

## California looks ahead to the next phase of reform

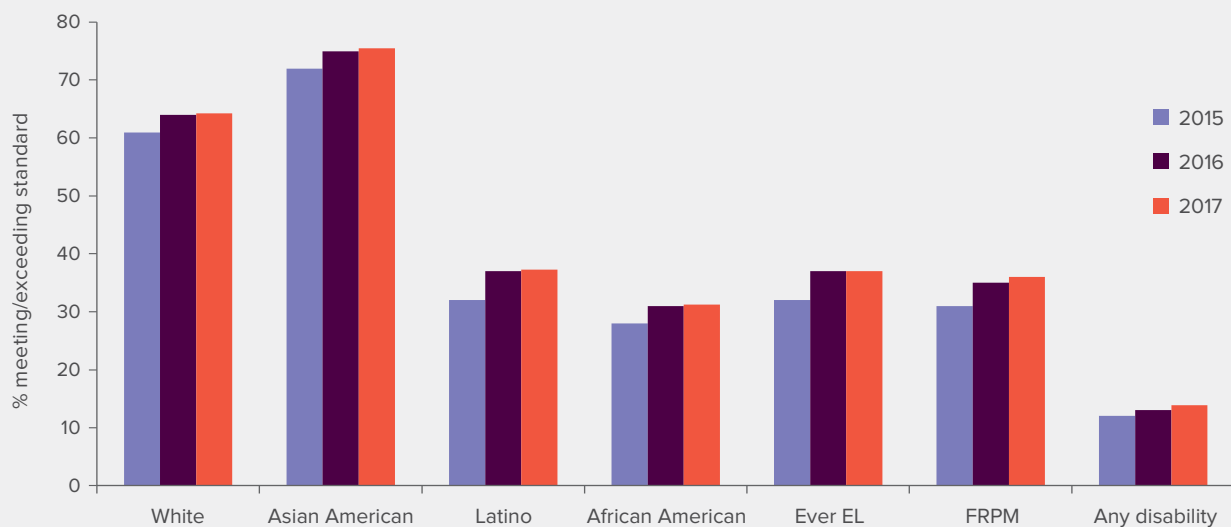
California educates more than 6 million children in its K–12 public schools. More than half of these students are economically disadvantaged. Almost a quarter are English Learners (ELs), compared with fewer than one in ten nationwide. In order to better serve its student population, the state has enacted several reforms in recent years—and state funding for K–12 education has increased for six consecutive years. In 2010, California adopted the Common Core State Standards (CCSS) in math and English, and students began taking new standards-aligned tests—the Smarter Balanced assessments—in 2015. In addition, the state has mostly finished implementing the Local Control Funding Formula (LCFF). The LCFF was enacted in 2013 to simplify school finance, increase funding for high-need (low-income, EL, and foster youth) students, and revamp school accountability.

With a new governor on the horizon, there are questions about how K–12 education will evolve. The state could continue giving school districts broad flexibility in using state funds to meet local needs and priorities, or it could make targeted spending programs common once more. For instance, the new governor will contemplate refinements or additions to the LCFF to help districts shrink the achievement gap in California. There are also looming questions about how the Trump administration’s immigration policies will impact the school environment, as well as the degree of latitude states will have in implementing the new federal education act, known as the Every Student Succeeds Act (ESSA).

## State testing shows little change in student performance

With multiple years of test results, it is now possible to evaluate early implementation of the Common Core standards. The persistence of long-standing gaps between overall performance and the test scores of high-need students is a major challenge for educators and policymakers.

THE SHARE OF STUDENTS MEETING STATE ENGLISH STANDARDS HAS RISEN SLIGHTLY SINCE 2015



SOURCES: 2014–15, 2015–16, and 2016–17 Smarter Balanced assessments.

NOTES: Ever EL refers to English Learner (EL) and reclassified EL students. Ever EL for 2014–15 and 2015–16 is a weighted average of EL and reclassified EL test scores; for 2016–17 it is reported. FRPM refers to students who qualify for free or reduced-price meals.

- **There was little growth in test scores from 2016 to 2017.**

The share of students meeting or exceeding the English standards held steady at 49 percent, and the share meeting or exceeding the math standards grew by just 1 percentage point, to 38 percent. The share of students meeting standards for both English and math has increased by 5 percentage points since 2015.

- **Older students generally perform better in English but do worse in math.**

Sixty percent of 11th graders met the English standard, compared with 44 percent of 3rd graders. But only 32 percent of 11th graders met the math standard, compared with 47 percent of 3rd graders. This pattern has held for all three years of Smarter Balanced assessments.

- **There are stark differences across racial/ethnic and other student groups.**

White and Asian American students met state standards at relatively high percentages (64% and 76%, respectively, in English), but fewer than 40 percent of all other race/ethnic groups, high-need students, and students with disabilities did so.

- **The road ahead is long for high-need students.**

Economically disadvantaged students gained 5 percentage points in English and 4 percentage points in math since the first assessments in 2015. Results are similar for students who were ever English Learners (that is, current and reclassified English Learners). The gap is narrowing between students overall and these high-need students, but only slightly. Some state policymakers question whether it is realistic to expect schools to close achievement gaps completely, while others continue to draft legislation to increase accountability for districts and schools.

## Long-term funding for K–12 education remains a concern

- **The LCFF is almost fully implemented.**

The LCFF is a uniform funding formula that is more transparent, simple, and equitable than the previous system. It has two components: a general grant that varies by grade level and compensatory grants that vary by the share of high-need students. Because the LCFF boosts funding significantly, the formula is being phased in over eight years; the goal is to reach full funding levels by 2020–21. In 2017–18, the state budget is providing 96 percent of the full LCFF funding level.

- **Special education funding lags behind growth in the number of students served.**

A recent special education task force report called for the integration of special and general education to serve students more effectively. However, special education is not currently part of the LCFF, and integration is complicated by funding and administrative issues. State special education funding, for instance, is not tied to changes in the number and types of disabilities districts must address; this has led to a significant gap between appropriations and need over the past decade. In addition, districts have less autonomy in allocating special education funding than they do with LCFF appropriations.

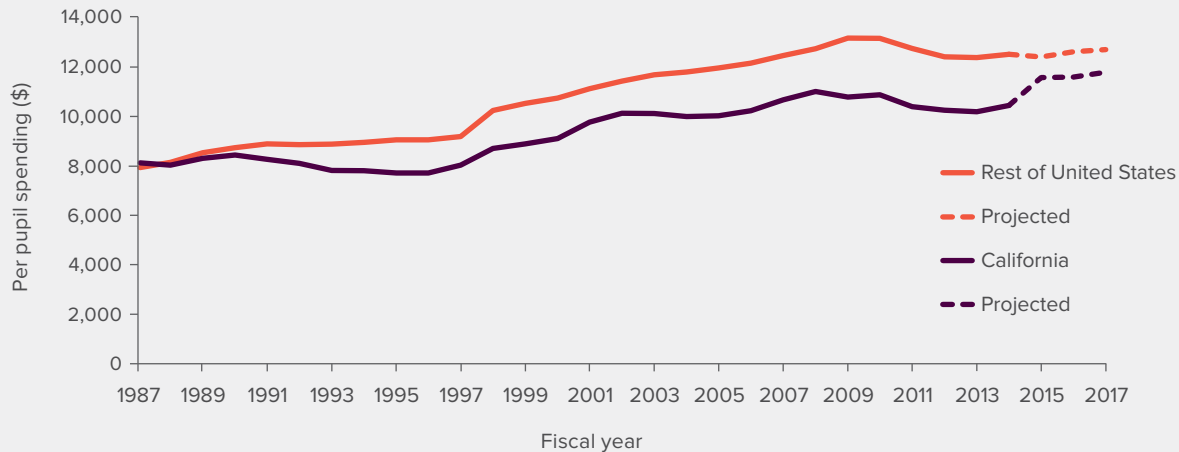
- **School funding has increased, but future revenues may not keep up with costs.**

K–12 funding has increased an average of 3 percent in each of the past three years. These increases have outpaced the general rate of inflation, so the state has been able to make progress toward full LCFF funding. However, school district costs for retirement benefits are slated to increase substantially in the next few years, and declining enrollment is eroding revenues in many districts. These pressures plus increases in employee salaries and other costs make it likely that the moderate funding increases of the past few years will not be enough to prevent spending cuts in many districts.

- **The adequacy of per pupil funding remains a key issue.**

California has long spent less per pupil than other states, and funding cuts to education were steeper here during the recession. Current data shows that California's K–12 spending averages \$11,777 per student, about \$800 (6.3%) less than the national average. Several studies have concluded that this level of funding is insufficient to prepare all students to meet the state's academic standards. Similarly, the April 2017 PPIC Statewide Survey finds that almost two-thirds of Californians think that funding levels for K–12 schools are inadequate.

## FUNDING FOR CALIFORNIA SCHOOLS HAS IMPROVED BUT MAY STILL BE INADEQUATE



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

NOTES: Inflation-adjusted spending in 2017 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

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

**Aligning state and federal accountability.** The California State Board of Education has replaced the previous accountability measure (the Academic Performance Index) with multiple indicators of school and student outcomes. The new system categorizes schools and districts as low-performing when they lag behind on several of the state’s success indicators—including test scores, EL progress, graduation rates, student suspension rates, and college and career readiness. However, this approach conflicts with ESSA, which requires states to combine indicators into a single index. The Trump administration has not yet indicated how it will interpret ESSA, so it remains unclear whether the state’s model will receive federal approval.

**Fully implementing new education standards.** Seven years into Common Core implementation, the state has made progress in some areas, but more work is needed. The State Board of Education recently adopted the Next Generation Science Standards (2013) and approved the new Science Framework (2016). The new science standards emphasize a deep understanding of concepts and engagement in scientific thinking. A new assessment—the California Science Test—was piloted in 2017 and will be fully implemented in 2019. These new standards create opportunities and challenges for schools and districts, which are at various stages of rolling them out. It will be important to monitor implementation and assess how districts are doing.

**The “return” of bilingual education and protecting the children of immigrants.** The passage of Proposition 58 in November 2016 made it easier for parents to request and for school districts to offer bilingual education to EL students. But there are concerns about how the Trump administration’s federal immigration policy could impact the school environment. While very few students are undocumented, it is estimated that 12 percent have at least one parent in the United States without proper documentation. The April 2017 PPIC Statewide Survey found that strong majorities of California voters (73%) and public school parents (81%) think that schools should be required to keep the immigration status of their students and families confidential.

**Completing the state’s educational data system and making it accessible to educators.** California collects large amounts of data and has made considerable progress in building an educational data system. Unfortunately, there are no plans to complete the system. Furthermore, educators do not have access to most of the data, and K–12 and higher education data 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.

## CONTACT A PPIC EXPERT



**Laura Hill**  
hill@ppic.org



**Patrick Murphy**  
murphy@ppic.org



**Niu Gao**  
gao@ppic.org



**Paul Warren**  
warren@ppic.org

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Public Policy Institute of California  
500 Washington Street, Suite 600  
San Francisco, CA 94111  
T 415.291.4400 F 415.291.4401  
**PPIC.ORG**

PPIC Sacramento Center  
Senator Office Building  
1121 L Street, Suite 801  
Sacramento, CA 95814  
T 916.440.1120 F 916.440.1121



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