

California aims to increase support and accountability

California educates more than 6 million children in its K–12 public schools. More than half are economically disadvantaged. Almost a quarter are English Learners, compared with fewer than one in ten 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 fourth year of implementing a simplified school finance system, known as the Local Control Funding Formula (LCFF), which provides long-term funding increases for districts with higher shares of low-income, English Learner, and foster youth students.

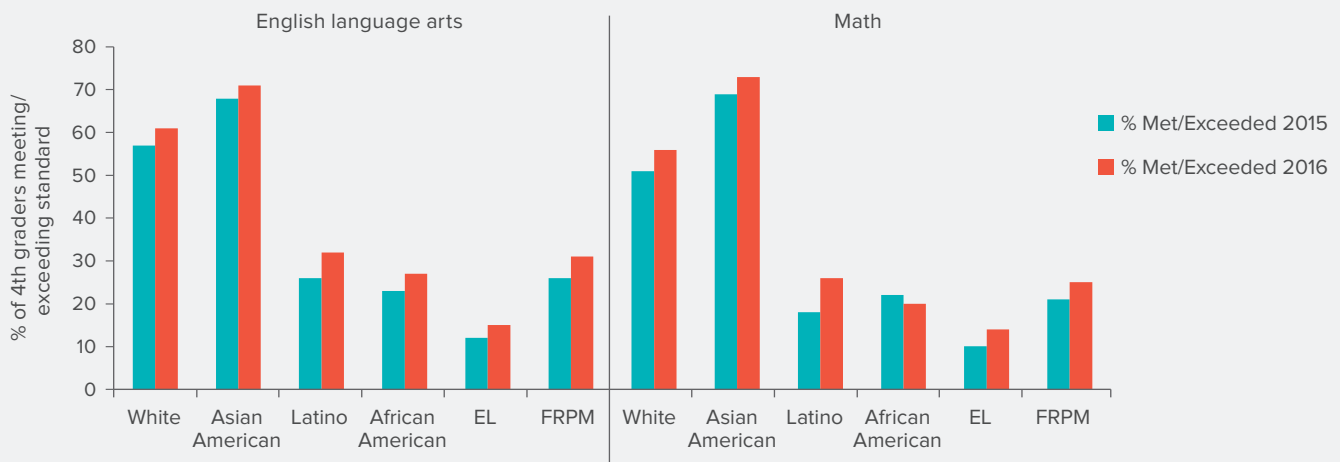
The federal government’s newly reauthorized education law, the Every Student Succeeds Act, also stresses the themes of accountability and support. This law maintains the prior testing requirements but allows states to develop their own accountability measures. In addition, the law no longer requires specific corrective actions for schools and districts that do not make sufficient progress. Instead, states must identify and assist the lowest-performing schools based on the state’s accountability measure.

New state tests show some growth and ongoing achievement gaps

- **Student performance on state tests has improved slightly.**

Last year, California’s new standardized tests, called the Smarter Balanced assessments, showed most students failed to meet new state standards—a widely anticipated outcome. In 2015–16, the second year of testing, the share of students meeting or exceeding the standards grew for most student groups and grade levels, especially in English language arts. In English, the lowest-performing student groups in 2014–15 showed the most gains in 2015–16. In math, improvements were more modest. For example, among 4th graders, nearly all student groups, with the exception of African American students, showed gains in meeting the math standards. But when comparing math scores in 5th grade to 4th-grade scores from the previous year (not shown), only Latino students showed gains. White, Asian American, African American, English Learner, and economically disadvantaged students were all less likely to meet the 5th-grade math standards than the 4th-grade math standards in the previous year.

MORE 4TH-GRADERS MET ENGLISH AND MATH STANDARDS IN THE SECOND YEAR OF NEW STATE TESTS



SOURCE: 2014–15 and 2015–16 Smarter Balanced assessments.

NOTES: EL refers to English Learner students; FRPM 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 two rounds of Smarter Balanced testing indicate that these gaps persist. However, compared to the first year of testing, gaps for English Learner and economically disadvantaged students narrowed slightly in English, but not in math.

Reforms create new challenges

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

Gains in test scores suggest that teachers and students are making progress adjusting to the Common Core standards. The April 2016 PPIC Statewide Survey on education found that 43 percent of all Californians and 51 percent of public school parents support the new standards, and backing remains stronger here than in the rest of the nation. But support has fallen substantially since PPIC's 2014 education survey when 69 percent of Californians polled supported the standards. Despite a drop in support, less than 1 percent of eligible students did not participate in testing due to parental exemption.

- **Local implementation of LCFF is uneven.**

Under the LCFF, districts submit Local Control and Accountability Plans (LCAPs) to county offices of education for approval. LCAPs describe how districts propose to use LCFF funds to improve performance in eight priority areas, including student achievement, graduation rates, and student engagement. Many districts and county offices are taking this opportunity to respond to the challenges inhibiting student progress. But some districts struggle with strategic planning, data-driven decision making, and parent and public involvement. In other cases, districts and county offices are merely doing the minimum to comply with state requirements. In fall 2016, the state completed implementation of the performance accountability portions of the LCAP, including new evaluation rubrics that will illuminate district strengths and weaknesses.

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

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

The LCFF dramatically increases state investment in districts with large numbers of disadvantaged students and increases equity, 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), with the notable exception of special education.

- **Special education poses unique funding challenges.**

A recent special education task force called for integrating special and general education as a way to serve students more effectively. However, the separate funding and administrative structure of the special education program poses challenges for seamless integration of students with and without disabilities. Providing special education funding directly to districts could give districts more flexibility and control, potentially allowing for more innovations like early special education and preventative services. Accountability could also improve if districts are funded directly and students with disabilities are included in districts' LCAPs.

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

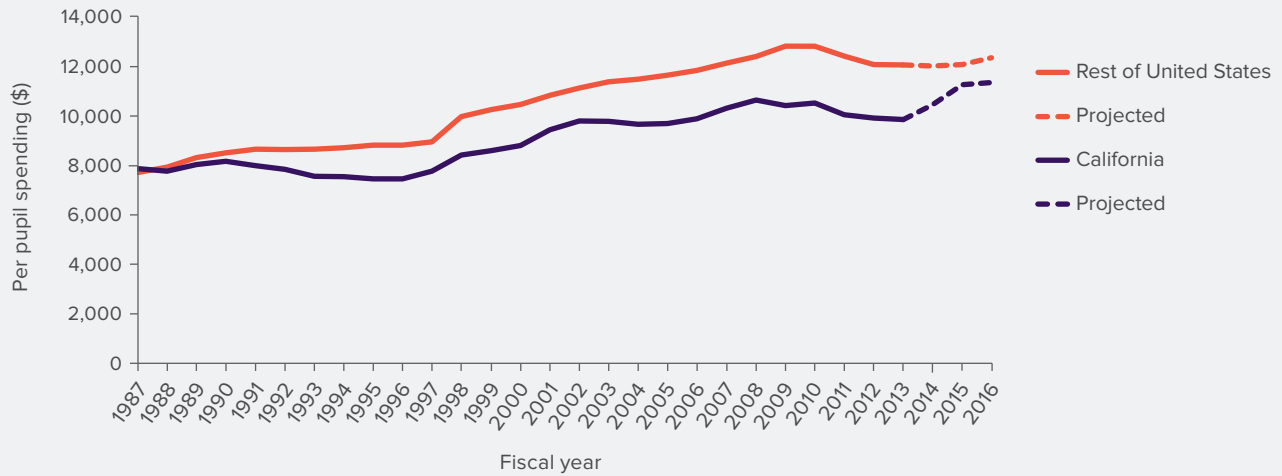
The LCFF was originally expected to take until 2020–21 to fully fund district allocations. The plan is far ahead of schedule because California's fast economic rebound has generated large tax-revenue increases. Since 2013–14, \$12.8 billion has been added to the LCFF, leaving only a \$2.7 billion gap to fully fund it. In 2016–17, LCFF funding levels increased by 5 percent, or \$2.9 billion.

- **Funding has increased but may still be inadequate.**

California has long spent less per pupil than other states, and education funding cuts were steeper here during the recession. Though funding has recovered and now exceeds prerecession levels, several studies concluded that prerecession funding was not high enough to prepare all students to meet the state's educational standards. Current levels may still fall short. The California Supreme Court recently ruled that there is no constitutional guarantee of

“adequate” school funding levels, frustrating education groups. According to PPIC’s 2016 education survey, insufficient funding is the most important issue facing the state’s public schools, and a solid majority (61%) of Californians say the current funding level is not enough.

CALIFORNIA’S FUNDING LEVELS HAVE IMPROVED BUT MAY STILL BE INADEQUATE



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 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 state and federal accountability. The State Board of Education is replacing its previous accountability measure, the Academic Performance Index, with multiple indicators of school and student outcomes that are used in district LCAPs. The new system would include test scores, English Learner proficiency, graduation rates, student suspension rates, and a measure of college and career readiness. However, this approach conflicts with federal regulations that require states to combine indicators into a single index that can be used to identify the lowest-performing schools. The state prefers a system that would include schools that perform poorly on several indicators rather than an index.

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. In particular, support for high-needs students in relatively low-needs districts may be a problem. PPIC’s 2016 education survey found that 65 percent of Californians believe school districts will spend LCFF dollars on these students.

Assess whether reforms succeed in improving students’ college and career readiness. The State Board of Education recently adopted a preliminary college and career readiness indicator, which includes performance in the college preparatory courses (also called a–g courses) required for admission to the University of California and California State University, Advanced Placement exams, International Baccalaureate exams, and dual enrollment in high school and college, among other factors. Additional policies focus on improving college and career readiness by expanding access. The Mathematics Placement Act seeks to help all students, particularly those from underrepresented groups, reach advanced math courses by requiring that districts adopt a fair, transparent, and objective math placement policy for students entering 9th grade. In addition, several major urban districts have made a–g course completion a graduation requirement.

Upgrade the state's educational data system and use the information to improve local programs. 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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