

Policy Brief

PANEL 2: NEW MODELS TO ADVANCE EDUCATIONAL ATTAINMENT

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“California K12 Public Education: Needs and Strides”

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A recent set of studies on California’s PreK-12 education system (called *Getting Down to Facts II*) yielded a comprehensive picture of the complex problems facing public education. In short, this research showed that the state’s education system is moving in the right direction, but that there is still a long way to go to ensure pathways of opportunity for *all* of the state’s 6.2 million public school students.

Broad Overview of the State of the State: Findings from Getting Down to Facts II¹

During the past decade, California has undergone dramatic shifts, including introducing a new accountability system, new learning standards, and new performance metrics, as well as changing the school finance system under the new Local Control Funding Formula (LCFF). The *GDTFII* research shows there is wide support among both educators and the public for these changes and that these reforms have resulted in improvements. However, there remains a lot of work to do to realize the full potential of these reforms, and to address other issues that have not yet been taken up. Specific needs include:

- **Building capacity to implement reforms:** Not all educators and practitioners have the skills, information and materials that they need to put these major reforms further into practice. For example, educators report difficulty assessing the quality of available curricular materials and resources, and not all districts can provide needed professional development to teachers. Further, access to data is limited and the state department of education does not have the capacity to reliably support the improvement of instruction statewide or to use data to guide policy decisions.
- **Increasing funding and fixing flaws in the finance systems:** Funding for schools in California has increased but remains short of adequate levels given the ambitious state goals. The average school revenue per pupil in California is substantially above Florida, on par with Texas and Ohio, lower than Illinois and substantially lower than many northeastern states, including New York. A professional judgement panel estimates that an additional 38% of actual spending would be needed for all students to have the opportunity to meet state goals. The relatively low funding level combined with high

salaries has resulted in California having far fewer adults—such as teachers, nurses, counselors—in schools than most other states. Moreover, funding reforms left critical issues unresolved, including pensions and special education funding, which have the potential to destabilize the system or worsen inequities.

- **Addressing achievement gaps:** Large achievement gaps by race, ethnicity, income, and English learner status persist in California. For example, California has greater disparities among student groups than other states. In more affluent California districts, student achievement levels are similar to the average performance in affluent communities nationally, but students in non-affluent districts score, on average, nearly a full grade level behind their national counterparts. Part of these inequalities result from unequal education in K-12 schools. For example, schools serving less advantaged students generally have more difficulty filling teaching positions and, as a result, employ fewer experienced and appropriately credentialed teachers and principals. Yet, research also shows that achievement gaps often start before kindergarten, indicating that California’s early childhood education system is not providing the opportunities students need to enter school on equal footing. In fact, research shows that California has a large portion of children in child care programs with no standards, has a poor record of identifying and providing services to young children with disabilities, has low and uneven teacher-training requirements for early childhood education programs, and a fragmented and inconsistent process for monitoring quality.

Deeper Dive into The Local Control Funding Formula

One policy central to California’s recent efforts to improve public education is the Local Control Funding Formula (LCFF). Adopted in 2013, the LCFF decentralized funding decisions from the state to locally elected school boards and districts. By eliminating most of the state’s categorical funds, LCFF offered districts greater flexibility and authority in resource allocation decisions. The state provides all districts with a *base* grant determined by the size and grade levels of the student population, and two additional funding sources to districts with students who qualify as English learners (EL), low income (LI), and/or foster youth (FY). First, all districts are eligible for 20% above the base amount in *supplemental* grants for each student who qualifies as FY, LI, or EL. Second, districts serving unduplicated² student headcounts of above 55% receive an additional 50% of the base grant in *concentration* grants. These supplemental and concentration grants are intended to ensure that FY, EL, and LI students gain access to the high-quality teachers, programs, services, and materials they need to succeed, which presumably lead to more equitable outcomes. Endorsing the LCFF equity goals in 2013, Governor Brown stated, “Equal treatment for children in unequal situations is not justice.”³

The LCFF also requires that districts organize “meaningful engagement”⁴ of key stakeholders—including parents, students, educators, and the broader community—in developing and reviewing Local Control Accountability Plans (LCAPs), in accordance with eight state-priorities.⁵ These plans detail annual goals and improvement strategies, with particular attention to the targeted student subgroups, and are ultimately approved by elected school boards. County offices of education are tasked with reviewing district LCAPs and providing support to districts failing to make progress based on these plans and on indicators reported in the state Dashboard.

Three of the central assumptions of the LCFF are that: 1) students with greater needs require greater resources, 2) shifting resource decisions to local communities will yield decisions that better reflect local contexts and needs, and 3) public understanding of and contributions to district goals and budget decision will hold district leaders accountable for distributing resources equitably, collectively leading to better outcomes for students.

What do we know? Several studies included in *GDTFII* examined the implementation and impact of LCFF⁶, finding mixed evidence of both progress and areas of need.

- ***Districts with high proportions of low-income students, ELs, or foster youth are receiving more funding than other districts.*** As intended, funding for districts with high proportions of low-income, English learner, and foster youth students is higher than for other districts. Historically, California’s funding system has, on average, provided greater revenues for low-income students. Although this pattern is not new, since the adoption of the LCFF, the revenue advantage has in fact grown, increasing from \$22 (4% of revenues) in 2012-13 to \$960 (7% of revenues) in 2016-17. Yet, it is important to keep in mind that there remains substantial variation in resource levels among districts with similar shares of these “high need” students because districts receive revenue from other sources beyond LCFF state aid (e.g., federal and state grants).
- ***The LCFF enjoys substantial support.*** District leaders and the public express support for the LCFF and its equity goals. For example, surveys indicate that 94% of superintendents agree students with greater needs should receive additional resources. Similarly, 68% of the chief business officers interviewed voice support for the LCFF equity goal. And while the public remains largely unaware of the law, the majority of those polled who indicated familiarity with the LCFF viewed it positively (72% of eligible voters and 84% of parents).
- ***The LCFF is enhancing resource allocation practices, but additional progress may be constrained by inadequate base funds.*** Case study and survey data indicate districts are grateful for the increased funding they have received under the LCFF. Case studies show that many districts changed the way they allocate resources, substituting students’ needs for the narrow requirements often attached to categorical programs. On surveys the majority of superintendents agreed that the LCFF is leading to greater alignment of district goals, strategies, and allocation decisions (92%), that it is enabling them to rethink budget priorities (77%), and that their districts are making investments that are improving services/programs for target students (77%). But this enthusiasm is tempered by concerns about inadequate base funding and worries about the rising costs of pension obligations, health care, and special education.
- ***Initial evidence indicates that money targeted to districts with the greatest student needs has led to improvements in high school student outcomes.*** Research finds that a \$1,000 increase in district per-pupil spending experienced by students in grades 10 to 12 resulting from LCFF led to a 5.9 percentage-point increase in high school graduation rates, on average, and that the strongest results were for African American students. Further, a \$1,000 increase in district per-pupil spending during ages 13 to 16 led to an average increase in 11th-grade mathematics test scores equivalent to approximately 7 months of learning.
- ***LCFF stakeholder engagement remains a challenge.*** Research finds alignment with the letter but not necessarily the spirit of the LCFF engagement requirement. District leaders support the requirement and are making good faith efforts to implement it, such as inviting a wide range of stakeholders to participate in developing goals and budgets, and trying out new strategies (e.g., surveys, smaller scale meetings). Yet, participation levels are low, particularly for underrepresented groups. Our poll indicates that 5% of eligible voters had attended LCFF-related meetings/events in 2016 and more than half of superintendents reported that the level of stakeholder engagement was average or poor, that it was difficult to obtain input from parents/guardians of target groups (low-income, foster youth, English learners), and that activities tended to be dominated by a few stakeholders. And despite the learning, in all three years most district cases engaged in relatively shallow ways, such as one-way giving of information.

What do we *not* know? The extant research on LCFF leaves many unanswered questions, particularly:

- What are the effects of this reform on elementary and middle school students?
- Will we see sustained outcomes over time, especially when funding levels off?
- What are promising practices for improving the quantity and quality of stakeholder engagement?
- What role are school board members playing in the engagement and LCFF processes overall?
- How are charter schools implementing the LCFF and what is the LCFF's impact on them? How do these LCFF implementation issues compare to those in non-charter schools/districts?
- How are districts being supported to better achieve their LCAP goals and how might we build the capacity of county offices of education to provide this support?

Another important avenue for future inquiry pertains to issues of equity. While the LCFF is race-neutral—defining areas of need by income, language, and foster youth status—issues of race inevitably play a role in these processes, particularly stakeholder engagement, and should be examined further. LCFF's promise of equity also calls for continued research on how districts and schools use resources to support the target students and to what effect (i.e., outcomes for these specific groups).

Where do we go next? New state leaders—including Governor Newsom, State Superintendent Thurmond, and State Board President Darling-Hammond—have pledged their support for continuing the LCFF, but likely adjustments will be important to follow and further investigate over time. As the findings from *GDTFII* indicate, and the recent teacher strikes in Los Angeles and Oakland have clearly highlighted, future improvement in public education is highly contingent on broader policy decisions related to adequacy of funding and other structural issues constraining resource allocation and improvement efforts in districts.

¹ The findings reported herein come from the 36 research studies comprising the GDTFII endeavor, which can be found at: <https://gettingdowntofacts.com> and summarized in this report: <https://gettingdowntofacts.com/summary>

² Unduplicated students are students who are low-income, foster youth, and/or English learners, but counted only once if they fit into more than one category.

³ Strauss, V. (2013). "California's Gov. Brown blasts state, federal education policy." *The Washington Post*, 1/24/13.

⁴ The term comes from regulatory guidelines and is not well defined by the state. Instructions for completing planning documents call for "meaningful engagement of parents, pupils, and other stakeholders, including those representing the subgroups identified in [the policy] is critical" and asks districts to describe the process used.

⁵ The eight priorities are: student achievement, school climate, basic services, implementation of Common Core standards, student engagement, parental involvement, course access, and other student outcomes.

⁶ Much of the research on LCFF implementation comes from the LCFF Research Collaborative, of which I am a member. The data for these studies included three years of case studies of 27 districts (including more than 380 interviews), a statewide representative survey of superintendents, and public opinion polls. These reports can be found at: <https://www.edpolicyinca.org/projects/lcffc-overview>. The bulleted points herein come from studies conducted by the LCFFRC and other researchers, including Paul Bruno, Dan Humphrey, Julie Koppich, Rutger Johnson, Sean Tanner, and Jason Willis. Summary briefs on this research can be found at: <https://gettingdowntofacts.com/publications/local-control-funding-formula-after-four-years-what-do-we-know> and <https://gettingdowntofacts.com/publications/effects-local-control-funding-formula-revenues-expenditures-and-student-outcomes>