

What's Next for California Schools?

A Progress Report One Year After
Getting Down to Facts II

Mary Perry
Jeannie Myung
Heather J. Hough



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Executive Summary

The *Getting Down to Facts II* (GDTFII) project, released in September 2018, assessed the state of preK–12 education in California. As year 2 of Governor Newsom’s term begins, this report provides a progress update on three areas of concern raised by the research findings and highlights what may be coming next.

GDTFII Finding 1: California needs a continued focus—through multiple approaches—on its large achievement gaps, including enhanced early childhood education.

2019 statewide test results showed slight improvements, but students of color and those from low-income families continued to lag behind their peers. The problem starts early, as a lack of access to high quality early childhood education (ECE) leaves too many children behind. The state began to address this issue with an increase in funding and by starting work on an updated data system and a Master Plan for Early Learning and Care. K–12 staffing shortages and teacher distribution issues contribute to the gap and they are receiving increased policy attention as well, with significant investments proposed in the 2020-21 budget.

GDTFII Finding 2: California’s education system needs capacity building in order for educators and others to identify and implement effective improvement strategies.

California’s Statewide System of Support benefitted from increased funding and a focus on strengthening county office capacity to support schools and districts. Local leaders praise the emphasis on assistance over compliance but say the effort is uneven and inadequately funded. Policies to improve support for English learners were introduced in 2019-20 and impact will be studied through a new proficiency assessment and a teacher observation protocol, to be completed in fall 2020. To bolster continuous improvement efforts, the 2019–20 budget provided \$10 million for a longitudinal student-level data system and one of the first steps will be matching student records between K–12 and higher education. With two bills passed in 2019, charter school oversight and governance also garnered policy attention.

GDTFII Finding 3: Funding for schools remains short of adequate, and pensions, special education, and facilities could destabilize the system or worsen inequities.

California’s 2019–20 budget increased K–12 funding by \$2.8 billion. While substantial, the increase falls well short of what schools need. A measure to provide additional funding may appear on the November 2020 ballot and, in March, voters will decide on a statewide school facilities bond. Both special education and pensions received attention from state leaders in 2019. Added funding for special education will be temporary unless statutory changes to the special education system are enacted in 2020. The 2019–20 budget provided some financial relief for districts related to pensions, but state leaders did not address the persistent accrual of unfunded liabilities at the heart of the pension problem.

Introduction

In 2018, California’s education community was preparing for a pivotal moment. A new governor would soon take the reins and voters would elect a new superintendent of public instruction.

During his 8 years in office, Governor Jerry Brown had worked with the Legislature, State Board of Education (SBE), and California Department of Education (CDE) to craft policies aimed at educational equity. That included adopting and implementing new academic standards and transforming the state’s systems for funding schools and holding them accountable. But to what extent had those policy changes made a difference? How well had they been implemented? Were they leading to hoped-for improvements in student outcomes? What conditions, if any, stood in the way of progress?

To answer those questions, the *Getting Down to Facts II* (GDTFII) research project, released in September 2018, looked broadly and deeply at the state of PreK–12 education. The research project identified three areas that called for further attention:

1. Focusing on the student achievement gap;
2. Enhancing educator and system capacity for improvement; and
3. Providing adequate, stable resources.

As the first full year of Governor Gavin Newsom’s term comes to a close and his 2020–21 budget proposal emerges, this report provides a progress update on what has been accomplished towards those areas of concern. It documents what has happened to support California’s goal of graduating all students with the preparation necessary to succeed in college, career, and community. It also provides indications of next steps and the areas where the need for action still remains.

Focusing on the Student Achievement Gap

“ California ... needs a continued focus on closing achievement gaps through multiple approaches including enhanced early childhood education.”

LOEB ET AL., 2018, PREFACE

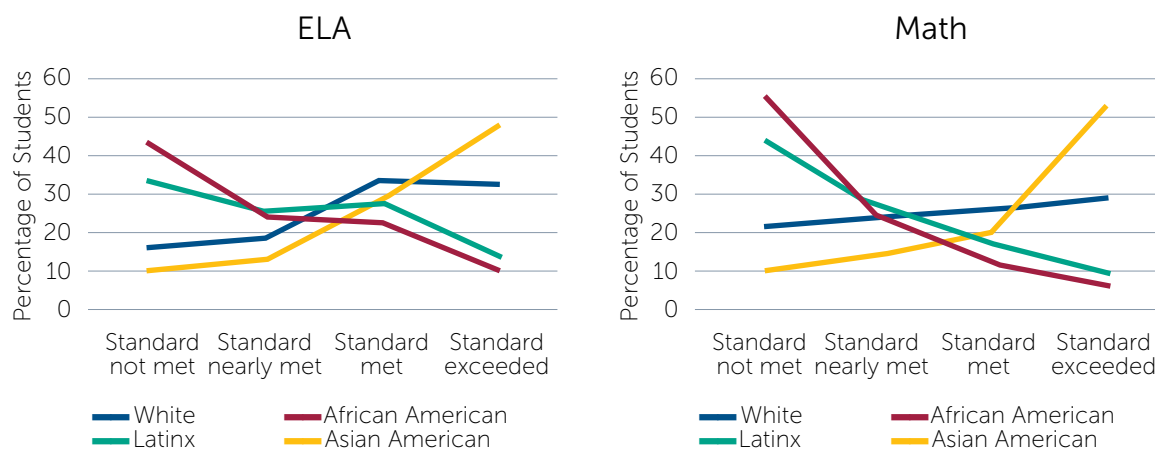
Each year, state assessment results provide one window into whether schools are improving and more students are succeeding. Test scores are not the only important barometer of progress but they do allow us to “take the temperature” of our public school system. In October 2019, the CDE announced mixed results from the tests students took

in English language arts (ELA) and math the previous spring. Statewide results in all tested grades showed a modest improvement, about a 1 percent increase over 2018:

- 51 percent of students met or exceeded standards in ELA and
- 40 percent of students met or exceeded standards in math.

These modest improvements on the state assessments were less consistent in Grades 7, 8, and 11. Further, while all student groups have improved since 2015, students of color and those from low-income families continued to lag behind their peers (Cano, 2019). As shown in Figure 1, 77 percent of Asian American students and 65 percent of White students met or exceeded standards in ELA in 2019, compared to 33 percent of African American students and 41 percent of Latinx students, with similar trends in math. Scores from the 2019 administration of the National Assessment of Educational Progress (NAEP) reflected these same trends, with limited change over time and increasing achievement gaps (Fensterwald & Willis, 2019). In reacting to the evidence of a continuing achievement gap, a November 13, 2019, press release from the CDE cited California’s teacher shortage as one important factor, particularly as it impacts high-poverty schools (California Department of Education, 2019).

Figure 1. 2019 Statewide Results on the California Assessment of Student Performance and Progress



Source: Author analysis based on data from <https://caaspp-elpac.cde.ca.gov/caaspp/PerformanceTrendReportsSB>

K–12 Staffing Challenges

Context. The GDTFII research indicated that schools with students who are less advantaged have more difficulty filling teaching positions. As a result, staff in those schools have less experience and are more likely to be underprepared for their teaching assignments. This situation is exacerbated by continued teacher shortages (Darling-Hammond et al., 2018).

Progress. State policymakers have taken several actions since 2018 to address the teacher shortage and improve the distribution of qualified teachers. Most notably, the 2018 and 2019 state budgets provided financial incentives targeted at subject matter shortages and high-need schools and districts. Those included allocations of:

- \$75 million for teacher residencies (in 2018) and
- \$89.5 million for Golden State Teacher Scholarships (in 2019). (See page 7 regarding related support for professional learning.)

During the 2019 legislative session several bills were passed and signed by Governor Newsom that also addressed issues related to teacher staffing.

- AB-988 (Berman) lessens California’s credential requirements for teachers with out-of-state credentials who want to teach here.
- AB 525 (Rivas) requires the California Commission on Teacher Credentialing (CTC) to develop reports and provide recommendations regarding the teacher workforce as a whole.
- AB 1219 (Jones-Sawyer) requires the CTC to provide local educational agencies with a data system for monitoring teacher assignments and misassignments.

Next steps. Some additional legislation introduced in 2019, but not passed, suggests other possible strategies related to teacher shortages. For example, AB 578 (Mullin) would have created the California Science Technology Engineering and Mathematics (STEM) Teaching Pathway and AB 1119 (E. Garcia) would have required the CTC to create a workgroup to specifically look at teacher shortages in small school districts. Both bills could be considered during the 2020 legislative session. To address California’s achievement gaps, K–12 staffing policy will need to continue to attend to the distribution patterns of teaching quality by subject, region, and student background.

Early Childhood Education

Context. The GDTFII research cited evidence that achievement gaps are present when children begin kindergarten, highlighting shortcomings in California’s early education system. High quality Early Childhood Education (ECE) experiences can play a critical role in reducing those gaps, but California’s low-income families have limited access to preK education because of prohibitively high costs. Further, the quality of programs also raises concerns due to low wages for early childhood educators and inadequate teacher-training requirements.

The fragmented nature of the ECE system—with its combination of public, private, and family care providers—makes it difficult to address these issues. Evaluating which

systems and improvement efforts are effective is also hamstrung by the absence of a centralized data collection system (Stipek, 2018).

Progress. Governor Newsom campaigned on the need to improve Early Childhood Education and the first state budget passed during his term reflected that. It included an increase of nearly 21 percent, or \$963 million, from the 2018–19 level. Among other things, the funding addressed the issue of family access by increasing subsidized child care slots by about 35,000 across multiple programs, an increase of about 8 percent. The state is also investing to support quality in the ECE system:

- A 3.26 percent cost-of-living adjustment to reimbursement rates for some programs is not enough to enable large increases in salaries, but can at least sustain the current salary competitiveness of subsidized programs.
- The budget also includes \$10 million for a one-time initiative to support collective bargaining among childcare workers, a strategy that could eventually support better compensation. AB 378 (Limon) authorizes family childcare providers to organize.
- More immediately, \$195 million in workforce development grants (over 4 years) aims to increase the number of childcare and preschool workers, and provide them with more education and training.
- Providers will also have the chance to apply for \$263 million in grants to renovate or construct new childcare facilities.
- The budget also includes \$2.8 million in ongoing funds to increase the number of CDE staff working on early learning programs, with about a third of the funds for increasing on-site reviews of providers.

Next steps. In April 2019, after 2 years of work, the Assembly Blue Ribbon Commission on Early Childhood Education issued a report that drew heavily on the GDTFII research. State leaders included a number of allocations in the budget to support the report's recommendations. The state's Health and Human Services Agency received \$5 million and was assigned the task of creating the Master Plan for Early Learning and Care. In November, Governor Newsom announced the creation of the Early Childhood Action Research Team, which will be developing the plan. The group includes state and national leaders. The agency also received \$2.2 million to run a new, 20-person Early Childhood Policy Council for 3 years. The hope is that these efforts will result in the development of a comprehensive road map for California's ECE system and ultimately accelerate the state's progress on issues of access and quality, including workforce issues. Separately, the CDE is receiving a one-time allocation of \$10 million to update the early education data system. Implementing these wide-reaching plans will require time and effort. Research shows that it will be important to keep the focus on quality as well as on preK–3 alignment

of standards, curricula, instructional practices, assessments, and teacher professional development (Koppich & Stipek, 2020; Stipek, 2018).

Enhancing Educator and System Capacity for Improvement

“ California’s education system ... [needs] capacity building to ... ensure that educators and other practitioners have the skills, information and materials they need to put major reforms more fully into practice.

LOEB ET AL., 2018, PREFACE

Several GDTFII studies identified capacity shortcomings that limit educators’ ability to pursue the continuous improvement strategies envisioned in California’s Local Control Funding Formula (LCFF). They found that educators’ ability to implement the Common Core State Standards and others—including the Next Generation Science Standards—suffered from a lack of professional development and insufficient knowledge about instructional resources available to redesign classroom teaching and learning. The researchers also expressed serious concerns about the capacity of the state’s emerging Statewide System of Support, and the CDE in particular, to orchestrate and address those needs (Finkelstein & Moffitt, 2018).

Across several studies, researchers also mentioned shortcomings in the state’s education data system (Phillips et al., 2018). Acknowledging some improvements over time, the studies still cited the lack of longitudinal student-level data—spanning from preK to college and entry in the workforce—as a barrier to transparency and improvement in the state’s education system (Reber & Kalogrides, 2018).

Local Control Funding Formula/System of Support

Context. Created to ensure that every school district has access to assistance, the System of Support includes the CDE, the California Collaborative for Educational Excellence (CCEE), and county offices of education. Published in 2018, the GDTFII studies highlighted concerns about each of them:

- As a newly created agency, the CCEE was still developing its roles and responsibilities.
- The CDE, up until then, had largely been a compliance agency rather than providing support to local education agencies.
- Staff at many county offices needed to learn more about how to support local districts in the process of continuous improvement and how to coordinate with other support providers.

Central to the LCFF theory of action is public accountability, and the California School Dashboard is a prime mechanism for informing local stakeholders about their schools' progress and improvement needs. At the time the research was done, the Dashboard had only been published once. Its complexity was cited as an issue as were some of the metrics it uses, including a "change" measure that compares cohorts (this year's fourth graders versus last year's fourth graders) versus using a "growth" model that would provide a cumulative measure based on how individual students improved over time.

Progress. During 2019 the members of the System of Support have strived to more clearly define its operating structure. Their work has benefitted from a state investment and the identification of county offices as regional or subject-specific leads to provide support to schools and districts and build the capacity of other counties.

That structure is being put to the test as school districts are now being identified for differentiated assistance, including more than 300 in December 2019. The federal Every Student Succeeds Act (ESSA) also requires similar support for more than 1,600 schools, as identified in 2018. The 2019–20 state budget provided a \$10 million augmentation for county offices related to this work.

Meanwhile, the Dashboard has continued to evolve. True to a commitment to continuous improvement, the SBE and CDE annually review both the metrics it includes as well as the user interface. Some state funds have been earmarked for the latter task, including a mobile-friendly platform that debuted in 2018.

Next steps. A recent PACE report chronicles both county office and school district perceptions about how the System of Support is evolving. Local leaders praise its emphasis on assistance over compliance, although the nature of that assistance has varied depending on the local context and internal capacity of the county office of education (COE; Humphrey & O'Day, 2019). The report also identifies significant challenges to realizing a robust support system, including inadequate funding, uneven COE capacity, and problems with the Dashboard data used to identify eligible districts. Overall, the authors find that the System of Support has yet to become a true system, and they make recommendations for the state moving forward. A PACE brief notes three major shifts that, according to COE superintendents, COEs must achieve to fulfill their role in the System of Support:

1. Every layer of the system must assume shared responsibility to improve student outcomes;
2. To support continuous improvement in districts, COEs must themselves experience and lead through continuous improvement; and

3. To coordinate resources in service of districts, COEs must break down departmental silos and use data that provide reliable, timely feedback (Manansala & Cottingham, 2019).

In regard to the Dashboard specifically, the PACE report highlights district leader complaints about the protracted time it takes for the data to be released, more than 6 months after a school year ends. This reflects the state’s approach of doing a “full release” of the data at one time versus regular updates to the Dashboard as data is made available. That said, the public generally prefers the new interface, although awareness and use of the Dashboard remains low. Under the heading of technical data issues, during 2019 the CDE convened an advisory group to explore various approaches to creating a growth model for reporting change in state test scores. California is one of only two states that does not use a student-level growth model to measure school performance (Polikoff, 2019). The results of that effort are expected to be part of the May 2020 SBE agenda.

The Local Control Accountability Plan

The state-required Local Control Accountability Plan (LCAP) was intended to provide guidance for district planning, a communication tool for stakeholder engagement, and an accountability mechanism that county offices would use in their LCFF oversight role. The GDTFII researchers heard from local educators about how cumbersome the state’s LCAP template was and the particular burden it placed on small school districts with little administrative capacity (Koppich et al., 2018).

Pursuant to legislation, the SBE approved a new template in January 2020. Districts will use that template for their next LCAP, which they must adopt by the end of June. The revisions attempted to address the prior critiques but the task proved challenging given competing constituent demands expressed during an extensive public input process. Local education leaders wanted a document that was shorter and less cumbersome to prepare. Some advocacy groups saw comprehensive information and transparency as a higher priority. The new template will be posted at <https://www.cde.ca.gov/re/lc/>.

Instructional Support and Improvement

Context. The instructional shifts called for by the state’s adoption of new standards in ELA, English language development, mathematics, and science

represent a dramatic departure for classroom instruction. The GDTFII researchers found several indications that schools are struggling to respond to those changes.

As of 2018, only 40 percent of math teachers and about half of ELA teachers reported receiving professional learning explicitly focused on aligning materials or teaching activities to the standards. Local educators wanted help identifying instructional materials and professional development well-aligned with classroom needs (Finkelstein & Moffitt, 2018).

Meanwhile, research on the state's governance systems suggested that the CDE lacked the capacity to adequately support instructional improvement despite efforts to do so (Henig et al., 2018).

Progress. The CDE has put substantial resources into support for teachers and local instructional leaders related to implementation of the new standards and assessments. For example, the assessment division uses multiple strategies to help educators use the Smarter Balanced testing system to inform their practice, including a statewide conference for teachers and regional training sessions.

State policymakers have responded with additional resources as well. The 2019–20 budget included:

- A one-time augmentation of \$3.8 million to the CDE budget to support 17.5 additional positions in the department, including for updating instructional guidance.
- \$37.1 million (in one-time money) for grants to support professional development for teachers and paraprofessionals (see box for details).
- \$13.8 million (ongoing funds) to create the 21st Century California Leadership Academy, and supply professional development grants for principals and school leaders.

Next steps. California has, on paper, committed to the principle of continuous improvement. Implicit in that commitment is giving teachers and local education leaders time and support so they can evaluate and refine how instruction is supporting learning goals for students. Through its 2019–20 budget allocations, the state acknowledged that and put into place some infrastructure for longer term investments. However, the state's past history of education funding cuts provides a cautionary tale as funds for professional development, and similar infrastructure investments, have repeatedly been the first things on the chopping block in tough budgetary times.

State Support for Professional Development

An allocation of \$37.1 million for 2019-20 created the Educator Workforce Investment Grant Program. The CDE and CCEE are to provide grants for professional learning activities, including:

- \$10 million to implement the California English Learner Roadmap, including, but not limited to, building capacity among school leaders, implementing aligned instructional practices, identifying and sharing high quality models of professional development, and supporting the alignment and articulation of the Roadmap across district systems.
- \$5 million for professional development directly related to special education.
- \$22.1 million for professional development, including, but not limited to, social-emotional learning, school climate, computer science education, and the development of an ethnic studies model curriculum.

English Learners

Context. The California English Learner Roadmap, adopted by the SBE in July 2017, has served as a guide for policy and practice related to English language learners (ELLs). The GDTFII researchers generally praised the Roadmap, often using it as a lens for examining the state's progress with this population.

One issue the researchers highlighted was unequal access to academic content for ELLs, in part because of local reclassification practices. The GDTFII study also expressed concerns about the ways that the state's testing system, with high-stakes tests in English and a lack of primary language assessments, can undermine the progress of ELLs (Santibañez & Umansky, 2018).

Progress. The CDE has implemented the voluntary California Spanish Assessment (CSA), but has no plans to do something comparable in other languages. State policies encouraging learning multiple languages are continuing to evolve, however. For example, the State Seal of Biliteracy is now included as part of the state's measure of college and career readiness on the Dashboard. The state earmarked a portion of its 2019–20 professional development investment to support implementation of the ELL Roadmap (see box). In addition, bilingual teachers are one specific focus of the policies and resources targeting teacher shortages.

Next steps. Any decisions on changing California’s ELL reclassification process await results of two other initiatives. One is completing the implementation of the new English Learner Proficiency Assessments for California (ELPAC), including how to best report the results for accountability purposes. Work is also underway to develop an Observation Protocol for Teachers of English Learners that is expected to improve local practice related to reclassifications. The protocol is scheduled to be presented to the SBE in fall 2020.

Data System

Context. The creation of a longitudinal data system that links student-level K–12 data to the state’s existing higher education, social services, and workforce data systems, is foundational to the improvements identified in the GDTFII studies. (Data about Early Childhood Education, as referenced above on pages 3–4, is an additional aspect of this.) Researchers also stated that access to the data is severely limited, significant gaps in data exist (especially for preK), and the CDE does not have the capacity to use the data effectively to guide policy decisions (Reber & Kalogrides, 2018). Advocates looked forward to a new governor and administration that would embrace these shortcomings and take the actions necessary to improve the situation.

Progress. In the 2019–20 budget, Governor Newsom spearheaded a one-time allocation of \$10 million for the Office of Planning and Research (OPR) to begin development of an integrated education data system. A first step, matching student records between K–12 and higher education, is to be completed by the higher education systems by 2020–21. The OPR is convening a work group that will study and make recommendations on full development of the system, including preschool data. More than half of the allocation is set aside to implement the initial build-out of the data system. Meanwhile, the state paid to get the National Student Clearinghouse data for California for 2017–18 and going back 4 years. The CDE has added this information to DataQuest, providing basic information on the number of high school completers and the percentage of completers who attended college.¹

Next steps. The enabling legislation for the data system (which was part of SB 75, the Education Budget trailer bill) calls for the California Cradle-to-Career Data System Workgroup to focus on the statewide data infrastructure. It specifies that the plan should address integration of data from multiple state agencies. Less clear is the extent to which the group’s work, at least in the first year, will address the questions raised in the GDTFII research regarding data accessibility and use by local educators, researchers, and state policymakers.

¹ <https://data1.cde.ca.gov/dataquest/>

Charter Schools

Charter schools were a flashpoint during the state's 2018 elections and several legislative actions followed in 2019, some of which related to the GDTFII findings.

Context. The GDTFII research identified weaknesses in California's approach to charter school authorization. In contrast to many other states, charter authorization here is highly decentralized, with little accountability or guidance for authorizers. In addition, their ability to effectively oversee charter schools is hampered by modest state allocations for oversight. State policies do not specify a distinct renewal process and they set a low bar for charter renewal (Raymond et al., 2018).

Progress. Charter school legislation garnered a great deal of attention in 2019 and two major bills became law:

- SB 126 (Leyva) specified that charter schools must comply with the same open meeting, public records, and conflict of interest laws that apply to school districts.
- AB 1505 (O'Donnell) addresses charter school approvals, allowing school districts to consider potential financial impact in turning down a charter school proposal and eliminating the SBE as a court of last appeal for those that are denied. The legislation also sets out additional guidance related to charter renewals and adds new credential requirements for "noncore" teachers in charter schools.

Separately, the state is now tying charter school accountability more closely to the schools' LCAPs and goals that should help guide authorizers' charter renewal decisions.

Next steps. The charter school legislation has multiple provisions related to its implementation and evaluation, assuring that charter school governance will continue to be a topic of debate in California. The actions in 2019 did not directly address researcher concerns regarding California's decentralized approach to charter authorization or the capacity of authorizers, including funding.

Providing Adequate, Stable Resources

“Funding levels remain short of adequate for schools in California given the goals of state policies. Untouched critical funding issues could destabilize the system. Pensions, special education, and facilities each have the potential to worsen inequities if not addressed.”

LOEB ET AL., 2018, PREFACE

Adequate Funding

Context. Calls to more adequately fund this state’s public schools have gone on for decades and the conclusions about needed resources included in the GDTFII research were nothing new in that regard. The shortage of resources combined with high salaries has resulted in California having far fewer adults working in schools than is the case in most other states (Imazeki et al., 2018).

The passage of Proposition 13 in 1978—following on the heels of the Serrano-Priest court decision related to local property tax inequities—fundamentally shifted school funding from a dependence on local property taxes to the state’s general fund. Proposition 98, in 1988, was one of many attempts to bolster funding, in that case creating a minimum funding guarantee for K–12 schools and community colleges. A common critique is that state leaders treat the minimum guarantee as the maximum schools get: “the ceiling instead of the floor.” Since that time, there have been several other attempts to restructure the state’s tax system, in part to better support schools. Funding has remained stubbornly below the national average, by about \$2,500 per pupil according to the latest national comparisons. That is also well below what most experts believe California schools need to address achievement gaps through extra services for low-income students and ELLs.

Progress. California’s 2019–20 state budget increased K–12 funding by \$2.8 billion: about \$2 billion for LCFF and the remainder for a variety of other programs. The budget increased ongoing per-student funding by 3.1 percent or about \$363. While that increase was substantial, it was very far from the \$25.6 billion increase suggested by GDTFII researchers (Imazeki et al., 2018). Meanwhile, current and anticipated increases to the state’s minimum wage will increase personnel costs for afterschool programs and classified positions such as cafeteria workers in many districts, with corresponding pressure along the entire salary schedule.

Next steps. Despite statutory language that sets the Proposition 98 funding level as the *minimum* guarantee, state policymakers have historically used the guarantee as their benchmark for “full funding.” There is little reason to predict that they will adopt

a significantly different approach despite a small augmentation to the Proposition 98 minimum guarantee in 2019–20.

The November 2020 election is expected to include a ballot measure that will provide funds above and beyond the Proposition 98 amount. Signature gathering is underway for the Schools and Communities First Initiative, which focuses on increasing the tax rate for commercial properties and would provide about \$4 billion annually for schools.

Some education organizations have proposed a second education funding initiative. Called “Full and Fair Funding,” it would increase income taxes on large corporations and the wealthiest individuals to create a special fund for schools. Amid concerns about having two funding measures on the same ballot, proponents have slowed down on this measure, perhaps holding it until 2022. Some advocates have also applied pressure on the governor and Legislature to address the funding issue.

Threats to Funding Stability

Context. The research also pointed to three issues that could further erode districts’ financial status.

Special education funding has not kept pace with district costs. As a result, most districts have seen an increasing share of their general operating expenditures going to cover special education costs (Warren & Hill, 2018).

- In an analysis of special education expenditures, GDTFII research highlighted the cost effectiveness of early identification of children with special needs, that is, before kindergarten, and the fact that districts do not receive funding to serve those students.
- The research also drew attention to uneven funding among Special Education Local Plan Areas (SELPA), an artifact of prior funding patterns.

Rising pension costs for local school districts are the result of an unfunded state liability and other state decisions. Past contributions have fallen short of costs and school districts are facing substantial increases in the contributions they must make to the California State Teachers’ Retirement System (CalSTRS) and California Public Employees’ Retirement System (CalPERS; Koedel, 2018).

School facility funding is falling short, in part because of the depletion of state bond funds. A first come, first served application process has created wide disparities in facility funding, tending to favor wealthier and larger districts that are better positioned to provide required matching funds (Brunner & Vincent, 2018).

Progress. Special education funding received some attention in the 2019–20 budget, including allocations of:

- \$140.9 million in cost-of-living adjustments for special education and some other programs;
- \$493 million, in one-time funds, to provide special education services for 3- and 4-year-olds; and
- \$153 million to bring low-funded SELPAs up to \$577 per student (based on total student count), roughly equivalent to the 75th percentile.

The 2019–20 budget acknowledged the pension issue by providing \$3 billion total, including \$2.3 billion in payments to address school and community college districts' unfunded liabilities. The budget also provided \$850 million over 2 years to provide rate relief—reducing what districts otherwise would have paid towards pensions.

Facility funding will go before California voters in March 2020, thanks to AB 48 (O'Donnell). The \$15 billion bond measure includes provisions that attempt to address the problems of inequity cited in the research, which some criticize as not enough and others criticize as unfair to districts that would be disadvantaged (Brunner & Vincent, 2018).

Next steps. Voters will determine whether schools receive additional funds for facilities. It remains unclear, however, whether and in what ways the special education and pension issues will be permanently addressed.

The special education funding increases included in the 2019–20 budget will only become permanent if the Legislature, in collaboration with the Department of Finance, makes statutory changes in 2020 designed to improve the academic outcomes of students with disabilities. As the Legislative Analyst's Office described, "trailer legislation specifies the changes may include: a reconsideration of the role of SELPAs, expansion of inclusive instructional practices, additional state and regional support for addressing disproportionality, ... and review of special education funding allocations" (Legislative Analyst's Office, 2019, K–12 Education, Para. 6).

The pension issue and rising district costs remain. However, the funding included in the 2019–20 budget signaled that state policymakers at least recognized the pension problem. That said, although lawmakers effectively shifted some pension costs to the state and away from districts, they did nothing to address the persistent accrual of unfunded liabilities, which the GDTFII study pinpointed as being "the heart of the problem" (Koedel, 2018, p. 2). Policy options include lowering the assumed rate of return with repercussions for either contribution costs or benefit amounts, or changing the structure of the pension systems.²

² A full discussion of these options and the trade-offs involved are provided in Koedel (2018).

Looking Forward: Governor's Budget Proposal Sets the 2020–21 Agenda

As required by state law, Governor Newsom released his 2020–21 Budget Proposal in mid-January. Although media coverage lauded his continuing commitment to education, the governor's budget amount was based on the Proposition 98 minimum guarantee rather than staking out any new ground related to funding adequacy. That was reflected in the recommendation that school districts and county offices receive a 2.29 percent Cost of Living Adjustment (COLA) for their basic operational funding. School Services of California estimates that the allocation, which is about \$230 per student, will not cover anticipated cost increases in a typical school district.

In particular, unlike that of the prior year, the budget proposal did not include any additional funding from outside of Proposition 98 to further address long-term pension liabilities. It did, however, recommend an ongoing funding increase for the equalization of special education funding and for special education services for preschool-age children with disabilities.

Related to the achievement gap, the governor earmarked substantial one-time Proposition 98 funding for new initiatives. That included over \$530 million to address teacher shortages and a \$300 million grant program to encourage the creation of more community schools. The budget also uses non-Proposition 98 funds to add 10,000 preschool slots for low-income families.

The budget proposal also invests in strengthening both local and state-level capacity for improvement. This includes a \$350 million competitive grant program to support teacher professional development and \$300 million for opportunity grants for districts identified for differentiated assistance. Both programs use one-time Proposition 98 funds.

2019–20 saw important investments in education, with considerable alignment between budget allocations and the key findings from GDTFII. Judging from this proposed budget, the themes and issues highlighted in the GDTFII research will continue to inform state policy actions during the upcoming legislative session. These are all encouraging signs of progress, but there is a long way to go. Most important seems to be building support for a meaningful increase to K–12 funding, beyond the cost-of-living approach contained in the Proposition 98 minimum guarantee. The GDTFII evidence should continue to inform the refinement of the ideas represented in the budget over the months ahead.

Appendix: Major Sources of Information for This Progress Report

Research findings and implications in *Getting Down to Facts II*:

- Getting Down to Facts II (<https://gettingdowntofacts.com/>).

Descriptions of state legislative and budget actions and allocations:

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Author Biographies

Mary Perry has been an independent education consultant since 2011, writing frequently on policy issues in California. Her recent work included summaries of several **Getting Down to Facts II** research papers. Formerly Deputy Director of EdSource, Mary is known for her ability to explain education data, research, and policy to a wide range of education stakeholders. She served on the governing board of the Campbell Union School District from 1990–99.

Jeannie Myung, Ph.D., is the Director of Policy Research at PACE. She was the Managing Director of the research project *Getting Down to Facts II: Current Conditions and Paths Forward for California Schools*. She was previously a program director at the Carnegie Foundation for the Advancement of Teaching, where her work focused on launching and developing networked improvement communities focused on improving student academic experiences and outcomes.

Heather Hough, Ph.D., is the Executive Director of PACE. Prior to serving in this role, she led the partnership between PACE and the CORE Districts. Her recent work has focused on using research to strengthen state structures supporting continuous improvement and advancing policies that support the whole child. Dr. Hough has worked in a variety of capacities to support policy and practice in education, including as an Improvement Advisor at the Carnegie Foundation for the Advancement of Teaching and as a researcher at the Public Policy Institute of California, the Center for Education Policy Analysis at Stanford University, and the Center for Education Policy at SRI International. Dr. Hough holds a Ph.D. in Education Policy and a B.A. in Public Policy from Stanford University.

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- 2 making research evidence accessible; and
- 3 leveraging partnership and collaboration to drive system improvement.



Stanford Graduate School of Education
520 Galvez Mall, CERAS 401
Stanford, CA 94305-3001
Phone: (650) 724-2832
Fax: (650) 723-9931

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