

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

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Summary

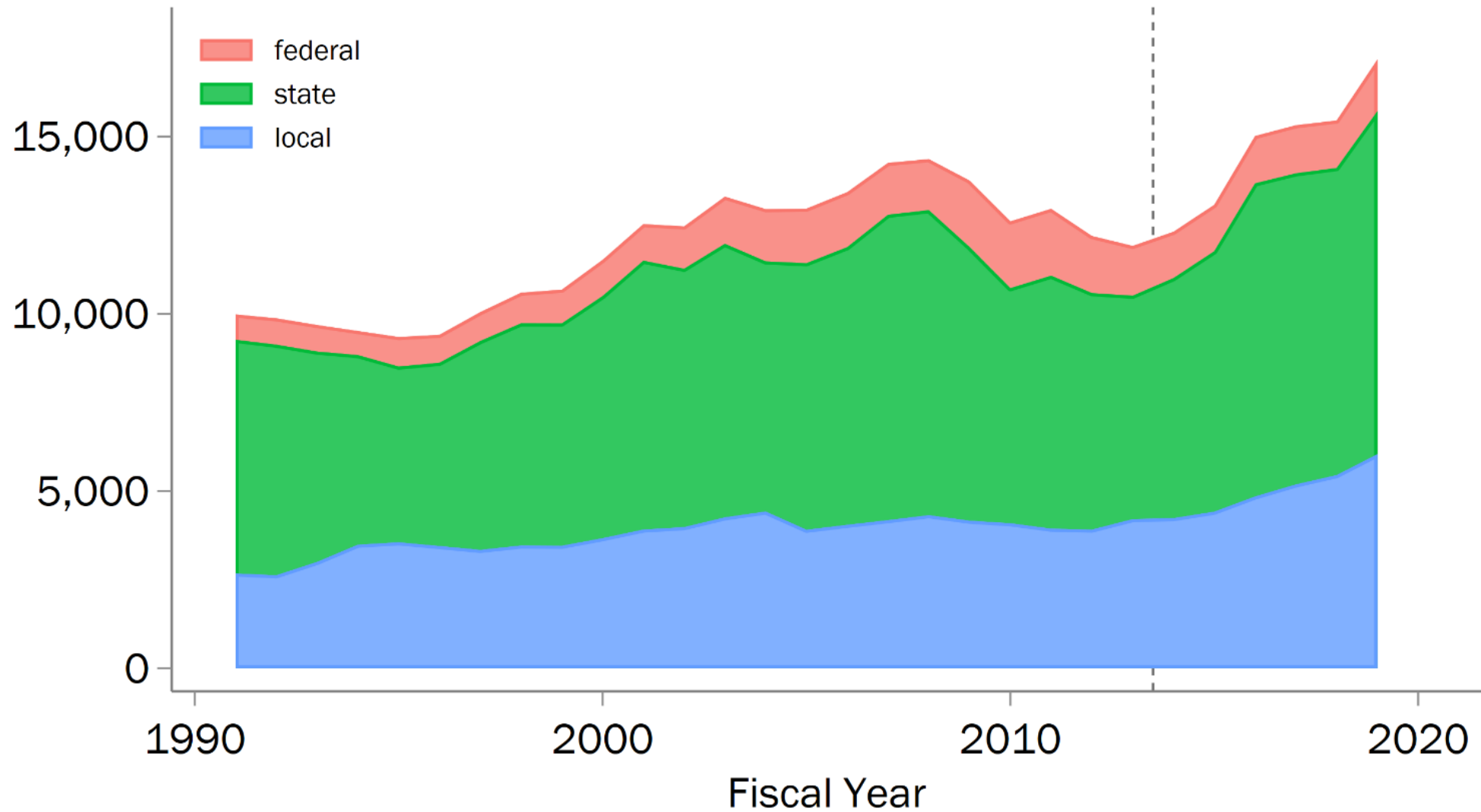
- California's Local Control Funding Formula did several things
 - More money overall
 - Targeted to disadvantaged districts
 - Eliminated many state categorical programs
 - Increased local control and local accountability
- LCFF implementation associated with differential improvements in test scores 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)



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?

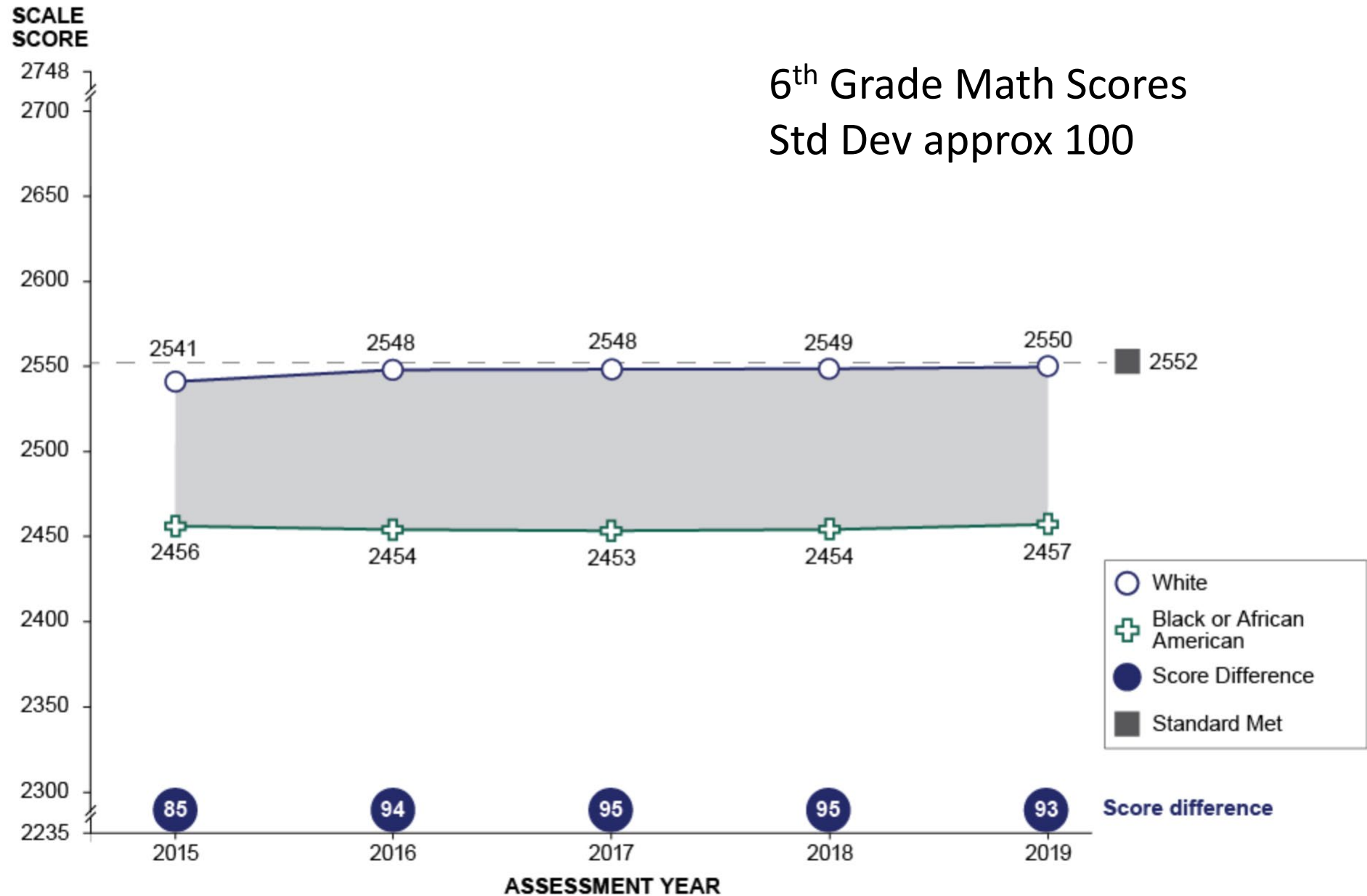
Change in funding not “sharp”

- Each cohort a little more treated than the last → 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 X LCFF “dose”
 - For younger cohorts in older grades and later years → exposed to more than 3 years of additional funding → attributing effect to 3 years’ spending
- If LCFF mattered → should see disadvantaged schools improve more
 - Figures seem to show this

A puzzle

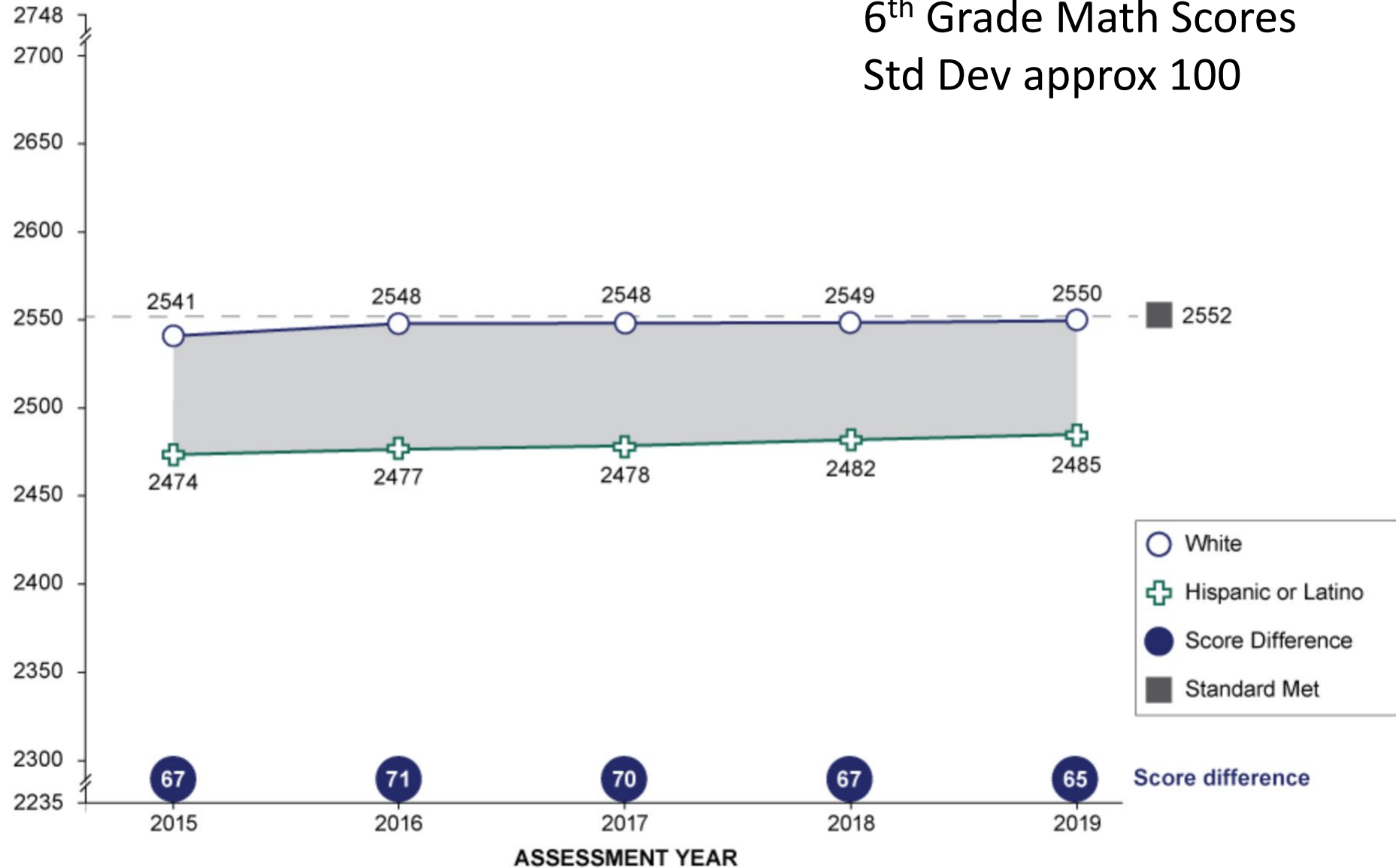
- Big effects of additional, targeted spending → expect to see achievement gaps narrowing?

Performance Trend: Grade 6, Black or African American



Performance Trend: Grade 6, Hispanic or Latino

SCALE
SCORE

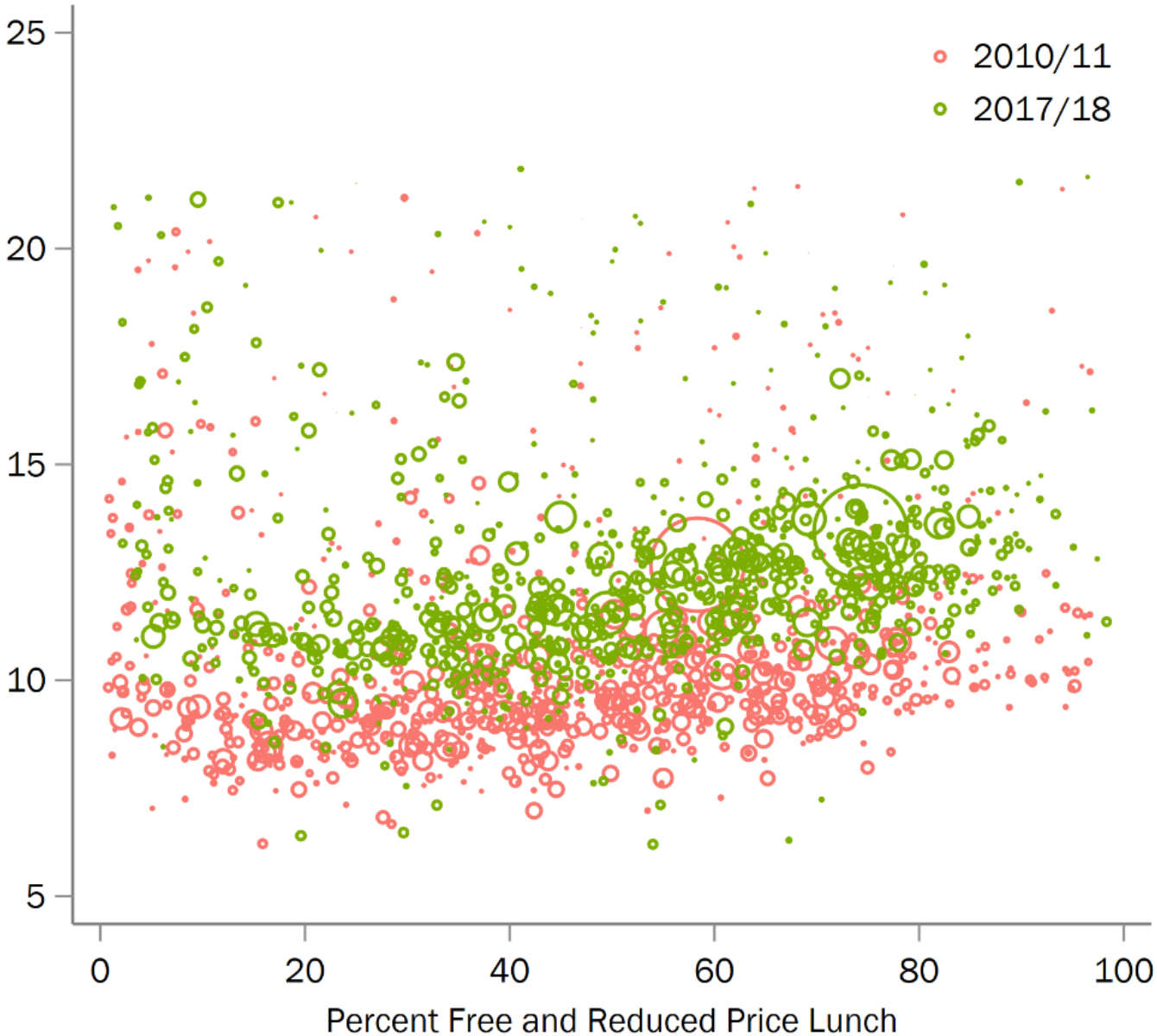


A puzzle

- 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



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

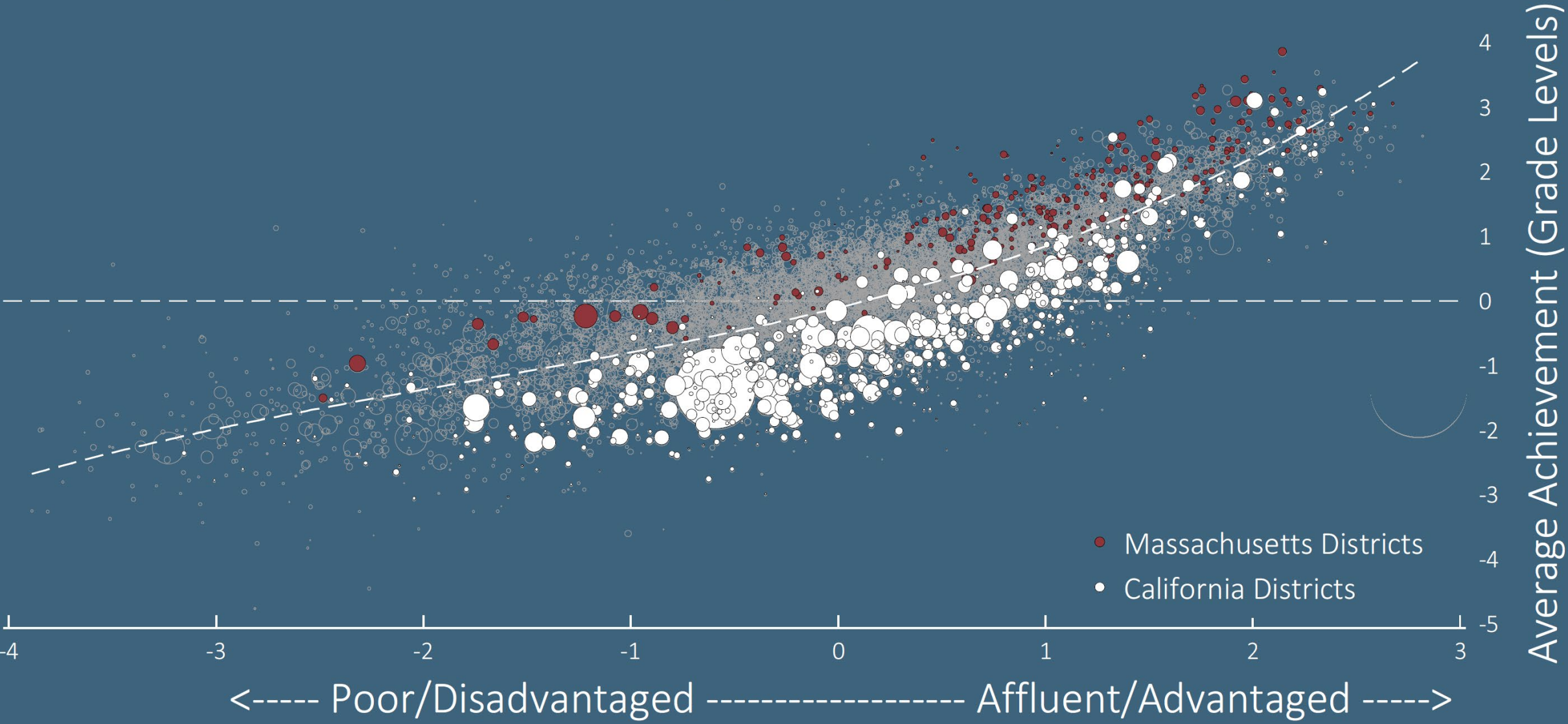
- Addition to growing body of evidence suggesting school \$\$ → better outcomes, especially for poor kids
 - How do effects vary for different types of students?
- Look forward to kicking the robustness tires a bit more
 - Concurrent policy changes, test changes
 - Scaling the effects
- Putting the magnitudes 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

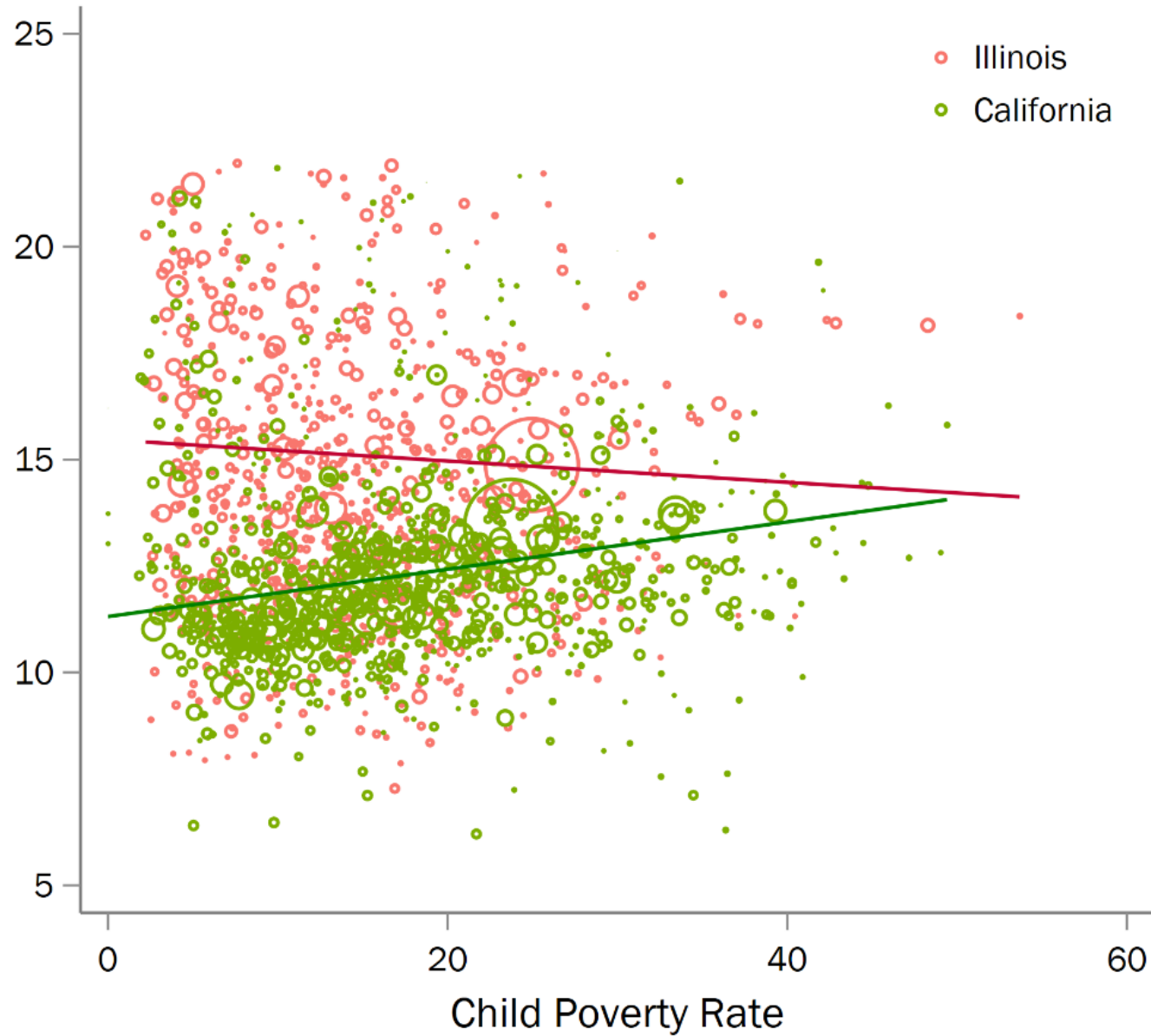
- How to design a state finance system that produces strongly progressive allocations of resources
- How to spend in a “game changing” way
 - A lot of good ideas fall down on implementation

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



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