

CALIFORNIA'S PUBLIC SCHOOL SYSTEM IS UNDERGOING MAJOR CHANGES

California educates more than six million children in its K–12 public schools. More than half of these children are economically disadvantaged, and almost a quarter are not native English speakers (compared to less than one in ten nationwide). California is working to address these challenges, in part by adopting a new, simplified school finance system, known as the Local Control Funding Formula (LCFF). This system will provide long-term funding increases for districts with more low-income, English Learner, and foster youth students.

Along with allowing greater spending discretion, LCFF also tries to strengthen local accountability for a wide range of school and student outcomes by requiring districts to develop their own strategic plans. Working with parents and other community groups, districts must describe what they hope to achieve over the next three years and how they propose to achieve it.

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

REFORMS CREATE NEW CHALLENGES

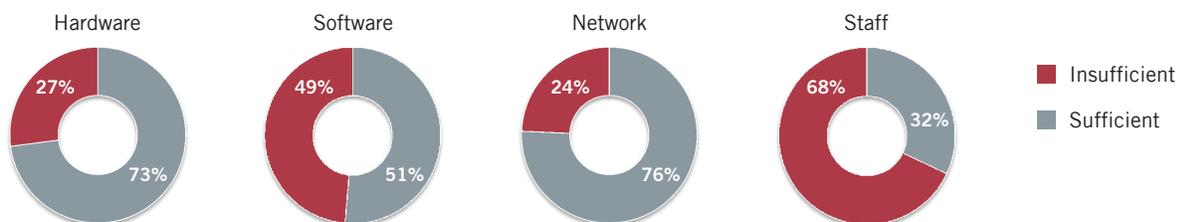
- **California's transition to Common Core will continue well past 2014–15.**

The Common Core standards reduce the number of topics taught in each grade, emphasizing conceptual understanding and real-world problem solving. Some districts have been working with Common Core over the past several years, but implementation has been slow in many places. Local efforts have focused on teacher training and curriculum development, and research suggests that the challenge of teaching Common Core may require several years to address. Still, 69 percent of Californians support the new standards, according to the PPIC Statewide Survey (April 2014).

- **New, computer-based testing faces critical hurdles.**

The state's new standardized tests, known as the Smarter Balanced assessments, will be administered fully online. Many observers have voiced concerns about the technological ability of many schools to handle this large new task. While most school districts have sufficient equipment and bandwidth, majorities have had trouble with software and with training of instructional and technology staff. Technology upgrades—particularly for very small and very large schools—are likely to be costly.

ONLINE TESTING WILL CHALLENGE DISTRICT CAPACITY



SOURCE: 2014 California Assessment of Student Performance and Progress Survey, California Educational Technology Professionals Association.

NOTES: The survey sample includes 362 school districts. "Staff" includes both the number of staff needed to supply technical support and the quantity and quality of training for instructional staff, support staff, and assessment technicians.

- **School districts have developed their own local accountability plans.**

Districts submitted their first plans, known as Local Control and Accountability Plans (LCAPs), in July 2014. LCAPs describe how districts propose to use LCFF funds to make progress on state academic goals in areas such as student achievement, graduation rates, and student engagement. These plans offer significant promise because they create a process to identify district weaknesses and supply educators with the training and tools they need to address them. To realize that promise, though, the state needs to recognize the immediate need for technical assistance of districts and county offices of education.

STUDENT ACHIEVEMENT HAS BEEN IMPROVING, BUT ...

- **The switch to Common Core may affect test scores.**

California's students have made significant progress on state standardized tests in all subjects since 2003. However, California students have not shown similar levels of improvement on national standardized tests. California scores on these tests suggest that students will score much lower on the new Common Core-related tests than on the state's old standardized tests—and that California should expect to see a much smaller proportion of students reaching the proficient level. Other states that have aligned their tests with Common Core, such as New York and Kentucky, have experienced significant declines in student scores.

- **Achievement gaps are still significant.**

There are substantial gaps in standardized test scores among racial, ethnic, and socioeconomic groups. In 2013, the last year in which these tests were administered statewide, proficiency levels in English Language Arts (ELA) were higher among white (72%) and Asian (78%) students than among Latino (45%) and African American (43%) students. ELA test scores for California's 1.3 million English Learner (EL) students are the lowest in the state (23%), substantially below those for economically disadvantaged students (45%). However, students who are former ELs are among the best performers in the state—64 percent scored proficient or above on the ELA test. Differences in math proficiency follow similar patterns, although proficiency rates for Asian students (78%) are dramatically higher than those for whites (62%), while African American students have the lowest math proficiency rates (35%). In addition, white (88%) and Asian (92%) students graduate at higher rates than African American (68%) and Hispanic students (75%).

IMPROVED FISCAL PICTURE, WITH MORE WORK TO BE DONE

- **The Local Control Funding Formula addresses some long-standing critiques of the school finance system.**

California's school finance system had long been considered to be inequitable, inadequate, and overly complex. The LCFF dramatically increases the state's investment in districts that serve large numbers of disadvantaged students, in a more transparent and equitable manner. It provides base funding for general purposes and supplemental funding for disadvantaged students. Districts in which more than 55 percent of students are disadvantaged will receive even more funding. The LCFF also simplifies the system by consolidating most prior categorical programs (those targeted to specific student populations or educational programs).

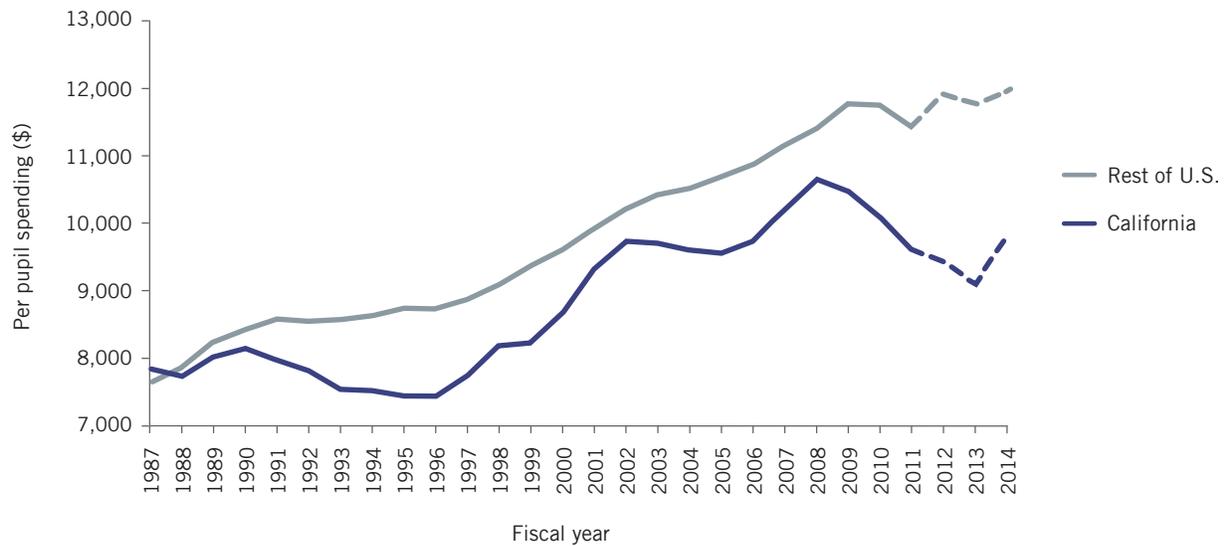
- **LCFF funding is ahead of schedule.**

The LCFF is expected to be implemented over the next seven years, achieving full funding by 2020–21. This expectation relies in part on revenue increases generated by Proposition 30, which temporarily increased the sales tax for all taxpayers and the income tax for upper-income taxpayers. The plan is ahead of schedule because the California economy rebounded from the recession faster than anticipated, resulting in unexpected tax revenues. However, the plan still depends heavily on sustained economic growth. But the economic recovery is in its fifth year, and historical trends suggest a recession may occur before LCFF targets are reached. Other factors also affect actual district funding levels over time, such as the numbers of EL, low-income, and foster care students.

- **LCFF did not address the issue of funding adequacy.**

California has long spent less per pupil than other states, and it made steeper funding cuts during the recession. The California Department of Finance projects that funding will reach its peak pre-recession levels in the next couple of years. But several studies of pre-recession funding concluded that it was not high enough to prepare all students to meet the state's educational standards. As a result, there is interest in the education community in extending the Proposition 30 tax increases or finding other new sources of revenue for schools. A majority of Californians also feel that the K–12 education budget is still a problem, worrying that per pupil spending may be insufficient even after recent increases, according to the April 2014 PPIC Statewide Survey.

CALIFORNIA'S FUNDING LEVELS ARE STILL FAR BEHIND



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

NOTES: Inflation-adjusted spending (2014 dollars). Funding is not adjusted for regional costs across states. The dashed lines represent estimated spending from the National Education Association since government data are not yet available. Recent projections have matched actual spending fairly closely.

LOOKING AHEAD

To improve the state's economic well-being and to ensure that California's children are equipped to succeed in the 21st century, policymakers need to take steps to help the state's school systems maintain and build on recent improvements.

- **Clarify the state's K-12 accountability program.**

The California Department of Education is currently revising the state's central school performance measure, known as the Academic Performance Index. The state should consider a complete redesign for several reasons. By adding a broader range of performance indicators, the state could align its measure with the priorities expressed in local accountability plans. In addition, the Smarter Balanced tests will support new measures of improvement in student achievement that are more accurate and more useful. With these changes, California can align state and local accountability programs and strengthen incentives for educators to focus on student achievement.

- **Ensure that LCFF funds improve outcomes for English Learners and economically disadvantaged students.**

Local Control and Accountability Plans are intended to focus districts' efforts on key groups, including English Learners and economically disadvantaged students. However, it is difficult to track whether and how districts and schools spend their dollars on these students. Policymakers and the public alike are concerned about how LCFF dollars will be spent, and outcome measures will not be available for many months. The April 2014 PPIC Statewide Survey found that slightly more than half of Californians believe that school districts will spend LCFF dollars wisely.

- **Monitor changes to teacher tenure.**

A recent ruling on teacher employment laws has the potential to radically change how teachers are hired and fired. A state superior court struck down as unconstitutional five provisions of the California education code, including laws regarding teacher tenure, seniority, and dismissal. The Brown administration has filed an appeal, and teacher unions have joined in. Given the issues at stake, it is not likely that the case will be resolved in the 2014-15 school year.

- **Provide all students with a high-quality preschool education.**

Preschool enrollment is relatively low in California, and there are marked enrollment differences by income level. Between 2010 and 2012, 53 percent of children ages 3–4 did not attend preschool, and the share is 10 percentage points higher among children living in poverty. The 2014–15 state budget included \$268 million toward early learning and child development. While this is a strong step forward, per pupil spending is still low, and the quality of these programs varies. The state should continue to expand access and improve overall quality to ensure that kindergarten readiness is within reach of all California children.

- **Develop the state’s educational data system and use the data to improve local programs.**

The state has made considerable progress in building its educational data system. A large amount of data has been collected, but unfortunately, the system remains 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 data are not linked. By linking this data and creating useful reports for local educators, the state could generate a better return on its investments in public education. Some states, for example, use their K–12 data systems to provide schools with a multiyear perspective on the progress of individual students. Other states link their K–12 and college data to monitor and improve the transition of students from high school to college.

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