the 50 states. Performance on the newly created California Standards Test (CST) showed steady improvement between 2000 and 2005, but most students still scored below grade level. Especially disturbing was the gap between the scores of white and minority students. Fifty-eight percent of whites scored at grade level on the CST in 2005, compared to just 27 percent of black students. The president of the organization that sponsored the Scholastic Aptitude Test (SAT) warned of a growing division "between a small class of an educational elite and an underclass of students academically ill-prepared for the demands of college or the workplace."

The economic consequences of low student achievement were soon evident. In 1991 less than half of all job applicants in California were able to demonstrate satisfactory mathematical or verbal abilities on entry-level exams. Stephen Levy, director of the Center for Continuing Study of the California Economy, warned that the state's economic future was in peril unless dramatic improvements were made in public education. Levy argued that a highly skilled and well-educated workforce was absolutely essential if California was to remain competitive in the twenty-first century. The *Economist* agreed: "The state's shabby and dangerous schools look less and less like breeding grounds for the biotechnologists and virtual-reality script-writers of the future."

Not surprisingly, educational reform became a major political issue. In 1983 the legislature passed the most comprehensive school reform law in state history, mandating more than 80 separate changes. The law established tougher curriculum standards and new graduation requirements. Five years later, voters approved Proposition 98, guaranteeing the schools no less than 40 percent of the state's annual budget. Stung by criticism that California's classrooms remained the most crowded in the nation, state lawmakers in 1996 provided additional funds for reducing class size for kindergarten through third grade. The reform was based on the simplest of notions: smaller classes would allow teachers to spend more time with individual students and thus improve the quality of education. The reduction of class size, however, created an instant shortage of qualified teachers. One in every seven California classroom teachers by 2001 was not properly credentialed. The unqualified teachers were concentrated in schools serving primarily minority and low-income students—thus exacerbating inequities in student performance. One state educator warned that reducing class size "will do us very little good if the teachers aren't qualified."

The most controversial change of recent years was the dismantling of the state's program of bilingual education, created to meet the needs of students whose primary language was not English. Opponents of bilingual education complained that it was failing to prepare students quickly enough for immersion in "an English-language culture." Defenders of the program charged its critics with xenophobia and nativism. In June 1998, California voters overwhelmingly approved Proposition 227, an initiative that prohibited bilingual education (except where specific exemptions were granted) and mandated public school instruction in the English language only.

The pace of educational reform quickened following the election of Governor Gray Davis in 1998. Appearing on the November ballot was Proposition 1A, an initiative authorizing the largest bond issue to date in state history. Approved by a whopping 63 percent of the voters, the $9.2 billion bond provided funds to build new schools, repair aging facilities, and upgrade classrooms with Internet connections.

The governor supported the bond measure and stated unequivocally that education was the number one priority of his administration. The centerpiece of the Davis educational agenda was the Public Schools Accountability Act of 1999. Aimed at boosting the performance of students on standardized exams, the act provided cash incentives to teachers whose students showed significant improvement. Davis also won passage of tougher high school graduation requirements. Beginning in 2006, no student could graduate without passing a newly created High School Exit Exam (HSEE). Most encouraging of all, after years of falling further behind other states, California's per-pupil spending rose close to the national average during the Davis administration.

"Our schools are falling apart," proclaimed Arnold Schwarzenegger in his campaign to replace Gray Davis during the recall election of 2003. "California was once known for its outstanding educational system," declared the challenger. "And with the correct leadership, it can be once again." Once in office, however, Schwarzenegger incurred the wrath of teachers by trying to change the basis for their salaries and by sponsoring an initiative to lengthen the number of years required before teachers attained permanent status. He also angered state educators by failing to restore funds guaranteed schools under Proposition 98. In the early years of his administration, Schwarzenegger insisted that the problem with the public schools wasn't a matter of funding. As the state's economy later improved, the governor supported substantial increases in spending on education. His Strategic Growth Plan, announced in 2006, proposed adding 40,000 new classrooms and modernizing 140,000 others.

Meanwhile, decades of inadequate funding also threatened the ability of the state to fulfill its Master Plan for Higher Education. Adopted in 1960, the master plan promised a place at one of the state's public colleges or universities for "all who have the capacity and willingness to profit by a college education." Clark Kerr, the chief architect of the plan, warned in 1991 that its promise was being broken.

The entry point to higher education for many Californians was the state's more than 100 community colleges. Beset by budget cuts and increases in fees, the community college system was unable to meet the needs of its burgeoning student population. The system's fiscal difficulties began in 1978 with the passage of Proposition 13, the initiative that not only reduced tax revenues but also shifted funding from local college districts to the state. By 2005 California's community colleges ranked 45th among the states in per-student funding and an estimated 180,000 students were denied access to the classes they needed. The colleges became crowded with frustrated and discouraged students. As one disgruntled student observed, admission to a California community college amounted only to "a license to hunt for classes." Lacking sufficient funds to hire additional full-time instructors, the community colleges turned increasingly to part-time faculty. By the early 2000s, two-thirds of community college instructors were part-timers, earning about 30 percent less than full-timers with an equivalent course load. "They are truly the working poor of California's educational system," observed the leader of the California Federation of Teachers, "and in the wealthiest state in the nation, that is a disgrace."

Similar pressures affected the multicampus California State University (CSU) system. Budget deficits and soaring enrollments eroded the system's ability to fulfill its obligation under the master plan to admit the top one-third of the state's graduating