



Solving the California Literacy Crisis

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I. EXECUTIVE SUMMARY

Student illiteracy is a worsening issue in the California educational system inherently tied to racial and socioeconomic inequities in school funding, resources, and program implementation. This brief will detail the policies that define literacy programs in California, how communities are impacted by illiteracy, and the strongest policy solutions for barriers to student literacy.

II. OVERVIEW

Student illiteracy is a prominent measure of strength for education systems, and California's rates of student literacy show significant weakness, as 44% of California students reach the 11th grade without meeting literacy standards. Between California districts, illiteracy rates emerge from the interaction of state education policy with local socioeconomic inequities that predominantly affect low income communities and communities of color. California educational policies have received a major overhaul in recent years, investing significant resources towards consistent phonics-based language instruction, curricula reforms, stronger bilingual reading programs, teacher development, and earlier literacy screening. However, without standardized implementation and accountability for school districts, these policies will fail to meaningfully address California's illiteracy crisis. Recent educational studies found that students

who do not meet grade-level reading proficiency as early as the third grade are four times as likely to drop out of high school. As such, this brief identifies literacy standards for the third-grade as a key area of policy improvement.

A. *Relevance*

The literacy crisis in California impacts lifelong educational, workforce, health, and civic engagement outcomes for students. The most immediate consequences of illiteracy among young people is increased likelihood of low-income employment, unstable job cycles, and hindered career advancement. These individual outcomes feed into larger cycles of poverty and community instability, as well as an increased likelihood of young people entering the criminal justice system. *Disciplinary literacy* is a focus of California education policy that analyzes how increased literacy skills support student progress in a variety of disciplines, including humanities and STEM, general communication, technology use, and additional capabilities. *Functional illiteracy* describes an individual who has partial reading and writing ability, versus an illiterate person who has never been exposed to reading or writing education. Functional illiteracy disadvantages Californians from understanding the health insurance and healthcare system, accessing basic infrastructure like housing and government assistance, and from voter engagement. *Social promotion* refers to the

educational practice of passing students to the following grade level to match their peers, without ensuring they are proficient in grade-level academics.

III. HISTORY

A. Current Stances

Literacy is a crucial indicator for life outcomes, including education, employment, and civic engagement. The United States faces a national literacy crisis, with the National Literacy Institute reporting illiteracy among 21% of the American adult population. This issue must be addressed by strengthening the educational system and the criminal justice system, the latter of which has a disproportionately illiterate population. Both of these systems are predominantly state and local responsibilities, and thus the literacy crisis in California must be primarily addressed through reform of state literacy programs.

In its approach to literacy education, the California public school system has applied various reading methods in a series of statewide changes known as the “reading wars.” Beginning in the 1970s and 80s, the California school system adopted the whole language method, a system of English language teaching in which a student is instructed to learn through reading comprehension and context clues. The 1990s and 2000s saw a backlash from the whole language method towards the traditional phonics method, which breaks language into decodable letter and sound combinations. The inconsistent usage of whole language and phonics strategies were combined into the balanced literacy method, which is now commonly used in California schools. Yet data, including from the National

Institute of Child Health and Human Development, has shown that phonics instruction, known as the “science of reading,” improves reading skills among a diversity of classroom environments, grades, and students more than any other teaching method.

Functional illiteracy impacts nearly one in four Californians, and a recent National Assessment of Educational Progress found that 68% of fourth-graders in California scored below proficient reading levels. Since the adoption of balanced literacy in the 1990s and 2000s, a growing movement has argued for the adoption of consistent phonics-based instruction in California classrooms, including advocates for Black students from the California NAACP. However, the balanced literacy system has been found to be more accessible and flexible for bilingual learners and students learning English as a second language.

IV. POLICY PROBLEM

A. Stakeholders

It is given that the primary stakeholders are California students, particularly those currently enrolled in the public school system of California from Kindergarten through twelfth grade, as well as all future students of California schools. This brief analyzes the impact of literacy and education policies on students enrolled in schools funded by Proposition 98, the California constitutional amendment which establishes the annual minimum funding for K-12 public schools. Children who are most exposed to underfunding and socioeconomic inequities in the California school system, and are the most likely to struggle with illiteracy, stand alongside the entire scope of

California students in being benefitted by strengthening education policy. Communities across California are stakeholders as they stand to benefit from the economic participation of students enabled to attend higher education and become skilled members of the workforce.

B. Risks of Indifference

The risks of indifference to the literacy crisis lie in the broad weakening of the California education system and the perpetuation of generational cycles of poverty, crime, and voter disengagement. Failure to address the literacy crisis sacrifices the benefits of a literate population, including higher employment rates and wages, which improve tax revenue and economic participation; higher voter turnout among state and local elections; decreased recidivism and crime rates; and improvements in public health and associated decreases in healthcare costs. Indifference to this crisis abandons individual students, whose opportunities to graduate the twelfth grade, reach higher education, enter the workforce, and pursue their lifelong goals are predicated upon their literacy and access to literacy support as early as the third grade. Societally, the illiteracy crisis perpetuates intergenerational cycles of poverty which make a parent's literacy, before other socioeconomic factors, the strongest predictor of their children's lifelong outcomes. The risks of indifference to this crisis are well-documented and severe at the individual, community, and statewide level, and demonstrate the cruciality of action for this issue.

C. Nonpartisan Reasoning

The impacts of literacy upon socioeconomic and

individual outcomes demonstrate the necessity of nonpartisan intervention within California education policy. The benefits of intervention include but are not limited to the following:

- 1) Economic growth and a skilled workforce: As proposed by California's definition of *disciplinary literacy*, an individual's literacy fosters increased retention across school subjects, stronger communication skills, access to higher education and job training, and higher employment rates and wages. This economic participation feeds into the national economy, with a recent study finding that developing every American's literacy level to a 6th-grade level would add more than \$2 trillion to the American economy annually.
- 2) Disrupting the school-to-prison pipeline: Students struggling with illiteracy who are not supported in the school system have higher absentee and dropout rates, and many of these students enter the juvenile court system, where 85% of young people experience *functional illiteracy*. Strengthening early literacy screening and targeted literacy support significantly reduces dropout rates and disrupts the school-to-prison pipeline that often begins with student disengagement.

2) TRIED POLICY

In the past five years, California has made numerous and substantial changes to its education policy that have transformed the foundation of literacy programs in the state. The programs have shifted statewide standards towards the science of reading or phonics-based approach, away from

whole-language and balanced literacy methods which were largely found to fail at addressing student illiteracy.

The first cornerstone of California’s education policy, known as the Golden State Literacy Plan, is the Senate Bill 488, passed in 2021. SB 488 shifted California towards the science of reading method by mandating that the Commission on Teacher Credentialing amend literacy standards, and was later amended to require a teacher performance assessment beginning in 2026. SB 488 was constructed to replace the California Reading Instruction Competence Assessment, a test of instructional competence widely criticized by educators. AB 1454, passed very recently in October of 2025, and the 2025–2026 state budget solidified California’s shift towards science-of-reading by requiring instructional materials for 1st–8th grade to conform to this method, and allocating \$53 million to screen Kindergarten through 2nd grade students for reading difficulties.

In the resulting and largely untested landscape of California’s new education policy, the example of Mississippi offers a crucial example of the impact of science-of-reading policies. In 2013, Mississippi was ranked 49th out of 50 states in literacy strength by the National Assessment of Educational Progress, known as the “Nation’s Report Card,” which the same year ranked California as 46th in America. In its 2025 ranking, the NAEP placed Mississippi as 9th, while California ranked 39th.

In its goals for literacy, Mississippi has encountered challenges comparable to

California— including intergenerational cycles of poverty and racial inequities that hinder student outcomes— but successfully utilized its educational budget of \$3 billion to transform student literacy. To curb the *social promotion* of students who were not qualified for the next grade, Mississippi mandated that any third grade student who does not pass a third-grade literacy assessment will repeat the grade and receive individual reading support. Research on the impact of this policy found that students who repeated third grade under this policy had stronger literacy skills in sixth grade than those who were close to the minimum reading score but were promoted to the fourth grade. Additionally, a policy deploying reading specialists for both student support and to train teachers in literacy instruction has been very effective in improving instructional competence. Schools were required to report student literacy data to the Mississippi Department of Education to be made publicly available. When new programs were put in place, measures were also outlined to report the success of each program in the long and short term.

V. POLICY OPTIONS

Senate Bill 488, Assembly Bill 1454 and the 2025–26 budget have transformed the landscape of California education policy as it addresses the literacy crisis, but these policies— which are substantial in their scale, newness, and reach— must be implemented with accountability to see tangible results. Mississippi’s educational leaders have cited accountability to be a foundational value of their work to bring the state to the top ten in literacy strength. Similar measures to be taken in California to promote accountability in the implementation of new policies.

(a). Guarantee of Literacy through Statewide Third-Grade Assessment:

To entirely prevent social promotion on the basis of literacy, it would be beneficial that public schools in California guarantee fourth-grade literacy by administering a standardized literacy exam at the end of the third-grade year. Students would be tested according to the Smarter Balanced Assessment System (SBAC) or the English Language Proficiency Assessment for English-learners, both of which are existing literacy assessments. Students who do not meet standards on the SBAC or ELPAC, indicating a score of Level 1 or Level 2, will be given immediate and targeted literacy support, and will not be immediately promoted to the fourth grade. Students will have a maximum of two opportunities to retest in SBAC/ELPAC and must attain a passing score to be promoted to the fourth grade. Students retained in the third grade after the SBAC/ELPAC will receive intensive reading intervention through an Individualized Education Program or plan in the Multi-Tiered System of Support. These programs are existing methods of literacy intervention in California, and would be redirected towards students according to their third-grade scores.

(b). Accountability through Accessible Statewide Database:

To promote accountability in the implementation of the Golden State Literacy Plan and recent literacy standards outlined in AB 1454, AB 121, and SB 488, California school districts should be required to report schools' choice of evidence-based science-of-reading materials and curricula into a statewide database maintained by

the California State Board of Education. This information should be supplemented by data per district examining the reading proficiency of students in response to these programs, as well as the percentage of students receiving individualized education plans, the percentage of teachers who participate in recommended professional development for updated literacy education standards, and each district's allocation of state educational funds. This database shall be publicly accessible to schools, parents of students, and the general public. Schools shall be required to collect and report data on literacy intervention program success annually. This data shall be used to direct funding towards individual districts and equitably allocate literacy support specialists to schools.

VI. CONCLUSIONS

In this paper, I have explored the barriers to literacy faced by students in California, a comprehensive analysis of the benefits of a literate population, and the consequent methods of strengthening California's literacy policies. The most immediately necessary and implementable policy option is to require a statewide third-grade assessment to ensure fourth-grade literacy.

Although comparisons between state educational programs highlight successful methods of targeting the national literacy crisis, it must be remembered that illiteracy affects California through school districts, communities, and down to the individual student. Policies must account for the specificities of student needs, especially the socioeconomic factors of educational access and school underfunding as they relate to the literacy crisis. However, the success of Mississippi's educational policy has demonstrated that

changing how school policies react to existing social inequities has improved literacy even while poverty and social barriers are perpetuated outside the classroom. Literacy is a complex issue defined by decades of failure and success in California's educational policy, but new policies hold significant promise if they can be implemented with consistency and accountability.

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