

Major changes continue

California educates more than six million children in its K–12 public schools. More than half are economically disadvantaged and almost a quarter are not native English speakers, compared with less than one in 10 nationwide. California is taking steps to address these challenges. The 2015–16 state budget registered the largest per pupil spending increase in many years. In addition, California is in its third year of implementing a simplified school finance system, known as the Local Control Funding Formula (LCFF), providing long-term funding increases for districts with higher shares of low-income, English Learner, and foster youth students.

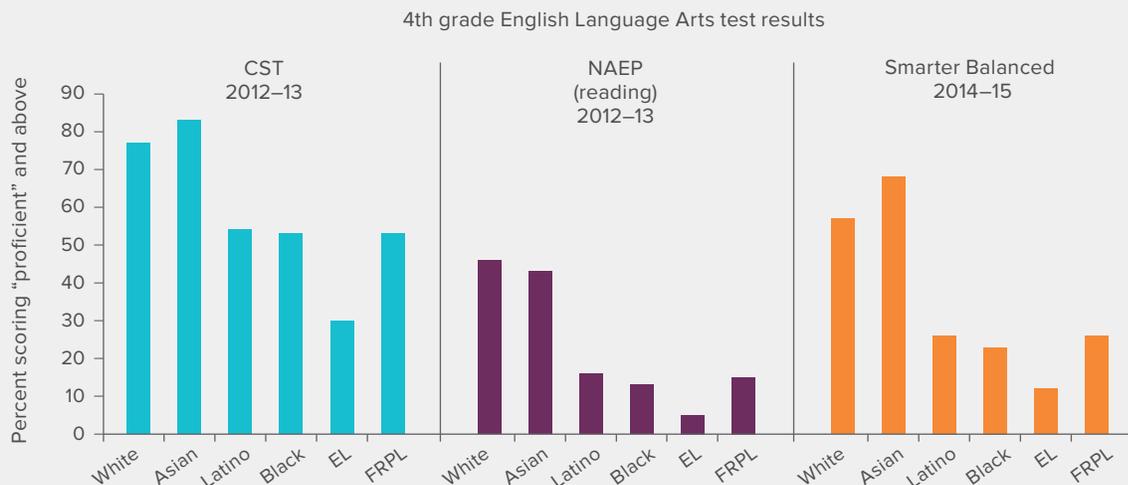
In the 2014–15 school year, the Common Core State Standards—adopted across 43 states and the District of Columbia—replaced California’s previous standards in mathematics and English. The 2014–15 school year also marked the first statewide administration of new standardized tests. As educational reforms take hold, California school districts face fundamental changes in the ways that K–12 education is delivered, assessed, and funded.

New state tests show lower proficiency levels and ongoing achievement gaps

- **Proficiency levels are lower under the new test.**

The new test of state standards, called the Smarter Balanced assessments, shows that the share of students scoring at least proficient is lower than on the previous statewide test—known as the California Standards Test (CST). Some good news is that the Smarter Balanced reading scores are higher than California students’ reading scores on the National Assessment of Educational Progress (NAEP), an assessment California students have found difficult for years. In 2012–13, the last year that students took the CST, 67 percent of 4th graders scored proficient or higher, while the same is true for only 40 percent of 4th graders taking the Smarter Balanced test. The April 2015 PPIC Statewide Survey on education found that most public school parents expected students to score at least as well on the new tests. But educators did not expect students to do as well for several reasons: new Common Core State Standards are more demanding than California’s old standards, schools are in the early years of shifting to these standards, and proficiency is measured differently on the new Smarter Balanced assessments than on the old CST.

ENGLISH LANGUAGE ARTS SCORES ARE LOWER ON NEW STATEWIDE TESTS



SOURCES: 2012–13 California Standards Test, 2012–13 National Assessment of Educational Progress, and 2014–15 Smarter Balanced assessments.

NOTES: NAEP is given to a representative sample of California students. EL refers to English Learner students; FRPL refers to students who qualify for free or reduced price meals.

- **Achievement gaps persist.**

From 2003 to 2013, California students registered significant progress on state standardized tests in all subjects, yet achievement gaps between socioeconomic and demographic groups did not close. Results from the first round of Smarter Balanced testing indicate that these gaps persist. In fact, gaps for English Learner and economically disadvantaged students widened. This was not surprising in the first year of the new assessment. Future assessments will show whether all students are making progress.

Reforms create new challenges

- **California's Common Core implementation continues.**

The Common Core standards reduce the number of topics taught in each grade, emphasizing conceptual understanding and real-world problem solving. Implementation requires significant changes in curriculum content and teaching methods. State Board of Education president Michael Kirst suggests that full implementation won't be completed until 2018. PPIC's 2015 education survey found that 47 percent of all Californians and 57 percent of public school parents support the new standards, and backing remains stronger here than in the rest of the nation. But support fell significantly from PPIC's 2014 education survey, in which 69 percent of Californians polled supported the standards.

- **District improvement plans show promise, but some come up short.**

Districts submitted Local Control and Accountability Plans (LCAPs) in July 2014 and updated them a year later. LCAPs describe how districts propose to use LCFF funds in eight priority areas, including student achievement, graduation rates, and student engagement. Many districts have created thoughtful plans, but some are deficient in strategic planning, data-driven decision making, and parent and public involvement. The state's system for helping districts is still unfolding. Evaluation rubrics that establish standards for school and district performance are scheduled for completion by fall 2016. The state has also formed the California Collaborative for Educational Excellence, which will work with districts and county offices of education to improve the quality of local programs.

The fiscal picture has improved, but more work must be done

- **The LCFF addresses long-standing inadequacies in the school finance system.**

California's school finance system had been criticized as inequitable, inadequate, and overly complex. The LCFF dramatically increases state investment in districts with large numbers of disadvantaged students and increases fairness, transparency, and simplicity. It provides base funding for general purposes, supplemental funding for disadvantaged students, and even more funding for districts in which more than 55 percent of students are disadvantaged. The LCFF also simplifies the system by consolidating most prior categorical programs (those targeted to specific student populations or educational programs).

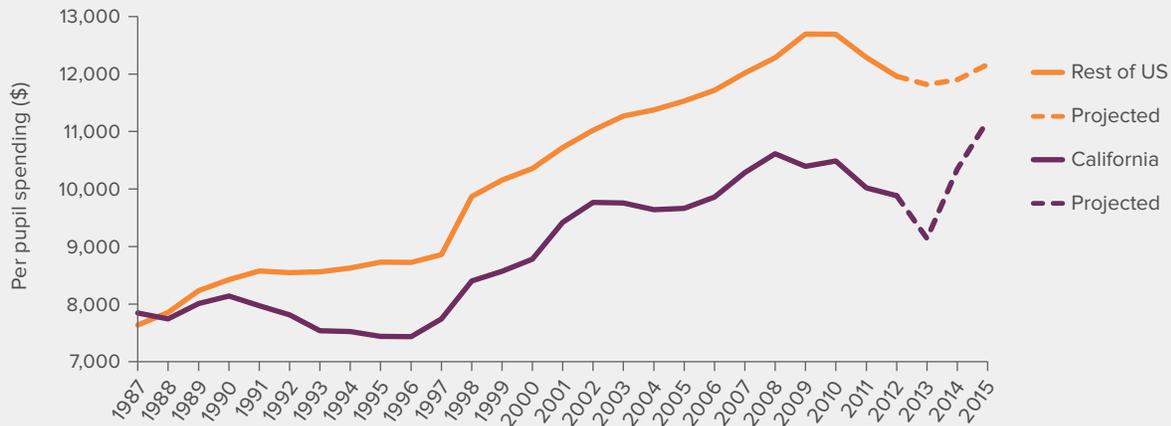
- **LCFF funding is ahead of schedule.**

The LCFF was originally expected to take until 2020–21 to fully fund district allocations. The plan is far ahead of schedule because California's fast economic rebound has generated large tax revenue increases. Since 2013–14, almost \$11 billion has been added to the LCFF, leaving only a \$5.5 billion gap to fully fund it. In 2015–16, LCFF funding levels increased 14 percent, or \$6 billion.

- **The LCFF does not address funding adequacy.**

California has long spent less per pupil than other states, and education funding cuts were steeper here during the recession. Funding is back to prerecession levels, but several studies of prerecession funding concluded that it was not high enough to prepare all students to meet the state's educational standards. Proposition 30 imposed temporary tax increases for education, but these begin to expire in 2016. School advocates hope to extend them or find new revenue sources. Districts and local communities increasingly are looking at discretionary funding sources, including parcel taxes and voluntary contributions, but these are a small fraction of districts' resources. However, most districts that use discretionary funding sources are relatively affluent. According to PPIC's 2015 education survey, insufficient funding is the most important issue facing the state's public schools, and a growing majority of Californians say the current funding level is not enough.

CALIFORNIA'S FUNDING LEVELS ARE CATCHING UP



SOURCES: National Center for Education Statistics; National Education Association.

NOTES: Inflation-adjusted spending in 2015 dollars, not adjusted for cost differences across states. The dashed lines represent National Education Association estimated spending since government data are not available. From 1986–87 through 1996–97, per pupil spending is total current expenditures divided by total students. After 1996–97, per pupil spending is total current expenditures divided by average daily attendance.

Looking ahead

To support the state's economy and to ensure that California's children are equipped to succeed in the 21st century, policymakers should take steps to help public schools build on recent gains.

- Align the state's K–12 accountability program with the LCFF.**
 The State Board of Education has indicated that the current performance measure, the Academic Performance Index, should be replaced with multiple indicators of school and student outcomes incorporated into district LCAPs. It is a challenge to develop statistically sound measures and apply them consistently across districts. Teachers and administrators are likely to need technical assistance in using performance data to promote better educational practices.
- Ensure that LCFF funds improve results for English Learners and economically disadvantaged students.**
 LCAPs are intended to focus district efforts on key groups, including English Learners and economically disadvantaged students. However, it is hard to track district and school spending on these students. Support for high-needs students in relatively low-needs districts may be a particular problem. PPIC's 2015 education survey found that 56 percent of Californians believe school districts will spend LCFF dollars wisely.
- Evaluate the implications of any changes to teacher tenure laws.**
 Research shows that high-quality teachers are a critical factor in student success, and policy changes that address inequities in the distribution of talented teachers could help districts improve the quality of education for low-income students. A state superior court recently found five provisions of the California education code, including laws regarding teacher tenure, seniority, and dismissal, to be unconstitutional. This ruling has the potential to radically change how teachers are hired, retained, and fired. The Brown administration has filed an appeal and teachers unions have joined in. Efforts to change policies on teacher hiring, firing, and evaluation stalled in the 2015 legislative session but could be reintroduced depending on the outcome of the appeal in this case.
- Provide all California children with a high-quality preschool education.**
 The 2015–16 budget includes \$2.8 billion for child care and preschool programs, up \$423 million from the previous fiscal year. About a quarter of low-income four-year-olds will attend preschool in California. The funding increase is a strong step forward, but per pupil spending remains low and program quality varies. The state recently got a federal grant to establish a ranking system that rates the quality of early childhood programs. California should further expand preschool education access and boost program quality to prepare all the state's children for kindergarten.

- **Upgrade the state’s educational data system and use the information to improve local programs.**
 Across the country, data systems are playing a growing role in K–12 planning and management. Some states use K–12 data systems to provide schools with multiyear perspectives on the progress of individual students. Other states link K–12 and higher education systems to help students make the transition from high school to college. California has made considerable progress in building its educational data system and has collected large amounts of data. Unfortunately, the system is unfinished and there are no plans to complete it. Furthermore, educators do not have access to most of the data, and K–12 and higher education information are not linked. By connecting these systems and developing reports for local educators, the state could generate a better return on its public education investments.

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