Teacher Residency Programs in California: Financial Sustainability Challenges and Opportunities

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Overview

The California Teacher Residency Grant Program provided essential, one-time funding to jump-start new and to expand existing teacher residencies, which are pathways into the teaching profession that integrate residents’ coursework with a yearlong placement in the classroom of an expert teacher. In spring of 2021, WestEd collected data through the formative evaluation of the grant program in order to help understand the extent to which grantee programs were building toward financial sustainability within the context of their one-time funding sources. The findings outlined in this brief indicate that the financial sustainability of programs is a critical challenge to address. Now is a crucial time to support California’s residencies to engage in the intentional planning and partnership building that will ensure California’s investment pays off for years to come.

WestEd’s formative evaluation of the California Teacher Residency Grant Program and the data informing this brief

WestEd has partnered with the California Commission on Teacher Credentialing to conduct a formative evaluation of the grant program aimed at assisting residency practitioners, technical assistance providers, and policymakers to better understand and support grantee progress. Data informing this report were drawn from role-specific surveys that were taken in April and May 2021 by four key groups involved with residencies. Survey groups and response rates are as follows:

- Residents (74%)
- Mentor teachers (73%)
- Partnership team members (68%)
- Program leads (84%)

Survey data were disaggregated by race/ethnicity and credential area to understand if there were differences in how residents from different subgroups were experiencing aspects of their residency program. In some cases, data were also disaggregated according to whether the residency was an expansion of an existing program or a launch of a new program.1
**Introduction**

California faces a chronic teacher shortage that disproportionately affects students of color.

Educators and policymakers in California are faced with an ever-growing urgency to address a chronic teacher shortage, forcing many districts to meet staffing needs with substitute teachers and teachers who have not received adequate preservice preparation. Nearly half of all new credentials issued to California teachers in 2017/18 were “substandard,” meaning they were issued to candidates who had not completed the testing, coursework, and clinical practice that are required by the state for fully credentialed teachers. Recent studies have shown that underprepared teachers are less likely to stay in the teaching profession.

Schools’ increased reliance on underprepared teachers has serious equity implications for California’s students: Teachers on substandard credentials or permits are more likely to teach in schools serving a high proportion of students of color and students from low-income families. Moreover, Black and Hispanic/Latinx teachers are more likely to enter the teaching profession through these substandard preparation routes that are less supportive and are associated with greater attrition.

California has made a significant investment in teacher residencies to strengthen the state’s teaching workforce.

In 2018, California made a significant one-time investment of $75 million in teacher residencies through the California Teacher Residency Grant Program as a way to alleviate the state’s teacher shortage and ensure students in the highest need districts have access to well-prepared teachers. The 2021/22 budget act included an additional $350 million in one-time funds. These investments—the largest made by a state in teacher residencies—have the potential to generate approximately 15,000 certified teachers prepared through the residency pathway over the course of the grant. In the near term, the grant program is intended to mitigate grantee LEAs’ reliance on teachers with substandard credentials to meet hiring needs in the critical shortage areas of STEM, special education, and bilingual.

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**About the California Teacher Residency Grant Program**

California Teacher Residency Grant funding is designated to support local education agencies (LEAs, such as districts and county offices of education) in developing or expanding a teacher residency pathway with a partner institution of higher education (IHE) that has a teacher preparation program approved by the state’s Commission on Teacher Credentialing (CTC) to prepare residents pursuing special education or science, technology, engineering, and math (STEM) credentials and/or bilingual authorizations. Grants of $20,000 per resident were released to 33 LEA grantees in March 2019, funding a total of 38 LEA–IHE residency partnerships to develop or expand residencies. The grant funding will be available to grantee partnerships until June 2023, enabling approximately four cohorts of teacher residents. Grant funds are intended primarily to cover or offset costs related to teacher preparation, resident and mentor teacher stipends, and induction (i.e., support for residency completers during their first years of teaching). Grant-funded residents are expected to teach in their residency LEA for at least 4 years.
Residencies can serve as a pipeline for meeting specific LEA workforce needs with well-prepared teachers while providing future teachers with an affordable, supportive, and rigorous pathway into the profession.

Developed and operated by a partnership between an LEA and a university or college that has a state-approved teacher preparation program, a residency program can serve as a pipeline for meeting an LEA’s specific teacher workforce needs, typically defined by subject or student focus (e.g., more special education teachers). Teacher residency programs provide intensive pathways into the teaching profession that focus on rigorous “clinical preparation” whereby a resident’s credentialing coursework is integrated with a yearlong placement in the classroom of an expert mentor teacher (an accomplished teacher who provides mentorship and supports the resident to gradually assume increased responsibility in the classroom). Research suggests that teacher residencies, when implemented well, can result in positive outcomes for school partner LEAs, including better prepared teachers, increased teacher retention rates, and a ready hiring supply. Critically, residencies can also provide financially feasible pathways for teachers of color and those from low-income backgrounds to enter the profession.9

Grantee programs have made progress toward key outcomes under challenging conditions

The first round of grant funding was released to programs in spring 2019. Evidence from the formative evaluation suggests that some early progress has been made toward placing diverse, well-prepared teachers in the state’s most urgent shortage areas of STEM, special education, and bilingual education.

- **Residencies are supporting the development of a more diverse teaching workforce.** Compared to the teachers in the LEAs’ existing workforce, residents better reflect the racial and ethnic diversity of the students they serve.10
- **Residents intend to teach in their residency LEAs.** Over 90 percent of residents indicated that they were extremely likely or likely to take a job in their placement LEA after completing their program.
- **Residents, mentor teachers, and partnership team members value their residency programs.** Over 90 percent of residents, mentor teachers, and partnership team members would recommend their residency program to someone who wants to become a teacher.
- **Residents and mentor teachers highlight the importance of residencies’ rich yearlong clinical experience.** This theme remained consistent despite the challenges of abruptly shifting to virtual learning during the 2020/21 school year.

Grantee progress has taken place under tremendously challenging circumstances. The release of grant funding in spring 2019 provided a narrow window for recipients to both design their programs and recruit their first resident and mentor teacher cohorts in time for the start of the 2019/20 school year.
Soon after, the onset of the COVID-19 pandemic in March of 2020 and the subsequent shift to distance learning required programs to shift to preparing residents in a virtual context through the end of the 2019/20 academic year and the 2020/21 academic year.

Despite this abrupt pivot—over 90 percent of residents were working with their mentor teacher in an online environment in the 2020/21 academic year—the evaluation indicates that most programs were able to maintain the intensive clinical experience and mentorship that defines the residency model. In survey responses, the vast majority of residents (over 90%) indicated that the following statements were completely or largely true:

- Residents had a strong working relationship with their mentor.
- Residents received regular observations and high-quality feedback from mentors.
- Residents’ coursework was relevant to their clinical placement.

The vast majority of mentor teachers (over 90%) indicated that the following statements were completely or largely true:

- Mentors had a strong working relationship with their resident.
- Mentors had the support they needed to fulfill their role.
- Mentors would return as a mentor the following year.

Moreover, resident and mentor responses to open-ended survey prompts overwhelmingly spoke to the intensity and quality of residents’ clinical preparation and the support that residents received through the program.

“I loved being able to be in a district that I love, with a community that I am familiar with. Being in the same classroom each day from the beginning of the year to the end of the year is super helpful for aspiring teachers. I noticed that my peers that were not residents do not have the same experiences with planning, teaching, and connecting with students and staff members that I did. I was also given more responsibilities and was able to communicate with parents. I am very glad that I became a resident and that I did not take the regular path as a student teacher. The residency program gave me hope to be hired on as a teacher in a school that I am familiar with.”

- Resident

“The residency program has been a tremendous source of learning, both for my resident as well as for me. Having a resident challenges me to closely examine every aspect of my teaching/case managing/supervision practice. Additionally, it gives me the opportunity to give back to a field that I love. I am honored to be part of a program that is creating well-trained and well-rounded special education teachers, something that has been missing in our field for years. I’m proud of our district for making special education teacher training a priority.”

- Mentor teacher
Planning for future financial sustainability is essential to ensuring the success of the state investment

Residencies are differentiated from other teacher preparation pathways by an intensive, yearlong clinical experience in the classroom of an expert mentor teacher. To engage in this yearlong intensive preparation, residents are provided with financial supports, often in the form of living stipends or tuition reductions. Residency stipends for living expenses are typically the largest line item in residency program budgets. These financial supports lower financial barriers to quality preparation and make strong teaching preparation pathways more accessible to future teachers from underrepresented or low-income backgrounds.

Not surprisingly, the upfront resources to design and launch residency partnerships and provide early cohorts of residents with adequate financial support can be substantial. Grant and philanthropic funding can play a critical role in this early phase. Over time, however, LEAs and their IHE partners need to share the responsibility for resident financial supports and operational costs in exchange for the value that high-quality residencies provide to the LEA: recruiting, training, onboarding, and retaining well-prepared teachers in high-need credential areas.

The following sections detail financial sustainability challenges surfacing in grant-funded residency programs.

Challenge 1: A majority of residents report experiencing financial hardships during their residency year, and residents of color are disproportionately impacted.

Financial supports are a central component of the residency model, enabling residents to support themselves during a year of intensive clinical placement and coursework. The financial supports provided through the residency model are particularly important for recruiting and supporting future teachers of color, who are disproportionately impacted by student loan debt and the financial barriers posed by a year of full-time clinical preparation.

Survey responses indicate that many residents are experiencing financial challenges during their residency year. Over half of residents experienced an inability to pay bills or school-related expenses at least occasionally. Nearly 30 percent of residents had experienced food or housing insecurity (Exhibit 1). Moreover, a quarter of residents did not have, or were not sure if they had, access to adequate health insurance, and only 6 of 26 program leads reported that residents were provided with medical or dental benefits through participation in the program.
### Exhibit 1. Resident Experiences of Financial Hardship

<table>
<thead>
<tr>
<th>Hardship</th>
<th>Constantly</th>
<th>Frequently</th>
<th>Sometimes</th>
<th>Occasionally</th>
<th>Never</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food insecurity (n=288)</td>
<td>2%</td>
<td>14%</td>
<td>8%</td>
<td>72%</td>
<td></td>
</tr>
<tr>
<td>Housing insecurity (n=289)</td>
<td>3%</td>
<td>10%</td>
<td>10%</td>
<td>72%</td>
<td></td>
</tr>
<tr>
<td>An inability to pay bills (n=288)</td>
<td>6%</td>
<td>9%</td>
<td>18%</td>
<td>20%</td>
<td>47%</td>
</tr>
<tr>
<td>Inability to pay school expenses (n=287)</td>
<td>4%</td>
<td>10%</td>
<td>21%</td>
<td>18%</td>
<td>47%</td>
</tr>
</tbody>
</table>

Source: Spring 2021 Resident Survey  
Note: Percentages have been rounded and may not total 100.

These financial hardships appeared to disproportionately impact residents of color, who were more likely to have experienced food insecurity, housing insecurity, and an inability to pay bills and school expenses, as compared to White residents. Among African American residents specifically, three quarters reported difficulty in paying for school expenses, and over 90 percent reported difficulty paying bills. Residents of color were also less likely to have access to health insurance, compared to White residents. Furthermore, residents of color were less likely to say that scholarships, fellowships, or grants helped pay tuition and living costs, raising questions about equitable access to and awareness of financial aid opportunities available to residents.

The portion of residents experiencing financial hardship and the disproportionate impact that this hardship appears to have on residents of color may endanger a key aim of the grant program: to recruit, support, and retain teachers of color and teachers from local communities. In fact, financial barriers were the biggest challenges to recruiting residents, with half of partnership team members (51%) indicating financial barriers as a recruitment challenge.
Challenge 2: Most residency programs are offering district-based employment opportunities to residents (such as having them serve as substitute teachers, paraprofessionals, or tutors), but fewer than half of residents are participating in these opportunities.

Reallocating existing district roles such as substitute teaching and paraprofessional positions to residents can be a cost-neutral way to fulfill LEA needs while providing residents with income and relevant classroom experience.¹⁵

The vast majority of residency programs (85%) report offering district-based employment opportunities to some or all residents.¹⁶ However, fewer than half of residents (37%) reported participating in these opportunities.

Lack of time and inconvenient schedules appear to be barriers to residents’ uptake of district-based employment. For the residents who were offered but did not take up district-based employment, the top two reasons provided were “not enough time” (40% of residents) and “the schedule didn’t work for me” (25% of residents). Moreover, the minority of residents who were engaging in substitute teaching were likely not subbing enough to generate significant income. Although nearly a quarter of residents reported substitute teaching during their residency year, most of these residents were working fewer than 5 hours per week.

Challenge 3: Most programs are not yet broadening their funding sources and strategies to enable financial sustainability beyond the grant program.

Sustainable residency programs shift reliance away from grant and philanthropic support by developing ongoing alternate funding streams, sharing costs with partners, and reducing costs within their programs. These strategies allow programs to provide financial support to residents, lower the cost of residency participation, and cover operational costs.¹⁷ When an LEA is fully invested in a residency partnership, cost sharing with the LEA and other partners is feasible because residencies can ultimately lower LEA costs overall by recruiting, training, onboarding, and retaining well-prepared teachers in high-need credential areas.¹⁸

There appears to be a gap between the state/federal funding sources that are available to support residency programs and program uptake of these funding sources. Several key potential funding sources and strategies—for example, federal Title I or Title II funds or other federal grants (which could potentially be strategically “braided” together to support residencies)—did not factor into most program leads’ thinking regarding their program models (Exhibit 2).¹⁹ Further inquiry could explore the barriers that programs face in accessing these funding sources (for example, whether the lack of uptake is due to limited awareness of these opportunities or, by contrast, programs need additional capacity to explore and secure funds).

Similarly, a minority of program leads reported that their program used or was considering using IHE-focused strategies aimed at reducing residency program costs (Exhibit 3).
### Exhibit 2. Residencies’ Current and Planned Funding Sources

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>We are currently using this funding source</th>
<th>We are making plans to use this funding source in the future</th>
<th>We are not considering this funding source/this funding source does not seem feasible</th>
<th>I’m not sure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discretionary school or district funds</td>
<td>52%</td>
<td>4%</td>
<td>17%</td>
<td>26%</td>
</tr>
<tr>
<td>ESSA Title II funds</td>
<td>26%</td>
<td>9%</td>
<td>30%</td>
<td>35%</td>
</tr>
<tr>
<td>Philanthropic/Foundation support</td>
<td>22%</td>
<td>9%</td>
<td>48%</td>
<td>22%</td>
</tr>
<tr>
<td>Federal grants (e.g., TQP, SEED, TSL)</td>
<td>18%</td>
<td>41%</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>Local resources (advocacy groups, community organizations, teachers’ associations, businesses)</td>
<td>9%</td>
<td>50%</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>ESSA Title I funds</td>
<td>5%</td>
<td>5%</td>
<td>55%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Source: Spring 2021 Partnership Lead Survey  
Note: Percentages have been rounded and may not total 100.

### Exhibit 3. Residencies’ Use of IHE-Focused Strategies to Reduce Costs

| Strategy                                                                 | We are currently using this strategy | We are making plans to use this strategy in the future | We are not considering this strategy/this strategy does not seem feasible | I’m not sure |
|--------------------------------------------------------------------------|---------------------------------------|--------------------------------------------------------|Adam                                                  |--------------|
| Providing residency-specific financial aid packages or tuition reduction | 26%                                   | 9%                                                     | 26%                                                   | 39%          |
| Condensing or redesigning coursework to reduce the total time and cost of the program | 22%                                   | 13%                                                    | 26%                                                   | 39%          |
| Planning recruitment cycles so residents can meet financial aid deadlines | 17%                                   | 22%                                                    | 9%                                                    | 52%          |
| Working with the IHE to provide work-study jobs that integrate with the residency experience | 4%                                   | 9%                                                     | 57%                                                   | 30%          |

Source: Spring 2021 Partnership Lead Survey  
Note: Percentages have been rounded and may not total 100.
Challenge 4: Many programs could strengthen their partnerships with partner LEAs and build their internal capacity to support sustainability.

Although broadening residency funding strategies beyond the grant is feasible and will likely be necessary moving forward, residencies must engage in intensive collaboration with LEA and IHE partners to position themselves to take advantage of long-term funding sources. Survey data suggest that many residencies are still working to build the partnerships, relationships, and LEA vision that will enable programs to take advantage of these longer term funding sources.

Half of residency program leads indicated that they faced challenges placing residents in LEA teaching jobs upon completion of the program. Most leads reported that challenges were due to issues matching open positions with residents’ credentials, suggesting a possible need for greater alignment between residency recruitment efforts and the strategic hiring needs of the LEA or between the residency program and LEA hiring processes. (However, several program leads noted that COVID-influenced layoffs and uncertainty had contributed to these challenges.) The evaluation will track employment data as it is available to understand how these leading indicators map to actual resident hiring.

At the same time, almost half of program leads (46%) indicated that their program could play a more important role in the LEA’s strategy for meeting hiring needs in high-need schools, and around a quarter of leads (23%) indicated that principals in their LEA could be more aware of how to hire residents from the program (Exhibits 4 and 5). One lead wrote, “I think there is always a challenge to keep residency in the spotlight. We need to keep all stakeholders updated on the state of the residency program and the importance for keeping it relevant.”

EXHIBIT 4. RESIDENCY ROLE IN DISTRICT STRATEGY

[Lead] This residency program plays an important role in the district’s/LEA’s strategy for meeting hiring needs in high-need schools. (n=26)

Source: Spring 2021 Partnership Lead Survey
Note: Percentages have been rounded and may not total 100.
Finally, data suggest that some programs may lack the administrative capacity to sustain and scale their residencies. Forty percent of partnership team members indicated that their program could have allocated more resources to support the administrative costs of running the residency program, and 36 percent of partnership team members indicated challenges balancing residency work with their other responsibilities.

Administrative resources allow programs to engage LEA and IHE partners, pursue publicity and recruitment efforts, and collaborate across the partnership to align the residency with LEA strategy. One partnership team member noted how a lack of administrative capacity complicated efforts to expand the program, describing a “Catch 22” scenario: “[B]ecause the program is small, dedicated staff is not possible. But because we don’t have dedicated staff, no one is charged to grow the program.” Another program lead shared, “One of the simplest—but hardest—components of successfully starting our residencies has been having a team that is super consistent and present, ideally having PAID and protected time to work together through the year as part of their job descriptions/roles.”

Even under ideal circumstances, it takes substantial time and up-front resources to build partnerships, align residency and LEA

Source: Spring 2021 Partnership Lead Survey
Note: Percentages have been rounded and may not total 100.
strategies, establish relationships, and spread awareness of residency programs. Given the short lead time that programs had to design, recruit for, and establish their programs, as well as the complications that COVID presented as residencies scrambled to adapt to a distance context throughout the grant’s second year, it is understandable that many programs likely have room to strengthen their partnerships and internal capacity.

**Recommendations to support sustainable and affordable residency programs**

Many of the challenges surfaced in this brief speak to the barriers that new and scaling residencies will almost inevitably have to navigate as they design programs, establish partnerships, and integrate the residency into their LEA’s staffing and instructional improvement strategies. Grantee programs’ launch years were complicated by unique contextual factors, including the short time frame that programs had for designing and launching often brand-new residencies, as well as the onset of the COVID-19 pandemic in the first full year of program implementation. Additionally, the grant’s authorizing legislation limited the amount of grant funding that programs could allocate toward residency administrative costs. This funding limitation necessitated that programs enlist additional LEA resources to support staffing to engage in partnership building, coordination, and outreach—work that may have been challenging for new partnerships.21

The current year, 2022, offers a prime opportunity to support residencies in building the partnerships and internal capacity that will enable both affordability for candidates from diverse backgrounds and program sustainability beyond the grant. LEAs are learning to adapt to the COVID context, the first cohort of funded programs is entering its third year of grant funding, and the grant is expanding significantly through new funding, including the availability of $25 million in capacity-building grants to support new and existing residencies to lay the foundations for strong and sustainable partnerships.

In response to findings surfacing in the formative evaluation, WestEd’s evaluation team generated the following recommendations for state leadership and policymakers.

**Policy recommendations**

State leadership should consider working toward the following actions:

- **Build a statewide vision, framework, and coherent support system for residencies that prioritizes sustainability.** Grantmaking, grant requirements, guidance, data collection efforts, and technical assistance should align to this vision and framework.

- **Provide residencies with ongoing guidance and technical assistance on how to make use of nongrant funding sources and existing resources to sustain programs beyond the grant and to support affordability for candidates.** Attend to the internal cultural and operational shifts within partnerships that enable this strategic rethinking of resources. Balance coherent guidance and a consistent vision for teacher residency program sustainability with technical assistance that meets the needs of individual residency programs in different contexts and at different stages of development.
· Provide clear guidance on federal and state financial aid that is available to residents (e.g., federal TEACH grants, federal Teacher Loan Forgiveness, Golden State Teacher Grants, Cal Grants) and on how to support residents to access this aid. Make this information accessible and streamline the process for accessing funds.

Programmatic recommendations

State leadership should create incentives, formulate policies, and support systems that encourage residencies to do the following:

· **Align the residency program with the strategic vision and goals of the LEA partner from the start.** Articulate how the residency will support a diverse teacher pipeline and quality instruction both in the short term and in the long term as residency programs scale.

· **Engage the right system-level leaders at the outset.** These leaders can help set vision and direction, make connections across key partners and colleagues, and collaborate to leverage LEA resources to support sustainability and affordability. Consider representation from human resources, instruction, and business divisions; union leadership; and principals from priority resident placement or hiring sites.

· **Incorporate dedicated support roles responsible for sustainability planning and relationship building.** The logistics of setting up and running a residency program leave little bandwidth for sustainability planning if these dedicated roles do not exist. “Liaison roles” can be responsible for learning about and bridging the organizational structures and priorities of those whose engagement is critical for building program sustainability both within and across the LEA and IHE partners.

· **Prioritize affordability for residents from diverse backgrounds and income levels, with a focus on residents of color and residents from local communities.** Undertake an affordability analysis to gain a clear picture of the gap between the financial supports that residents receive through participation in the program and the costs they incur. Identify immediate opportunities to reduce this gap in the short term (e.g., assistance applying for state and federal grants) and begin exploring strategies that require more collaboration and planning across LEA, IHE, and community partnerships (e.g., innovative staffing models).
Endnotes

1. For additional background on the WestEd evaluation, please see the two evaluation briefs: California Teacher Residency Program Formative Evaluation Overview (WestEd, 2020) and Early Learning from the Formative Evaluation of California’s Teacher Residency Program (White et al., 2020).

2. Substandard credentials and permits include intern credentials, emergency permits, and waivers. By law, districts are authorized to hire a teacher on a substandard credential or permit only when a fully credentialed teacher is not available. See the CTC’s “Teacher Supply: Interns, Permits and Waivers” dashboard for information on intern credentials, permits, and waivers issued in the last 5 years: https://www.ctc.ca.gov/commission/reports/data/edu-supl-jpw.


6. La Torre, D., Leon, S., Ong, C., Solan, T., & Smith, T. (2021). Diversifying California’s teaching force: How teachers enter the classroom, who they serve, and if they stay. CTERIN.

7. Initial grant funding included $75 million. The 2019/20 budget act swept away $25 million in unspent funds, reducing funds to $50 million. The 2020/21 budget act included an additional $350 million in one-time funds, expanding the focus of the grant to include kindergarten and transitional kindergarten and efforts to build a diverse teacher workforce. The data in this brief focus on programs that were recipients of the initial grant funding.

8. The vast majority of the grants went to support new residencies. Of the 38 partnerships in 2019/20, 33 were “launch” programs—that is, they were either a completely new partnership or an existing partnership launching a new residency program for a new credential or authorization area. The remaining 5 partnerships were “expansion” programs, which were expanding an existing residency program.


10. Publicly available data downloaded from the California Department of Education’s website were used to compare demographic characteristics of resident survey respondents with those of grantee LEA students and teachers.


Of the four programs not offering district-based employment, three selected “Residents are already too overloaded with coursework and their clinical placements to participate in these opportunities” as the reason why, and one wrote in “We do not believe that beginning teachers should be doing this work; we are protective of their (short) time as true learners and apprentices and the importance of mentoring and deliberate practice.”


Surveys were administered in April–May 2021, before communications around ESSER funds were widely disseminated.


Per authorizing legislation, the California Teacher Residency Grant capped grant funding allocated toward administrative costs at 5 percent. New legislation has broadened the allowable uses of grant funds to support residency program staff costs.