

# TOWARD MORE EFFECTIVE AND EQUITABLE SCHOOL FUNDING: RECOMMENDATIONS FROM TEACH PLUS CALIFORNIA POLICY FELLOWS

## +++++ INTRODUCTION +++++

All California students deserve access to high-quality public schools. To adequately fund schools and close the achievement gap, schools need sustainable funding sources. Equitable funding, in which students who need more support get more, is also important in order to set all students up for success. The Local Control Funding Formula (LCFF) aims to focus resources on low-income students, English learners (ELs), and foster youth, but a lack of transparency and accountability makes it unclear whether or not these resources are actually being used to serve the needs of these students.

As current classroom teachers and Teach Plus California Policy Fellows who teach primarily high-need students, we know firsthand how critical funding is for staffing, services, and resources for our students. Our students deserve increased and equitable funding from the state. At the same time, it is essential that the state addresses the issues of accountability and transparency to ensure that the funds reach students who need them most.

## +++++ BACKGROUND AND CONTEXT +++++

Governor Newsom released his 2020-21 budget proposal highlighting the need to address some of the fundamental problems related to how K-12 education funding is distributed to districts and other Local Education Agencies (LEAs) across the state. Though California has increased its overall investment in public schools in recent years, we have seen firsthand that it has not been enough to meet the needs of students and educators. Revenue for K-12 education under Proposition 98, the primary source of funding for California schools and community colleges, has risen by \$8.4 billion since 2016-2017.<sup>1</sup> While this represents a 13 percent increase in funding, California remains consistently below the national average.<sup>2</sup> California ranks 39th in per-pupil expenditures and 40th for the portion of resources it devotes to education.<sup>3</sup> At the same time, LEAs continue to face additional fiscal pressures due to rising pension and health care costs, as well as increased special education costs. These costs are expected to keep skyrocketing, quickly outpacing increased revenues promised in the LCFF.<sup>4</sup>

In addition to lagging behind much of the rest of the country in terms of per-pupil funding, California still has persistent achievement gaps along racial and economic lines. In 2018-19, 39 percent of economically-disadvantaged students met or exceeded standards in English, as opposed to 69 percent of non-economically disadvantaged students. In math, the gap is wider — 27 percent compared to 59

percent. The gap based on language acquisition is even starker, with only 13 percent of English learners meeting standards in either subject, as compared to, respectively, 58 and 45 percent in English and math.

The LCFF, first adopted in 2013-2014, was intended to help address these gaps. It provides additional resources — supplemental and concentration grants — to students who have been historically underserved: students from low-income families, English learners, and foster youth. However, California has not ensured this money is used for its intended purposes. According to a 2019 State Auditor's report, some supplemental and concentration funds intended to support these high-need groups have been misidentified or not spent. Furthermore, the report indicates that it is unclear how LEAs use these funds to increase or improve services for the designated student groups.<sup>5</sup> Without appropriate accountability and transparency, communities are not able to evaluate how their schools are addressing the achievement gap and meeting the needs of their students.

While it is important to track how funds are allocated, schools serving high-need student populations — including students living in poverty, English learners, and students enrolled in special education — require teachers and staff with specialized skills and knowledge. This means that, as a state, California needs to acknowledge that our schools are under-resourced.<sup>6</sup> Students who face significant adversity need supports that go beyond traditional instruction. Research has shown a particular gap in investing in support for California's 1.2 million English learners and the need for effective investments addressing the diverse, individual educational assets and needs of the EL population.<sup>7</sup> Serving English learners and other historically-underserved students requires additional investment in reduced class sizes, rich special education programs, trauma-informed coaching, teacher recruitment and retention, professional development opportunities for teachers, and more social-emotional supports. Investing more in these resources in order to appropriately support the state's highest-need students will require increased amount of funding from the state.

As we expect a school-funding related measure to be on the 2020 ballot, California voters will have the opportunity to vote for more sustained funding for schools. However, we have seen how a lack of trust in our school systems has led to recent school-funding measures failing at the ballot box. The State Auditor's report highlighting the lack of fiscal transparency and accountability undermines public confidence in the system, which can lead voters to be unsure whether resources are being used appropriately. Local crises and political struggles, including looming fiscal crises in many LEAs, may also contribute to this climate of distrust. This makes the viability of a publicly-supported revenue measure for schools questionable. We believe the governor and legislators must aggressively address funding, accountability and transparency, as well as public trust in our schools, if we are to take advantage of this opportunity to generate additional revenue for our students, which is so urgently needed.

## +++++ RECOMMENDATIONS +++++

### **Recommendation 1: Ensure increased and sustainable funding for California's schools to meet the needs of all students.**

California continues to trail behind other states in per-pupil funding. LEAs need guaranteed and sustainable revenue streams to meet the needs of students and fulfill their obligations, including special education costs and unfunded liabilities related to pensions and benefits. The governor and California legislature must ensure that any revenue-generating measure on the 2020 ballot has a high likelihood of passing and is the best possible measure to set our schools up for long-term success in serving California's students.

### **Recommendation 2: Implement a meaningful tracking system to provide additional data for all stakeholders, including the state, teachers, students, and families on LCFF spending by LEAs.**

The public must be able to see how money is being spent and understand how funding impacts student outcomes. The State Auditor's report acknowledges that the current system has no way to assess the impact of supplemental and concentration funds on the targeted student groups. Districts are currently not required to report how grants are spent, or whether funds are spent during the current fiscal year. Implementing a tracking system aligned with the dashboard indicators would allow all stakeholders to see how LEAs are using supplemental and concentration funds to improve student achievement and to determine their impact. The data must be clear and understandable. This will help to build public trust in the system and hold LEAs accountable.

### **Recommendation 3: Close policy loopholes so that LEAs are held accountable.**

LEAs must be accountable for how LCFF funds are spent in order to improve outcomes for designated student groups. Specifically, LEAs that receive supplemental and concentration grants for English learners, youth in foster care, and students from low-income households must guarantee that those dollars are spent on these students. The current system allows unspent supplemental and concentration grant money to be used in next year's general fund. This loophole must be closed to ensure that any leftover supplemental and concentration grant money is used specifically to improve outcomes for English learners, low-income students, and foster youth. As noted in the State Auditor's report, one way to close this loophole would be to require LEAs to report unspent grant funds in their Local Control and Accountability Plans (LCAPs), maintain the requirement they be spent on services for the designated students, and include how they intend to use these funds to support those student groups.

## +++++ CONCLUSION +++++

California has made a number of changes to its funding system and increased investment in education over the last seven years, but there is still a long way to go to close the achievement gaps and adequately support all students. The state needs to ensure increased funding for schools, improve accountability by requiring LEAs to track the spending of supplemental and concentration grants, and close existing loopholes to make sure that grant money is spent on the intended student groups. We call for bold leadership from the state to ensure that our schools and students get what they need to succeed.

## +++++++ ENDNOTES ++++++

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