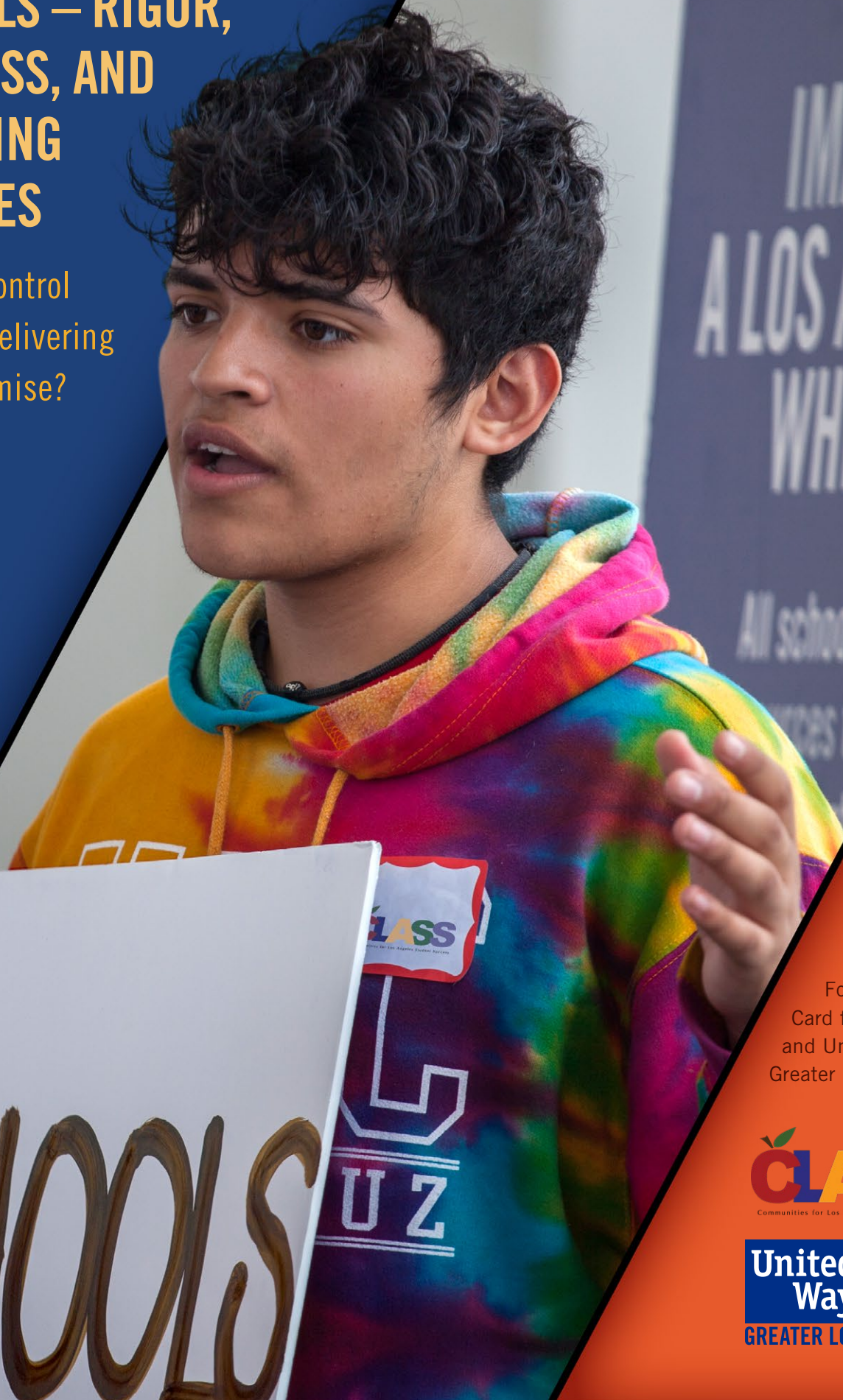


PROGRESS IN LOS ANGELES SCHOOLS – RIGOR, FAIRNESS, AND ENGAGING FAMILIES

Is Local Control
Funding Delivering
on Its Promise?



Fourth Report
Card from CLASS
and United Way of
Greater Los Angeles
June 2018



SUMMARY

A LONG ROAD TOWARD FAIRNESS AND RIGOR FOR LOS ANGELES STUDENTS

Leaders of the Los Angeles Unified School District (LAUSD) have achieved discernible progress in serving local families over the past decade. This fourth annual Report Card details these steps forward and the many miles yet to travel along three pathways to better serve families with quality, equitable services—

■ **Strategies that Lift Student Achievement**—Enriching the supports and interventions provided to underserved students in order to boost college and career-eligible graduates.

■ **Targeting Dollars**—Distributing fresh resources to elementary, middle and high schools that serve historically underserved families and communities.

■ **Community Engagement**—Working closely with diverse parents and school site leaders to advance children's growth and help shape school-level budgets, along with the District's creation of attractive school options that elevate achievement.

LAUSD's momentum is fueled in part by Governor Jerry Brown's promise to adequately fund public schools and lift disadvantaged pupils. The robust organizing efforts of community groups and local leaders serve to accelerate this momentum.

The District receives \$1.1 billion annually that's generated by its count of pupils from low-income families, English Learner, or foster care students (based on an unduplicated count of those populations). Overall, the District's per pupil budget has climbed from about \$9,400 in the year before the Great Recession to \$13,200 (inflation-adjusted dollars), a 40% jump in total spending.

In 2014, the L.A. school board committed to allocate portions of these fresh funds to schools that serve the largest concentrations of disadvantaged students per a Student Equity Needs Index. This gauge was based on the duplicated count of disadvantaged students, acknowledging that students with multiple needs required multiple services. Our earlier Report Cards, along with parallel analyses from others, detail how the District has taken incremental steps to move new dollars to high-needs high schools.

In April of 2018, the Equity Alliance successfully advocated a revision of this index, measuring a more nuanced definition of high-need. The resolution passed unanimously, signaling a deeper understanding of and commitment to equitable funding for high-need schools.

But LAUSD, like other districts, still evades the stated intent of California's Local Control Funding Formula (LCFF): to bolster the academic opportunities of those students who generate new revenues.

Community groups agreed to a legal settlement with LAUSD in 2017 (*Frias*) to allocate another \$151 million to fifty high-needs secondary schools over the coming three years (Innovation Fund dollars). Still, only a fraction of the \$1.1 billion generated by disadvantaged pupils each year is transparently directed to their schools.

In this light, our report examines some progress on enriching students' academic outcomes and moving dollars to schools that serve greater shares of disadvantaged students. We also review LAUSD's marked progress in reaching out to parents and creating specialized schools – early learning centers, human-scale pilot campuses, and dual-language programs. Magnet schools and curricular emphases continue to expand and deepen as well.



We spotlight the District's limited internal capacity to identify which major initiatives are truly lifting students. The District's Investment Fund, purportedly focused on the lowest-achieving students, supports 47 differing initiatives with about \$541 million in the 2017-18 school year. Many of these dollars are allocated without regard to student disadvantage or family poverty.

After four years, little evidence has emerged to weigh the efficacy of these investments. Between five and 11 percent of the average principal's budget in high schools can now be spent based at their discretion. Little is known about how they strategize over school improvements that support high-needs pupils.

The spirit of this year's Report Card accents the need to align LAUSD's ambitious goals with its actual spending structure. There is a crucial need to invest in studying what is actually working to narrow gaps in student learning across racial and social-class divides. The District's financial future and the life outcomes of its students demand reflection, improvement strategies and data informed practices.

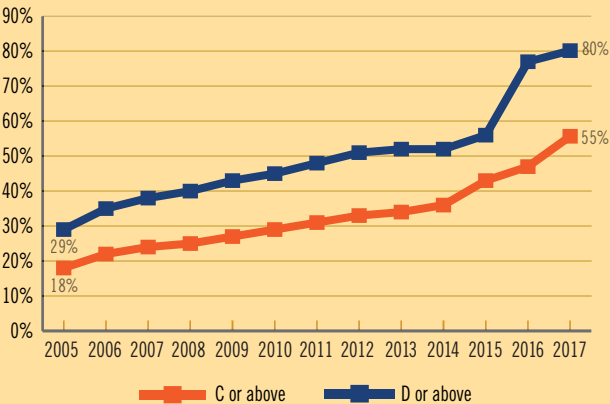
1 STRATEGIES THAT LIFT ACHIEVEMENT – COMPLETING A RIGOROUS CURRICULAR PATH

The push for higher expectations and increased opportunities for students of color began almost 15 years ago, as civic leaders and local activists warned against warehousing disadvantaged youth in high schools where educators held pallid beliefs about student potential and failed to prepare them for college or career. This led to a sustained campaign – mounted by parents, students, and nonprofit leaders – to ensure access to A-G courses for all pupils, not simply those in better-off parts of LAUSD.¹

In 2015, District leaders allocated resources to high schools that expanded availability of A-G courses via credit recovery, along with counselors who keep students on track. These efforts have paid-off in terms of a rising share of LAUSD graduates completing the A-G course sequence with 'C' grades or higher (Figure 1.1).

Due to the District's concerted effort and pressure from community activists, the proportion of graduates has climbed from 18% in 2005 to 57% in 2017. This gain in the A-G completion rate was observed even as the share of all students graduating high school was increasing at a more rapid rate.

FIGURE 1.1 Percentage of high school graduates completing A-G course sequence with grade-point average of C or D level



VIEWPOINT 1

Data Sharing, Nurturing Analytic Capacity

The District's budget shop has made long strides in posting fine-grain data in recent years. Board Vice President Nick Melvoin aims to further open-up and simplify public portals into District data. Member Kelly Gonez recently authored policy regarding a transparent framework for school performance.

Equally important is the task of devising analytic capacity inside the District and in collaboration with outside researchers. Most \$7.2 billion-a-year firms rigorously assess what's working inside, from how to boost quality to how clients respond to product lines. But LAUSD spends almost no resources on rigorous evaluation or to nurture its capacity to conduct careful evaluations. While certain units measure specific programs, the estimation of the costs and benefits of alternative program strategies remains rare inside the District.

Our analysis depends on the goodwill of others. School-by-school budget numbers come from the District's Chief Financial Officer. Fiscal staff Samuel Gonzalez and Pedro Salcido have patiently fielded our questions and generously compiled annual data sets. Dr. Frances Gipson's Division of Instruction and Oscar LaFarga's data team have supported information on student achievement and program investment. Information mavens at the California state Department of Education have gathered additional data.

For the present report, special thanks to Malena Arcidiacono and JoonHo Lee for their fine data-analytic work.

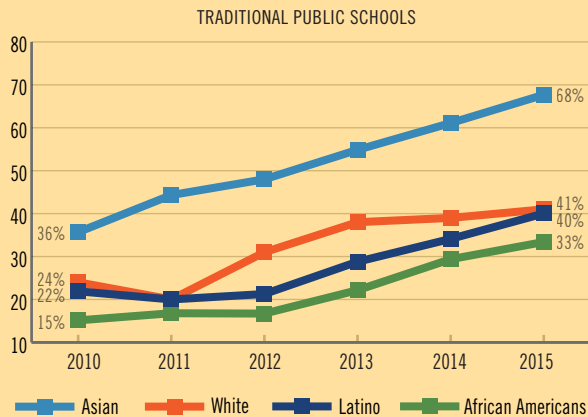
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Disparities among Student Groups and Schools

The percentage of high school graduates who complete the A-G college-prep sequence varies sharply among ethnic groups in the Targeted Student Population (TSP) as defined by the state. Figure 1.2 displays gains in this rigorous course sequence by group, showing much stronger improvement for Asian American students, compared with blacks and Latinos.

FIGURE 1.2 Percentage of high school graduates completing A-G courses with grade average of C or higher



Well-meaning reform did increase growth overall for LAUSD students, but it actually exacerbated achievement gaps. Over two-thirds of Asian-heritage (excluding Pacific Islander and Filipino youth) pupils now complete the A-G course sequence, compared with less than one-third of black and Latino students.

In 2010, the Asian population was 21 percentage points more successful at A-G completion than black students, while in 2015 they were 35 points more successful. Until District leaders allocate sufficient resources to high-needs schools and populations, current budgeting practices may simply harden inequalities.

Charter school students are not directly comparable to TPS peers. Still, A-G completion ranged up to 71% of African-American charter pupils in 2015, and 75% for Latinos in the charter sector (details available).

Access to Advanced Placement (AP) courses – yielding college credit – has increased since a 2011 change in District policy. Since then, there has been a 21% increase in students enrolled in at least one course, and a 29% increase in students taking the course exams (38% of those students earned a 3 or above). The District commendably supported students receiving support and paying for these exams and invested in “Pre-AP” professional development for teachers. While questions remain on how these supports are equitably

targeted, the District has the capacity to set policy and budget priorities that promote student success.

Enlarging the Pipeline of High Achieving Students

Learning curves are set long before students enter high school. The family backgrounds of youngsters, along with the quality of earlier schooling, conspire to set students on a trajectory early in their school career. So, intervening with A-G or college-prep courses in high school, alone, will not narrow achievement gaps.

FIGURE 1.3 Percentage of students proficient or above in English language arts at fourth and eighth grade

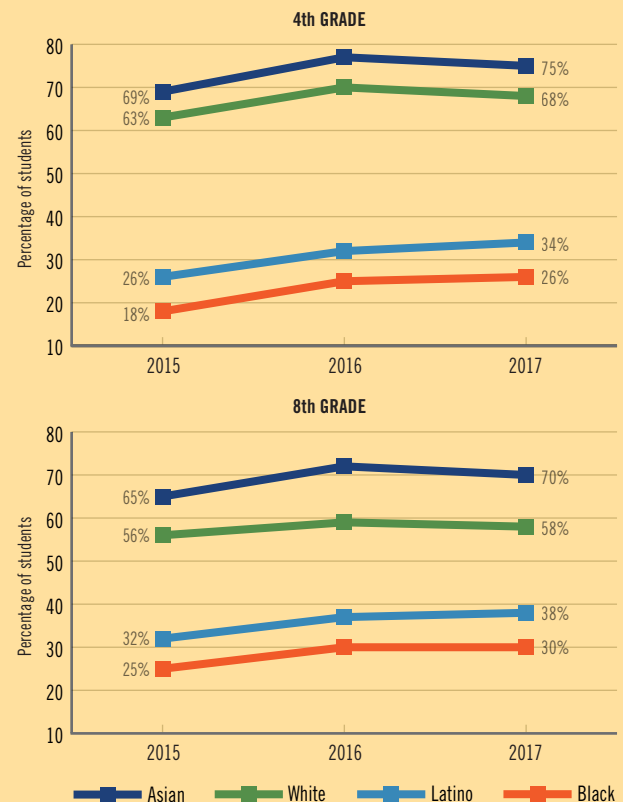


Figure 1.3 details the low rates of proficiency exhibited by fourth-graders districtwide. Just 26% of black fourth-graders, and 34% of Latino peers, achieve at the state’s proficiency standard in English language arts. These shares are much higher for Asian-heritage and white students.

The patterns – along with ethnic disparities – persist into eighth grade on California’s Smarter Balance Assessment (SBAC) exams. Upward progress has been very slow over the past three years. So, the District must consider how to enlarge the pipeline of able students long before high school. In this context, the lack of progressive funding out to elementary schools remains troubling, as detailed below. For example, recent investments in professional development programs in

early literacy for high needs youth indicate a commitment to improving student outcomes. The central offices, however, must be responsible in targeting those opportunities to teachers and schools that need it the most and measuring investment success.

Low Rates of College Going

Overall, District progress remains steady in increasing the number of students who enjoy a rigorous curriculum. Wider access to A-G courses, along with rising shares of students achieving a C average, presumably lifts expectations and skill levels necessary for entering college and persisting through postsecondary education.²

At the same time, recent findings show that disappointing shares of LAUSD graduates enter and persist through a two or four-year college. Back in 2008, just over one-quarter of all LAUSD graduates entered a four-year institution within one year, another 41% started at a community college, according to University of California-Los Angeles researchers. Only about one-sixth of all graduates entering a four-year college that year had completed a degree six years later.³



Fast forward to LAUSD’s graduating class of 2014, and college-going rates remained largely unchanged. The exact same share of graduates (27%) entered a four-year college, and 42% enrolled in a community college.

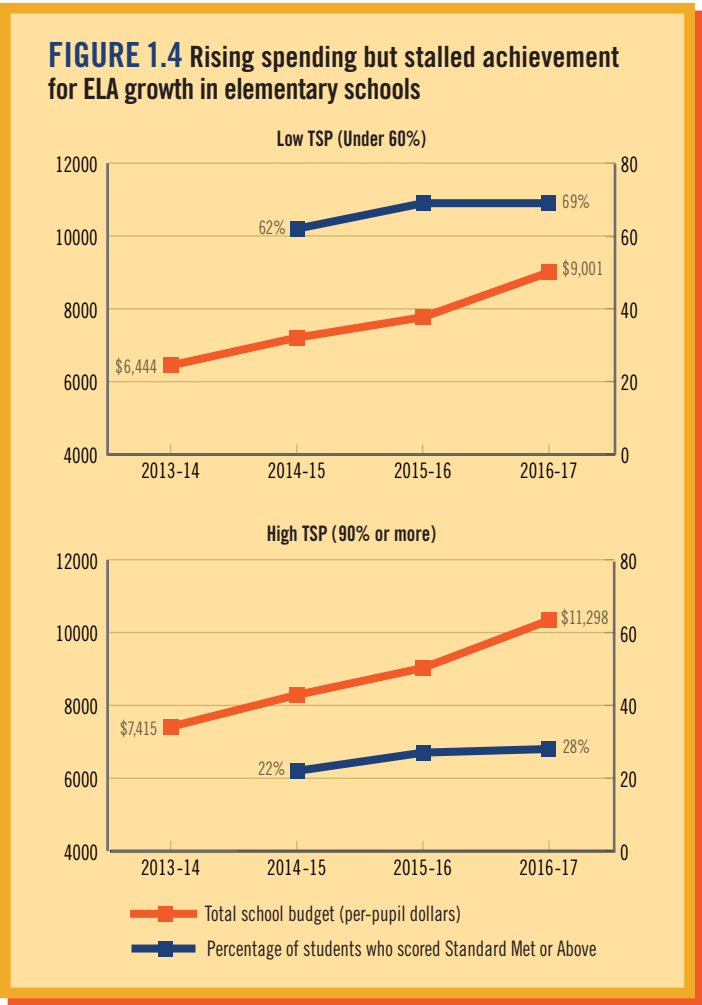
On a hopeful note, in addition to the acceleration of A-G implementation in 2015, LAUSD has accelerated its commitment to dual enrollment and Linked Learning campuses (39 in total). Investments in A-G Diploma Counselors at every high school and College Empowerment Counselors at high-need schools will ideally close the racial gap in college eligibility and enrollment rates

Will Fresh Funding Lift Achievement Over Time?

The District’s well-intentioned A-G initiative is one of the 47 efforts mounted under the Investment Fund over the past four years. But very little evidence has emerged regarding what’s working and what’s not.

Initial studies show that sizeable infusions of new dollars from LCFF have lifted student engagement and measures of achievement during early years of implementation.⁴ A multitude of studies around the effectiveness of various programs are underway at the District (including around online credit recovery programs). It is important the District look at how these are all narrowing achievement gaps, not simply increasing overall outcomes.

We can examine three years of test scores for LAUSD under the SBAC testing program, compared with gains in per pupil spending. Figures 1.4 and 1.5 plot the share of pupils who met state standards in English-language arts over the past three years.



We focus first on high-needs elementary and high schools (bottom panels, at least 90% of enrollment, targeted student population, TSP).⁵ Just over one-fifth (22%) of all elementary

VIEWPOINT 2

Is the District Building Capacity for Decentralized Leadership and Budgeting?

School principals have enjoyed rising budgets in recent years, along with wider discretion over how they can program new dollars, at least in high schools. District leaders have begun to decentralize fiscal discretion out to local districts, then down to principals.

Charter and pilot schools, along with per-pupil budgeted schools offer inventive experiments in school-level control over budgets. The new Frias settlement dollars ("Innovation Funds"), along with funds allocated via the Equity Index, may provide even greater discretion to principals.

But are LAUSD principals ready to move from a compliance mentality, pressed by earlier funding regimes, to actively strategizing about how to advance school-wide gains? Are District managers and directors well equipped to enrich the leadership capacity of principals? How are they making the decisions to spend, and what is their decision-making process? Many principals remain in compliance mode because of erratic budget directives from central offices.

Last year we reported how principals try a variety of efforts, hoping that something will stick inside their schools, based on interviews by UCLA researcher Jennifer Ho. Across many high schools, principals use fungible dollars to lower class size, mount new tutoring efforts to foster reading skills, or add counselors and psychologists to more fully engage and get to know students.

Other principals simply don't trust that new funding or newfound discretion will hold over time. Nor can they always roll-over unexpended funds at year's end; long-term planning remains a dream. "Why hire four new teachers now if you have to let two of them go two years from now?" one principal told us.

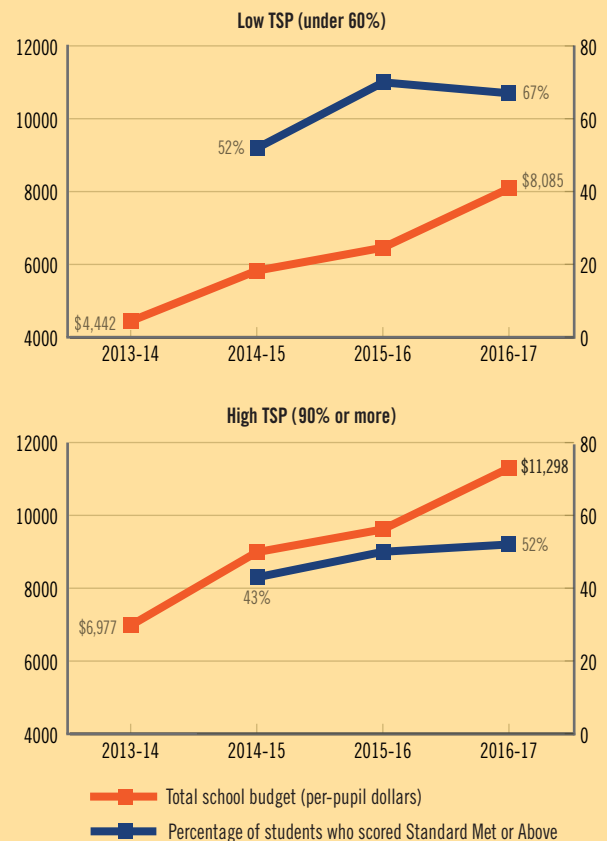
Sudden infusions of new dollars, along with mixed signals over discretion, often incite hiring additional school managers or support staff. "I think first of sustaining the position," another principal said. Converting a teaching post, equaling about \$110,000 is too risky, some principals say. "It's easier to buy a support staff person," who can be more easily let go when budgets drop.

students met or exceeded the ELA proficiency standard in 2014-15, rising to 27% the following year.

But this performance level nearly leveled off in the third year, inching up to 28% in the third year, as per pupil spending continued to climb. The pattern is quite similar across the state.

Turning to schools with lower shares of TSP students (less than 60%), we see that pupils, on average, performed at higher levels (Figure 1.5). Over three-fifths of these students achieved at, or above, the state standard in ELA. Yet these shares of proficient students flattened or declined by 2016-17. For both elementary and high schools, campuses with lower counts of TSP youth accelerated their achievement at a faster rate.

FIGURE 1.5 Uneven progress in ELA achievement as per-pupil spending grows in high schools



Discerning What Works

This brings us to a pressing issue the Communities for Los Angeles Student Success (CLASS) Coalition has raised in prior Report Cards. The District has widened access to A-G courses and hired many new counselors to track pupil progress. But while graduation rates have climbed, achievement gaps remain.

It is hard to discern how the LAUSD central office deploys new dollars and staff positions to encourage successful



completion of A-G courses. Some principals may be using these dollars to hire certified teachers, whereas others bring on counselors. Some area superintendents may have A-G counselors riding a circuit of multiple schools.

Also unclear is whether A-G dollars are distributed to schools with higher shares of students who currently fail to complete these courses. High schools where more than 90% of their enrollment is made-up of TSP students were budgeted \$29 per pupil for A-G support in 2016-17, compared with \$37 per pupil in high schools with less than 60% TSP enrollment. This difference may be explained by how some local districts hold A-G support centrally, then allocate dollars out to schools.

Still, the basic point stands: Investments in students must be measured by their equitable implementation in addition to their ability to close achievement and opportunity gaps. While studies on single investments are positive, the District must also examine how its overall budget and allocation strategy is supporting high-needs students who's success is essential for District success.

2 PROGRESSIVELY DISTRIBUTING NEW DOLLARS

"There's still a big opportunity gap... all the resources that need to go to the communities most in need are not getting to the communities most in need."

- Austin Beutner, LAUSD Superintendent⁶

Dollars and staff dedicated to college readiness flow to schools amidst a wider set of budget streams and District priorities. We next review the overall rise of per pupil spending enjoyed among elementary, middle, and high schools – the base of support on which LAUSD leaders and local principals attempt to improve schools.

We focus on the extent to which funding gains – thanks to the progressive aim of Local Control Funding – go to schools

with higher shares of disadvantaged students. This was the promise made by the LAUSD Board in 2014, renewed earlier this year via the bolstered Equity Index 2018. We also dissect between-school allocations for the total operating budget and for the (allegedly) targeted Investment Fund, this latter pot equaling \$541 million in 2017-18.⁷

The Investment Fund includes \$98 million in "various realignments," including the recent \$50 million in new dollars allocated to high-needs (*innovation*) schools annually, along with special education funding, assistant principal salaries and other base costs.

The Big Picture—Less Going to Classrooms, Rising Special Education and Fringe-Benefit Costs

A rising share of the budget fails to reach schools. One dominating trend sets our analysis in context: A shrinking slice of LAUSD's yearly budget actually reaches classrooms. Fully 27% of average-daily-attendance (ADA) revenues from the state now go for health care and pension benefits for the grown-ups. This is 9% above the state average, comparing LAUSD to all California districts, according to the chief financial officer.⁸

Fully 27% of District... revenues from the state now go for health care and pension benefits.

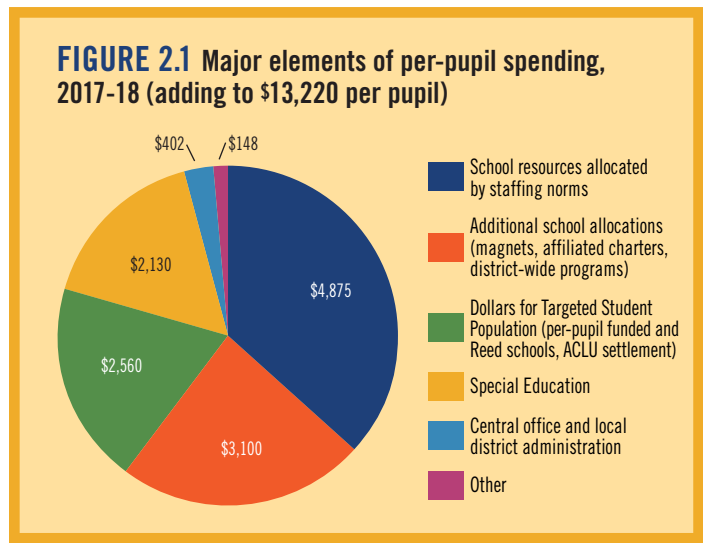
Additionally, the share of total District resources going to these benefits will rise to 51% in 12 years unless the board and union leaders adjust health care and pension allowances. Retired staff – no longer working inside classrooms – make-up nearly two-fifths of all LAUSD beneficiaries. The Board did achieve modest cost containment related to future health benefits in action taken earlier this year.

Still, education stakeholders must first tackle the steady drain of resources from classrooms if the second order of business – progressively lifting high-needs schools – can be addressed effectively. We return in section 3 to the question of whether parent engagement and magnetic forms of schooling might improve the District's overall revenue picture.

Containing special education costs. A second constraint stems from rising costs associated with special education services. The CFO estimates that 16% of all ADA-generated revenues now go for special education, either staff budgeted at school sites or central office resources. This equals about \$2,100 out of \$13,200 spent per pupil district wide.⁹

We also know that LAUSD continues to allocate at least \$450 million from supplemental and concentration grants (generated by TSP students) to special education in violation of a standing legal opinion issued by the state Department of Education in 2016.¹⁰

Figure 2.1 provides a breakdown of major programmatic areas used to build the District's operating budget each year. Just over one-third of total spending (\$4,875 per pupil) goes out to schools on the basis of "staffing norms," which drive average class size and relative shares spent for teachers and support staff.



Special education spending continues to climb, especially in elementary schools. Another sizeable share goes for magnet and pilot schools, campuses involved in the *Reed* settlement and so-called *per-pupil-funded* schools, totaling \$3,100 of the District's \$13,220 in operating costs per student in 2017-18.

When we focus on those elementary schools where more than 90% of enrollment is made-up of TSP students, spending on special education has climbed from \$870 in 2013-14 (the first year of state LCFF support) to \$1,869 per student in 2016-17, the latter figure equaling almost one-fifth of total spending on this subset of schools.

For elementary schools with relatively low concentrations of TSP students (under 60%), special education spending climbed from \$968 to \$1,494 per student over the same four-year period, the latter amount equaling 17% of total spending per pupil.

Among high schools, spending on special education has been leveling-off. SPED funding per-pupil grew over two-fifths during the initial three years of LCFF implementation in the highest-need high schools, then leveled last year. At \$1,489 per pupil in 2016-17, this represents 13% of total spending in these schools.

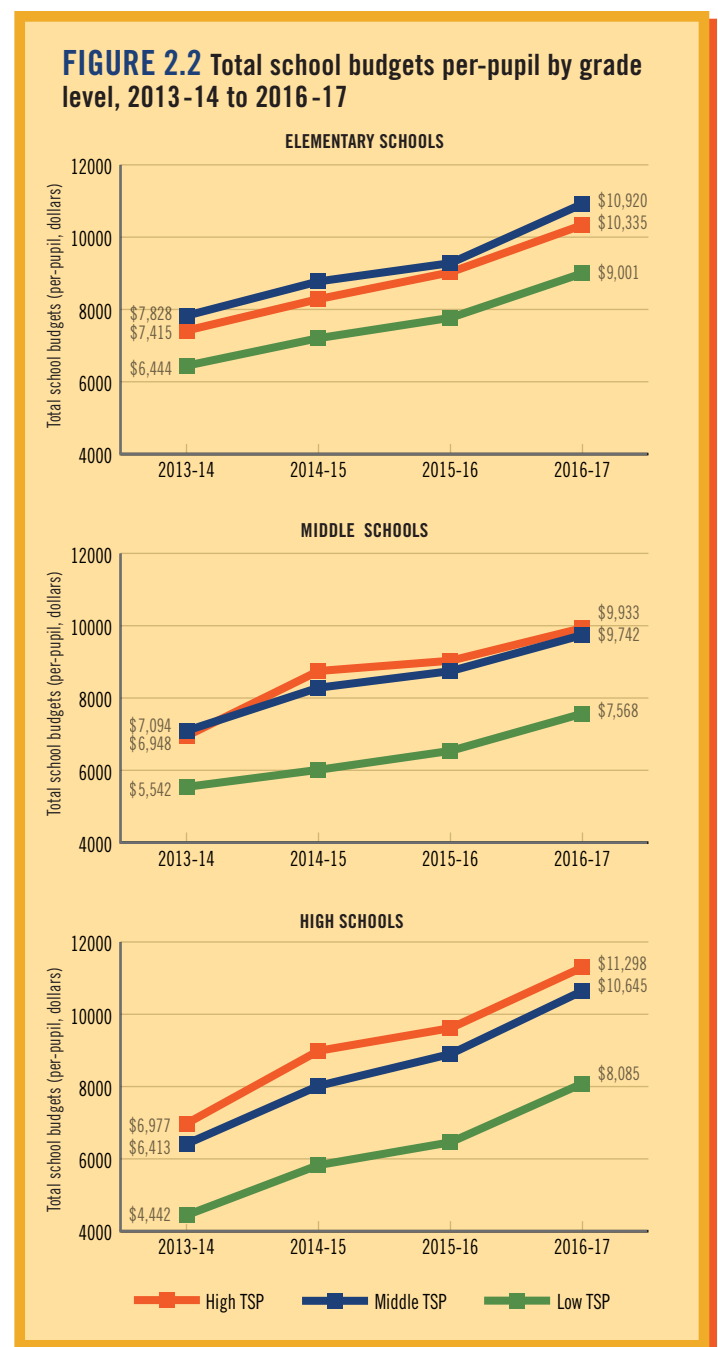
In sum, until spending education outlays are brought under control, it's difficult to see how the District can more progressively support high-needs elementary and high schools. Special education students are explicitly not included within the

targeted student population (TSP) under current law, since SPED pupils are supported through separate state and federal funding streams (albeit via an inadequately funded mandate).

A Modest Bright Spot – Progressively Funding High Schools

District leaders have focused new resources on high schools that serve large shares of low-achieving students – one note of progress on the Board's pro-equity promise.

We see in Figure 2.2 that high schools serving the highest shares of TSP students (over 90% of enrollment) have benefited from significant gains in per pupil spending. Spending has moved upward 62% from \$6,977 per pupil in 2013-14 to \$11,298 in 2016-17.



District high schools with smaller shares of TSP students (under 60%) have enjoyed a sizable increase over the four years as well, rising from \$4,442 to \$8,085 – equaling an 82% increase.

Good news is the fact that high schools receive more when serving the most disadvantaged students. The correlation between TSP enrollment and per pupil spending also has strengthened, as we show below, signaling greater fairness. Yet, when budgets grow more quickly in low-TSP schools, how will this help narrow achievement gaps?

These increases are driven by rising teacher salaries, along with new administrative posts, librarians, and counselors or support staff, the latter two categories focused mainly on high schools.

We also know, based on complementary analyses, that high schools benefiting from rising budgets assign teachers one fewer class periods and report lower class size, on average. One study from Berkeley found that more students enrolled in Advanced Placement courses, and upward reclassification of English learners (assessed as proficient) climbed when LAUSD high schools enjoyed stronger budget gains.¹¹

Less Funding Progressivity among Elementary Schools

We continue to see little progressivity in how LAUSD distributes dollars among elementary schools. This is the subsector that retains the most middle-class families within the District. So, LAUSD leaders face a dilemma between protecting elementaries in better-off neighborhoods versus fairly funding high-needs campuses.

Looking back at Figure 2.2 we see that gains in per pupil spending have been felt equally by most elementary schools, whether they serve high or low shares of disadvantaged children. The rise in budget growth is the same among the three groups of elementary schools, and per pupil spending levels are more similar, compared with the greater progressivity seen among high schools.

High schools serving the highest shares of TSP students have benefited from significant gains in per pupil spending.

Another way to picture the degree of distributional progressivity is to plot per pupil spending by the share of enrolled students in the TSP categories. Figure 2.3 does this for all LAUSD elementary schools, focusing on change between 2013-14 and 2016-17. The slightly upward sloping line indicates

FIGURE 2.3 Little progress in fairly distributing new dollars to high-needs elementary schools over past four years

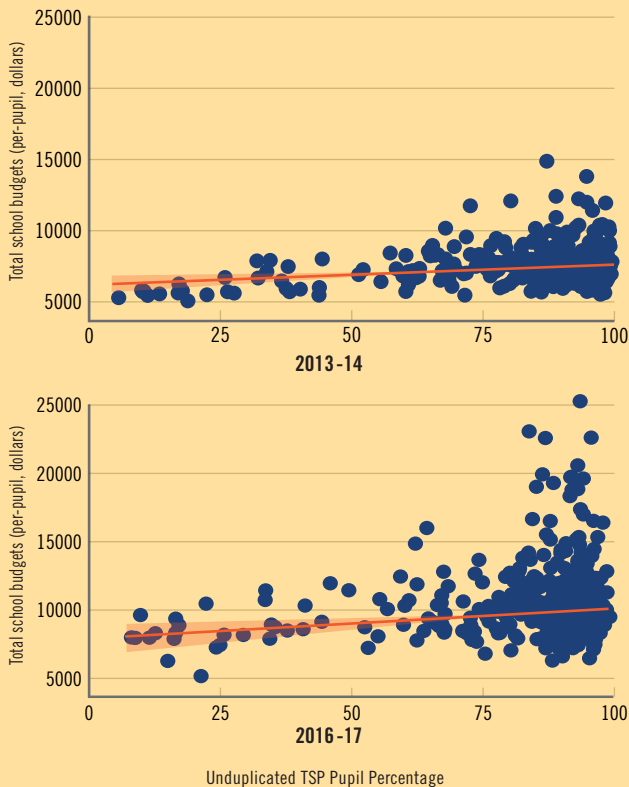
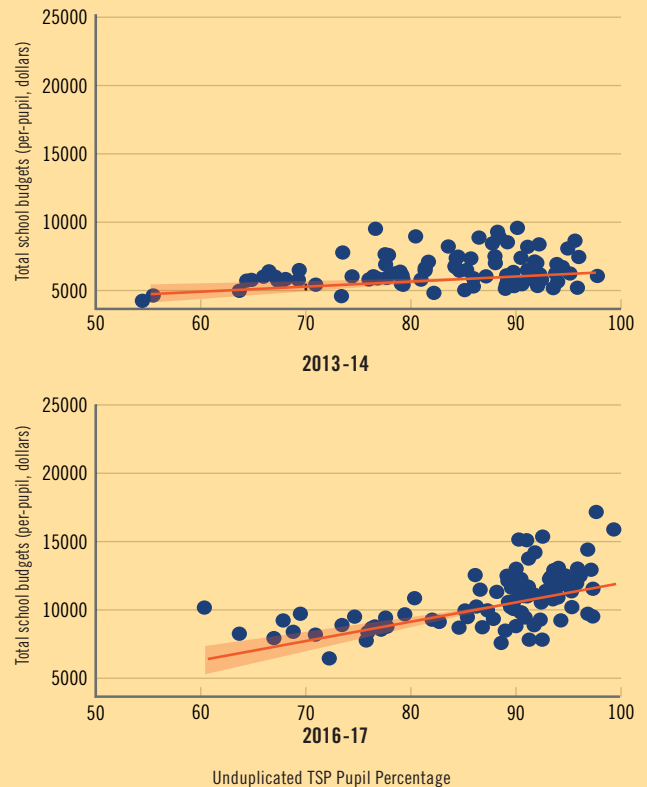


FIGURE 2.4 Discernible progress in distributing new dollars to high-needs high schools over past four years



the extent to which per pupil spending rises as the share of enrollments made-up of TSP children also increases. Each dot represents an elementary school.

The pattern for high schools differs, as seen in Figure 2.4. The ‘progressivity slope’ grows considerably steeper, as many high schools with high TSP concentrations display significantly greater budget support per pupil from the central office.

In sum, the fiscal news remains upbeat as per-pupil spending getting out to schools continued to rise through 2016-17 – despite climbing costs tied to health care and pension obligations. At the same time, District leaders have delivered modestly on their promise to equitably fund the highest needs *high schools*.

The rise in budget growth is the same among very different groups of elementary schools compared with the greater progressivity seen among high schools.

But the District continues to dodge its promise to fairly finance *elementary schools*, unwilling to revisit its decision four years ago to ignore the relative disadvantage of families even as elementary budgets floated upward overall. Before LCFF infusions arrived, elementary schools of varying need were funded at essentially similar levels, as seen above in Figure 2.2.

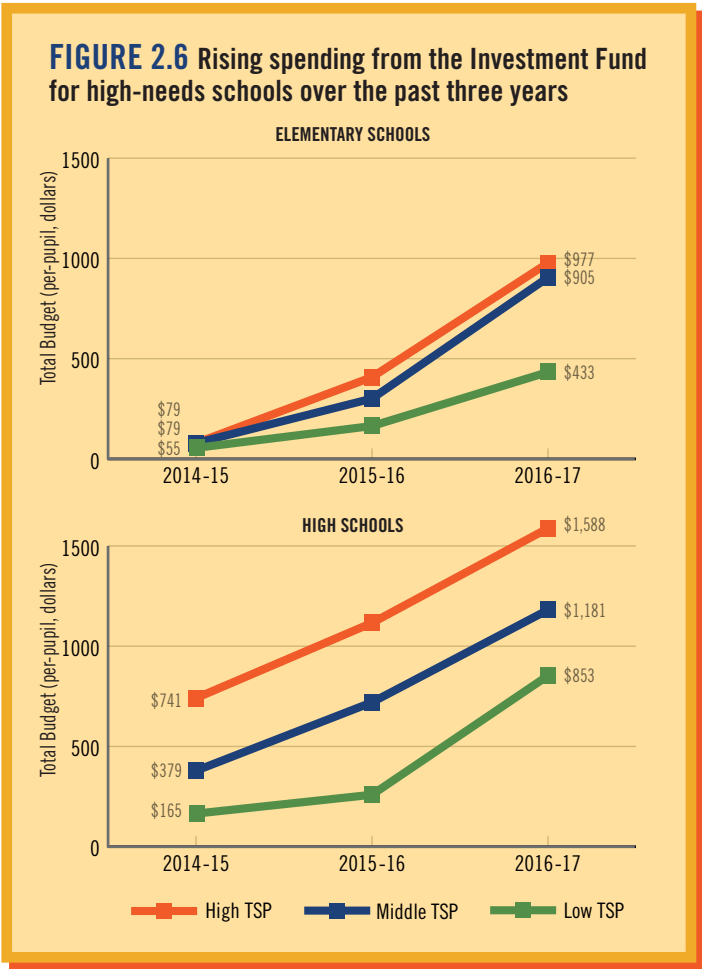
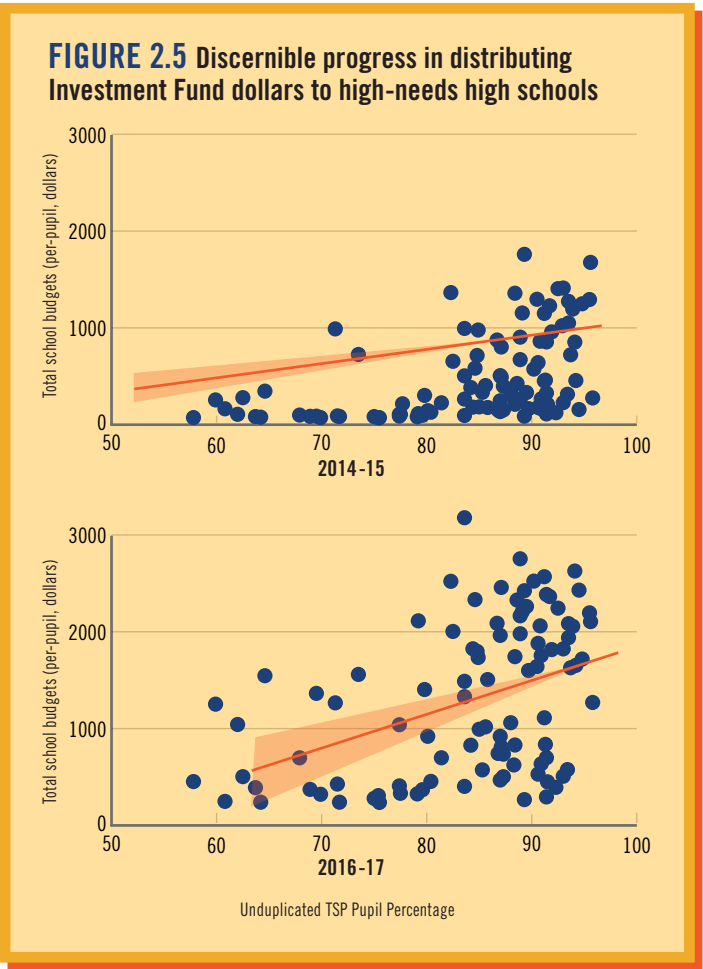
Is the ‘Targeted’ Investment Fund Truly Targeted?

The District must expand or improve services for the targeted student population (TSP) in proportion to the new funding that these pupils draw from the state through supplemental and concentration grants. The state’s “proportionality requirement” is met largely by a designated fund that totals about \$541 million in the current year (2017-18).

The largest allocations in the Investment Fund are for per-pupil funded schools (\$47 million), transitional kindergarten (\$42 million), support for the arts (\$31 million), another dollop of special education funding (\$22 million), and wider access to A-G courses (\$15 million).

Our earlier analysis revealed that the Investment Fund has not been consistently targeted on schools with the highest shares of TSP students. The District, however, has made progress over the past three years in allocating somewhat larger slices of the Investment Fund to high schools with greater percentages of TSP students. And while incremental legal agreements do advance progressive funding, they affect small portions of the District’s total budget, stopping short of fundamental structural change.

Figure 2.5 plots dollars from the Investment Fund (per-pupil)



going to each high school by the percentage of students falling into the TSP categories. Each dot represents a school, and the diagonal line captures the strength of association between per-pupil budget allocations and shares of TSP students. The rising incline of this line indicates more progressive targeting out to high-needs high schools. We would expect to see a steeper line under the state's proportionality rule, urging stronger instructional support for low-achieving (TSP) students.

But District leaders have failed to allocate new dollars from the Investment Fund – generated by elementary level TSP students – out to their schools in proportion to their representation (Figure 2.6). This goes back to former Supt. Raymond Cortines' decision to give elementary schools an equal distribution of positions and funds regardless of their current resources or the relative poverty of local families.

While incremental legal agreements do advance progressive funding, they only affect small portions of the District's total budget.

Next fiscal year (2018-19) is the final period in which the Investment Fund is required to expand, under the state's "proportionality" rules. A recent draft of the proposed Investment Fund actually decreases in the 2019-20 year, maxing out at \$618 million in 2018-19. But again, Investment Fund dollars are not markedly targeted on schools that serve the most disadvantaged pupils – the youngsters who generate the new LCFF dollars from Sacramento.¹²

3 ENGAGING FAMILIES, CREATING MAGNETIC SCHOOLS

LAUSD's capacity to fairly distribute the benefits of public education across students and families depends upon strong and stable revenues. These stem from the vitality of California's economy, along with Sacramento's careful management of the state budget.

But revenues falter when parents lose faith in District schools, and enroll in charter or private schools, or exit LAUSD altogether (many for financial reasons). Nearly one-fifth of all public school pupils districtwide now attend a charter school.

We next turn to a pair of challenges that speak to attracting and engaging a wider array of families. First, LAUSD has awarded discretionary dollars to better engage parents. We show that these dollars are distributed progressively. That is, elementary schools in economically challenged parts of the District receive greater support for parental engagement. This is one of the few funding streams allocated with an equity formula, as first urged by community groups in 2014.

Second, LAUSD has boldly created a variety of diverse forms

of schooling, responding to charter competition by advancing schools that offer a distinct curricular mission, including magnet and pilot, and dual-language campuses. Dual language campuses alone have more than doubled in the last 5 years, with 101 programs in six languages being offered in the 2017-18 year. These bold experiments typically delegate more authority over budgeting and staff hiring out to neighborhood principals.

But little is known about the 'magnetic attraction' of these schools: Does this colorful variety of schools better attract and hold families than conventional schools? Do innovative campuses lift students more effectively?



We argue that District leaders must see their diverse portfolio of schools within the wider population of charter and private schools – thinking systemically if they are to stem further enrollment losses. This focus on the broader ecology of schools becomes more pressing as charter schools continue to grow and private institutions to die off.

District leaders must see their diverse portfolio of schools within the wider population of charter and private schools – thinking systemically if they are to stem further enrollment losses.

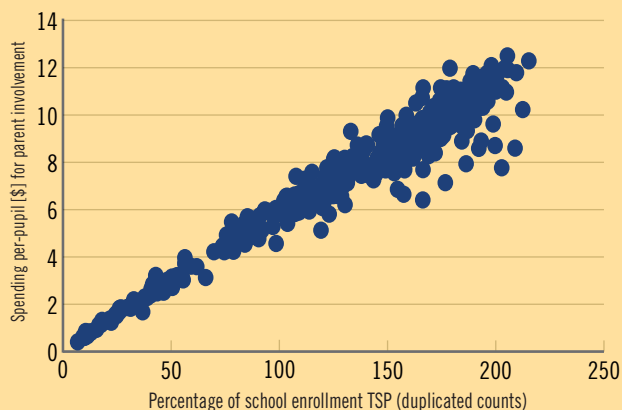
Resources to Engage Parents

Gains in state funding have allowed LAUSD to spread and deepen earlier efforts that engage parents – expanding pre-k and transitional kindergarten, parenting and literacy workshops, family centers on many campuses, and involvement of parents in reform activities.

Turns out that District leaders actually applied an equity formula in distributing parent participation dollars out to schools. When the Board and budgeteers put their minds to it, they *can* fairly fund key initiatives, as seen in Figure 3.1.

Each marker appearing in Figure 3.1 represents an elementary school. Each school is plotted at the count of dollars budgeted for parental engagement per pupil and by the school's percentage of (duplicated) TSP students. The tidy, upwardly sloping cloud of dots reveals a progressive distribution of dollars: as elementary schools serve larger shares of disadvantaged students, they receive more dollars per pupil to draw-in and engage families.

FIGURE 3.1 School allocations for parental involvement pegged to relative disadvantage of students and schools



This is precisely the finance strategy advocated by the CLASS Coalition. But overall, LAUSD leaders apply this equity formula to just \$19.9 million in operating costs each year, according to one estimate, out of the \$1.1 billion that disadvantaged students generate for the District.¹³

LAUSD offers a variety of parent training opportunities, including leadership development. Individual schools offer workshops on how parents can aid their children's homework and encourage them to do well in school, along with facilitating volunteer opportunities. The District makes a sizeable investment in parent centers on high school campuses, extending adult education opportunities to local families.

District leaders have committed significant new funding to expand preschool slots and children's access to transitional kindergarten. This particular investment centers on the most impoverished parts of the District, where early learning programs exercise the greatest impact on children's cognitive and social growth. It also engages parents during the earliest years of schooling. And again we see how District leaders can progressively fund potent activities when they focus on equity.

Still, it's difficult to unearth evidence on which facets of parent engagement pay off – either in better supporting children's own studies, or building meaningful bonds between parents and neighborhood educators. In contrast, Los Angeles Universal Preschool recently completed a sophisticated assess-

ment of how young children benefit from exposure to quality preschool. Results varied by domain of children's early development.¹⁴

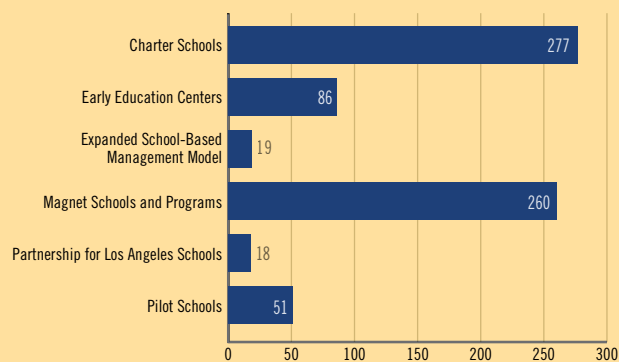
But what's notable is how this local agency, working alongside LAUSD, has built hard evidence of what's working and how the magnitude of benefits can be raised for kids and families. It's an analytic lesson largely missed by District leaders.

Uneven Gains from Diverse Schools

The District's Public School Choice (PSC) initiative, beginning in 2009, led to a surge in semi-autonomous campuses. The Board eventually handed-off scores of schools to inventive educators – whether advancing innovative pedagogy, carefully tracking student progress, or attracting teachers that bring greater sensitivity and rigor to their classrooms. Over a four-year period, a variety of pilot school pioneers, charter leaders, and educators couched within the District took charge of these campuses.

When added to the District's earlier investment in magnet schools (going back to the 1970s), along with charter growth, the blossoming of diverse forms of schooling across Los Angeles has been remarkable in recent years, as seen in Figure 3.2.

FIGURE 3.2 Counts of nontraditional schools in LAUSD in 2016



LAUSD cooperated with researchers at the University of Southern California to examine variation in neighborhood participation that fostered the school take-overs, the kinds of schools that sprouted, as well as medium-terms effects on achievement.

The evaluation team found that “choice schools” did raise learning curves in reading by the second year of implementation, compared with similar schools that fell just short of being selected for the initiative (a sound comparison group).

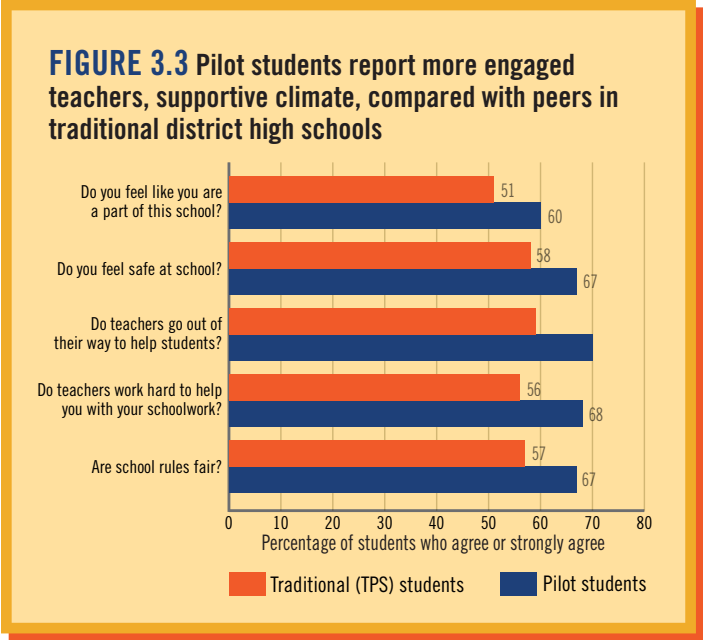
But by year 3, students attending PSC-designated schools did a bit worse than the comparison group. The USC evaluators have

detailed the governance and curricular mechanisms that help to explain this uneven success among participating schools.¹⁵

Initial research on pilot schools reveals uneven results as well. Retention of LAUSD students within the District was 8% higher for those entering pilot high schools, compared with eighth-graders moving into traditional public schools (TPS), according to a study led by Berkeley economist Caitlin Kearns.¹⁶ Pilot students achieved at somewhat lower levels in math, however, compared with peers moving through ninth grade in a traditional campus.

A second study, conducted by Delia Estrada, found that pilot schools achieve discernibly higher four-year graduation rates, compared with TPS. Analyzing the District’s school-level data for 2015 and 2016, along with information on 74,000 high school students, Dr. Estrada found that pilots display significantly higher daily attendance, along with achieving identical graduation rates, despite serving larger shares of disadvantaged pupils.¹⁷ An independent analysis found that pilot students enter a four-year college at significantly higher rates than traditional-school peers.¹⁸

Students attending pilot high schools also report greater respect and engagement from their teachers, relative to peers enrolled in TPS (Figure 3.3). Students are asked each year, “Do teachers go out of their way to help students?,” as part of the District’s school experience survey. Seven in every 10 pilot students marked, “agree” or “strongly agree”, compared with less than six in 10 traditional students. The rate at which students simply felt safe at school was nearly 10% higher on pilot campuses.



What’s encouraging is that we are learning about the District’s diverse portfolio of schools – when LAUSD leaders share fine-grain data on students, teachers, and campuses. The

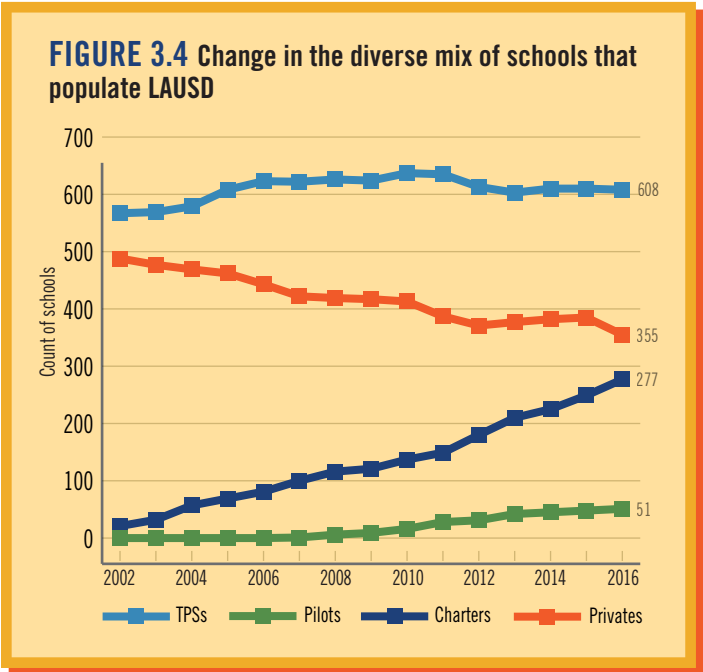


Board’s recent resolution to make data easily available to independent scholars may facilitate stronger knowledge-building. Ideally, this will occur in concert with nurturing capacity inside the District to evaluate differing forms of schools. Work of the Board’s Independent Analyst offers a large step in the right direction.

Tracking the Wider Ecology of Schools, Winning Over Parents

District leaders have been slow to see traditional schools in the context of a changing population of alternatives for parents and kids. The loss of enrollment to charter schools is well known, the source of great consternation. Encouraging results from pilot and magnet schools – in attracting families and potentially outperforming traditional campuses – may help stem the loss of enrollment.

At the same time, the District has no strategy for winning over students earlier enrolled outside the traditional system. We see in Figure 3.4, for instance, how many small private schools, along with Catholic institutions, have been closing across Los Angeles County since 2002. (The appendix figure details the kinds of private schools losing students to other subsectors.)



Shrinking birth rates and exiting families do help to explain LAUSD’s declining enrollment.¹⁹ But at the same time, the District fails to think strategically in terms of how to attract families from competing subsectors. LAUSD leaders must consider this evolving ecology of schools – asking what forms of site governance, curricular offerings, and teacher qualities help to fuel popular *and* effective forms of schooling?



RECOMMENDATIONS
PURSUING EQUITY WITHIN TIGHT BUDGETS

Define and Achieve Equity in Quality

The District has a broad range of priorities, goals and benchmarks for student achievement. Departments, local districts and school sites all have disparate plans for school and student success. Subsequently, the District has a variety of budget priorities and a sprinkling of various investments and positions across the system. In times of limited and decreasing resources with a concurrent need for increased student achievement, however, it is imperative that LAUSD hone-in on defining quality school systems and student outcomes. Moreover, the community must be engaged in the District’s ongoing efforts towards quality, in both definition and monitoring.

The CLASS Coalition recommends that the District define meaningful goals for quality schools that are connected to funding priorities. These goals should be relevant to the community and shared broadly. With the 2017-18 resolutions from Board Members Gonez and Melvoin regarding performance frameworks, data accessibility and college readiness benchmarks, the District is poised to begin consolidating their many tools to measure success. We hope that these policy changes precipitate succinct, community informed dashboards that note the progress of academic and socio-emotional outcomes of all students, with particular focus on historically under served black and brown youth. These defined outcomes, and the programs that best support these outcomes, should set students on the path for meaningful post-secondary choices upon graduation.

Invest in the Growth of Teacher Leaders and Principals

Once a broad, concise vision and framework for equitable student success is established, the District must empower principals and teacher leaders to design school site budgets that advance these aims. Currently, skilled principals are finding work arounds to strict compliance measures and tight time-lines for annual budget development. Principals who are newer to the profession or have not had opportunities to build their budgeting capacity struggle to define aggressive annual benchmarks or invest in and evaluate programs to support their unique student populations.

The District must invest in developing these school leaders to maximize school site budget allocations, allocations that should be reflected and supported by the central finance offices. They must establish a culture of data driven inquiry and offer bounded autonomies that drive student success



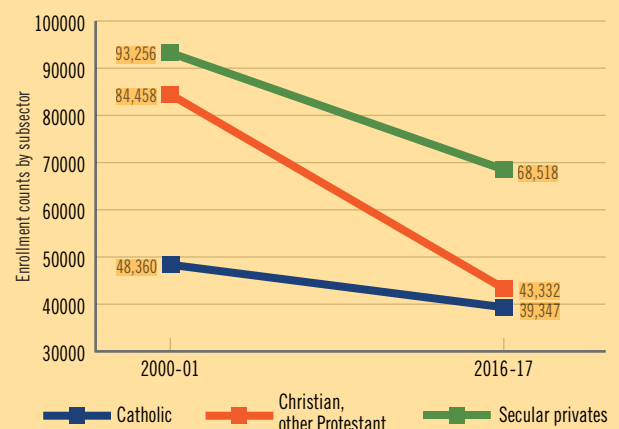
within the established framework. Principals are fatigued, weary of shifting allocations and are often told to just work harder, not smarter. Across LAUSD there are brilliant administrators who support student achievement despite the odds; the School Board and Superintendent must invest in developing more of these leaders.

Equity as the Guiding Strategy in Lifting Student Success

If the District is truly committed to creating high quality schools that increase high-need student achievement, they must apply equity to all facets of the system, from the school sites to the local districts to the central offices. It remains troubling that our analyses continue to show inequity or only slight equity in school site allocations. The Student Equity Need Index 2018, which supports an increased commitment to equity, must be applied to more than a small piece of the Investment Fund. The District should continue to move towards true equity in funding by implementing a per pupil funding model and eliminating hold harmless policies for overfunded schools.

It is important to note that prior to LCFF, schools of varying needs were generally funded at similar, if not unequal levels. It is not surprising that TSP students have not received the supports to move them along the TK-12 pipeline towards college and career. We are in our fifth year of this new funding model that aims to direct additional (although still not adequate) resources to schools. While a shift towards whole budget equity is a large one, and the impact on student achievement may be somewhat slow to follow, it is imperative the District does not let up on its transformational efforts to undo decades of unequal funding patterns.

APPENDIX FIGURE Declining enrollment in private schools by type for Los Angeles County



Endnotes

- 1 For a chronology of the A-G organizing movement, see Orr and Rogers (2011).
- 2 Phillips, Yamashiro, and Jacobson (2017).
- 3 Phillips, Yamashiro, and Jacobson (2017).
- 4 Johnson and Tanner (2018), Fuller and Lee (2018).
- 5 These pupils include those from poor families, English learners, and students in foster care, as defined under the state's Local Control Funding program.
- 6 Beutner (2018). New York Times. Online: <https://www.nytimes.com/2018/05/02/us/california-today-los-angeles-schools-superintendent.html>
- 7 "Proposed Los Angeles Unified School District investments to support targeted youth," appearing in LAUSD (2017, p. 5, Attachment B).
- 8 Price and Sawyer (2017).
- 9 Chief Financial Officer, LAUSD (2017).
- 10 Breshears, Bedwell, and Feagle (2016). The 2017 agreement between the ACLU and LAUSD stemmed from an initial complaint filed by the Community Coalition on which the California state Department of Education ruled. But the local settlement does not speak to the CDE's finding that not all the \$450 million budgeted for special education from supplemental and concentration grants is permissible.
- 11 Fuller and Lee (2018). For tentative but encouraging statewide results at the high school level, see Johnson and Tanner (2018).
- 12 When we take into account all school level allocations tagged for TSP staffing or classroom supports, these per-pupil spending numbers rise incrementally, but the distribution across low-to-high TSP schools remains the same.
- 13 Partnership for Los Angeles Schools (2018).
- 14 Kyger and Barnhart, First 5 Los Angeles (2017). Online: <https://www.instituteforchildsuccess.org/wp-content/uploads/2016/11/Kyger-Barnhart-RD-presentation-10-11.pdf>
- 15 Strunk, Marsh, Hashim, Bush-Mecenas, and Weinstein (2016).
- 16 Kearns (2018).
- 17 Estrada (2017).
- 18 Fauci and & Hunter Quartz (2018).
- 19 The confluence of these trends is detailed in the United Way and UC Berkeley report by Fuller, Castillo, Lee, and Ugarte (2016).

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