

Money and Freedom

The Impact of California's School Finance Reform

Sean Tanner, Senior Researcher
(joint with Rucker C. Johnson, Associate Professor of Public Policy, UC-Berkeley)

2.2.18



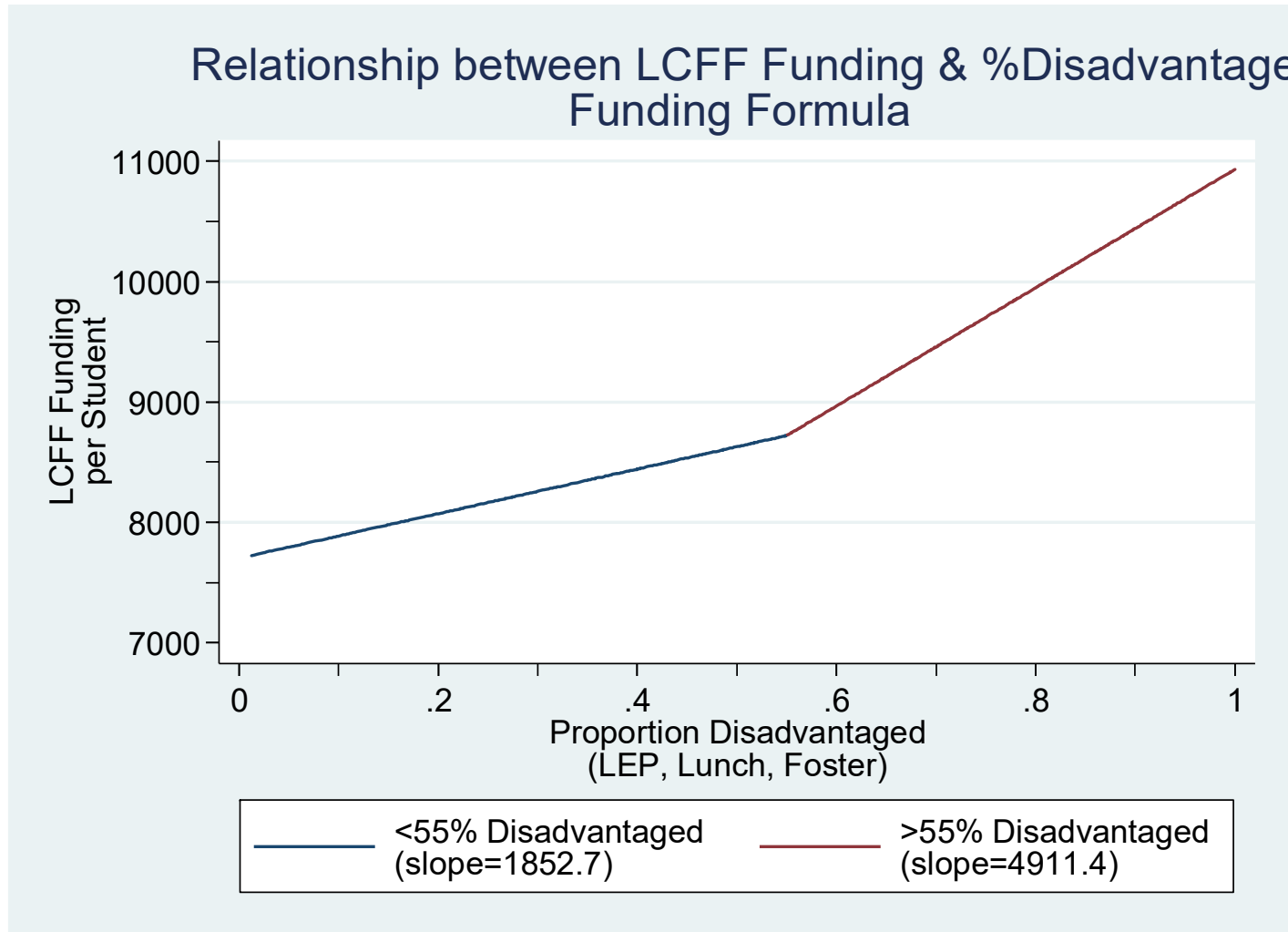
Overview

- **Highlights of LCFF**
- **Research Design**
- **Results**
- **Discussion**

The Local Control Funding Formula

- **Increased state support: \$18B over 8 years**
 - 2013 to 2020
 - Targeted to students: supplemental/concentration

The Local Control Funding Formula



The Local Control Funding Formula

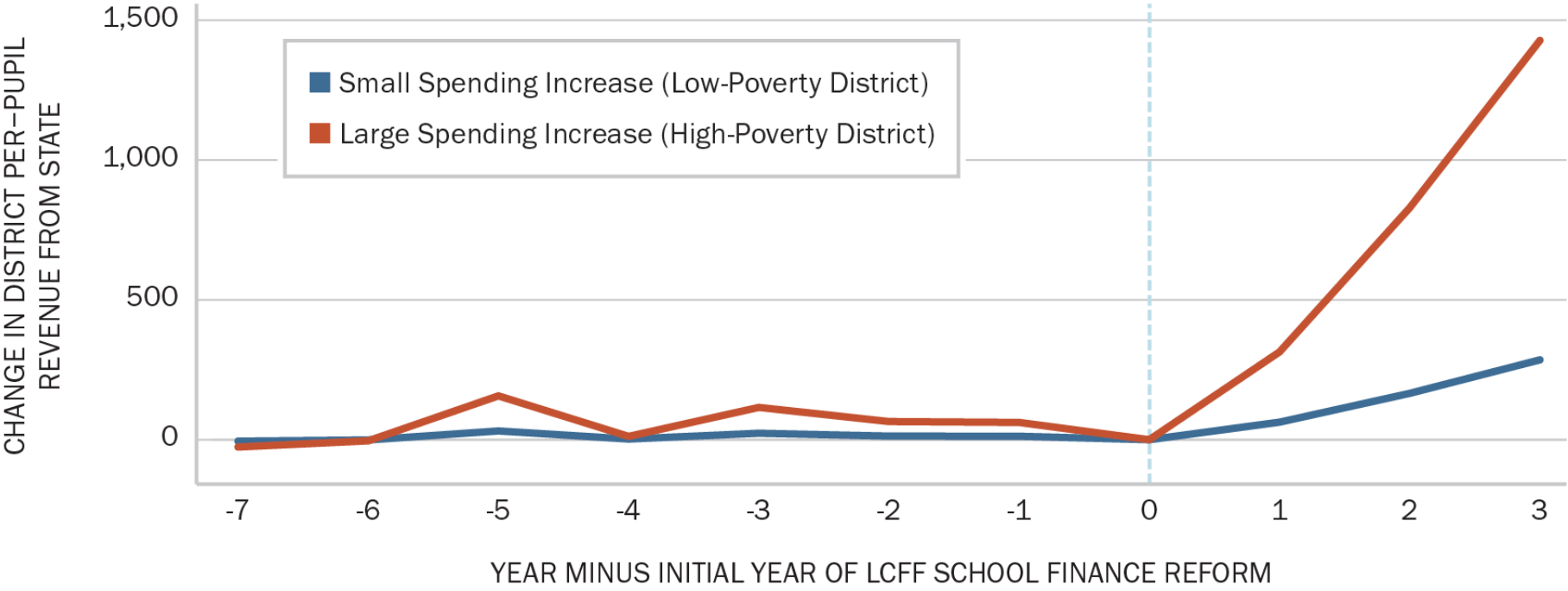
- **Increased state support: \$18B over 8 years**
 - Targeted to students: supplemental/concentration
- **Increased discretion over expenditures**
 - LCFF \$\$ is “unrestricted”
 - LCAPs
 - Reduction in remaining categorical programs

Research Design

We control for:

- **Schools & districts (“fixed effects”)**
 - Berkeley High vs. Skyline High (Oakland)
- **Year**
 - 2007 vs. 2015
- **School (and district) responses to economy**
 - Pre-LCFF patterns for each school (and district)
- **Proportion of funding subject to restrictions**

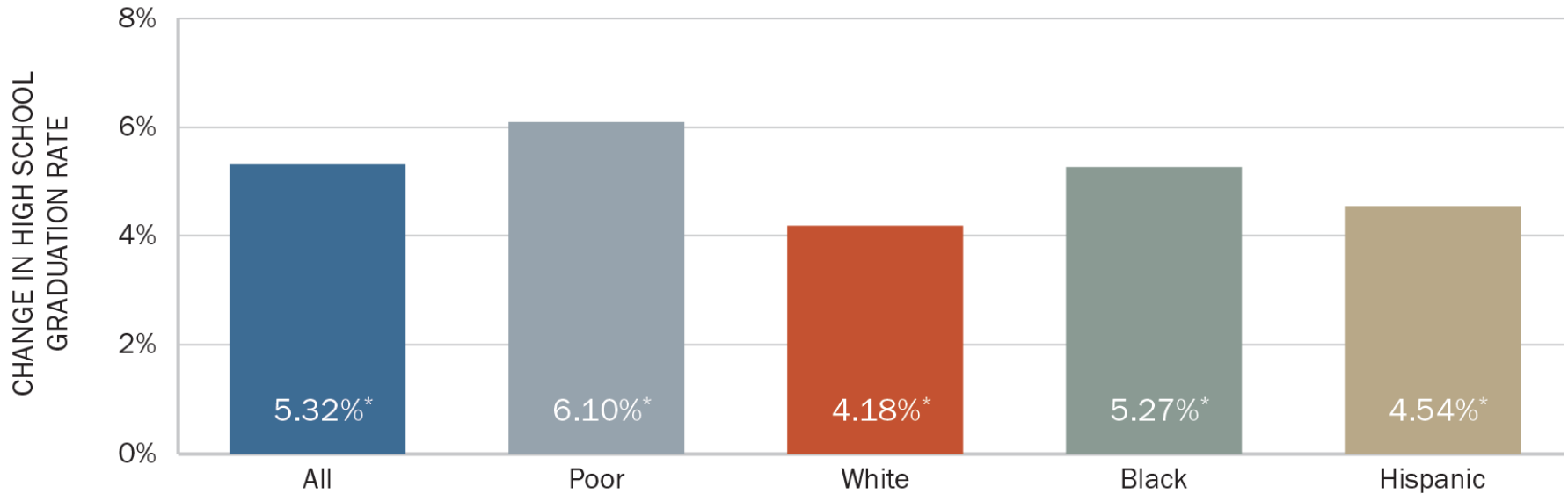
Effects of LCFF on District Revenue From the State



Research Design

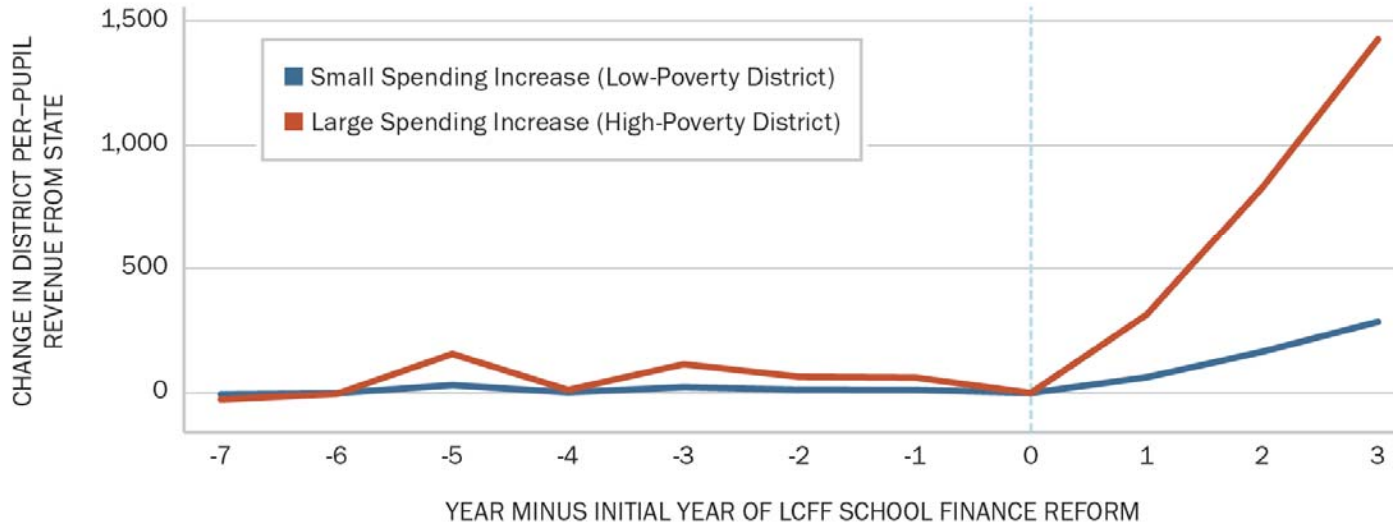
- **Three post-reform years**
 - 2013-2014; 2014-2015; 2015-2016
 - 90% funded by 2015-2016
- **Test score data**
 - Separately by Subject (Math & ELA) for 11th grade
 - NAEP-scale normed (following Reardon et al. (2016))
- **High school graduation rate data**
 - With and without LAUSD and highly disadvantaged schools
- **Excludes charter schools & other non-traditional schools**
 - Exposed to slightly different policy

Effects of LCFF-Induced \$1,000 Increase in District Per-Pupil Revenue From State (Ages 15–17) on High School Graduation Rates



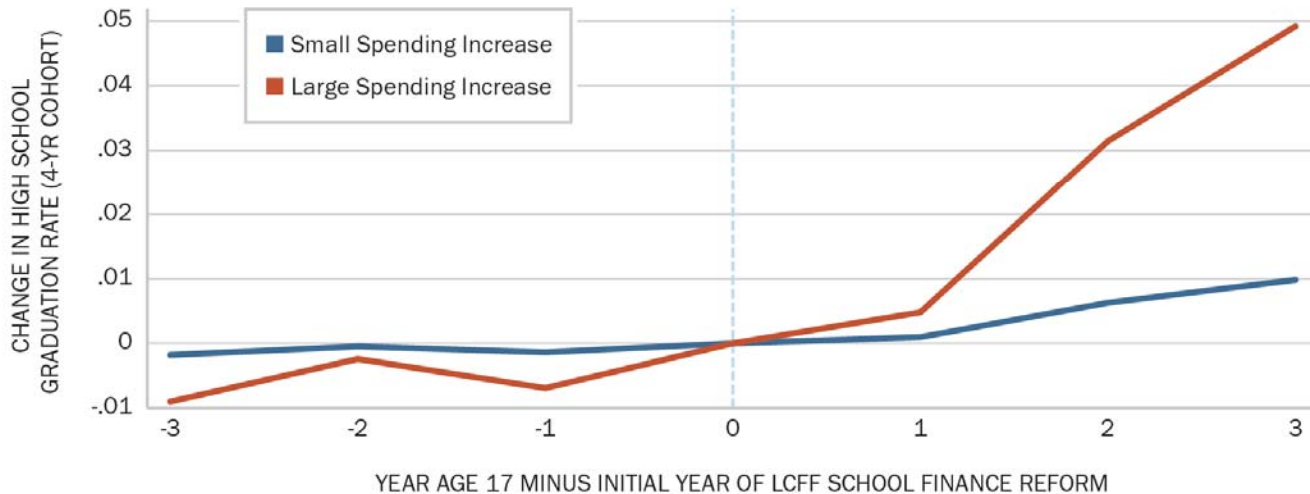
5% gain for \$1,000 per pupil

Effects of LCFF on District Revenue From the State

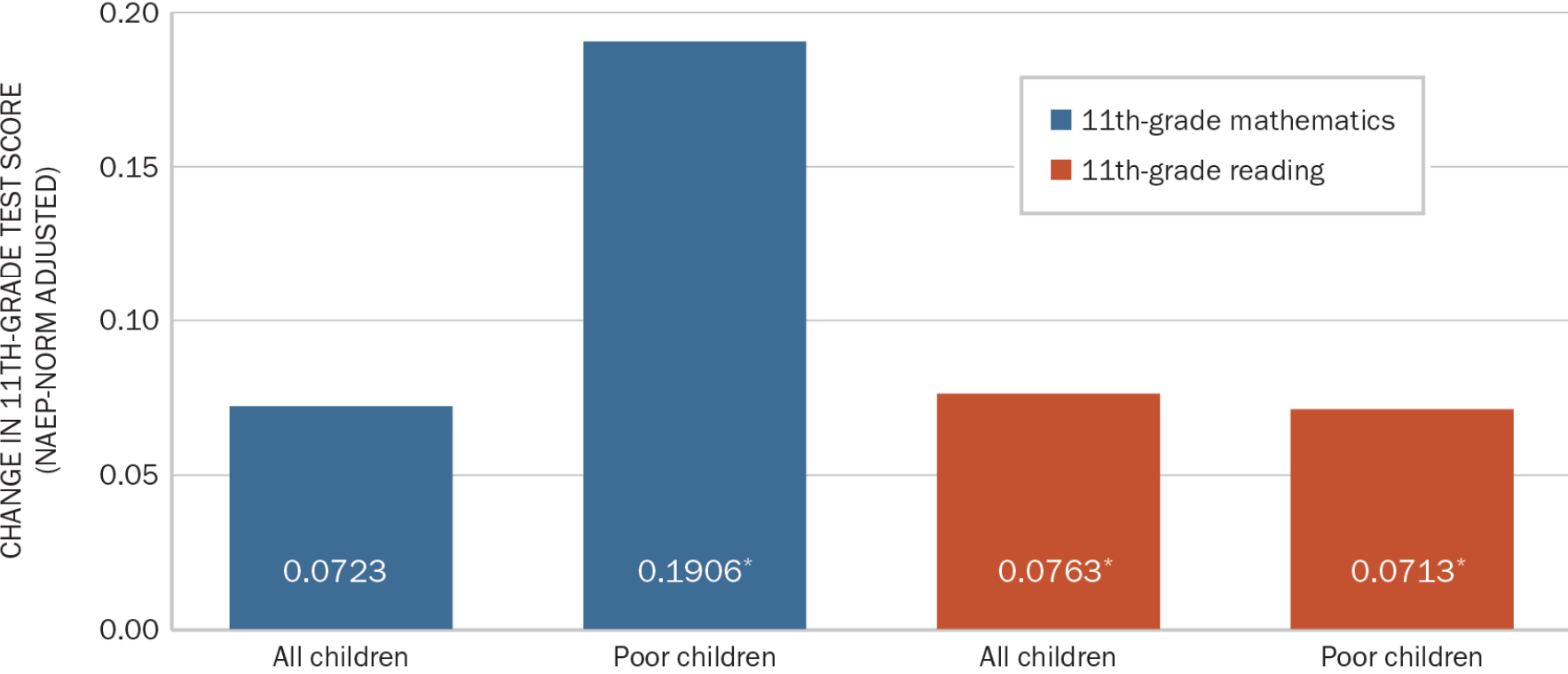


Effects of LCFF on High School Graduation Rate for Children From Low-Income Families

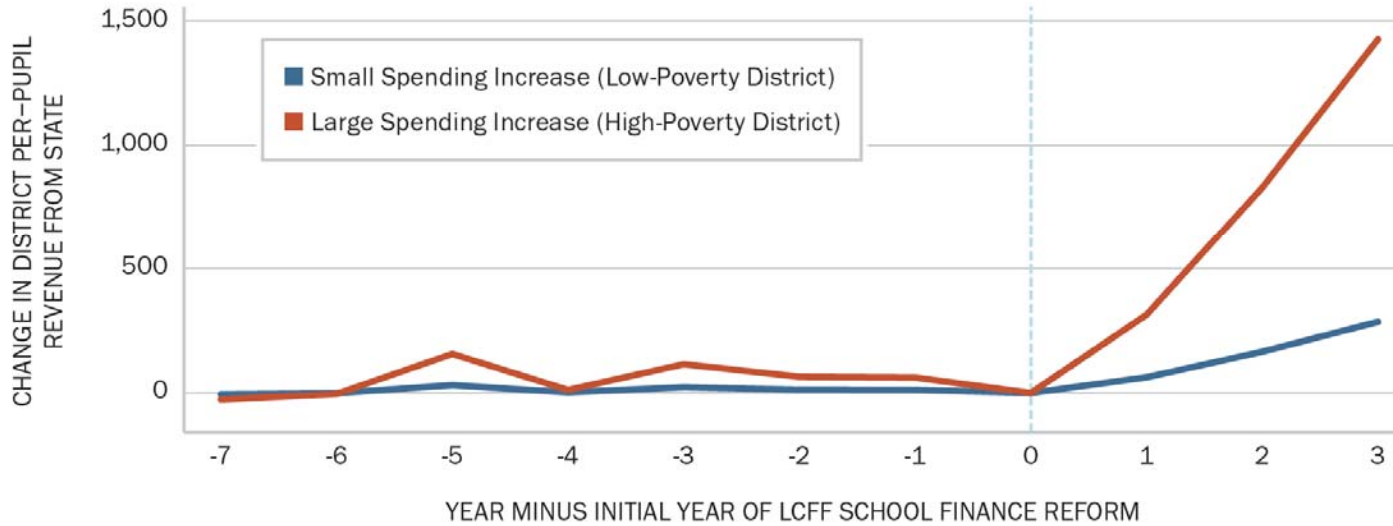
Large (vs. small) SFR-induced spending increase



Effects of LCFF-induced \$1,000 Increase in District Per-Pupil Revenue From State (Ages 13–16) on High School Academic Achievement

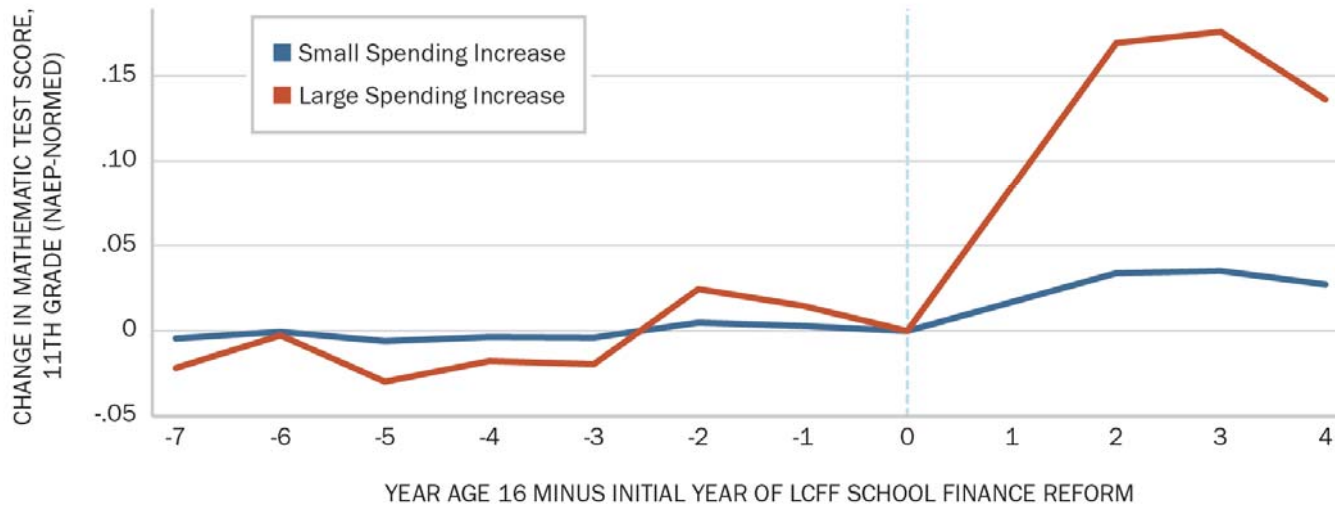


Effects of LCFF on District Revenue From the State



Effects of LCFF on High School Mathematics Achievement for Children From Low-Income Families

Large (vs. small) SFR-induced spending increase



Discussion

- **Remarkable success after only 3 years**
 - Targeted to students
 - District discretion
- **Money matters**
 - Across demographic groups
 - Grad rates & test scores
- **Future work**
 - What role does discretion play? Cat Flex?
 - Earlier grades
 - Longer exposure