

CALIFORNIA

EDUCATION



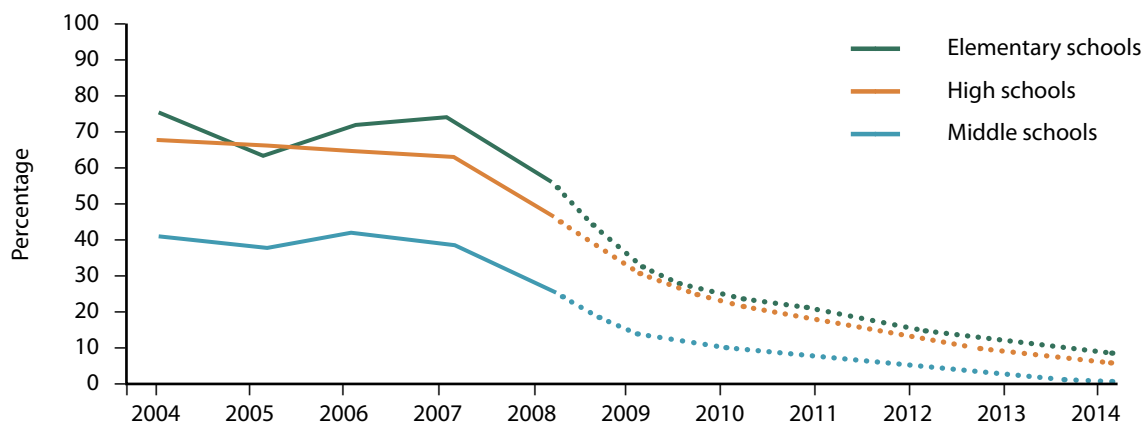
CHANGES ARE NECESSARY TO MEET HIGH STANDARDS

California's academic standards are among the highest in the nation—so high, in fact, that very soon almost every public school in California will be labeled a failure under the No Child Left Behind (NCLB) Act. Although high academic goals are laudable, they must also be attainable. Not only does the current accountability system set almost every school up for failure, but it also evaluates schools by the level of student achievement, not by student gains. As a result, a school that inherits many high-achieving students but teaches them very little can be labeled a success, whereas a school that inherits many low-achieving students and teaches them a great deal can be labeled a failure.

California's school finance system is as problematic as its accountability system. Schools do not receive funding on the basis of the costs and challenges they face, and they are required to spend money on programs that have no track record of effectiveness.

California's students deserve better. Our state—and our future—will benefit from wide-ranging discussions of education reform.

PAST AND PROJECTED ADEQUATE YEARLY PROGRESS



SOURCE: California Department of Education (2004–2008). NOTE: PPIC's projections are defined by dotted lines.

CALIFORNIA STUDENTS FACE MANY CHALLENGES

Encouraging signs have emerged recently, as student proficiency rates have risen. Between 2003 and 2008, the share of students proficient in English language arts increased from 35 percent to 46 percent. The share of students proficient in mathematics increased from 35 percent to 43 percent. Latino students are catching up to white students in math and English, and black students are catching up to white students in math. However, much more needs to be done to raise proficiency levels for all groups.

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

Fewer than one in ten students in the United States is an English language learner (ELL), but one in four students in California is an ELL. 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.

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

Low-income, black, Latino, and English learner students and those who have parents with low education levels begin school less prepared. These same groups score lower on standardized tests, initially given in second grade, and the gaps persist.

- **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 is one intervention that shows particular promise, as are programs that target families. Currently, only about half of eligible children receive subsidized early care and education, and current investments in early education lack statewide coordination.

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

A recent PPIC study found that students who are likely to fail the California High School Exit Exam (CAHSEE) can be identified as early as fourth grade. Interventions to increase CAHSEE passage rates that start late in high school are not effective. A strategic focus on support for elementary school students may well prevent later, more costly remediation.

THE SCHOOL FINANCE SYSTEM NEEDS TO BE UPDATED AND STREAMLINED

- **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 ELL populations. These higher per capita expenditures result in lower per pupil expenditures because California has more students per capita and higher teacher salaries than the national average. California also has one of the highest pupil-teacher ratios in the United States.

	Expenditures per pupil (2004–2005)	Rank	Expenditures per capita (2004–2005)	Rank	Average teacher salary (2003–2004)	Rank	Student teacher ratio (2006–2007)	Rank
California	\$7,905	29	\$1,708	11	\$54,600	3	20.9	48
Florida	\$7,215	40	\$1,312	41	\$38,800	28	16.4	38
New York	\$13,703	2	\$2,195	3	\$54,800	2	12.8	7
Texas	\$7,246	39	\$1,579	19	\$39,500	26	14.8	26
All other states	\$8,692		\$1,532		\$41,280		15.1	

SOURCE: National Center for Education Statistics.

- **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 are the basis of a 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 1972–1973. 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 2007–2008, whereas Livermore Valley Joint Unified, which falls at the 25th percentile, spent \$7,850 per student.

- **Funding could be allocated more equitably.**

On average, districts with more disadvantaged students get more funding per pupil, but this is not by design: less than 2 percent of the entire state 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 only differences in students across districts but also differences in prices faced by districts. Specifically, funding formulas do not take into account regional cost differences, which could affect the level and quality of services provided.

ACCOUNTABILITY DEADLINES ARE LOOMING

NCLB mandates that individual schools and entire school districts make adequate yearly progress (AYP). A school or district makes AYP when the percentages of students who are proficient in English and math and the percentage of students who graduate meet that year's minimum requirements.

- **Few districts are on track to make adequate yearly progress in 2010.**

The minimum proficiency requirements of NCLB increased in 2008. As a result, the share of schools making AYP in California fell from 67 percent in 2007 to 52 percent in 2008, and the share of districts making AYP fell from 54 percent in 2007 to 39 percent in 2008. If recent trends in proficiency levels and graduation rates continue, approximately three out of four schools and nine out of ten districts will fail to make AYP in 2010.

- **Standards are high but achievement is not.**

Although California's academic standards are among the highest in the nation, California students score below the national average in English and math on the National Assessment of Educational Progress. One in three students either drops out or finishes grade 12 without earning a diploma. Among those who do graduate, fewer than two in five complete the courses required for entry to the California State University or University of California systems.

- **School demographics are a strong predictor of adequate yearly progress.**

Fifty percent of elementary schools with the highest share of low-income students made AYP in 2007, whereas 98 percent of elementary schools with the lowest share of low-income students made AYP. This suggests that AYP reveals more about the type of students who attend a school than it does about the effectiveness of teachers and administrators at that school. California should adjust its accountability system to acknowledge that different schools face very different challenges.

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 and thereby improve educational outcomes.

- **Invest in the early years.**

California may be able to save money in the long term by increasing the share of low-socioeconomic-status children enrolled in preschool programs, but only if these programs are of sufficiently high quality. Preschool alone cannot eliminate achievement gaps, so it should be considered as part of a larger set of strategies targeting young children and their families to ensure school readiness and early academic success for all students.

- **Revisit the effectiveness of categorical programs.**

Every year, California schools are required to spend billions of dollars on programs that have never been shown to be effective. For example, the governor's proposed 2009–2010 budget allocates \$73 million to supplemental instruction programs for students who have failed to pass CAHSEE, even though these programs have been shown to be ineffective.

- **Become an evaluation leader.**

Policymakers should support efforts to collect information about promising interventions, pilot these interventions at a small number of schools and districts across the state, rigorously evaluate the programs' effectiveness (ideally by randomly implementing the programs at some schools but not at others), and then roll out the successful programs statewide.

- **Reform school finance.**

Replacing the current system of school finance 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 facing higher costs per student—such as schools in higher-wage areas or schools with larger shares of students from low socioeconomic backgrounds—also receive greater funding per student.

- **Prepare for NCLB-mandated changes.**

If no changes are made to NCLB, many schools and districts will have to go through major restructuring in the next few years. There may be significant costs to restructuring, and the evidence that restructuring leads to improvement in student achievement is mixed. The state should evaluate the relative effectiveness of various alternative governance plans and the status quo. The findings of such evaluations could have long-term implications for K–12 education in California.

- **Support NCLB reform.**

State leaders should encourage the federal government to make significant changes to NCLB. To acknowledge the fact that students enter school with very different skill levels, the focus of NCLB should shift to year-to-year growth in student achievement rather than levels of student achievement.

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

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

Contact a PPIC expert:

Julian Betts

Jill Cannon

Hans Johnson

Eric Larsen

Maggie Weston

This publication is part of PPIC's [Planning for a Better Future](#) project.



PPIC

PUBLIC POLICY
INSTITUTE OF CALIFORNIA

The Public Policy Institute of California is dedicated to informing and improving public policy in California through independent, objective, nonpartisan research. We are a private operating foundation. We do not take or support positions on any ballot measure or on any local, state, or federal legislation, nor do we endorse, support, or oppose any political parties or candidates for public office. Research publications reflect the views of the authors and do not necessarily reflect the views of the staff, officers, or Board of Directors of the Public Policy Institute of California.

Public Policy Institute of California
500 Washington Street, Suite 600
San Francisco, CA 94111
T 415 291 4400 F 415 291 4401
www.ppic.org

PPIC Sacramento Center - Senator Office Building
1121 L Street, Suite 801
Sacramento, CA 95814
T 916 440 1120 F 916 440 1121

CA2025

Supported with funding from the William and Flora Hewlett Foundation