no teachers enjoy the permanent employment protections historically granted through tenure.

The initial 2012 changes to the tenure system may have caused teachers to exit the profession if they valued tenure and, therefore, perceived the removal of tenure employment protections as a loss in the overall value of their jobs. However, until the summer of 2014, administrators had little information to go on to assess teacher effectiveness. As a result, our analysis of 2012 and 2013 likely reflects only voluntary teacher exits, as teacher evaluation information was not available until 2014.

We would expect that, regardless of the impact on teacher quality, Louisiana’s tenure reform, and similar reforms across the country, would cause teachers to exit the profession simply due to the loss of this valued benefit. We designed this study to measure this effect.

### Research Questions

1. Did the teacher exit rate increase when Louisiana implemented teacher tenure reform?
2. Did the tenure policy have different effects on the exit rates of teachers with different levels of teaching experience?
3. How did the tenure policy affect the state’s lowest-performing public schools?

## HOW DID WE CARRY OUT THE ANALYSIS?

Using state teacher employment records, we can observe teachers either exiting or reentering public school teaching positions each summer between academic years. We looked at annual summer exits from a period before tenure reform (2006 to 2011) and compared these rates to teacher exits for two years after the reform (2012 and 2013).

Importantly, teacher evaluation results identifying ineffective teachers were not available to school districts during these first two years after the tenure reform. Thus, Louisiana provides a unique opportunity to study the effect of the loss of tenure protections independent of the effects of new information from teacher evaluation.

We applied a statistical method called an interrupted time series analysis to see if exit rates changed after tenure reform. However, a simple change in exit rates might be explained by other causes, such as an aging teacher workforce or more challenging working

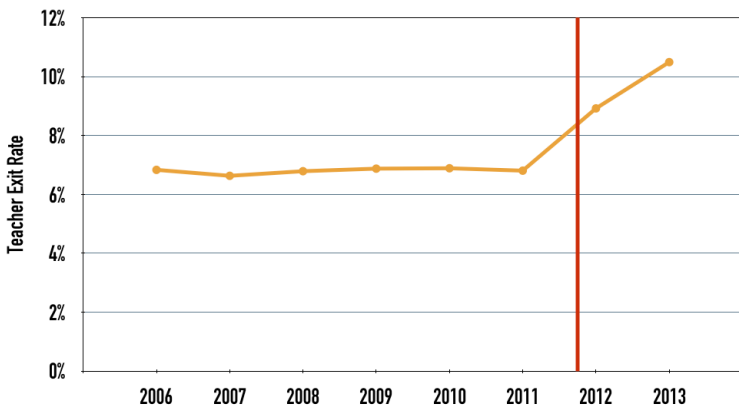
conditions in schools. Our analysis accounts for these other potential causes by estimating changes in exit rates for teachers with similar characteristics and in identical school settings.

Teacher exits could also be influenced by other events during the study period. To address this, we look more closely at changes in exit rates among subgroups of teachers who are differently affected by the tenure reform, but similar in other ways. If the teachers with more to lose when tenure is taken away have a greater exit response, this provides confirmation that the tenure policy is indeed the cause of increased exit rates.

### DID LOUISIANA'S TENURE REFORM AFFECT TEACHER EXIT?

Figure 1, which shows teacher exit rates from 2006 through 2013 adjusted for teacher and school characteristics, depicts an upward trend in teacher exit rates beginning in summer 2012, just after the implementation of the tenure reform. While the exit rate had remained constant through 2011, at around 6.8% each year, it jumped 2.1 percentage points in 2012, and increased another 1.6 percentage points the following year. The unadjusted exit rates (not shown) reveal similar trends, indicating that neither changes in teacher composition nor school environments were responsible for the exit rate increases.

Figure 1. Teacher Exit Rate in Louisiana Before and After Tenure Reform\*



\* For this and all other figures, exit rate calculations control for teacher and school characteristics.

### WHICH TEACHERS WERE MOST LIKELY TO EXIT?

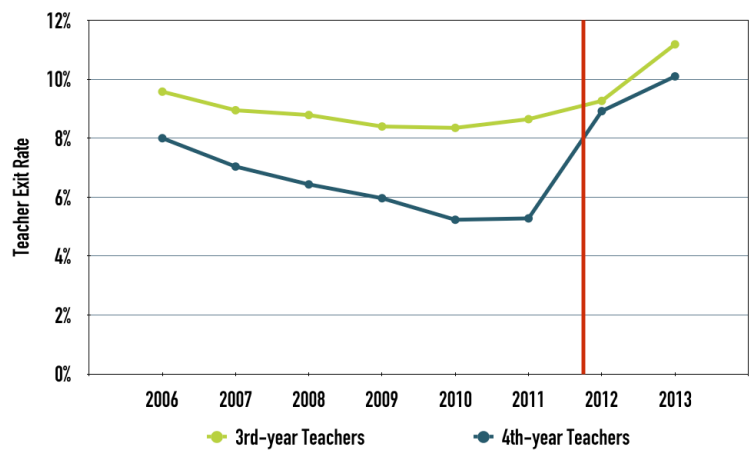
#### Early-Career Teachers

We first compare two groups of early-career teachers to see if the group more affected by the reform had a larger increase in exit. Otherwise similar third- and fourth-year teachers were treated very

differently under Louisiana's tenure policy change. Under the prior law, third-year teachers were untenured, and fourth-year teachers enjoyed tenure protections. In 2012, fourth-year teachers lost their guaranteed tenure status, while third-year teachers lost only the expectation of future tenure. Therefore, we expect fourth-year teachers to show a greater response to the policy change.

Figure 2 compares exit rates for third- and fourth-year teachers, controlling for teacher and school characteristics. Prior to the tenure policy reform, third-year teachers were more likely to exit, but the trends over time were similar for the two groups.

Figure 2. Effects of Tenure Reform on Exit Rates for 3rd- and 4th-year Teachers



In 2012, the exit rate for third-year teachers remained steady, but the exit rate for fourth-year teachers jumped substantially by 3.6 percentage points. The larger change among otherwise similar tenured teachers suggests that the loss of tenure is the likely cause of the increase in overall exit rate.

“ In 2012, the exit rate for third-year teachers remained steady, but the exit rate for fourth-year teachers jumped substantially... ”

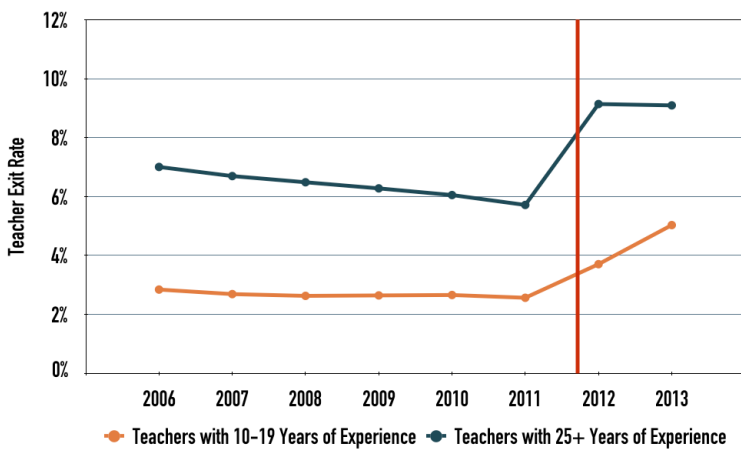
#### Highly Experienced Teachers

A second group of teachers who might be more sensitive to tenure removal is highly experienced teachers who are eligible to retire under the state teacher pension system. Teachers who are eligible to draw full

pension benefits can retire and receive comparable income to their teaching salary. These teachers may be particularly likely to choose to exit rather than face the loss of tenure protections, compared to teachers who would need to pursue alternate employment upon exit.

We compared teachers who were eligible for full retirement benefits (25-30 years of experience) to teachers with substantial experience who were not yet eligible for any pension payments (10-19 years). Figure 3 shows that exit rates for both groups increased after the tenure reform.

**Figure 3. Effects of Tenure Reform on Exit Rates for Retirement-Eligible Traditional Public School Teachers and Retirement-Ineligible Traditional Public School Teachers**



However, the retirement-eligible teachers' exit rate increased by 2.6 percentage points more than teachers with 10-19 years of experience. The larger response among retirement-eligible teachers again suggests that the change in tenure policy is likely responsible for the increased teacher exit rate.

*“The larger response among retirement-eligible teachers again suggests that the change in tenure policy is likely responsible for the increased teacher exit rate.”*

We also considered whether broader economic changes, proposed and actual changes in the state pension system, and implementation of Common Core standards in recent years might instead explain the spike in exits among retirement-eligible teachers. For example,

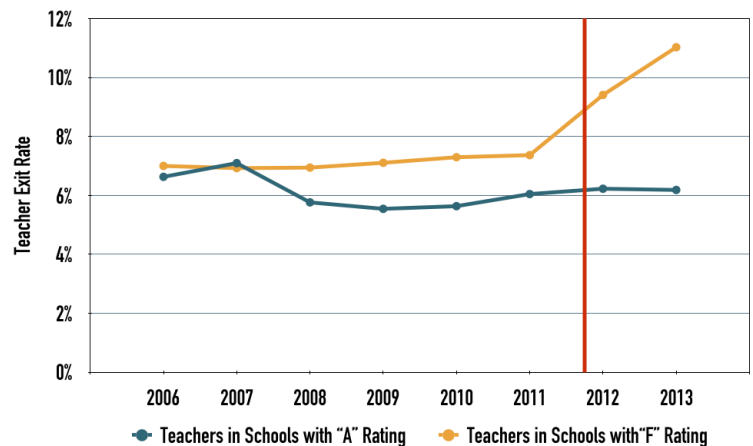
there were changes in the ability of schools to rehire retirees and in deferred retirement. After considerable additional investigation, we see no evidence that these non-tenure factors played a significant role. The timing of these other policies does not line up with the 2012 increases in teacher turnover. In addition, a similar analysis of tenure reform in North Carolina also finds a noticeable increase in turnover among retirement-eligible teachers.

## HOW DID THE TENURE POLICY AFFECT THE STATE'S LOWEST-PERFORMING PUBLIC SCHOOLS?

Schools with low test scores are often the most difficult to staff, as poor test performance can indicate high levels of student poverty and under-resourced schools and neighborhoods. To identify whether low-scoring schools were particularly impacted by exits due to tenure reform, we compared exit rates based on Louisiana school report card grades, which rank schools on an A to F letter grade scale.

Figure 4 compares exit rates pre- and post-tenure reform for schools rated “A” and “F.” In the four years prior to the reform, teachers in “F” schools typically had a higher rate of exit than teachers in “A” schools. After the tenure reform, the exit rate of teachers in “F” schools increased by 2 percentage points, while the exit rate in “A” schools did not change. This divergence continued into 2013, further increasing the gap in teacher exit rates.

**Figure 4. Effects of Tenure Reform on Exit Rates for Teachers Across School Environments**



Our data do not allow us to assess whether the teachers exiting post-tenure reform were fundamentally less effective teachers. However, studies of teacher staffing suggest that positions in these lower-rated schools are relatively unattractive to experienced teachers. This

suggests that, at least in terms of the level of turnover, the tenure reform had a disproportionate impact on schools that typically face the greatest staffing challenges.

## DISCUSSION

Our estimates suggest that the tenure reform is responsible for the exit of 1,500 to 1,700 teachers in the first two years after the removal of tenure protections, a loss of 3.0 to 3.5% of Louisiana's teacher workforce. Future research is needed to estimate the long-term effects on teacher vacancies, the teaching profession, and the intended goal of school improvement through teacher quality.

These findings have a variety of fiscal and educational implications. The tenure reform created substantial churn in the Louisiana teacher workforce. Any sudden increase in teacher exit rates places a burden on school districts to fill vacancies with qualified replacements. Ideally, tenure reform would trigger the exit of less effective teachers, but that still leaves the challenge of replacement. States considering similar reforms should prepare to fill more vacant positions than usual in the initial years of implementation. Moreover, studies suggest that teacher turnover is detrimental to school culture and student performance. States should consider how reform-induced churn may impact schools and students, especially in low-performing schools where turnover effects are greatest.

“*The tenure reform created substantial churn in the Louisiana teacher workforce.*”

States considering tenure reform should also consider the fiscal costs. Studies suggest that it costs between \$4,000-18,000 to recruit, hire, and prepare a new teacher, depending on the context. Reform-induced exits may cause substantial short-term costs to hire replacement teachers.

In addition, we find that teachers who can immediately access full pension payments are more likely to exit than teachers who cannot. While retirement decisions are driven largely by the financial incentives of the retirement system and broader economic forces such as the unemployment rate, it appears the tenure policy had an additional and separate effect. State pension systems must be able to absorb a sudden increase in retirements. However, at the school district level, increased retirements could reduce pressure on school budgets if replacement teachers are less experienced and, therefore, lower paid.

The effects of tenure are obviously complex, financially and educationally. With this report, we have tried not only to document the effects in one key area—turnover—but also to provide a framework for thinking about other potential effects. Tenure clearly matters to teachers, and research clearly shows that teachers are important to students.

## How is this Research Related to Other ERA–New Orleans Studies on Teacher Policy?

Teacher employment and effectiveness are important topics in the national conversation on education policy and a primary focus of ERA–New Orleans' research. Visit our website to read about post-Katrina changes in the New Orleans teacher labor market, including the policy brief, *Significant Changes in the New Orleans Teacher Workforce* (Barrett and Harris).

Upcoming policy briefs and technical papers will address a number of questions related to teacher policy:

How are schools implementing the state teacher evaluation system that is now linked to teacher dismissals?

How are Louisiana's district and charter schools using salaries and bonuses to attract and retain talent in a context of diminished teacher employment protections?

How did New Orleans teachers respond to systemic changes in the local teacher labor market including the end of union contracts, the transition to a majority charter school district, school closures under the new accountability system, and charter school exits from the state teacher pension system?

What do New Orleans teachers think about all these policy changes? Do pre-Katrina teachers perceive a loss of job security or changes in their job satisfaction in post-Katrina New Orleans schools?

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## About the Education Research Alliance for New Orleans

The mission of the Education Research Alliance for New Orleans (ERA-New Orleans) is to produce rigorous, objective, and useful research to understand the post-Katrina school reforms and their long-term effects on all students. Based at Tulane University, ERA-New Orleans is a partnership between university-based researchers and a broad spectrum of local education groups. Our Advisory Board includes (in alphabetical order): the Louisiana Association of Educators, the Louisiana Association of Public Charter Schools, the Louisiana Federation of Teachers, the Louisiana Recovery School District, New Orleans Parents' Guide, New Schools for New Orleans, the Orleans Parish School Board, the Orleans Public Education Network, and the Urban League of Greater New Orleans. For more information, please visit the organization's website.

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**EducationResearchAllianceNOLA.org**

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### Contact Information

1555 Poydras Street  
7th Floor, Room # 701  
New Orleans, LA 70112  
(504) 274-3617  
ERANewOrleans@gmail.com

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## About the Authors

### Katharine O. Strunk

Katharine O. Strunk is an Associate Professor of Education and Policy at the University of Southern California. Her research centers on structures that are central to school district operations and policy, as well as the ways that these structures affect policymakers' decisions and outcomes.

### Nathan Barrett

Nathan Barrett is an Associate Director at the Education Research Alliance for New Orleans. Prior to joining ERA-New Orleans, he was a senior research associate at the Education Policy Initiative at the University of North Carolina-Chapel Hill. In that position, he served as one of the lead analysts in the evaluation of the Race to the Top Program in North Carolina. He holds a Ph.D. in public policy and administration from the University of Kentucky.

### Jane Arnold Lincove

Jane Arnold Lincove is an Associate Professor of Public Policy at the University of Maryland-Baltimore County and a Research Fellow at the Education Research Alliance for New Orleans at Tulane University. Her research interests include the efficiency and equity effects of market-based school reforms in the United States and developing countries.