

Show Me the Money

A local school district perspective

Brief History of School Finance 1

- Serrano v. Priest (1971, 1976)
 - Lawsuit based on equal protection clause of the 14th Amendment
 - Purpose was to address the disparate funding between school districts
 - As a result, responsibility for school funding was shifted to the state
 - Was a factor in the Prop 13 'taxpayer revolt'

Brief History of School Finance 2

- Proposition 13 (1978)
 - Shifted school funding from local property taxes (historical source) to state general fund
 - Limited ability to raise revenues (2/3 requirement)

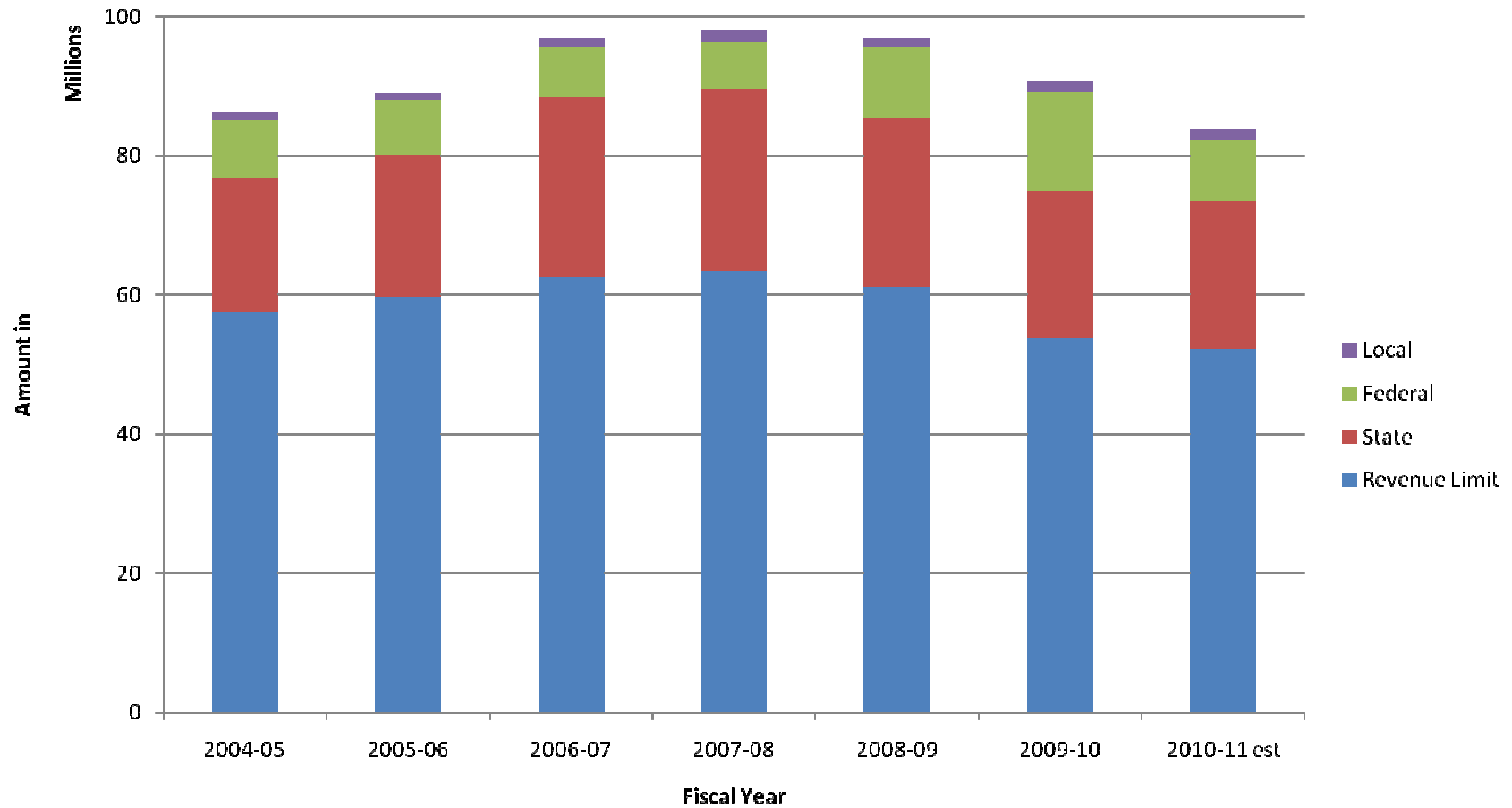
Brief History of School Finance 3

- Proposition 98 (1988)
 - Purpose was to set a floor for school funding
 - Extremely complex
 - The State has rarely funded public education above the required amount – now a de-facto ‘ceiling’

Azusa USD Overview

- Azusa USD serves 11,209 K-12 students
 - 88.9 % Latino
 - 33.7% English Language Learners
 - 74.8% Free/Reduced Lunch
- Declining enrollment

Azusa USD Revenues



Local Revenue Options

- General obligation bond
 - 55% voter approval (Prop. 39, 2000)
 - Property tax increase is based on assessed value
 - Only for school modernization and/or new school construction
- Parcel Tax
 - 2/3 voter approval
 - Set amount per parcel (can be regressive)
 - Flexibility in usage (goes into general fund)

Possible Revenue Solutions

- Reform Proposition 13/State Budget
 - Property taxes are a stable source of funding
 - Make direct connection between revenue increases (taxes) and local impact
 - Split roll? Commercial vs. residential assessment
- Increase Local Control
 - Increase general fund revenues, not restricted revenues
 - Local jurisdictions' ability to levy property taxes

Final Thought

- PPIC study on Higher Education

62% of respondents did not want increased student fees/tuition at the same time that **52%** were 'unwilling to pay higher taxes' to protect higher education

Until we bridge the dichotomy of wanting services but not wanting to pay for them, California's crisis is only going to get worse!