California budget overhauls school funding

By Sharon Noguchi and Mike Rosenberg, San Jose Mercury News

Seven months after his tax initiative refueled funding for California's beleaguered public schools, Gov. Jerry Brown has orchestrated what's being billed as a major overhaul of how the state funds K-12 education.

The deal, scheduled for a vote Friday as part of the state's 2013-14 budget plan, gives districts more control over their own spending and props up schools that teach the most disadvantaged kids.

The new formula will untangle four decades of growing mandates that created more than 60 pots of money for programs like school lunches and libraries. After years of state deficits focused the school funding debate on budget cuts, the proceeds from Brown's Proposition 30 and rebounding economy positioned the state to change the conversation.

Starting this fall, most of California's roughly 1,000 school districts will receive a larger base grant to spend as they see fit – supplemented by money for hard-to-educate students. Districts where more than 55 percent of students are poor, English learners or foster kids will receive even more money.

"It's a huge change," said David Plank, a Stanford education professor. "The system is clear, transparent and efficient in a way it has not been in the past."

"I'm elated," said Michael Kirst, president of the State Board of Education and a key Brown adviser who helped draft the blueprint for the governor's Local Control Funding Formula.

However, critics say the change falls short.

With funding growing slowly, schools won't be able to immediately restore the librarians, counselors, music and arts programs cut over the years. Even by 2020-21, the year the full funding formula kicks in, California will not be up to the national average in education funding.

Still, Brown has received much credit for engineering the change in school funding.

"A change in the formula that will strengthen local school districts, help poor kids and kids that have serious language barriers – this is a real step forward," Brown said Tuesday at a news conference with legislative leaders at the state Capitol. He noted that, along with health care, one of his top two priorities during budget talks was "improving educational opportunity."

Not only will Brown's plan allow schools more latitude in how they use state money, it will hold them accountable for results.

How and what schools will have to prove – maybe minimum test scores, narrowing the achievement gap or reducing dropouts – will be set by the State Board of Education beginning next month.

"I think that's going to be a very lively conversation over the next year," said Plank, who directs the Policy Analysis for Education group.

How that plays out worries some. "We need to make sure that the accountability is clear and transparent," said Patty Scripter of the California State PTA. The public, she said, should be able to keep track of how schools spend money and what they achieve.

The plan's increases will be modest.

"It doesn't resolve at all the grossly inadequate under-

funding of our public schools," said John Affeldt, lead attorney with Public Advocates, a party to one of two lawsuits filed against the state over the adequacy of education funding. That suit is in the state appellate court.

And other remnants of California's old funding system won't change. Most glaring is the dual level of funding: Tax-rich districts like Palo Alto, Mountain View-Los

Altos High, San Mateo Union High and others will retain the property taxes that help boost their schools funding beyond the level that the state would otherwise fund.

Under the new plan, revenue will grow more quickly in districts with high poverty levels, like Oakland Unified, West Contra Costa in Richmond and East Side Union High in San Jose, than in districts with fewer poor children and language learners.

But that is by design: Brown was insistent that schools get more resources to educate more challenging students.

The goal is to improve student performance. But some challenge the significance of the funding change.

Student achievement lags not because of the complicated funding formula but because of overall education spending, said Ron Bennett, executive director of School Services of California, which advises school districts.

"If we will remain last in the nation in per-student funding, it won't matter that we have this new distribution mechanism," he said.

Legislators had initially challenged Brown's goal to give more funding to poor students. But they came around when Brown granted some legislators' priorities. Assembly Speaker John Perez won phased-in university scholarships for middle-class students while Senate President Pro Tem Darrell Steinberg

secured money for mental health programs and dental services for the poor.

“The governor has insisted on fiscal balance and a fundamental reform of how we finance public schools,” Steinberg said. “Those objectives are in this budget, and we’re very proud to join him.”

Sherry Bebitch Jeffe, senior fellow at the USC Price School of Public Policy, called it “refreshing, how (California leaders) actually sat down and came to some kind of compromise. But of course it’s easier now” with the surplus.

The Legislature created the old system in 1972, after the state Supreme Court in Serrano vs. Priest ruled school funding unconstitutional. So the state tried to equalize base funding – which in those days varied with each district’s property tax rate – and provide money for special needs.

“Over time, the old system became very unwieldy because of these 70-some categorical” programs, some of which came and went, Bennett said.

After Proposition 13 limited property tax increases, the state stepped in again to rescue school funding.

In that landmark change in school funding, the governor at the time was none other than Jerry Brown.