

# ISSUES AND ACTIONS IN CALIFORNIA EDUCATION POLICY

## SETTING THE STAGE FOR 2006



CALIFORNIA'S CONTINUING EDUCATION debates are about to heat up again. Once Gov. Arnold Schwarzenegger presents his January proposal for the 2006–07 budget, state leaders will head into another year of deliberations over how to spend the funds taxpayers provide. And with the largest portion (39%) of General Fund spending dedicated to public schools, education is always a central focus of those deliberations.

In the year just past, battles over how much schools should receive dominated the conversation in Sacramento and created a particularly contentious situation. Even in a cooperative political

environment, the important education issues present political and practical complexities that make meaningful actions difficult. In the heat of the conflicts of 2005, such actions were few and far between.

This report provides a roundup of the rather modest set of actions the state Legislature and Gov. Schwarzenegger took on education in 2005. It also sets the stage for what those who care about education might expect in the coming year. To provide some structure for addressing a wide breadth of topics, the report is organized into four sections. Each describes the policy actions taken in 2005 and the

ongoing issues that are expected to shape the education debate in 2006.

These issues are neither comprehensive nor mutually exclusive. But all reflect the challenges inherent in attempting to create an effective system of public education in which district, state, and federal policies work together to improve the effectiveness of schools and the achievement of students. In California that involves almost 1,000 school districts, over six million children, more than 300,000 educators, and a Legislature and governor who have often been at odds. It is certain that the debates will continue. Clear, effective actions are less of a sure thing.

### KEY ISSUES IN 2006

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# HIGH SCHOOL ISSUES

In many ways, high school performance is a measure of the success of the entire K–12 public school system, and by that measure California has cause for concern. California’s high schools are struggling to meet the state’s performance standards. Approximately 30% of students who start high school do not graduate, and a substantial minority of students entering their senior year are unable to demonstrate mastery of basic skills.

Statewide efforts to improve students’ performance in high school have met with some success, as evidenced by test-score and course-taking data. But many believe that some policy changes are needed to help support and further that improvement. Superintendent of Public Instruction Jack O’Connell focused attention on high school reform issues beginning in 2003, including sponsor-

ship of a statewide summit and legislative recommendations. Other state leaders have echoed concern about high schools, but policymakers as a whole did not coalesce around an agenda or otherwise make much progress on this difficult issue in 2005.

### *Class of 2006 must pass the exit exam*

Ever since 1999, when state lawmakers authorized an exit exam as a high school

graduation requirement, the idea has been a lightning rod for controversy.

Initially, the exit exam requirement was scheduled to go into effect for the class of 2004. However, proponents of the exam wanted to defend it from legal claims that students had not been given an opportunity to learn the material included in the exam. State leaders enacted a bill in 2001 allowing the State Board of Education to

## HIGH SCHOOL POLICY ACTIONS

### **CAHSEE requirements for Special Education students**

In May 2001 advocates for students with disabilities filed a class action lawsuit charging that the exit exam discriminated against students with learning difficulties. In *Chapman v. the California Department of Education*, they called for an alternate assessment for those students, procedures for requesting accommodations, and an appeals process.

#### *The state’s initial response satisfies some concerns*

In 2002, SB 1476 set up both “accommodations” and “modifications” in testing procedures for Special Education students.

- An accommodation is a change in how a test is given that does not fundamentally alter what it measures—e.g., providing the test in Braille or allowing more frequent breaks. Accommodations are based on a student’s needs. Scores are considered comparable to those of other students.
- A modification alters what the test measures—e.g., reading the language arts portion of the test aloud to students or letting them use a calculator on the math portion.

SB 1476 allows local school boards to waive state requirements and grant diplomas to disabled students who take a modified exam. At a parent’s request, the student’s principal must submit a waiver request to the local school board. The board can then waive the CAHSEE requirement for a disabled student who has taken the test with modifications and attained a passing score. The board may do so only if the principal also certifies that the student has the following:

- An individualized education program (IEP) or Section 504 plan that requires the modifications provided.
- Sufficient high school coursework either completed or in progress to have attained the skills and knowledge otherwise needed to pass the high school exit exam.

#### *Legal settlement follows report*

In 2003 the state enacted SB 964, which called for an independent consultant to look at

the issue further. WestEd, a nonprofit research and service agency, was hired and in May 2005 recommended that the state either delay the exit exam requirement for up to two years for students with disabilities or implement a multiple-tier diploma.

This report and others helped the parties in the *Chapman v. California* lawsuit reach a proposed settlement in August 2005. Under the agreement:

- For the class of 2006 only, disabled students would be exempt from passing the CAHSEE if they are otherwise on track for graduation and have taken the exam several times.
- Students would be required to take remediation classes to help them gain the knowledge and skills necessary to pass the exam.
- Schools would have to inform parents of their student’s right to remain in K–12 education until age 22.

The agreement was further contingent on state policymakers’ enacting legislation to codify at least the minimum terms of the settlement. Legislation enacted pursuant to the settlement could be questioned in court if either party thought that it violated the agreement.

#### *Resolution still pending*

The Legislature passed a bill that went beyond the minimum terms of the settlement. SB 586 delayed the exit exam requirement for disabled students for two years, not just one. Both O’Connell and the State Board of Education, defendants in the lawsuit, recommended that the governor veto the bill, which he did. Some officials in Sacramento expect that legislation to resolve the matter will be introduced in early 2006.

### **State Special Education law based on new federal rules**

In 2004 Congress reauthorized and amended the Individuals with Disabilities Education Act (IDEA). Most of the new provisions became effective on July 1, 2005. To ensure continued eligibility for Special Education funding, California policymakers amended state law to reflect the federal changes.

postpone the exam requirement, and the board delayed it until 2006.

This school year, high school seniors will have to have passed the California High School Exit Exam (CAHSEE) to receive a diploma. The exam has two sections, and students must pass both. The English language arts section tests students' mastery of state content standards for grades 9 and 10. The math section covers standards for grades 6 and 7 as well as Algebra I. California's content standards are quite demanding compared to other states; therefore, the high school exit exam based on these standards is a relatively challenging test. As of August 2005, about 78% of the class of 2006—this year's high school seniors—had passed both sections of the test based on the best

available estimates. However, it appears that only about 35% of Special Education students had passed. (The percentages above are based on the number of students in the Class of 2006 who took the exam as 10th- and/or 11th-graders.)

During the 2005 legislative session, state leaders underscored their commitment to the 2006 timeframe by providing funds to pay for supplemental instruction for students who have not yet passed, including:

- \$20 million targeted at schools with the lowest passage rates; and
- \$48 million for Special Education services, focused on providing intensive instructional support for students with disabilities who have not yet passed.

### *Expectations for Special Education students get particular attention*

Requiring Special Education students to pass the CAHSEE has been a matter of particular concern. In May 2001 advocates filed a class action lawsuit charging that the exam discriminated against students with learning difficulties. Plaintiffs reached a settlement with the state in August 2005 after agreeing that legislation would be passed to delay the exit exam requirement for one year for students with disabilities if certain conditions were met. However, the legislation went beyond the terms of the settlement, and Schwarzenegger ultimately vetoed it. Thus, 2006 begins without clear direction for local school districts on this issue. (See the bottom of pages 2–3.)

AB 1662 does not replicate federal law exactly, but it attempts to eliminate any direct conflicts. The bill amends provisions related to student discipline, teacher qualifications, modifications to individualized education programs (IEPs), conflict resolution, transition from K-12 schools to higher education and/or work, and procedural safeguards. Some of the more substantive changes are summarized below.

#### *The bill addresses issues facing high school students*

For students past seventh grade, the bill requires that their IEPs include any alternative means necessary to complete high school graduation requirements, such as accommodations on the exit exam. In addition, an IEP for a student who is 16—or younger, if appropriate—must contain measurable postsecondary goals and transition services needed to help the student reach those goals. That IEP must be updated annually. Finally, students must be informed by their 17th birthday of any rights that transfer to them upon turning 18.

#### *Parents' hearing rights curtailed somewhat*

A parent may request a hearing whenever the school system proposes assessing or placing a child in Special Education, changing a child's placement within Special Education, or makes claims about program availability.

AB 1662 reduces from three years to two the time period within which parents may request a hearing. Further, if a parent requests a hearing, the local education agency (LEA) must offer to convene a "resolution session" with the parents and relevant members of the IEP team. In the resolution session, parents are to discuss their reasons for requesting a due process hearing and the LEA has an opportunity to resolve the issue. If the LEA has not done so to the satisfaction of the parents within 30 days of the hearing request, the hearing process goes forward. On the other hand, if the two sides resolve the issue, they are to sign a legally binding agreement on the matter (though either side can void the agreement within three days of signing).

#### *Definition of "highly qualified" Special Education teacher clarified*

AB 1662 makes clear how the "highly qualified" requirements of the No Child Left Behind Act

(NCLB) apply to Special Education teachers. In addition to the requirements for regular teachers, a "highly qualified" Special Education teacher must have obtained full state certification as a Special Education teacher or passed the state Special Education teacher licensing examination.

However, the bill also specifies that this "highly qualified" requirement does not create grounds for a class action lawsuit on behalf of special-needs pupils if a state or district employee does not meet the definition.

#### *A start on career and technical education*

SB 70 allocates \$20 million in 2005–06 for supporting regional efforts to improve career and technical education and strengthen educational linkages between high schools and community colleges.

#### *Local assistance grants will support regional programs*

The Board of Governors of the California Community Colleges is to award local assistance grants to regional workforce development centers and consortia. Some of these centers and consortia include middle schools, high schools, and Regional Occupational Centers and Programs (ROCPs).

The grants are to support regional programs that do the following:

- Expand certificate programs in fields locally identified as strategic.
- Focus more on industry-driven programs in strategic priority areas.
- Integrate business and emerging industries with high schools' career-tech programs.
- Create course sequences that span high schools and community colleges—and, where appropriate, four-year universities.
- Accelerate education and training without sacrificing quality.
- Explore new models that integrate coursework and student internship.
- Improve the quality of career exploration and outreach materials.
- Disseminate materials and curriculum to all middle schools and senior high schools.

The bill also requires the community colleges to collaborate with the California Department of Education on an evaluation of capacity and options.

State leaders also passed legislation in response to changes in the federal Individuals with Disabilities Education Act (IDEA). Some of those changes pertained to high school students in particular. For example, the amended IDEA requires that students' individualized education programs (IEPs) contain more information about postsecondary transitions and goals, and state law was amended accordingly. Though Special Education advocates pressed California policymakers to go beyond some of the federal changes—not just those relating to high schools but more generally—state leaders in the end sought mainly to align state and federal law, or at least eliminate any direct conflicts. (See the bottom of pages 2–3.)

#### *Beyond agreement on minimum expectations, opinions vary sharply*

The CAHSEE establishes a minimum expectation for high school graduation but does not represent the state's full ambitions for its students. Californians generally agree that all students should be exposed to academically rigorous work and held to high expectations. Ideally, schools would stimulate all students' interest in numerous areas and prepare them for success in their chosen field in higher education and/or the working world.

In reality, American high schools have not been particularly successful at preparing students simultaneously for entry into competitive four-year colleges and into technical occupations. For example, the physics that an aspiring engineer needs is different from that needed by a future machinist, and orienting the curriculum so that both types of students are stimulated and challenged is not easy. Such concerns give rise to serious disagreements about the appropriate high school curriculum and whether course requirements should be relatively uniform for all or should diverge to tap more effectively into student interests.

Those favoring uniformity tend to recommend that all students take at least

the minimum course load required for admission to the University of California and California State University systems. That set of courses is known as the “a–g” course sequence and includes at least two years of laboratory science, three years of math through advanced algebra, two years of foreign language, and more. Those favoring more varied curriculum choices believe that rigor and relevance can go hand in hand as part of a strong career and technical curriculum. They argue that this approach helps keep students engaged in school. (For resources that explore both sides of this issue, see “To Learn More” on page 15.)

In the midst of this ongoing debate, Schwarzenegger successfully sponsored Senate Bill (SB) 70, which appropriated \$20 million in one-time funds to support regional efforts to improve career and technical education. The Board of Governors of the California Community Colleges will administer the funds, with an overarching goal of strengthening educational linkages between high schools and the colleges. (See the bottom of page 3.)

Debates about the uniformity of the high school curriculum extend into the question of textbooks. In 2005 Superintendent O'Connell sponsored a bill—Assembly Bill (AB) 564—that would have established a review process for high school instructional materials and provided information to districts on how well specific materials are aligned with the state content standards. The Legislature passed the bill, but Schwarzenegger vetoed it. His veto message stated that if the state is to take on the job of reviewing high school materials, it should follow the process used for K–8. That process limits districts' choices by only authorizing the expenditure of state textbook money for State Board–adopted materials.

High schools have historically had much greater flexibility, with teachers

and/or district subject-matter departments usually taking the lead in textbook selection. Schools must compare their choices to the state's content standards every three years. AB 564 did not call for using the K–8 process but proposed a middle ground between that and the current high school approach.

#### *High school reform is likely to remain a focus of debate*

Some believe that the large, comprehensive high school is an obstacle to the state's academic goals, saying in part that high schools need to be smaller than they currently are. The average high school in California has about 1,800 students. This reflects past decisions based on economies of scale as well as support for the traditional high school model with its breadth of course offerings and multiple curriculum tracks.

In recent years, interest has grown in creating smaller learning communities of about 400 to 500 students as a central reform strategy. The Bill & Melinda Gates Foundation, among others, has helped fund numerous projects in California reflecting a variety of approaches to creating such learning communities. Many of the smaller high schools are charter schools.

State policymakers have also seen promise in smaller school size. Last year, the Legislature approved AB I465, which set aside \$20 million in state school bond money so districts could receive extra funding when creating small high schools, whether constructing them from scratch or reconfiguring larger schools. The push for smaller schools will likely continue in 2006, in part bolstered by research supporting the small school approach. But opinions about this approach vary, and school size in and of itself is not a panacea, as evidenced by a recently completed evaluation that found mixed evidence of success among Gates-funded small school projects.

# SCHOOL FINANCE SYSTEM ISSUES

School finance and the amount of funding have been matters of intense debate for decades in California. Are schools responsibly managed? Do they have enough money? Is the money spent in ways that are fair and that support student performance? These complex issues, raised every year at budget time, challenge policymakers, educators, and the public as a whole. Many Californians believe a comprehensive reform of the entire school finance system is needed. Since the late 1970s, however, few changes have occurred.

## *Lawmakers tinker with charter school funding*

In 2005 the major legislative actions on school finance related to charter schools and the way they fit into the larger system. Changes were made to both the general purpose and categorical block grants charters receive. (Two major sources of funding for charter schools are the general purpose block grant, which approximates average general purpose funding for noncharters, and the categorical block grant, which represents combined funding from about 45 specific programs that may be spent at charter schools' discretion.)

AB 740 will make the categorical block grant for charter schools more predictable and generous. Its amount has fluctuated substantially but has generally decreased since its inception in 1999. The average amount among four grade spans has gone from a high of \$306 per pupil in 2000–01 to a low of \$161 per pupil in 2003–04, based on data from the Cali-

fornia Department of Education. The new legislation will increase the amount to \$400 per pupil in 2006–07 and to \$500 in 2007–08, with possible increases in the future. (See the bottom of pages 5–6.)

A second bill, SB 319, addresses differential treatment among districts with charter high schools. In general, when a student chooses a charter school rather than a “regular” school in a district, funding is supposed to “follow the student” from the district’s coffers to the charter school. However, until recently, unified districts incurred a net loss of funding for certain students attending certain types of charters. The problem was caused by the interaction of the district-funding and charter-funding systems. The solution, however, is likely to raise other issues as it sets aside a long-standing principle that all charter schools should receive similar base funding regardless of circumstance. (See the bottom of page 6.)

## *Districts gain more flexibility over some categorical programs this year*

The 2005–06 school year also marks the beginning of greater flexibility for districts operating selected categorical programs. AB 825, passed in 2004, consolidated 22 programs into six block grant categories. For all but two of the affected programs, the state not only pooled funding, but also repealed the associated statutes, leaving districts free to spend the funds for their general purposes without regard to previous program delivery and reporting requirements. Districts also have flexibility to transfer up to 15% of the funds out of four of the block grant categories. (See the bottom of page 7.)

At the time of its passage, AB 825 was praised as a significant step in both providing flexibility and simplifying California’s complex funding system. It would appear, however, that the concept

## SCHOOL FINANCE SYSTEM POLICY ACTIONS

### Issues related to charter schools

California school districts receive the bulk of their funds in two ways:

- as per-pupil general purpose grants (revenue limit funding) made up of state funds and local property taxes; and
  - as categorical funds earmarked for specific purposes, such as professional development and instructional materials.
- The funding system for charter schools was developed within the context of this system but with the goal of giving them the ability to spend their funds as they see fit.
- In place of revenue limit funds, charters get a per-pupil general purpose grant based on the age level of their students. For 2005–06 the per-pupil amounts ranged from \$4,964 for kindergarten–grade 3, to \$6,019 for high school grades 9–12.
  - In place of funding from about 45 categorical programs, charters receive a discretionary categorical block grant.
  - In lieu of Economic Impact Aid, charters receive an additional discretionary per-pupil grant for each “educationally disadvantaged” student whom they serve. These students include English learners and those from low-income households. (Students who fit both categories are double-funded.)
  - Many major categorical programs are funded separately (e.g., Child Nutrition, federal Title I, and K–3 Class Size Reduction). Charters can apply for these funds but must follow the same program requirements as “regular” districts and schools.

and approach—though still open to modification—may not deliver as much flexibility as some predicted.

For example, the Beginning Teacher Support and Assessment (BTSA) program was placed in the Teacher Credentialing Block Grant. But because BTSA is the only program in that block grant, it remains separate; and because the Legislature did not repeal the BTSA statutes or allow districts to use BTSA funds elsewhere, it is no more flexible than previously.

The Pupil Retention Block Grant stands out for other reasons. It encom-

passes eight programs, including the one other program for which the statutes remain in effect. However, this is fewer than were originally envisioned because legislators took last-minute action in 2005 to pull the state's major supplemental instruction programs out of the mix. (See the bottom of page 7.)

#### *Will schools get more money in 2006?*

Projected increases in state revenues may create substantial growth in available funding for California's schools in 2006–07. The nonpartisan Legislative

Analyst's Office is predicting that revenues will be strong enough to make balancing the budget relatively easy, at least compared to recent years. Presumably that means state leaders will, at the least, honor the full provisions and intent of Proposition 98, California's minimum-funding guarantee for K–I4 education.

In this election year, officials may be particularly supportive of school spending given that voters tend to put education at the top of their priority list. No elected leader may be more eager to

#### *Lawmakers change the charter funding model*

AB 740 will make the categorical block grant more predictable and more generous over time:

- In 2005–06, charters are receiving a categorical block grant of about \$287 per pupil and an additional \$119 for each educationally disadvantaged student.
- In 2006–07, they will get \$400 per pupil and \$120, respectively.
- In 2007–08, they will get \$500 per pupil and \$120, respectively.

After that, the state plans to add a standard cost-of-living adjustment to these amounts. In addition, the Legislative Analyst's Office will convene a work group every three years to review the amounts. That group will have its first meeting in October 2007 to decide on a recommendation for 2008–09 funding.

#### *SB 319 affects unified districts with charter high schools*

SB 319 responds to objections expressed by a small number of unified districts to the current process for providing general purpose funds to conversion charter high schools. Charter schools may be established by converting regular public schools to charter status (conversions) or by creating entirely new schools (start-ups).

Charter school per-pupil general purpose grant amounts are based on the average of what all districts across the state receive for students in each of four grade spans: K–3, 4–6, 7–8, 9–12. This funding formula ensures that all charter schools receive the same amount of funding for each pupil in a given grade level.

This distinguishes charter schools from elementary, unified, or high school districts, which receive general purpose funding based on district type. Elementary districts get less per pupil than unified districts, and high school districts receive more. These differences occur because high schools have historically been more expensive to operate than elementary schools.

A charter school may enroll pupils who reside in the district in which it is located (in-district pupils) or who live in another district (out-of-district pupils). In the case of elementary and high school districts with charter schools, the state apportions the authorized amount of charter school general purpose money for each charter pupil (in-district or out-of-district).

For unified districts with conversion charter schools, the state apportions a unified district's revenue limit amount for each *in-district* pupil and the charter school general purpose grant amount for each *out-of-district* pupil. The state then deducts from the unified district the total due to the charter school. This means that a unified district sends more money to the charter school for in-district pupils than it receives from the state.

This arrangement was designed to discourage unified districts from converting their high schools to charter status just to get more money, given that the high school allocation for charter schools is more than a unified district's revenue limit. According to School Services of California, in 2005–06 the difference was about \$870 per student on average.

Some unified districts with conversion charter high schools objected to this funding process. They argue that it is unfair for them to subsidize general purpose funding for in-district pupils attending a conversion charter high school. SB 319 is intended to reduce that subsidy.

SB 319 tries to strike a balance between how districts and charter schools are treated without adding any funding to solve the problem. After a phase-in during 2005–06, unified districts will send new conversion charter high schools the same amount for each in-district pupil as the high school received in revenue limit funding before conversion—so the districts will not incur a loss. While this change addresses the issue that unified districts were facing, it also results in inequitable funding among charter high schools. High schools that very recently converted to charter status will receive funding comparable to the unified district's per-pupil revenue limit amount. On the other hand, "start-up" charter schools will receive the larger charter general purpose block grant amount.

#### *A new law provides additional fiscal oversight of charter schools*

SB 430 grants county offices of education additional authority over charter schools.

Every financially independent charter school is required to submit to its chartering authority and to the county superintendent of schools a preliminary budget, interim reports, and a final unaudited fiscal report. School districts must meet the same financial reporting expectations. SB 430 allows county superintendents to review the expenditures and internal controls of any charter school in their county if they believe that the charter is engaged in illegal fiscal practices. County superintendents must report their conclusions to the school and the agency that granted the charter within 45 days, and the school must propose a solution within 15 days of receiving the findings. Current law gives county superintendents the same authority and responsibilities with respect to school districts.

Under SB 430, county superintendents can also proactively request that the Fiscal Crisis and Management Assistance Team (FCMAT) review the fiscal or administrative condition of a charter school under their jurisdiction. In addition, the bill extends to charter schools the authority to contract with FCMAT for fiscal management assistance. This assistance—currently available to school districts and county offices of education—helps education agencies to improve business and management practices.

be generous to schools this year than the governor, who—rightly or wrongly—was heavily faulted by education interest groups for altering the terms of an agreement on school funding last year. (For more details, see EdSource’s October 2005 publication, *School Finance 2005–06: Budget Sets Off Public Battle*.)

Even if state leaders target education for increases, however, the extra dollars are likely to feel more like making up lost ground than making new investments. And the direct benefits to K–12 education may be elusive.

First, more than \$400 million could be added to the \$122 million annual spending on after-school programs. This could occur because voters approved Proposition 49 in 2002. That initiative, sponsored by Schwarzenegger before he became governor, called for a massive funding increase for after-school programs provided that Proposition 98 is fully funded and noneducation spending reaches a specified level. Budget experts are predicting that those criteria could very well be met in the 2006–07 fiscal year. (To find out more about

Proposition 49, see “To Learn More” on page 15.)

Second, a large portion of any increase will likely be for general purposes, with much of it a cost-of-living adjustment (COLA). Districts will welcome those dollars, in part because they will be discretionary. However, a COLA does not generally give districts the ability to create new programs, but only enables them to cover increased costs for existing expenditures such as utilities, health benefits, and salaries. For a number of years now, districts have

### AB 825 implementation

AB 825, passed in 2004, consolidated 22 categorical programs into six block grants. For all but two of the affected programs, the state not only pooled funding, but also repealed the associated statutes. The California Department of Education (CDE) has advised districts that they must spend the funds for the general purpose stated for the respective block grants but need not adhere to previous program requirements. With a few exceptions, districts can also transfer up to 15% of the funds out of four of the block grant categories. The block grants are listed below.

Block Grant	Programs It Includes	15% Transfer Allowed?	2005–06 Total Funds	Allocation Method
Pupil Retention	Elementary Intensive Reading Algebra Academies Continuation High Schools* High Risk Youth Education 10th-grade Counseling Opportunity Schools Dropout Prevention & Recovery (four programs) Early Intervention for School Success Los Angeles USD At-risk Youth	No	\$87 million	Details not yet available from the CDE.
School Safety	Safe School Plan Grants (implementation & new) School Community Policing School Community Violence Prevention Gang Risk Intervention Conflict Resolution	Yes	\$16 million	Competitive grant process.
Professional Development	Instructional Time & Staff Development Teaching as a Priority Intersegmental Programs (College Readiness & Teacher Education Institutes)	Yes	\$249 million	Apportioned based on what districts received in 2003–04 for participating in Instructional Time and Staff Development Reform Program (“buy-back days”).
Targeted Instructional Improvement	Targeted Instructional Improvement Grants (TIIG) (formerly Desegregation) Supplemental Grants	Yes	\$876 million	Districts that received 2003–04 TIIG or Supplemental Grants receive the same relative proportion.
Teacher Credential	Beginning Teacher Support & Assessment (BTSA)*	No	\$88 million	Based on number of first- and second-year teachers.
School & Library Improvement	School Improvement Program (SIP) School Library Materials (SLM)	Yes	\$422 million	Districts that participated in SIP or SLM in 2003–04 receive the same relative share.

\*Statutes still in effect for this program

DATA: CALIFORNIA DEPARTMENT OF EDUCATION ([www.cde.ca.gov/fg/aa/cc](http://www.cde.ca.gov/fg/aa/cc))

contended with a small revenue limit deficit as well as unreimbursed expenditures for meeting state mandates. Presumably those state obligations will be addressed as well.

Many in the K–12 community would like to see increased funding used to make other adjustments in general purpose allocations. On the one hand there is a demand for revenue limit equalization, and on the other there is pressure to protect the large number of districts with declining enrollments. Legislators introduced a few bills in 2005 to provide a more generous declining-enrollment adjustment than the state now provides, but the governor did not sign any. With many local education agencies around the state continuing to experience shrinking student populations, legislators are likely to renew those efforts in 2006.

There is also continued concern that existing funding is insufficient to meet the need for supplemental instruction programs. These programs currently provide extra help for students in grades 2–9 who are having trouble meeting grade-level expectations. A bill that would have extended the program to

younger grades, AB 572, did not go far in the legislative process in 2005; but the idea may be revived in 2006.

The third reason K–12 education's expectations need to be tempered relates to community colleges. Based on growth in the state's young adult population—their prime constituents—plus concerns about low funding, the community colleges are likely to seek an increased share of Proposition 98 dollars. More funding for the colleges could mean a smaller increase for K–12 schools.

Over the long term, K–12 education funding may also be affected by an issue looming on the horizon. A likely June 2006 ballot proposition would establish the right to voluntary public preschool for all four-year-old children, funded by a 1.7% tax on annual income above \$400,000 for individuals and \$800,000 for couples. Assuming it passes, such a ballot initiative might stoke interest in increasing funding for education generally. Conversely, it could satisfy the public's thirst for spending on children at the expense of K–12 schools.

No matter what happens in the statehouse or ballot booth, the governor,

Legislature, and state superintendent all say they intend to look more deeply at the underlying issues of California's school finance system. A first step in that direction is their request for research that examines spending efficiency and asks how much investment would ultimately be needed to meet the state's goals for student achievement. Four private foundations—the William and Flora Hewlett, Bill & Melinda Gates, James Irvine, and Stuart foundations—have jointly funded an independent, nonpartisan research project aimed at creating an accurate and shared understanding of the state's complex funding issues. That work will go on through 2006 and thus is unlikely to have much impact on the upcoming legislative session.

Even with substantial new funding and bipartisan promises of less acrimony in 2006, fundamental issues still divide California's state leaders. They must also balance multiple demands and competing interests as they strive to adopt a balanced budget, meet the constitutional obligations for funding K–14 education, and address the other pressing claims on state funds.

## TEACHER AND OTHER PERSONNEL ISSUES

Nothing is more central to the effectiveness of public schools than the educators who staff them. Finding enough qualified teachers and administrators—and improving the knowledge and skills of the current education workforce—are continuing challenges in California.

Though the state would benefit from comprehensive strategies, 2005 legislation related to the educator workforce was both limited and rather piecemeal. Bills addressed the certification and capacity of educators, including teachers, para-professionals, school principals, and business officials. Some actions were in response to federal NCLB requirements.

### *Status quo continues for teacher professional development*

For decades a portion of state funds have been specifically earmarked to support educators' professional development, particularly teachers. As noted above,

several of these programs have been consolidated into the Professional Development Block Grant. Further, BTSA was placed into the Teacher Credentialing Block Grant but in effect remains separate and distinct.

The major teacher professional development program left outside of the block grant structure was the Math/Reading Professional Development Program. While the budget allocated \$32 million for it in 2005–06,



its future beyond that is slightly uncertain. The program is due to sunset on July 1, 2006. Legislative efforts to extend it to 2012 included some revisions that prompted a gubernatorial veto.

Another professional development program, the California Subject Matter Projects, received some additional support from 1999 to 2003 but then had its funding dramatically reduced in 2003–04. Two federally supported professional development programs—Reading First for elementary teachers and the California Mathematics and Science Partnership Programs for teachers in the middle grades—have been added since 2002. The federal government also provides about \$100 million in extra support for district-selected programs that align with state standards. Still absent from the state’s menu of professional development programs is any major effort targeted specifically at high school teachers.

#### *Administrator training targets principals and business officials*

In recent years, California has made some effort to enhance the skills of

school and district leaders. In 2005 policymakers reauthorized a program for principals and created one for school business officers.

AB 430 reauthorizes the Principal Training Program created in 2001. The Legislature allocated \$6.5 million in state and federal funds for 2005–06 to continue this program for school principals and assistant principals.

Lawmakers also created a similar stand-alone program for chief business officers in local districts. That action reflected continued concern about fiscal management of districts, likely fueled in part by the state controller’s most recent financial report on California K–12 schools. The 2005 annual report stated that the number of school districts engaged in multiyear deficit spending increased from 248 in 2002–03 to 339 in 2003–04, an increase from one-quarter to one-third of all school districts.

The cause of this financial situation among districts could reasonably be attributed to the state’s recent budget crisis as much as to any mismanagement on the part of district leaders. It could

also be argued that imprudence at both the state and local level has contributed to school districts’ fiscal problems. In addition, rising health insurance premiums and new accounting rules requiring districts to show retiree benefits as liabilities on their financial statements are making it harder for districts to balance their books. Regardless of who or what is to blame, state policymakers took a small step in 2005 to support local fiscal officers and their capacity to do this work. (See the bottom of this page and page 10.)

#### *State responds to NCLB requirements*

Along with its accountability and testing provisions, the federal No Child Left Behind Act (NCLB) set up specific expectations for the qualifications of both teachers and instructional aides (paraprofessionals).

The No Child Left Behind Act calls on the state to ensure that all teachers of core subjects—English, reading or language arts, math, science, foreign languages, civics and government, economics, arts, history, and geogra-

## TEACHER AND OTHER PERSONNEL POLICY ACTIONS

### **Math/Reading Professional Development Program**

The state’s Math/Reading program reimburses districts \$2,500 for each teacher whom they train to teach according to the state’s content standards and standards-aligned instructional materials. The training includes 40 hours of professional development and 80 hours of follow-up instruction, coaching, or additional school site assistance.

A June 2003 report said that almost 39,000 teachers had received the training. SB 414 would have extended and slightly modified the program, which is due to sunset in July 2006. For example, the bill would have required the training to include strategies for differentiated instruction, especially for English learners and students with disabilities. SB 414 would have also allowed aspects of the Math/Reading program to count toward some of the requirements of the Beginning Teacher Support and Assessment (BTSA) program, and vice versa, at districts’ discretion.

The governor vetoed the bill, citing technical flaws. According to his veto message, the bill double-funded the same activity, allowing school districts to claim funding for the same hours of staff development under both the Math/Reading and BTSA programs. In addition, the bill would have reinstated the Instructional Time and Staff Development

Reform program (known by some as “staff development buy-back days”). This program was consolidated into the Professional Development Block Grant in 2004. Reinstating it without pulling its funding out of the block grant would have amounted to double-funding. The governor has requested that the Legislature pass “urgency” legislation early in 2006 to simply extend the Math/Reading program.

### **Principal training program**

Under AB 430, which reauthorizes the Principal Training Program created in 2001, school principals receive 80 hours of training in a number of topics, including:

- school finance and personnel management;
- the state’s academic content standards;
- curriculum frameworks and instructional materials;
- using student assessment data and school management technology to improve pupil performance; and
- extending the knowledge acquired in their administrative-credentialing program.

The formal coursework is augmented by 80 hours of practical, individualized training over two years. Districts receive \$3,000 for each administrator trained, and the district must

phy—are “highly qualified” by the end of the 2005–06 school year. The act allows each state to define those qualifications as long as they meet specific minimums and emphasize teachers’ knowledge in the subject(s) that they teach. The basic expectations in California are that highly qualified teachers:

- Have at least a bachelor’s degree;
- Pass the California Basic Educational Skills Test (CBEST);
- Demonstrate appropriate subject-matter knowledge; and
- Complete an acceptable teacher preparation program (followed by an induction program during their first years of teaching).

In addition, in reconciling state law with recent changes in the federal Individuals with Disabilities Education Act, California lawmakers clarified a question about Special Education teachers.

Going forward, these teachers are only to be classified as highly qualified if they have a Special Education credential.

The federal law originally gave states until the end of the 2005–06 school year to comply with its expectations, a deadline that is fast approaching. The federal government has since signaled some flexibility on this requirement, but only if states demonstrate that they have made a good faith effort to reach the target. The U.S. Department of Education (USDOE) has announced that it will apply a four-part test to measure that effort.

On the first three parts of the test, California likely has little concern. Its definition of highly qualified is consistent with NCLB requirements. It uses School Accountability Report Cards (SARCs) to provide information to parents and the public. And it will likely meet the January 2006 deadline for

submitting data about its implementation of the policy.

The fourth federal expectation appears to be more problematic. It requires the state to demonstrate that schools with the most low-income and minority children do not have a disproportionate share of teachers who are not highly qualified. According to a recent report from the Center for the Future of Teaching and Learning, California falls well short of this goal: students in the lowest 25% of schools on the Academic Performance Index (API) are five times more likely to have underprepared teachers than students in the top 25% of schools.

Having every teacher who sets foot in a classroom be highly qualified is a laudable goal, but most observers believe it may never be 100% possible in California. The number of available teaching

match that with \$1,000. (The Bill & Melinda Gates Foundation has donated funds to cover the district portion.) Completion of the Principal Training Program is also one approach that new school administrators can use to qualify for their “Tier II” or Professional Administrative Services Credential. They must combine that training with at least two years of school site experience.

More than 6,300 principals have started and/or completed the training, which is provided by organizations that have been approved by the State Board of Education. The 53 approved providers include six school districts and 22 county offices of education. Other providers are organizations such as the Association of California School Administrators (ACSA), WestEd, some local consortiums of education organizations, and a few for-profit groups.

AB 430 reauthorized the program through 2012 and also renamed it the Administrator Training Program. In addition, the bill expanded the topics covered to include:

- special attention to the needs of English learners and students with disabilities; and
- how to create an effective, safe, and inclusive school environment by reducing racial tensions and facilitating a respect for diversity.

### New training for business officials

SB 352 creates an incentive program to encourage school districts and county offices of education to provide their chief business officers with a new state-approved training program in school finance, school operations, and leadership.

Previously, the state allocated \$700,000 per year to the Fiscal Crisis and Management Assistance Team (FCMAT) to provide a limited training program for school district fiscal

officers. The new program will build from this base, be more comprehensive, and include a university component. Policymakers provided \$1.1 million in one-time funds for 2005–06 to start the program and train one third of the state’s business officers. Although a formal multiyear funding commitment has not been made in statute, it is understood that the governor would like to see the program last at least three years to reach all of the state’s school business officials.

The training will include at least 200 hours of instruction, with 40 hours of that to involve intensive individualized support. The training is to be spread over no more than two years, and each trainee must commit to also working for two years for a public school district after completing the program.

Local agencies can apply to be trainers, but FCMAT will also continue in that role. The providers will receive \$1,500 per eligible trainee that they enroll and another \$1,500 after the training is completed.

### NCLB staffing requirements

As part of the state’s continuing response to NCLB requirements for highly qualified teachers, the California Commission on Teacher Credentialing (CTC) has modified the way it defines some credential categories. Those actions have raised some controversy.

#### *Individualized Intern Certificate comes under legal fire*

In 2003 the CTC began issuing Individualized Intern Certificates (IICs) to teaching interns who had not yet received their California teaching credential but had a college degree, had passed the California Basic Educational Skills Test (CBEST), and had demonstrated subject-matter competency. The CTC specified that this credential satisfied the federal

jobs in the state consistently exceeds the number of fully credentialed teachers willing to take them.

The state now has two approaches to dealing with this issue. One is an Individualized Intern Certificate, which is issued to aspiring teachers who have fulfilled all of the requirements except completion of a credential program and who are enrolled in an internship program when they begin teaching. A successful court challenge has raised doubts about the validity of this approach. (See the bottom of page 10 and this page.)

The other approach the state has historically used is to issue “emergency permits.” These are issued upon request by a school district as one-year licenses for people who have not completed some credential requirements. Emergency permit holders must have a college degree, pass the California Basic Educa-

tional Skills Test (CBEST), and have some subject-matter knowledge. The permit allows the person to work only in the hiring district, and it can be renewed up to four times.

NCLB now requires that the state phase out the emergency permit approach. In response, the California Commission on Teacher Credentialing (CTC) created two new certifications. They are similar to the emergency permit but will put more pressure on districts to conduct a thorough search for a fully qualified teacher. The new permits will also encourage the holder to enroll in an internship program that offers teaching experience in the classroom while working toward a full credential. (See below.)

### *Educator capacity continues to be an issue*

Though California voters in November rejected Proposition 74, which pro-

posed changes in teacher employment protections, questions of teacher qualifications, performance, and accountability are unlikely to disappear from the state’s policy agenda. As noted above, issues of teacher distribution by credential and experience must be resolved if the state is to meet federal expectations and make real progress in narrowing its persistent achievement gap among students. Even more contentious issues—such as increased teacher pay based on performance and different pay levels for teachers of different subjects—may get a hearing as well.

In general, California needs to continuously improve its policies and investment in personnel if it expects to recruit, prepare, and retain the highly qualified educators who are key to the success of the state’s schools and its students.

requirement for a highly qualified teacher. In November 2005 a legal challenge succeeded based on a claim that the CTC did not allow for public review and comment before implementing this credential. The ruling also required the CTC to stop considering IICs as highly qualified under the No Child Left Behind Act (NCLB).

Approximately 4,000 teaching interns have been issued this credential, but half of them have already completed the state’s credential program. That leaves about 2,000 teachers who are still allowed to teach but are no longer considered to have met the highly qualified designation.

At its December 2005 meeting, the CTC established a Special Temporary Certificate that will replace the IIC until regulations can be approved granting the commission authority to issue IICs.

### *CTC replaces emergency permits with two new options*

In 2005 the CTC created two certifications to take the place of emergency permits:

- The Short Term Staff Permit (STSP) is designed to help schools meet immediate teacher vacancies.
- The Provisional Internship Permit (PIP) is for staffing classrooms after a thorough search has failed to yield an appropriately credentialed teacher.

Both permits have the same prerequisites: a college degree, successful passage of the CBEST, and some subject-matter knowledge. The fundamental difference between the two permits is their duration.

The STSP is good for a single year; it cannot be renewed and an individual can be issued only one STSP in a lifetime.

The PIP is for permit holders who are interested in either a district- or university-sponsored internship program but may not have demonstrated the full subject-matter competence required for admission. Employers must verify that they have conducted a diligent search for a credentialed teacher or intern before hiring someone under the PIP provision. In addition, the school agency must help permit holders enroll in subject-matter training and inform them of the steps needed to enroll in an internship program and earn a credential. The PIP may be renewed—but only once and only if the person has taken all appropriate subject-matter exams and not passed. The idea is to encourage subject-matter competence and move permit holders either into internship programs or out of the profession.

### **Paraprofessional standards**

NCLB also raised standards for the knowledge and/or minimum education level required of instructional aides who work with students supported by Title I Basic Grants. Under the federal funding conditions, aides must have a high school diploma and one of the following:

- two years of college;
- an associate’s degree; or
- a passing score on a test of their knowledge of—and ability to assist in instructing—reading, writing, and math.

Originally, aides already working in schools had to meet these requirements by January 2006. However, in June 2005 the U.S. Department of Education announced that it was aligning the timelines for teachers and instructional aides so that the deadline for both requirements would be the end of the 2005–06 school year.

# ACCOUNTABILITY ISSUES

California today has an elaborate standards-based testing and accountability system in place. The system includes state tests to measure student achievement, a mixture of federal and state reporting programs to hold schools and districts accountable, and a collection of intervention programs for schools and districts that do not meet the state's standards.

Among other things, NCLB introduced a new set of consequences for schools with its Program Improvement approach. In addition, since 1988 the state has required School Accountability Report Cards (SARCs), which are seen as a primary tool for communicating with the public about the quality of local schools and the challenges that they face.

## *California continues to reconcile accountability measures with federal expectations*

When California began its school accountability program, the focus—and the consequences for low performance—concentrated on individual schools. Federal law now requires the state to also

identify and intervene in *school districts* that miss their performance targets.

In 2004 the first set of districts was identified for Program Improvement, but the process was far from smooth, in part because of the U.S. Department of Education's rejection of the state's original

criteria for identifying Program Improvement (PI) districts. Those original criteria resulted in only 15 districts being identified for intervention out of nearly 1,000.

When the state changed the criteria in response to federal demands, the number of districts in PI grew to 142 in

## ACCOUNTABILITY POLICY ACTIONS

### Program Improvement for districts

AB 953 modifies how \$46 million in federal funds will be allocated under the state's system for helping districts in Program Improvement (PI).

Under the state's original criteria, 15 districts were in Program Improvement. A district entered Program Improvement if it did not make adequate yearly progress (AYP) two years in a row and its socioeconomically disadvantaged students did not achieve a set Academic Performance Index (API) score. (The required API score was relatively low so few districts had trouble clearing this hurdle.) Under the new rules, simply missing AYP two years in a row puts a district in Program Improvement unless, in either year, one of three grade spans—3-5, 6-8, or 10—satisfies the AYP criterion that the district as a whole missed.

With this rule change, the number of districts in Program Improvement grew to 142 for 2004, and increased to 152 in August 2005 when new scores were announced. Faced with these numbers, the state has had to focus all its resources on districts that are either in, or soon to be in, Program Improvement. Previously, they had notified districts that were headed for intervention in three to four years of their projected status. That advance warning has now been reduced to two years. In addition, the state has eliminated the "Prevention of Local Education Agency Intervention Program," which called on schools that are two years away from Program Improvement to begin a self-evaluation process and contract with a county office of education or other external entity to help get the district on a path to improvement. Those steps are now reserved solely for districts actually in Program Improvement.

At the same time, AB 953 continues much of the policy put in place last year. For example, the state will provide funds for implementing change recommendations: \$50,000 for each PI district plus \$10,000 for each of its schools in Program Improvement. However, the districts that are struggling the most will now have priority for funding—and those with the lowest-scoring subgroup of socioeconomically disadvantaged students will be first in line. In addition, the opportunity for districts to apply for supplemental grants of up to

\$2 million has been eliminated. On the other hand, the state is continuing to provide non-PI districts with funds to support their schools in the intervention program. The funding is generally \$15,000 for each school, but a minimum of \$40,000 and a maximum of \$1.5 million will be granted to a district.

### Mandatory SARC content

In 2005 additions to the School Accountability Report Card (SARC) reflect the governor's concerns about career and technical education, continuing advocacy related to the *Williams v. California* lawsuit issues, and the growing conviction among policymakers that education spending down to the school level needs to be more transparent.

### *AB 1609 increases the amount of information about career and technical education*

The law requires that a school's SARC list the career and technical programs in which the school's students can participate, whether offered by the district or its affiliated Regional Occupational Center/Program. To encourage and promote more robust programs, schools are also to report the percentage of courses that are part of a multicourse sequence and those coordinated with postsecondary institutions, such as a local community college. Finally, the law requires the SARC to report the number of career-tech students and the percentage of students that complete a career technical program who also earn a high school diploma.

### *SB 687 creates new requirements for SARC financial data*

To date, the SARC has included district-level financial information only, including average salaries for teachers and administrators, the superintendent's salary, and total district expenditures per pupil. Beginning in 2006-07, districts will have to not only report their expenditures in total, but also break them down by restricted and unrestricted source. Funding from most categorical programs is considered "restricted," while general purpose funding, such as revenue limit funding, is "unrestricted." Some categorical programs, for

2004 and to 152 in 2005–06. The large expansion in the number of PI districts prompted lawmakers to pass AB 953 to change the state’s approach to intervening in these districts. The original program emphasized early identification of districts that might be at risk for Program Improvement, with the goal of helping them improve on their own. With the increase in PI districts, all of the available money is now needed to implement the Program Improvement regulations for the 152 districts.

This situation is part of a larger conflict between the state and federal approaches to accountability. California’s accountability system, which uses the Academic Performance Index (API) as its primary tool, emphasizes improvement.

To date under the federal rules, schools have also been held accountable for having a set percentage of students demonstrate proficiency in math and English on state tests each year. The percentages increase periodically such that 100% of students are supposed to attain proficiency by 2013–14. That model, sometimes referred to as a “status model,” has many proponents in California; but others say that schools that show great progress toward the goal from year to year should not be penalized, even though they do not meet the target percentage for every subgroup in a given year. There is also strong concern that the rigor of California’s standards and testing make the federal goal of 100% proficiency unrealistic as currently measured.

Over the next year, state leaders hope to negotiate with the U.S. Department of Education to change the accountability system to address these issues. In the process, it would likely reduce the number of schools and districts identified for Program Improvement and better align how eligible schools are identified. Absent some agreement, officials fear that the complexity could undermine the value of accountability as a lever to motivate school improvement, particularly when two different systems sometimes send the public conflicting messages about school performance.

Recently announced flexibility on the part of the USDOE could help resolve this conflict. In mid-November, the federal department announced a pilot

example K–3 Class Size Reduction, are also considered unrestricted. Districts can report this information on the SARC for each school individually or average it across all schools in the district. The details of this requirement are still being worked out.

SB 687 also requires districts, for the first time, to provide some site-level financial information. The new SARC requirements include:

- The school’s average actual salaries for teachers and other certificated instructional personnel (such as counselors); and
- The estimated school-level expenditures per pupil based on those actual salaries, including how much comes from restricted versus unrestricted revenue sources.

### *The new legislation adds to current reporting requirements about instructional materials*

Since 1988 SARCs have included information on the quality and availability of instructional materials. Over time, the statute has become more specific. A 2001 law required the SARC to specify whether instructional materials align with the state’s content standards, the ratio of textbooks per pupil, and the year the textbooks were adopted. In addition, one of the bills enacted in 2004 to implement the settlement of the *Williams v. California* lawsuit, SB 550, requires a reporting of the availability of sufficient textbooks for each pupil—including English learners—in language arts, math, science, history/social science, foreign language, and health, as well as science lab equipment for high schools. AB 1609 continues the trend by specifying that the SARC include the percentage of students for whom materials are not available, if such an insufficiency exists.

## SARC requirements increase over time

### 1988

Proposition 98 required every local school board to prepare a SARC that would include information on student performance, personnel qualifications and assignments, demographics, safety, facility conditions, instructional materials, and estimated expenditures per pupil.

### 1995

Added total instructional minutes.

### 1998

Added assessment data, one-year dropout rate, K–3 students participating in Class Size Reduction, number of teachers, number of school days dedicated to staff development, and suspension/expulsion rates for the last three years.

Districts with Internet access were required to make SARC accessible online.

### 2000

Added additional assessments of school conditions.

CDE to create a standardized SARC template with data definitions, available online, and maintain links to SARCs posted on the Internet.

Required schools to ensure that all parents receive a copy of the SARC.

### 2002

Added NCLB reporting requirements for schools and districts, including their status on adequate yearly progress (AYP) and graduation rates. Disclosure of Title I Program Improvement status (if applicable) and data regarding highly qualified teachers in core content areas also required.

### 2004

Added data as a result of *Williams v. California* lawsuit settlement, including needed maintenance, number of teacher misassignments, number of vacant teacher positions, and availability of sufficient textbooks.

### 2005

Added further requirements for reporting on career and technical education, instructional materials, and expenditure data including—for the first time—some site-specific financial information, such as the average of actual teacher salaries at individual schools.

As is the case with all district-published information, SARCs must be translated from English into other languages. This applies when at least 15% of students at a school speak the same language. Some schools must translate materials into multiple languages.

program to allow 10 states to use a “growth model” approach to measuring adequate yearly progress.

If the state could modify the API system to better meet federal expectations, both sides might be satisfied. What is not yet clear, however, is whether California will be eligible for the pilot program. Federal officials have indicated a preference for growth models in which individual students’ test scores are tracked year to year, and California does not yet track scores in this way. Further guidance from the federal government is expected within the next few months. If California is not admitted to the pilot program, it could consider using an “index” system, under which credit is given not only for helping a set percentage of students reach proficiency, but also for assisting students who move from “below basic” to “basic,” provided certain criteria are met. (See “To Learn More” on page 15.)

(For a full discussion of the conflict between the state and federal approaches to accountability and potential resolutions to the conflict, see EdSource’s August

2005 publication, *School Accountability Under NCLB: Ambitious Goals and Competing Systems.*)

#### *Additions to the School Accountability Report Card reflect current policy priorities*

The Legislature’s only other accountability-related actions in 2005 addressed the School Accountability Report Card (SARC). AB 1609 increases the amount of information about career and technical education that SARCs must include. (For more information about AB 1609, see the bottom of page 12.)

SB 687 augments existing financial reporting requirements. Most notably, it requires districts, for the first time, to provide some school-level financial information on teachers’ salaries. The intent of the bill is to draw attention to the uneven distribution of higher-paid teachers within school districts, with pay being a proxy for experience and, to a lesser degree, for education. While this may be a worthy goal, implementation will be a challenge.

School districts are not required to report school-level expenditure data to the state even though the financial reporting

system they use—the Standardized Account Code Structure (SACS)—includes fields for site-level data. Because details for how districts will calculate these data are not yet available, one concern is that they will vary and thus not be comparable. In addition, districts are only required to publish these data on their SARCs, not to report them to the state.

This bill represents a step toward relating the availability of a particular resource—in this case experienced teachers—to school performance. SB 687’s ultimate effectiveness, however, will likely depend on districts’ willingness and capacity to provide clear, accurate information. (See the bottom of pages 12 and 13.)

Each year the California Department of Education (CDE) publishes a SARC template that provides districts with much of the required data. This template is issued in November and largely contains data from the prior school year. Every district is expected to issue a SARC once annually for each of its schools, and that typically occurs sometime between November and May.

## ADDITIONAL POLICY ACTIONS

### *The Legislature calls for content standards for health education*

Lawmakers once again affirmed their commitment to academic content standards by adopting AB 689. It requires the State Board of Education to adopt content standards for health education, assuming funding is available. Content standards specify the knowledge and skills that students should acquire at each grade level and are used to guide state curriculum frameworks and textbook adoptions.

The state has already adopted standards for English, math, history/social science, science, visual and performing arts, physical education, and English language development. The health standards are estimated by legislative staff to cost about \$200,000 to develop and would have to be adopted by March 2008.

### *Other health-related bills affect the food students eat*

Policy makers enacted a handful of bills affecting the food available at schools. For example, SB 281 outlines the details of the “fruits and vegetables” program that the governor included in this year’s budget. The bill creates a pilot program under which districts can get reimbursed for offering to students free of charge more fresh or dried fruits and vegetables during the school day. SB 12 and SB 965 also set nutrition standards for food sold at school and ban the sale of soda in some schools.

### *District and CDE reporting requirements are trimmed back*

While the state keeps adding to its education data—and to reporting requirements for districts—officials are also attempting to eliminate paperwork where possible.

Superintendent of Public Instruction Jack O’Connell sponsored legislation, AB 110, to decrease some reporting requirements, including the following:

- The California Department of Education (CDE) will no longer be required to ask a sample of districts to provide examples of their budget documents or be required to recommend to school districts ways to improve the budget information that they make available to the public.
- Districts will now report student expulsion data as part of their periodic coordinated compliance reviews rather than every year in a separate data collection.
- The CDE will no longer send districts a directory of public and private agencies that provide services to students with “low incidence” disabilities.
- Districts will no longer need to report school crime data to the state, and the CDE will no longer issue an annual school crime report. (Because of districts’ varying interpretations of, and adherence to, previous reporting requirements, the crime report was not seen as reliable. In response, the Legislature has not provided funding for the collection and reporting of crime data in recent years. Therefore, eliminating the reporting requirements from the statute is a formality.)

Since 1988 when SARC's were first required, more and more data have become available, thereby increasing the number of items to be reported on the SARC. Lawmakers have also expanded their expectations for how districts would make the information available, most notably on the Internet. With NCLB, federal officials affirmed the need for report cards at the school, district, and state level. Because the SARC already included some district-level information, California chose to add the NCLB-required district data to the SARC, further increasing the document's length and complexity.

Many districts choose to make only minimal changes to the CDE template before posting their SARC's on the Internet. A typical example is 18 pages long and contains the state's formal descriptions of the data provided, which critics say are extremely unclear to the average parent or layperson. Some school districts begin with the basic template but edit it extensively to make sure it is easy to understand and communicates effectively. Some also publish brief summaries of the key data. A number of fee-based services are available to help districts create more readable SARC's.

The wealth of data required on SARC's is intended to make what happens in each school more transparent to the public and to facilitate informed parental involvement—worthy goals. But concerns have arisen over the paradox that the more data these report cards include, the harder it can be for the public to sort through and interpret them. (See “To Learn More” on the right.) The lack of clarity can even fuel suspicion that schools are not to be trusted. Yet the communications expertise required to make SARC's clear costs money that some districts do not have and that others see as an unnecessary expense.

## • | To Learn More

### High Schools

The EdSource website provides an overview of high school issues. See [www.edsource.org/edu\\_hig.cfm](http://www.edsource.org/edu_hig.cfm). Also see two reports: *Spotlight on California High School Performance* (June 2005) and *The Movement To Transform High School* (May 2005). The latter can be downloaded for free.

The Education Trust—West argues for making the college-preparatory curriculum the default curriculum for all students in “The A-G Curriculum, College-Prep? Work-Prep? Life-Prep.” To view the report, go to their website ([www2.edtrust.org/edtrust/etw/](http://www2.edtrust.org/edtrust/etw/)) and click on the tab at the top that reads “College & Work Prep/A-G for all.”

To learn more about multiple pathways to high school graduation and entry to higher education, see *Multiple Pathways and State Policy: Toward Education and Training Beyond High School* by the National Center for Public Policy and Higher Education (June 2003). The report can be found on the center's website [www.highereducation.org](http://www.highereducation.org). Click on “Reports” and then “2003.”

To see the material tested on the California High School Exit Exam, see the test “blueprints” at: [www.cde.ca.gov/ta/tg/hs/admin.asp](http://www.cde.ca.gov/ta/tg/hs/admin.asp)

To see the evaluation of the Bill & Melinda Gates Foundation's projects go to [www.gatesfoundation.org/Education/](http://www.gatesfoundation.org/Education/) and look under “Research and Evaluation.”

### The School Finance System

An explanation of the state's school finance system and related questions can be found at: [www.edsource.org/edu\\_fin.cfm](http://www.edsource.org/edu_fin.cfm). Also see the report *School Finance 2005-06: Budget Sets Off Public Battle* (October 2005).

A detailed analysis of Proposition 49 can be downloaded for free from the EdSource website. Look for *Voter Guide: Proposition 49* at: [www.edsource.org/pub\\_cat.cfm](http://www.edsource.org/pub_cat.cfm)

The State Controller's June 2005 report, *Annual Financial Report of California K-12 Schools*, can be found on the Controller's website ([www.sco.ca.gov/](http://www.sco.ca.gov/)). Click on “Publications” and then “Annual Audit Reports.”

### Teachers

EdSource Online provides an overview of teacher quality issues. See: [www.edsource.org/edu\\_tea.cfm](http://www.edsource.org/edu_tea.cfm)

To view the recent report by the Center for the Future of Teaching and Learning, go to: [www.cftl.org/publications\\_latest.php](http://www.cftl.org/publications_latest.php)

### Accountability

The EdSource website provides background information about standards and the state and federal accountability systems. See: [www.edsource.org/edu\\_acc.cfm](http://www.edsource.org/edu_acc.cfm). Also see the report *School Accountability Under NCLB: Ambitious Goals and Competing Systems* (August 2005).

A report about the complexity/readability of the School Accountability Report Card can be found in the “Publications” section of the website for the Institute for Democracy, Education & Access: [www.idea.gseis.ucla.edu/](http://www.idea.gseis.ucla.edu/)

A press release from the U.S. Department of Education (USDOE) explains the use of “index” models in measuring “adequate yearly progress” for NCLB's purposes. Go to the USDOE's website, [www.ed.gov/index.jhtml](http://www.ed.gov/index.jhtml), click on “Press Room” and find the Jan. 14, 2004 press release, “Charting the Course: States Decide Major Provisions Under No Child Left Behind.”

## A better budget may fuel actions in 2006

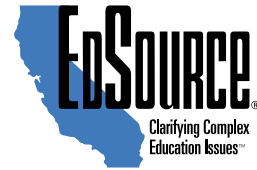
California's public K–12 school system is huge and extremely diverse in geographic, economic, ethnic, and linguistic terms. Designing policies to address all of its needs is therefore a formidable challenge. Policymaking at the state level is especially difficult when the governor is from one party and the Legislature is controlled by another party. With a contentious budget process rooted in a multiyear deficit—and a controversial special election on top of all that—it is perhaps not surprising that 2005 was not a year of landmark legislation.

Progress occurred on a small scale. Those wishing to see the charter school approach succeed could be pleased with two changes: 1) a more generous and stable categorical block grant and 2) greater fiscal oversight of charter schools by county superintendents. Supporters of career and technical education should be pleased with a new \$20 million effort to strengthen linkages between high schools, colleges, and employers. Finally, those concerned with school and district management could be heartened by the continuation of the principal training

program and the new investment in training for school business officials.

The education community as a whole, however, may have reason to be disappointed. State leaders did not provide clear leadership on the complexities of high school or school finance reform. Nor did they fully address the many inconsistencies between state and federal expectations regarding such issues as highly qualified teachers and accountability.

There are signs that 2006 may prove more productive. The governor's administration and the education community have at least met to discuss their differences. State leaders have signaled their intent to work in a bipartisan fashion to solve the state's problems. Moreover, foundation-funded studies are underway to determine what resources are necessary to help students acquire the skills and knowledge called for in the state's content standards as well as ways that resources can be managed more effectively. Finally, and perhaps most significantly, the trend line for state revenues is strong. That should allow public officials to be creative and ambitious with respect to issues that all can agree are important to this state's future. ■■



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