Comments on Racial Disparities in Today’s Economy Session on K-12

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Summary

• California’s Local Control Funding Formula did several things
  • More money overall
  • Targeted to disadvantaged districts
  • Eliminated many state categorical programs
  • Increased local control and local accountability

• LCFF implementation associated with differential improvements in test scores for students in disadvantaged districts
  • Estimated effects are large: 0.1 to 0.4 std dev per $1,000 pp spending for 3 years)
This is an important study

• California has had centralized finance for decades
• Still very unequal outcomes
• LCFF was a large and important change to how schools are funded in California
  • Strong support from a wide range of stake-holders
  • Considerable attention to equity

• Did LCFF work?
• Contributes to our understanding of how money matters
Trends in K-12 School Spending, California
Per-pupil revenue by source (adjusted for inflation)

- Federal
- State
- Local
Other things happened at the same time

• CA implemented Common Core and a new test around the same time
  • Curricular change
  • Measurement/testing issue

• Recovery from the Great Recession
  • School funding
  • The economy
LCFF was more than one thing

- Treatment = $ + “local control” + flexibility
  - Maybe year effects capture local control + flexibility
- Local control and flexibility *could* matter, maybe a lot
  - How much was there though?
  - Did districts change what they buy?
- Devolution of control incomplete
  - Need to show supplemental grants spent for benefit of high needs students
  - Class size provisions
  - Remaining categorical programs + Title I
- Move away from categorical, compliance-based thinking?
Change in funding not “sharp”

• Each cohort a little more treated than the last $\rightarrow$ difficult to evaluate because learning is cumulative
  • Looking for (differential) change in trend not (differential) shift in level
• How to specify the magnitude of treatment?
  • Endogenous variable of interest is PP Exp over last 3 years
  • Instrument is years exposed to LCFF $\times$ LCFF “dose”
  • For younger cohorts in older grades and later years $\rightarrow$ exposed to more than 3 years of additional funding $\rightarrow$ attributing effect to 3 years’ spending
• If LCFF mattered $\rightarrow$ should see disadvantaged schools improve more
  • Figures seem to show this
A puzzle

• Big effects of additional, targeted spending → expect to see achievement gaps narrowing?
6th Grade Math Scores
Std Dev approx 100
6th Grade Math Scores
Std Dev approx 100
A puzzle

• Big effects of additional, targeted spending → expect to see achievement gaps narrowing?

• But maybe LCFF wasn’t actually that much more targeted
School spending and student disadvantage in California

Thousands of dollars per pupil

- 2010/11
- 2017/18
A puzzle

• Big effects of additional, targeted spending → expect to see achievement gaps narrowing?

• But maybe LCFF wasn’t actually that much more targeted

• But reduced form shows differential improvement in disadvantaged districts
  • Is it the advantaged students in the disadvantaged districts who are benefiting?

• Consider dropping LAUSD from the analysis
This paper: Wrapping up

• Addition to growing body of evidence suggesting school $$ \rightarrow $$ better outcomes, especially for poor kids
  • How do effects vary for different types of students?

• Look forward to kicking the robustness tires a bit more
  • Concurrent policy changes, test changes
  • Scaling the effects

• Putting the magnitudes in context
  • How big are the effects?
  • How targeted was the funding?
  • Which students benefited
Stepping back

• The size of the problem
• What we don’t know
• Stuff we should pay more attention to
Academic Achievement and Socioeconomic Status
California and Massachusetts School Districts, 2009-2013
COVID has been really, really bad

• Schools and all of us need to face up to the learning loss and impacts on child development and mental health

• Federal aid was substantial and targeted to high-poverty districts
  • Not enough to address long-standing disparities
  • But many high-poverty districts are getting a lot of funding → need to support them in spending it well

• Many states are flush with federal $$
What we don’t know

• How to design a state finance system that produces strongly progressive allocations of resources

• How to spend in a “game changing” way
  • A lot of good ideas fall down on implementation
Stuff we should pay more attention to

• Focus on state finance systems
  • Complicate the “schools are unequal because of property-tax finance” narrative

• The allocation of spending across schools within school districts

• What (successful) schools buy when they have more money and flexibility

• Differences in average spending across states
  • Highest-spending states spend almost 3 times as much on average as lowest-spending states
How does school spending vary with child poverty?

Thousands of dollars per pupil

- Illinois
- California
Wrapping up

• Money matters, so does how you spend it
• The problem of inequality of educational outcomes is big and persistent
  • COVID has made it worse
• More spending on schools is surely part of the solution, especially in low-spending and less progressive states
  • We’re not that sure how to do this
• Addressing out-of-school factors critical
  • Child care, preschool, etc
  • Poverty: Child tax credit, SNAP benefits
  • Violence and racism