

June 8, 2016

Honorable Tani Cantil-Sakauye
and Associate Justices
California Supreme Court
350 McAllister Street
San Francisco, California 94102

Re: *Vergara v. State of California*
California Supreme Court Case No. S234741
Amicus Curiae Letter in Support of Petition for Review
Court of Appeal opinion filed April 14, 2016

Dear Chief Justice Cantil-Sakauye and Associate Justices:

Pursuant to California Rules of Court, rule 8.500(g), I respectfully submit this letter urging the Court to grant review in the above-entitled case.

I am a Professor in the Economics Department at Stanford University and Co-Director of the Public Economics group at the National Bureau of Economic Research. I am a recipient of a MacArthur “Genius” Fellowship and the John Bates Clark medal, which the American Economic Association gives to the American economist under the age of 40 who is judged to have made the most significant contribution to economic thought and knowledge. I am a member of the American Academy of Arts and Sciences. My research combines empirical evidence and theory to help design more effective government policies concerning education, unemployment insurance, and tax policy. I am also a Principal Investigator for the Equality of Opportunity Project, which seeks to improve economic opportunities for low-income children.

At the trial before the Superior Court, I testified as an expert witness in support of the Plaintiffs.

Reasons for Granting Review

California’s teacher tenure, dismissal, and layoff statutes require that districts make tenure decisions shortly after teachers are hired, go through significant litigation to dismiss tenured teachers, and follow a strict seniority-based “last in, first out” policy when laying off teachers due to budget shortfalls. The nine schoolchildren who filed the *Vergara* lawsuit argue that these stringent job protections for teachers hurt students by preventing school districts from rewarding excellent teachers and

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retraining or replacing ineffective teachers. As a result of these laws, California does not have best teachers it could in classrooms, and California students assigned to the least effective of these teachers—most often, low-income and minority students—are falling further behind their peers.

I support the Plaintiffs in *Vergara* because I have seen the importance of effective teachers through my own research, studying teachers' effects on the lives of millions of children.¹ Effective teachers have a profound impact on students' lives, increasing their chances of attending college, the amount they will earn as adults, and even the amount they will save for retirement, while reducing their chances of having a teenage pregnancy. The delivery of public education through an effective teaching workforce is one of the few tools we have to reduce disparities in opportunity across society.

The Superior Court, which struck down the tenure laws as unconstitutional, found that these statutes undermine the goal of providing equitable, high quality education for all of our children. For example, because of the requirement that layoffs be based on seniority (rather than performance), some teachers in high-minority school districts who had won "blue ribbon" prizes for their excellence in teaching were nevertheless laid off in the face of budget cuts. Meanwhile, far less effective teachers—some of whom reduced student learning by the equivalent of missing forty percent of the school year—kept their jobs. This policy, which allows little scope for merit-based decision-making, would be unacceptable in most other parts of the American economy. Given the fundamental importance of teachers for the success of the next generation, it is difficult to argue that the principle of meritocracy should not apply to the teaching profession.

¹ See Raj Chetty, John N. Friedman & Jonah E. Rockoff, *Measuring the Impacts of Teachers I: Evaluating Bias in Teacher Value-Added Estimates* (2014) *American Economic Review* 104(9): 2593-2632; Chetty, Friedman & Rockoff, *Measuring the Impacts of Teachers II: Teacher Value-Added and Student Outcomes in Adulthood* (2014) *American Economic Review* 104(9): 2633-2679; see also Chetty, Friedman & Rockoff, *The Long-Term Impacts of Teachers: Teacher Value-Added and Student Outcomes in Adulthood*, available at http://rajchetty.com/chettyfiles/value_added.htm.

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One prominent argument in favor of the existing California statutes is that they provide job security and stable salaries for teachers. I am very sympathetic to this concern: especially in this era of growing inequality, the teachers who contribute to so many people's long-term success deserve support, professional recognition, and significantly higher levels of pay. But the interests of teachers and students should be aligned rather than in opposition. Teachers who do well in the classroom should receive the professional accolades they deserve and salaries that make teaching an attractive long-term career option. Those who perform poorly should receive additional training or be replaced. Designed appropriately, such a system could ultimately support higher salaries for teachers and increase the profession's prestige so that teaching becomes a coveted occupation that attracts the country's best talent. Unfortunately, the existing California statutes do just the opposite, pitting teachers' short-term interests in job security against the children's interests in having high-quality teaching and limiting the scope for excellent teachers to be recognized and rewarded.

In reversing the Superior Court's judgment, the Court of Appeal appears to have concluded that as a society, we have no power to reduce educational inequality. According to the court, "[a]ny system will have some teachers who are not as effective as others" (Opn., p. 35), implying that the California statutes in question play no role in amplifying educational inequity. But this reasoning misses the point entirely. Yes, there will always be a "top 5%" and "bottom 5%" of teachers in any system, but for students, it is the absolute distribution of teacher quality that matters. In a system that does everything possible to keep the best teachers and successfully retrain or removes the least effective teachers, getting a bottom-5% teacher need not result in significant harm to students because all teachers will be reasonably effective. In the current California system, however, getting an ineffective teacher can be extremely harmful, resulting in a loss of over \$50,000 in earnings on average over a child's lifetime. Make no mistake: the laws in *Vergara* are imposing irreparable harm, especially on low-income and minority children, and thereby exacerbating inequality.

Changing teacher tenure laws clearly will not eliminate socioeconomic and racial gaps in achievement by itself. Many factors—including poverty, crime, and increasing residential segregation, to name a few—contribute to educational and economic disparities. But unlike these long-entrenched societal issues, the quality of the teachers we place before students is at least partially within this Court's control. The fact that inequality has multi-faceted roots provides no excuse for the California

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education system to exacerbate achievement gaps and make life harder for low-income and minority students, rather than serving as the great equalizing force it has the potential to be.

That is why I believe California's stringent laws must be changed, and why I urge this Court to grant review.

Respectfully submitted,

By: Raj Chetty / MS
Raj Chetty

cc: See attached Proof of Service

PROOF OF SERVICE

On June 8, 2016, I served the foregoing document described as:

AMICUS CURIAE LETTER IN SUPPORT OF PETITION FOR REVIEW

to each of the persons named below at the address(es) shown, in the manner described below:

Plaintiffs-Respondents

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BY OVERNIGHT DELIVERY: I enclosed a true copy of the document in an envelope provided by an overnight delivery carrier and addressed to the persons at the addresses above. I placed the envelope for collection and overnight delivery at an office or a regularly utilized drop box of the overnight delivery carrier.

I declare under penalty of perjury that the foregoing is true and correct.
Executed on June 8, 2016.



Marguerite Skogstrom