

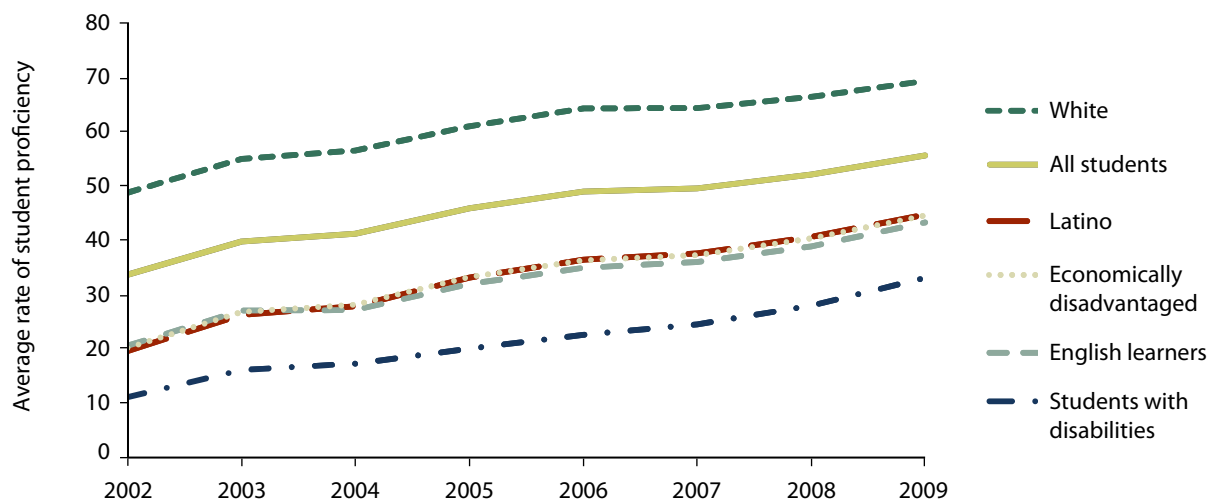


PROFICIENCY RATES ARE INCREASING, BUT MANY STUDENTS DO NOT ATTAIN PROFICIENCY

Proficiency rates among California students continue to rise. At the end of the 2008–09 school year, the share of students who demonstrated proficiency on the California Standards Test was greater than 50 percent in both English language arts (ELA) and math. California’s proficiency rates have increased more than 20 percentage points over the last seven years, and rates of proficiency growth have been similar across all student subgroups.

California schools appear to be heading in the right direction, but the fact that nearly half of all students are not proficient in ELA and math suggests that we still have a long way to go. And although all proficiency rates have increased in all subgroups, significant proficiency gaps—such as the gap between white and Latino students—remain. Moreover, budget cuts may make it difficult to maintain the rate of progress we have seen since 2002.

CALIFORNIA MATH PROFICIENCY HAS RISEN STEADILY



SOURCE: California Department of Education (2002–2009).

CALIFORNIA STUDENTS FACE MANY CHALLENGES

- **Gaps in school readiness and academic skills are evident in kindergarten.**

Low-income, African American, Latino, and English-learner (EL) students—and students who have parents with low education levels—begin school less prepared. These groups score lower on standardized tests that begin in second grade, and the achievement gaps persist.

- **California students are more disadvantaged than their peers in other states.**

Fewer than one in ten students in the United States are ELs; in California, one out of every four students is an EL. Half of all students in California are eligible for free or reduced-price meals; this share is higher than the national average of 42 percent.

- **Early, high-quality interventions are critical.**

A growing body of research indicates that investments in pre-kindergarten programs can produce both short- and long-term benefits that exceed costs. Programs targeted at low-socioeconomic-status children have the greatest returns. High-quality preschool shows particular promise, as do programs that target families. Currently, only about half of eligible children receive subsidized early care and education, and investments in early education lack state-wide coordination.

- **Appropriately targeted interventions may help graduation rates.**

A recent PPIC study found that students likely to fail the California High School Exit Exam (CAHSEE) can be identified as early as fourth grade. A strategic focus on support for elementary school students may reduce the need for later, more costly remediation.

THE CALIFORNIA ECONOMY PRESENTS A CHALLENGE TO CALIFORNIA SCHOOLS

- **California school districts face significant budget challenges.**

K–12 education, which makes up the largest share of the state budget, has faced significant cuts in recent years. Between 2007–08 and 2009–10, the K–12 funds guaranteed by the state decreased by 12.4 percent. District reserves, \$6 billion in federal stimulus aid, and eased restrictions on the allocation of categorical funds have partially mitigated the effects of these cuts. But it is likely that 2010–11 will be even more difficult, as federal stimulus funds and district reserves begin to dry up.

- **California spends less per pupil—but more per capita—than other states.**

California spends less per pupil than the national average but spends more per capita on K–12 education than the average state, including other large states with large EL populations. These higher per capita expenditures result in lower per pupil expenditures because California has more students per capita.

- **Adjusting for costs, California’s per pupil spending ranks near the bottom.**

Differences in spending across states do not account for differences in costs across states. For example, California teachers earn about 40 percent more than their Florida peers, but teacher salaries in both states are about 5 percent lower than the salaries of similar state residents—individuals of the same age, gender, and ethnicity, with comparable educational attainment, hours worked per year, and so on. California’s pupil-teacher ratios are among the highest in the nation, and the high cost of labor in California may prevent significant reductions in class sizes.

	Expenditures per pupil (2006–2007)	Rank	Expenditures per capita (2006–2007)	Rank	Average teacher salary (2006–2007)	Rank	Student teacher ratio (2006–2007)	Rank
California	\$8,952	29	\$1,569	21	\$63,640	1	20.9	48
Florida	\$8,567	35	\$1,254	45	\$45,308	29	16.4	38
New York	\$15,546	2	\$2,263	3	\$58,537	6	12.8	7
Texas	\$7,850	44	\$1,510	27	\$44,897	30	14.8	26
All other states	\$9,689		\$1,556		\$47,641		15.1	

THE SCHOOL FINANCE SYSTEM COULD BE LESS COMPLEX AND MORE EQUITABLE

- **Per pupil expenditures differ widely across districts.**

The vast majority of funding is based on past expenditures on particular programs, not on the needs of the district. For example, district revenue limits, which determine each district's entitlement to state funding and which make up about two-thirds of a district's revenue, are based on a district's per pupil spending in 1972–73. Despite efforts to equalize revenue limits, there are still large differences across district types and sizes. For example, Fresno Unified, which is at the 75th percentile in per pupil expenditures across all unified districts, spent \$9,413 per student in 2007–08, whereas Livermore Valley Joint Unified, which falls at the 25th percentile, spent \$7,850 per student—a difference of more than \$1,500.

- **Districts with greater challenges do not always receive greater funding.**

On average, districts with more disadvantaged students get more funding per pupil, but this is not by design: less than 2 percent of the state's K–12 budget is allocated solely on the basis of the number of disadvantaged students in a district. An equitable funding formula would acknowledge not just differences in students but also cost differences among districts. Specifically, funding formulas should take into account regional cost differences that could affect the level and quality of services provided.

ACCOUNTABILITY PROGRAMS ARE IN NEED OF IMPROVEMENT

- **School demographics are a strong predictor of school success.**

Accountability grades may reveal more about the type of students who attend a school than they do about the effectiveness of teachers and administrators at that school. In 2007, 50 percent of elementary schools with the highest share of low-income students met their proficiency targets; 98 percent of elementary schools with the lowest share of low-income students met their targets. Schools that met their targets also had greater shares of white students and lower shares of Latino students.

- **School report cards based on achievement levels may not accurately distinguish between effective and ineffective schools.**

Schools with persistently low levels of achievement are not necessarily schools with ineffective teachers and administrators. In schools with students who enter with very low ability levels but improve dramatically, the success of teachers and administrators is likely to go unnoticed by official measures. Until California evaluates schools on the basis of individual student achievement gains, it will not be possible to distinguish between schools where teachers and administrators are effective and where they are not.

LOOKING AHEAD

To improve the state's economic well-being and to ensure that California's children are equipped to succeed in the economy of the 21st century, California policymakers need to adopt policies that will change the current trajectory of the state's school systems.

- **Continue to improve the California Longitudinal Pupil Achievement Data System (CALPADS).**

Good data is essential to finding out what works in both the short and the long run. California is decades behind states like Texas, Florida, and North Carolina, which have implemented comprehensive data systems and used them to improve educational quality. California should continue to improve CALPADS by linking the data system with community college, CSU, and UC data systems, as well as with data systems from other state entities, such as the Employment Development Department, the Department of Social Services, and the California Department of Corrections. Steps should be taken to ensure that accurate data is put into the system. Although valid concerns have been raised about sharing student information with outside researchers, other states have found ways to protect the privacy of their students and work with the research community to improve educational quality. CALPADS has been designed to maintain confidentiality, and additional safeguards could be added to the system.

- **Reform school finance.**

Replacing the current school finance system with one more closely tied to the costs of educating students—known as a weighted student formula—could greatly reduce the complexity and increase the transparency of the current system. A weighted student formula could also ensure that schools with higher costs per student—such as schools in higher-wage areas or schools with larger shares of students from low socioeconomic backgrounds—receive greater funding per student.

- **Evaluate schools and districts on achievement growth, not achievement levels.**

When evaluation is based on growth, the focus is on how much students learn from one year to the next. Because students' levels of achievement are determined to a large extent by their abilities at the time they enter school, growth models provide a better measurement of school effectiveness. Tracking the achievement of individual students over time is much more complicated than the current system of simply tracking student proficiency rates from year to year. But as states develop longitudinal student data systems, individual growth models are becoming increasingly feasible.

- **Discover what works by building smart evaluations into interventions.**

Accountability sanctions and other interventions that are implemented state- or nationwide without first being piloted may end up wasting scarce education dollars. Policymakers should support efforts to collect information about promising interventions, use random assignment to pilot these interventions at a small number of schools across the state, rigorously evaluate the programs by comparing “pilot group” schools to “control group” schools, and then roll out the successful programs at underachieving schools statewide.

We invite you to dig deeper at ppic.org. Related PPIC resources include:

Higher Education in California: New Goals for the Master Plan

Closing the Gap: Meeting California's Need for College Graduates

Predicting Success, Preventing Failure: An Investigation of the California High School Exit Exam

Funding Formulas for California Schools: Simulations and Supporting Data

Full-Day Kindergarten in California

PPIC Statewide Survey: Californians and Education

PPIC Statewide Survey: Californians and Higher Education

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