

SPECIAL REPORT

Cash flowing in, but schools fighting to meet standards

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President Bush wants education money tied to better test scores. Gov. Gray Davis stakes his job on restoring academic prowess to public schools. Never have Republicans and Democrats agreed so fervently on the need to improve student performance — yet never have so many California classrooms been so destitute.

Despite billions of dollars flowing to education like coins into slot machines, the task of helping children meet rigorous new academic standards may be more than the California budget will bear. And the education plan passed by the House of Representatives last week may only add to the problem, by offering money to schools with lots of strings attached. The state spends \$50 billion a year on education. That's the "kitchen sink budget" for everything from books to buildings.

Yet, as any parent will tell you, educators still plead for books, art classes, counselors, tutors, good teachers and living wages — and

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every parent wonders why.

By this year's most optimistic interpretation, California will spend \$6,500 per pupil — below the national average of about \$7,000.

And things may soon get tighter. Although Gov. Davis is recommending an increase in education funding despite the energy crisis, lawmakers could still cut up to \$4.6 billion from the school budget this summer to pay the light bills.

"Spending at the national average isn't something to be proud of," said Jerry Hayward, co-director of Policy Analysis for California Education, a think tank of Stanford University and the University of California at Berkeley.

New York and New Jersey — also with many low-income and immigrant children — spend about \$10,000 per pupil.

A close look at California's school budget offers some answers and many contradictions:

The state Board of Education adopted arts standards for all pupils in January, yet fewer than 25 percent of California students are able to take art classes.

The San Francisco school board raised graduation requirements — only to lower them again this year when it couldn't pay for tutoring to help students meet the higher standards.

If parents in Orinda, one of the Bay Area's wealthiest communities, want librarians, small middle-school classes, art and a lunchroom, they have to pay for those basics themselves.

And in what may be the greatest incongruity, resources are low but academic requirements have never been set higher:

► Beginning with this year's ninth-graders, no student will receive a diploma without passing a rigorous "exit exam."

► Schools lose money and hundreds risk a takeover by the state if scores do not rise sufficiently.

► States could lose federal dollars if they fail to put a qualified teacher in every classroom in four years, Congress decided last week. In California, 39,000 teachers — 13 percent of all teachers — lack full credentials.

Failure to meet these standards could have long-range consequences for the state's economy — and short-range political results.

In a now-famous pledge in his 1999 State of the State address, Davis linked his political fate to that of the schools.

"When an NFL coach has one losing season after another, he gets replaced. Period. End of subject. I say we should be just as decisive when our children's future is at stake," Davis said.

Today, after steering more money toward testing, teacher training and reading, Davis says he is pleased that scores on the state's multiple-choice exam have crept up.

But Hayward and other analysts say the true test of achievement will be when the state's 6 million students routinely master the academic standards set out for them by the state Board of Education and endorsed by Davis.

"We're probably not spending what we need to bring these children up to these new high standards," Hayward said. "After all, the goal isn't just to have high standards. It is for students to meet the standards."

State Superintendent Delaine Eastin applauds the "new era of accountability." Yet she sees a disconnection between the means and the end.

"Money matters," she said. "In 1965, California was fifth in per-pupil spending, and we had much better schools. Today, California is dead last in music teachers. If you want to stop kids from bullying, then you've got to have coun-

selors. We shouldn't need teachers to help children manage their diabetes. School nurses should be available to do that."

But these needs come at a time when education is no longer the first "e" word on state lawmakers' lips. Today, California bleeds \$2.1 billion a month just to pay its energy bills.

"That's a tremendous amount of money, and we don't know when that tap will be shut off," said Assemblywoman Lynne Leach of Walnut Creek, a Republican who is asking lawmakers to spend more money in school districts with below-average funding.

The need for thrift has been hard on all districts, which depend on Sacramento for most funding.

On average, about 28 percent of education money comes from local property taxes. Some districts are able to raise money from parents and charitable groups. That's about 5 percent of funding.

The federal government contributes about another 5 percent, and the state lottery 2 percent. The remaining 60 percent comes from the state's general fund.

It wasn't always this way. Before 1973, local property taxes were the engine that ran education, and schools in rich communities often had three times as much money as poor ones.

When the state Supreme Court ruled this system unconstitutional 30 years ago, California tried to equalize funding by giving a higher cost-of-living adjustment to districts with low property taxes than to those with higher taxes.

In 1974, a judge told the state to equalize faster and quit only when the disparity between school districts was \$100.

Districts are still battling over what is fair. But the biggest blow for districts came in 1978, when voters passed Proposition 13, the property tax cap. Local funding dried up so fast the state had to take on the job of paying for schools. That meant less for all.

Studies show that as money shrank during the 1980s, so did student achievement. Meanwhile, enrollment and the needs of students rose dramatically. By 1988, voters were alarmed enough to pass Proposition 98, which reserves at least 35 percent of the state's general fund for schools.

The education landscape soon changed even more. Districts with rich families no longer got the most money. Districts with the neediest kids got more. But the extra funds had to be spent in certain ways: on bilingual classes, "special education" for disabled students, smaller classes.

"Categorical funds" gave essential services to an increasingly needy student population. But the select funds also meant that schools had less flexibility in spending.