

California faces the challenge of narrowing achievement gaps

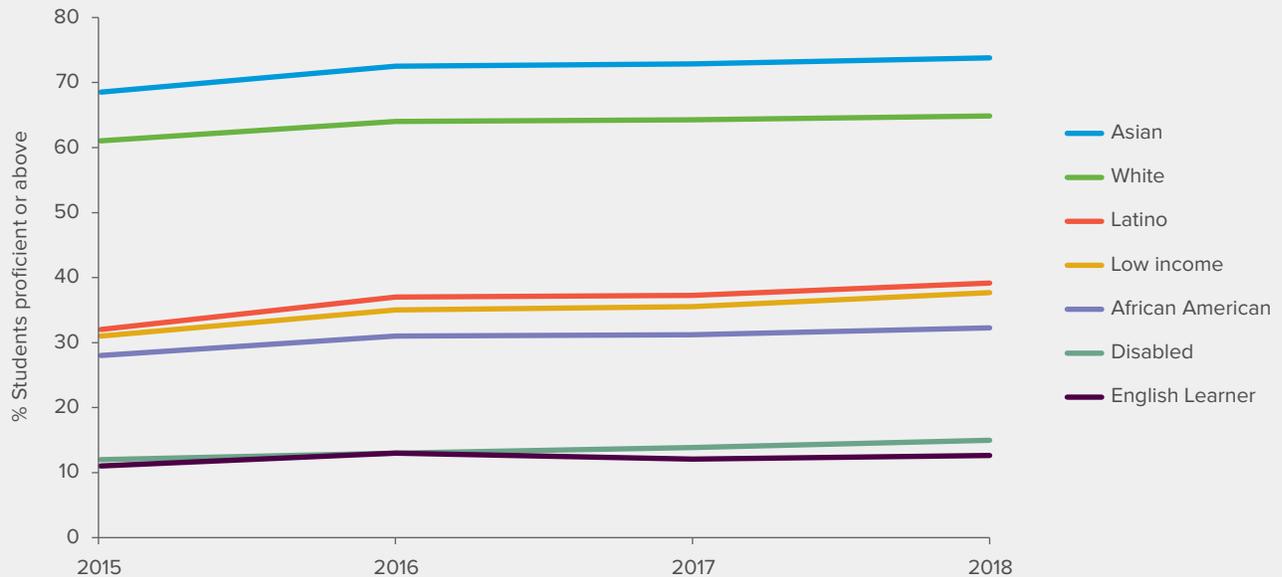
California educates more than 6 million children in its K-12 public schools. More than half of these students are economically disadvantaged. Almost a quarter are English Learners (ELs), compared with fewer than one in ten nationwide. In order to better serve its student population, the state has enacted several reforms in recent years—and state funding for K-12 education has increased for seven consecutive years. The state adopted new educational standards in math (2010), English (2010), science (2013), English-language development (2012), and computer science (2018) and has been revamping its assessment system accordingly. In addition, the state finished implementing the Local Control Funding Formula (LCFF), which was enacted in 2013 to simplify school finance, increase funding for high-need (low-income, EL, and foster youth) students, and revamp school accountability.

The new governor brings a fresh perspective to the challenges facing K-12 education—as well as a focus on early childhood education. Governor Newsom will be asked to weigh in on proposals to strengthen district accountability for funding intended to help shrink achievement gaps. He is also likely to get requests for additional funding from districts facing very tight budgets. Finally, the Newsom administration will be implementing new federal laws that seek to improve low-performing schools and prepare students for college and careers.

State performance data show a long road ahead

With the LCFF fully implemented, policymakers are increasingly interested in its efficacy: How and when will we know if it is working? Given the LCFF's focus on high-need students, the size of achievement gaps is an especially important barometer. Boosting achievement among these students represents a critical challenge.

PERFORMANCE GAPS BETWEEN MAJOR STUDENT GROUPS HAVE SHOWN LITTLE SIGN OF NARROWING



SOURCES: Smarter Balanced Assessment Consortium (SBAC) and California Department of Education.

- **State test scores have not improved substantially.**

About a third of students perform at or above levels the state considers proficient. The shares of students meeting state English and math standards have risen only slightly since 2015. As students get older, English scores generally improve but math scores tend to decline.

- **Major achievement gaps persist.**

California’s African American, Latino, low-income, and EL students score lower on state and federal tests than other student groups. Over time, there has been little improvement in the performance of these groups, leaving achievement gaps virtually unchanged. In general, income-based gaps are wider than gaps among racial/ethnic groups.

- **Graduation rates have steadily improved.**

In 2016–17, the graduation rate for the cohort of students who entered high school four years earlier was 82.7 percent—up almost 4 percentage points in five years. Graduation rates vary widely across racial/ethnic groups. Asian students are most likely to graduate (93%), followed by white (87%), Latino (80%), and African American students (73%). However, graduation rates for Latino and African American students have improved much more—rates for both groups have increased by 9 percentage points over the past five years.

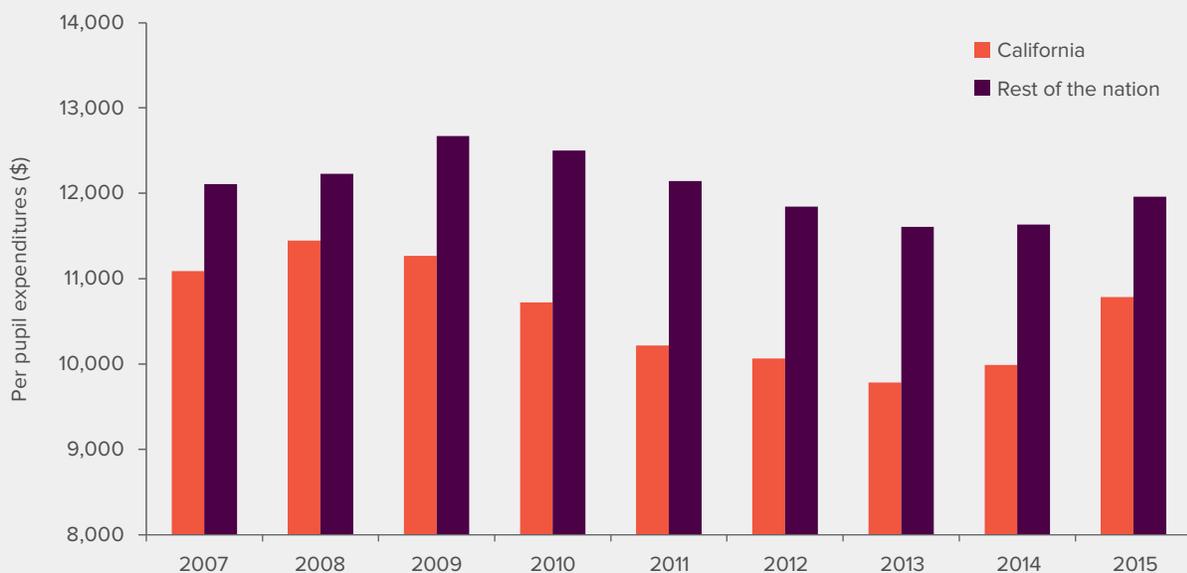
Funding for K–12 education remains a pressing concern

California’s school funding has improved since 2013, but district costs are also rising—and several studies have concluded that current funding levels are insufficient to prepare all students to meet the state’s academic standards.

- **Funding levels have risen but are still below the national average.**

Per pupil funding has increased over the past seven years and is now higher than before the recession. But California has long spent less per pupil than other states, and funding cuts to education were steeper here during the recession. The most recent data available show that California’s K–12 spending averaged \$10,785 per student in 2017, about \$1,200 less than the average amount in the rest of the nation. According to the April 2018 PPIC Statewide Survey, 60 percent of Californians think that state funding for K–12 schools is not adequate.

STATE FUNDING HAS RISEN FROM RECESSION LOWS—BUT STILL LAGS BEHIND THE REST OF THE NATION



SOURCE: National Center for Education Statistics (NCES).

NOTE: Data are per pupil expenditures for current educational costs (not including capital outlay and interest costs).

- **Despite better funding, many districts are struggling to balance their budgets.**
Districts are wrestling with two significant fiscal trends. First, enrollment has been declining in half of all districts. These districts lost an average of about 5 percent enrollment from 2012–13 through 2017–18. Declining enrollment means less funding, but district costs typically do not fall in concert with enrollment. Second, to ensure the long-term fiscal health of the Public Employees’ Retirement System (CalPERS) and State Teachers’ Retirement System (CalSTRS) funds, the state is requiring districts to make larger contributions to these systems for each employee. In each of the next three years, district pension costs will increase by more than \$1 billion, which will consume a large share of any new state funding.
- **Special education costs continue to rise.**
Special education represents the largest remaining state funding program outside of the LCFF. State special education funds are based on the overall number of students enrolled in a district. Because overall enrollment has remained flat, state special education funding has also been relatively constant—while district special education costs have risen. Local costs can rise for a number of reasons—including increases in the number of students identified for special services, pay raises for teachers, and higher retirement costs. In 2014–15, districts paid for 60 percent of program costs, with the other 40 percent funded by the state and federal governments.
- **District financial needs compete with policymaker interest in expanding preschool.**
To help cover their costs, districts will ask the governor and legislature for new Proposition 98 funds in the form of higher LCFF grants. At the same time, reform advocates will press policymakers to direct new funds to specific new programs. Expanding preschool has considerable support in the legislature, but Governor Brown never supported a major expansion of the program. Currently, only one-third of eligible children receive subsidized early childhood education, at an annual cost of about \$1.1 billion.
- **How will the new administration balance local control with effective state oversight?**
The LCFF’s bias toward local control is based on research suggesting that most problems are better left to local educators to resolve. Nevertheless, legislators frequently propose new programs or regulations in response to local problems. The 2018–19 Conference Committee, for instance, considered proposals to earmark state funds for teacher training, school climate, and charter school facility grants. Governor Brown approved some proposals, but he did not agree to any permanent new programs. In some cases, a stronger state approach may be appropriate. For instance, concerns about how some districts are spending state funds intended for low-income and EL students are resulting in proposals to allow districts less discretion in the use of this funding.

Looking ahead

California’s public education policies have changed significantly over the past decade, and there are many questions about how they will continue to evolve. There are challenges and opportunities in several areas.

Expanding early childhood education. In 2015 the legislature passed a bill that would provide “preschool for all.” Although the bill was vetoed, spending on early childhood education has risen in recent state budgets. The April 2017 PPIC Statewide Survey found that about 80 percent of California public school parents think the state should fund preschool attendance. Universal preschool advocates cite the importance of early brain development and the potential return on investment (e.g., fewer students in need of special education services). Concerns about quality, cost, and the availability of trained teachers are all cited as barriers.

Tackling federal opportunities and challenges. The passage of the Every Student Succeeds Act (ESSA) gives states more authority to design assessments, measure student success, and implement district improvement systems. After months of negotiation, the US Department of Education recently approved California’s ESSA plan. The plan went into effect in fall 2018, and now the state faces the ESSA challenge of identifying and assisting the lowest-performing 5 percent of schools. Also, the reauthorization of the Carl D. Perkins Career and Technical Education Act pushes states to focus on student success after graduation. California will need to collect better data to get a clear picture of student outcomes in this area.

Using data to improve student success. California maintains a multifaceted database of student demographic and educational data. But plans for creating a K–16 student database were never realized, and educators and researchers have limited access to the data. By connecting the educational databases across systems and making the data more accessible,

the state could create a new tool for getting better results and give policymakers more information about student progress over time.

Determining how new science standards and tests will align with other policies. California schools are beginning to implement the Next Generation Science Standards (NGSS), and a new standards-aligned assessment—the California Science Test—will be fully operational in spring 2019. Student science scores may be included in the state’s accountability reporting. In addition, the University of California and California State University may decide to strengthen eligibility (or “a–g”) requirements in science to align with the new standards.

Building a system to support the district improvement process. Districts often need assistance in their efforts to help teachers and administrators learn new approaches to promoting student success. The LCFF calls on county offices of education and a new state agency—the California Collaborative for Educational Excellence (CCEE)—to support district improvement efforts. The Brown administration was slow to develop the system of supports, and there are many questions about how the county offices and CCEE will work together to perform this critical function.

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