

## What Should Be Done?

California schools need more resources. The limit on property taxes enacted by Proposition 13 in 1978 severely decreased overall school funding. When we account for cost of living, California ranks 45th in per-pupil funding. New York spends 50% more than California for each child in public schools. California needs to spend as much or more on its children's education as the other states. As we improve the system for all students, we must eliminate the disparities in revenues between different districts and different schools.

All students in California must receive equal opportunities to learn the content in the state standards, to have up-to-date facilities and materials, and to have qualified teachers.

Californians need to explore the many fair and responsible ways to provide extra funding for districts with large numbers of students from low-income families.

## Further Information

PPIC School Finance Information  
<http://www.ppic.org/main/issue>

Ed Source School Finance Information:  
[http://www.edsource.org/edu\\_fin.cfm](http://www.edsource.org/edu_fin.cfm)

The California Master Plan for Education:  
[http://www.sen.ca.gov/ftp/sen/committee/joint/master\\_plan/\\_home/links.htm](http://www.sen.ca.gov/ftp/sen/committee/joint/master_plan/_home/links.htm)

Timar, T. (2004). "Categorical School Finance: Who Gains? Who Loses?"  
 Policy Analysis for California Education:  
[http://pace.berkeley.edu/pace\\_publications.html](http://pace.berkeley.edu/pace_publications.html)

**For this and other brochures in English and Spanish:**  
[www.JustSchoolsCalifornia.org](http://www.JustSchoolsCalifornia.org)

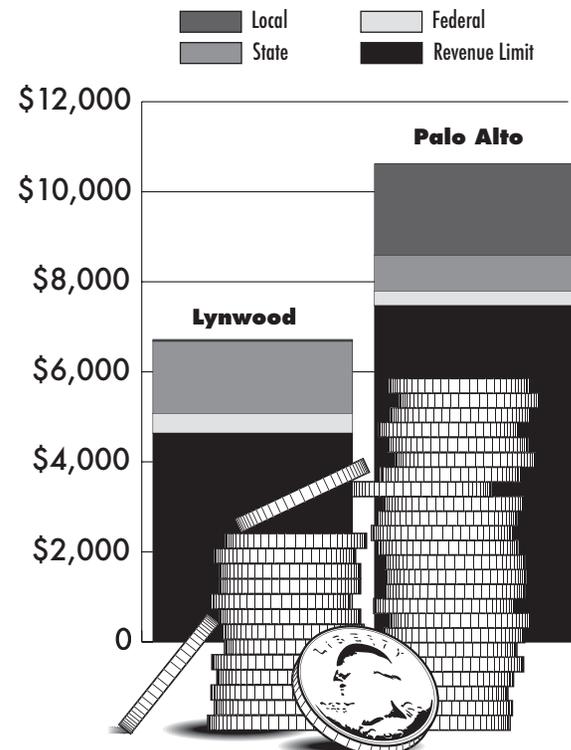
# Funding Essentials for California Schools

## California's School Funding Is Not Equal

A court ruling in 1976 (*Serrano v. Priest*) was supposed to make school district finances roughly equal throughout the state. However, almost thirty years later, funding is still unequal. Districts located in wealthy areas, serving mostly white students, receive more money (from local, state, and federal sources combined) than districts in other areas. Districts like Palo Alto spend more than \$10,000 per pupil, while largely low-income communities like Lynwood spend around \$6000 per pupil.

### Differences in Funding Between Districts

The table below compares the revenues per student received by two districts of similar size:



## How Do Schools Get Money?

### Basic Funding

Basic (or “revenue limit”) funding pays for teachers and routine operations. This money comes from state funding and local property taxes. While most districts receive similar basic funding, a few wealthy districts, with higher local tax revenue, get much more.

### Categorical Funds

Schools get “categorical funds” for special purposes (for example, special education or reducing class size). This money comes from the state or federal government. Often, this money does not correspond with level of need. Schools that have mastered the application system can get more than the ones that require the most help.

### Parcel Taxes

Parcel taxes (a form of local property tax) are most often found in districts with high-income families. They raise \$500 per pupil, on average.

### Lottery

When California voters approved the state lottery in 1988, many people believed that it would be a major source of new dollars for schools. However, income from the lottery provides only 1–2% of K–12 funding each year.

### Private Funds

In 2000, private foundations raised more than \$30 million for California public schools. Districts located in white and wealthier communities get more private donations than districts in poor communities.

### School Facilities Funds

Districts in higher-income areas also have more money for school construction and improvement. In addition, the lack of vacant space in urban districts makes construction more difficult and expensive.

## Inequalities Matter

The differences in the money that districts receive are often quite large. And even small differences matter a lot to schools. In the table on the front page, Palo Alto’s base funding (the Revenue Limit) provides it with almost \$3000 more per student than Lynwood. Adding funds from Local, State, and Federal sources, the difference grows to almost \$4000 per student. This inequality represents a gap of \$120,000 for a classroom of 30 students. The funding gap is important because:

- California schools compete for credentialed teachers. A district with less revenue may lose these teachers to districts that can pay them more.
- Funding inequalities over many years have added up, so now students in lower-income communities have less access to textbooks and other instructional materials in their schools.
- The extra money that wealthier districts spend often pays for essential school opportunities such as smaller class sizes, libraries and arts programs, counseling, and even building modernization.

*Schools in low-income communities have greater needs and often cost more to operate than other schools. Competition for teachers, security costs, older facilities, and years of neglect, are just a few reasons why they need relatively more money.*