CALIFORNIA, SERRANO, & PROP 13: COWABUNGA

by Eric Fox

ABSTRACT

California is often thought of as a liberal bastion in the US, but the inner workings of the state reveal a far more complicated policy story. This is, perhaps, most true when looking at public education expenditures and funding in the state, and the complicated relationship between state and local governments. Between the first two Serrano cases[1], Proposition 13, and economic turmoil over the years, California has been a hotbed for issues involving local choice, vertical and horizontal imbalances, property taxes, equity, and educational quality. This paper will examine these aforementioned topics, as well as the Local Control Funding Formula that will be implemented in the coming years and its potential impact on educational funding and outcomes in the state.

1 Serrano v. Priest, 5 Cal. 3d. 584 (1971); Serrano v. Priest, 18 Cal. 3d. 728 (1976)

INTRODUCTION & PRE-SERRANO BACKGROUND

In the 1964-65 school years, California was one of the 5 highest spenders on its public school students on a per-pupil basis.[2] California schools were highly regarded in quality, and the standing of public education in the state was good. Since then, there has been a precipitous drop. In 2010-11, based on rankings adjusted to cost-of-living, California was 48th in per-pupil spending.[3] In 2012-13, the state was even worse. Educational outcomes have suffered as well, as the schools in California were recently given a D+ in student achievement by EducationWeek.[4]

In the years before Serrano, school districts set their own general-purpose property tax rates.[5] The state limited property tax rates, but localities were allowed the option to override the limit with a simple majority vote and frequently made use of the provision.[6] In addition, the state provided foundation block grants to schools that varied inversely with a district's assessed value per pupil. This scheme, in spite of the state provided aid, led to widely varying tax rates and/or revenue on a case-by-case, district-by-district basis.[7] In Sonstelie's "Is there a Better Response to Serrano," the author highlights the dichotomy between the Los Angeles Unified School district from the San Francisco Unified district, where both districts levied the same property tax rate, but the San Francisco Unified school district raised 60% more revenue on a per-pupil basis.[8] In short, a clear divide developed between richer and poorer districts.[9]

SERRANO & PROP 13, THINGS GET WEIRD FOR CALIFORNIAN LEGISLATORS

While the bleak numbers mentioned are recent, the problems in California public education spending began in the 1970s, to some, with the rulings in the Serrano cases. Serrano v. Priest (1971) was originally brought by Los Angeles County school children and their parents, who argued that the state finance system violated the State Constitution and 14th amendment principles of equal protection.[10,11,12] The State Supreme Court found that, because property values were not the same across school

2 California: A Pioneer. The Leadership Conference. http://www.civilrights.org/publications/reports/education-equity-report/california-a-pioneer.html

3 *Ibid.*

4 District Disruption and Revival: School Systems Reshape to Compete and Improve. California State Highlights 2014. EducationWeek Research Center (2014).

5 Sonstelie, J. Is there a Better Response to Serrano? University of California, Santa Barbara (2001).

6 *Ibid.*

7 *Ibid.*

8 *Ibid.*

9 Mosbacher, J. "Demystifying Education Finance in California." California Common Sense (Apr. 2013).

10 The United States Supreme Court dealt a major blow to equality of public education after the first Serrano ruling in San Antonio Independent School District v. Rodriguez (411 U.S. 1 (1973)), where the court ruled that Texas' system of financing public education, which relied heavily on local property taxes, was constitutional, and that there was no fundamental right to equality in public school education. Today, the matter of public financing of public schools and property taxes is primarily left to state courts and their constitutions (Hanif S.P. Hirji, Inequalities in California's Public School System: The Undermining of Serrano v. Priest and the Need for a Minimum Standards System of Education, 32 Loy L.A. L. Rev. 583, 588 (1999)).

11 Silvia, F., & Sonstelie, J. "Did Serrano Cause a Decline in School Spending?" National Tax Journal; (Jun 1995) 48, 2

12 Husted, T.A., & Kenny, L.W. "The Legacy of Serrano: The Impact of mandated equal spending on private school enrollment." Southern Economic Journal; (Jan 2002) 68, 3.

districts in the states, the local property tax was an unconstitutional method to fund public schools.[13] The court remanded, and a trial court asked the state legislature to provide a more equitable method for funding public schools (which, when fulfilled would become the basis for Serrano II).[14] The Court was looking for greater equity in outcome, but it may have instead paved the way for school funding issues that have plagued the state for decades.

5 years after the first Serrano ruling, the California Supreme Court ruled once more in Serrano II, finding that inequitable education spending violated the equal protection clause of the California state Constitution.[15] The state had implemented 2 bills to address inequality after Serrano I, but the state Court found them unsuitable as they had not altered the basic foundation approach that had been a part of the California school financing system. Foundation grants had been significantly increased, but local expenditure caps that were included only required a majority vote to override.[16] Schools, unfortunately though, could levy the same tax rate, but if the wealth per pupil was different, so was education funding.[17] In short, the inequities that existed from differences in property tax bases were thought to be perpetuated by these legislative actions, and any policy that allowed for a positive correlation between a districts taxable wealth and per-pupil expenditures was unconstitutional in the eyes of the Court.[18]

After these two rulings, it would seem that California was headed towards Tiebout's hellscape; equalized expenditures based on a state-wide formula, and the desires of voters would be largely neutralized, with respect to education funding. However, the isolated impact of the Serrano rulings was never discovered due to the passage of Proposition 13 in the 1978 election.[19] The state legislature had enacted a new state aid program that incorporated elements of district power equalization, but their potential impact is a mystery to this day.[20]

Proposition 13, as partially explained in footnote 19, was a measure meant to reign in the taxing capacity of the California state government. Prop 13 limited the total property tax rate to 1%, which was less than half of the national average at that

13 Silvia F., & Sonstelie J., supra note x

14 Husted, T.A. & Kenny, L.W., supra note xi

15 Mosbacher, J., supra, note ix.

16 Hani S. P. Hirji, Inequalities in California's Public School System: The Undermining of Serrano v. Priest and the Need for a Minimum Standards System of Education, 32 Loy. L.A. L. Rev. 583, 594 (1999).

17 Downes, Thomas. "Evaluating the impact of School Finance Reform on the Provision of Public Education: the California Case." National Tax Journal; (Dec 1992) 45, 4.

18 Haraji, supra, note xv; Downes, supra, note xvi

19 The passage of Proposition 13 seems to have been a reflection of rapid inflation in the housing market, anti-tax spirit, and a State Assembly bill that applied a uniform property tax rate on commercial and residential property, with the former previously being assessed at a higher tax rate than residential property. Consequentially, homeowners assumed a greater share of the tax burden to maintain property tax revenues (which was being accelerated by rising real estate prices). By 1977-78, property taxes in California were more than 150% of the national average, and between 1975 and 1978, total state taxes rose 40%, while personal income only grew 23% in the same period. The groundwork was laid for stringent policies to control tax growth, as it would not be an exaggeration to say that people were practically being taxed out of their homes (Citrin, J. Proposition 13 and the Transformation of California Government. The California Journal of Politics and Policy; Vol. 1, No. 1 (2009)).

20 Sonstelie, supra, note v

time, and only allowed for a 2% capped increase in the assessed value of a property.[21] If California residents wanted to control the growth of property taxes, Prop 13 could be referred to as a "nuclear option." In of 2003, property taxes in California were still lower than they were in 1978, before implementation of the proposition.[22,23]

Regardless of whether Proposition 13 was a well-thought out policy, a disaster, or an equitable tax solution, school financing was altered on a fundamental level. School funding was required to be more equitable as a matter of state constitutional law, but total school spending fell at the same time.[24] This was achieved in large part from reducing spending in wealthier (or simply higher-spending) districts rather than raising the spending levels of lower-funded schools.[25]

To put the changes in California's spending in perspective, nearly 50% of property tax revenue collected in the U.S. is used for public school education.[26] In 2005, 19 states counted on property taxes to comprise more than a third of their total tax revenue.[27] Regardless, the property tax has been a critical tool in local government funding for a long time, particularly in the school system. These effects were certainly felt in California, since Prop 13 quickly cut property taxes by nearly 60%, and to compensate, the state government increased spending by close to 25% by 1983.[28] To compensate for the losses of local governments, and the lion's share of education funds they were to provide, the state levied higher income and sales taxes.[29]

The composition of public school funding changed dramatically in the early years after Proposition 13. In the fall of 1977, public school dollars were nearly 54% local, close to 37$ state and just under 9% federal.[30] In a year's time, the local share fell to nearly 30% (a nearly 45% loss in income from the previous year), while the state share rose to nearly 60%.[31] By the 1985-86 school year, local coffers were responsible for providing just over 26 percent of public school funds, compared to more than two-thirds for the state government. This change in funding to a state-financed system brought about significant obstacles, while also presenting interesting funding opportunities that will be discussed later in this paper.

Ultimately, the product of these court cases and propositions brought about a funding system of district revenue limits.[32] The state assigned school districts a

21 Fulton, W. & Shigley, P. "Low Taxes for Some, Chaos for All." The Los Angeles Times (1 June 2003).
22 *Ibid.*
23 Proposition 62 was passed in 1986, which mandated that new local government taxes receive the approval of a majority of local voters and two-thirds of the governing body. Essentially, any attempt to replace the funding lost by Proposition 13 was subject to a popular vote and a higher bar of passage for local townships trying to find new revenue.
24 Kenyon, Daphne A. "The Property Tax—School Funding Dilemma." Lincoln Institute of Land Policy (2007).
25 *Ibid.*
26 *Ibid.*
27 *Ibid.*
28 Lindsey, Robert. "5 Years After Property Tax Slash: Power Shifts to California Capital." The New York Times (5 June 1983).
29 Downes, T., supra, note xvi.
30 *Ibid.*
31 *Ibid.*
32 Weston, Margaret. "Funding California Schools: The Revenue Limit System." Public Policy Institute of California (Mar. 2010).

portion of the property tax revenue, raised within their respective jurisdictions, with the state supplementing the local tax to reach the revenue limit of the school district.[33] These funds came from the general revenues of the state.[34] Local authorities no longer had control over school financing as a product of the amalgamation of these legal developments.

Before Serrano I, California strongly resembled a Tiebout model, voter mobility, local choice, etc. Communities were able to practice fiscal zoning, and the property tax was an economically efficient tool for pricing local public goods.[35] Higher income families could place themselves in areas where there was higher levels of spending per pupil, and since the property tax was so heavily relied-upon, required smaller increases in taxes to augment school funding. Major (and fair) questions of equity and horizontal imbalance could be raised, as they were the basis of the Serrano case after all, but the product of combining Serrano and Prop 13 has not been an obvious improvement.

Since Serrano and Prop 13, California has consistently rated poorly in per-pupil education spending, and their proportion of tax revenue dedicated to public education. Were these the obvious causes in the spending decline? What was the impact in equalization? Early on in the implementation of Prop 13, the California government was operating with a budget surplus estimated to exceed 10 billion dollars, which was used to supplement its own funds that would replace property tax revenue. Through the 1985-86 school year, more than 90 percent of public school students attended schools that were within one hundred dollars of the statewide average in per-pupil expenditure, which did not even out student performance, but satisfied the California court system.[36]

The passage of Prop 13 neutered what would have been a very interesting egalitarian attempt by the state of California in equalizing educational outcomes.[37] Nationally, and historically, spending per pupil has been highly correlated with per-pupil property wealth, which was just a part of the circumstances that led to the Serrano rulings in California.[38] California had to correct for the horizontal imbalances and distributional inequities between communities, and according to Reschovsky, there are efficiency and equity arguments for an increased state role in the provision of public education.[39]

The spillovers resulting from the benefits of education are considerable in the eyes of Reschovsky, and there is a bevy of reasons for state governments to concern themselves with the distribution of spending on education by local governments.[40] This makes fiscal equalization, or making funds available to lower level governments

33 *Ibid.*

34 Shafrin, Jason. "Did Serrano Cause Prop 13?" Healthcare Economist (12 February 2006). http://healthcare-economist.com/2006/02/12/did-serrano-cause-prop-13/

35 Silvia F., & Sonstelie J., supra, note x

36 Serrano III (1982) required that schools be within 100 dollars of the statewide average in per pupil spending

37 Reschovsky, Andrew. "Fiscal Equalization and School Finance" (Slemrod 209-221).

38 *Ibid.*

39 *Ibid.*

40 *Ibid.*

with the objective of reducing the degree of inequality in the revenues that such governments can raise during their own review instruments, an important goal for state governments who choose to concern themselves with these finance issues.[41] According to Reschovsky, there are a number of objectives associated with fiscal equalization, including wealth neutrality, taxpayer equity, guaranteeing that each school district has the resources available to provide an adequate level of public education at a reasonable tax rate, and that each school district provides that adequate level of education at said reasonable tax rate.

In California, it is unclear if these objectives would have been achieved without the passage of tax reform measures like Proposition 13, but it is certain that they were not achieved with their passage.[42] In Los Angeles County schools, for instance, serious inequalities were still persisting more than 15 years after the passage of Prop 13.[43] In the 1995-96 school year, the Beverly Hills school district was generating 150% of the revenues per average daily attendance that Baldwin Park was generating, and that was hardly the only major discrepancy.[44] Major disparities existed between Acton-Agua Dulce school district and Claremont school district, for example, to the point that Claremont schools were generating more than 600 extra dollars in revenues per average daily attendance.[45] These disparities between school districts in Los Angeles County are strongly suggestive that the state failed to achieve wealth neutrality, taxpayer equity, or even a measure of power equalization.[46]

Average daily attendance revenues were far from the only measure that indicated California's failed attempts at fiscal equalization and major divides along socio-economic strata between school districts. In the mid-'90s, needier schools in urban parts of California struggled to even get their hands on books.[47] For instance, Los Angeles Unified in the '95-'96 school year reserved only $26 to each student for textbooks, well-below the statewide average and the average cost of textbooks.[48] Broad differences persisted in the amount schools would dedicate to book purchases all over the state of California, and it is indicative of the state's failures to achieve equitable opportunities and outcomes for students in different communities.

Until about 1985, California's spending per average daily attendance was right around the national average.[49] It was after this point that education spending growth began to slow, before the number itself began to decline in the early 1990s.[50] The state attempted to stabilize the proportion of education spending in the state's budget,

41 Oakland, W.H. "Fiscal Equalization: An Empty Box" (Slemrod 237-247) National Tax Journal 47 (1994) 1:199, 11 pgs.
42 Inequality was rampant in California in the 1960s and the years leading up to the first Serrano decision.
43 Haraji, supra, note xv
44 *Ibid.*
45 *Ibid.*
46 Reschovsky, supra note xxxiv
47 Haraji, supra, note xv
48 *Ibid.*
49 Chapman, J.I. "Prop 13: Some Unintended Consequences"
50 *Ibid.*

but, ultimately, was unsuccessful.[51]6 By 1999, local school districts were essentially just recipients of state aid. This shift was not uncharacteristic for this country, as this trend toward greater state funding of public schools has been going on since the turn of the 20th Century.[52] By the end of the 90s, the state was also using three formulas to determine the minimum level of state funding for public education, weighing five factors: general fund revenues, state population, personal income, property taxes, and K-12 average daily attendance.

FISCAL EQUALIZATION, EQUITY, (=), AND "EQUALNESS"

Oakland's work on fiscal equalization looks at many of the same issues explored in Reschovsky, but from the sources of fiscal disparities instead of achieving fiscal equalization. As has been explored in this paper, California, even after the Serrano rulings, was suffering from very apparent inequality between school districts. Within the issues of education quality discussed in Oakland's piece were vertical and horizontal equity.[53] With respect to vertical equity, it would seem that California's reforms in the Serrano cases were intended to address horizontal differences, since the state government was given so much more control over school financing and the participation of localities and school districts was limited. The contrast between economic efficiency and equity outcomes in this respect becomes very interesting. Concentrating financial power over schools in the state government does not give citizens the same opportunity to express the will of the median-voter, but is it worth it for the potential gains in educational and tax equity?

According to Oakland, the strongest justifications for equity in a policy of equalization involve the "reduction of disparities of educational opportunity so as to foster social and economic mobility." The author added that vertical equity was not something equalization would be well-suited to address. In the case of California, absent Prop 13, there might have been in- roads made to foster social and economic mobility in the state, but as made clear from the disparities just within Los Angeles County, horizontal disparities were not addressed well in the aftermath of Prop 13.[54] Plus, the policies put in place would have been likely to exacerbate issues of vertical equity between the state and local government.

Helen Ladd and John Yinger have had quite a lot to say on the pursuit of equitable outcomes in educational policy, and their discussion of distributional and categorical equity is no different.[55] Jurisdictions with harsh environments must pay more, holding all else equal, to obtain the same service quality as wealthier districts, which is especially true in education.[56] Ladd & Yinger's piece on equalizing aid placed

51 CITATION 6 NEEDED
52 Property taxes paper
53 Oakland, supra, note xxxviii
54 I Haraji, supra, note xv
55 H. F. Ladd and J. Yinger, "The Case for Equalizing Aid" (Slemrod, 223-236), National Tax Journal 47 (1994) 1:211, 14 pgs.
56 Bradford, Malt and Oates, "The Rising Cost of Local Public Services," National Tax Journal (June 1969): 185-202.

equity objectives into two classes: categorical equity and distributional equity.[57] Categorical equity relates to public sector spending, either on specific function or on all functions, while distributional equity is aimed at equalizing the real incomes of local residents.[58]

According to Ladd & Yinger, categorical equity exists when all citizens have fair access to public services that are thought to be particularly important to their opportunities later in life. There are a number of potential options for achieving this type of equity, very important for states, which includes ensuring a minimum outcome for participants (here—students).[59] According to Ladd & Yinger, the best way to achieve this standard is with a foundation grant, assuming each jurisdiction could reach a certain minimum in spending and would level a minimum fair tax rate.

Ladd & Yinger's article gets into important issues of grant design and equity in the achievement of equitable outcomes.[60] For instance, California has been using foundation grants in its schools for decades, even in the aftermath of Prop 13. The state legislature was not telling the Los Angeles Unified school district what percentages of state funds were to be spent on books, though that might help, so the state was adhering to sound economic principles in grant design. Block grants are expected to allow great flexibility to its recipients, making the most sense for categorical grants, particularly when applying inverse formulas compensating for large need-capacity gaps in schools.

The need-capacity gap discussed by Ladd & Yinger was not a component of the public education financing scheme after Prop 13 in 1978, and poverty-rich schools likely suffered for it.[61] The need-capacity gap is a measurement used to help ease the burden of providing standard- quality public services, and is measured as the difference between expenditure need and revenue- raising capacity in a jurisdiction.[62] More specifically, Ladd and Yinger explain that the need- capacity gap "indicates the extent to which the revenue the jurisdiction can raise at a standard tax rate fall short of the amount it must spend to provide standard-quality public services."[63] In order to bridge these sorts of gaps, donor governments should provide greater levels of aid to jurisdictions with great fiscal disadvantages.[64]

Unfortunately, due to Proposition 13, even if the California legislature wanted to address the need-capacity gap facing hundreds of public schools in the state, they would

57 Ladd & Yinger, supra, note Iiii
58 *Ibid.*
59 *Ibid.*
60 *Ibid.*
61 *Ibid.*
62 *Ibid.*
63 *Ibid.*
64 *Ibid.*

have been statutorily short-handed. Proposition 13 kept California from being able to equalize grants, or supply the complete foundation plan (with minimum required tax rates and high minimum service quality) suggested by Reschovsky. The state and/or many jurisdictions would have had to put forth a comprehensive plan to equalize real incomes through aid.[65]

Equalizing real incomes is a considerable task, but it would have been something available to the statute legislature even with Proposition 13 in place. Progressive income taxation, social insurance, transfer programs are all available options to equalize incomes, as is equalizing grants. Equalizing grants leads to potential problems of capitalization, which according to Ladd & Yinger, arises when "local series quality and local tax rates affect property values."[66] Capitalization, essentially, by increasing the quality of grant-induced service provision actually cancels out the benefit of the quality service by rent increases, and can price low-income people out of their communities.[67]

Proposition 13, and some of the subsequent voter propositions limiting new revenue options, has to be looked at as a catalyst for limiting the educational capacity of California public schools. The years immediately after its passage would see a huge influx of immigrant populations into the state (more than 2 million new students added to the school-age population in the 1980s), and repairs to schools in high-poverty areas began falling behind their more- affluent peers.[68] The impact of Proposition 13 was amplified by the Serrano rulings, which combined to make a toxic simultaneous decline in public education funding and restrictions on tax revenue generation.

RECENT STATE OF CALIFORNIA EDUCATION

Since the start of the 21st century, California has continued to lag behind in per-pupil expenditures and has also seen its students struggle to achieve acceptable educational outcomes on a consistent basis. Part of the problem has been the recent economic turmoil that hit state governments especially hard. Between 2007 and 2011, California's education funding was cut by 11%, and in the 2010-11 school year[69], California public schools had the worst teacher to student ratio in the country.[70] In fact, California's classes, per teacher, were about 50% larger than the national average.[71] To illustrate the recent spending problem further, in the 2011 school year, the Californian government would have had to add 18 billion dollars to their education budget in order to reach the national average in per-pupil expenditures.[72]

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65 *Ibid.*
66 *Ibid.*
67 *Ibid.*
68 *Ibid.*
69 Just to get a sense of how absolutely brutal the cuts were in California, a Time article in 2009 reported that there was more than 7 billion dollars cut from the education budget in 2008, and another 5 billion dollars expected to be cut in that fiscal year (O'Leary, Kevin. The Legacy of Proposition 13. Time Magazine (27 June 2009)).
70 Ladd & Yinger, supra, note Iiii
71 *Ibid.*
72 *Ibid.*

As the country has clawed back slowly from recession, California public education has continued to struggle. In the 2012-13 school year, California was dead last nationally in student to teacher ratio (24.7:1, the national average for that school year was about 14.5:1), and had recently been rated as last in both student to guidance counselor ratio (1K+:1) and student to librarian ratio (8K+:1).[73] Without looking at educational outcomes for California's students for these years, it would seem that the financial strain on California is putting its students at a considerable disadvantage compared to the reset of the country. By the end of the 2012-13 school year, it appeared that very little had changed in California in how public schooling was financed in the state.

Before the changes brought about by the new Local Control Funding Formula began to be implemented, the majority of schools in California were funded by a revenue limit system. Under the revenue limit system, a district's revenue limit entitlement (can be measured in a dollar amount per pupil) is its base revenue limit multiplied by the number of students attending its schools, which is measured by the district's average daily attendance.[74] This entitlement is funded by local property taxes and state aid. These revenue limits are a product of the Proposition 13-addled era in California.

In California, there are 7 components of Revenue Limit Funding: base revenue limits; declining enrollment adjustments; necessary small school adjustments; locally funded charter school adjustments; other adjustments; and excess taxes.[75] The first, base revenue limits, constitutes the primary funding method for these revenue limits (97% of the statewide average revenue limit funds by average daily attendance), with the subsequent listings acting as revenue limit adjustments.[76]

Under this revenue limit system California sees substantial variations in per-pupil revenue limits between jurisdictions (Horizontal imbalance, fantastic). Naturally, there is variation based on the size of school districts, but the variation in per-pupil spending has been a cause of concern in California for decades. The range for per pupil spending by average daily attendance is quite considerable in some instances, but can be partially explained by the revenue adjustments mentioned, but the strongest correlation appears to be with smaller school Districts.[77] In larger districts, the state seems to have done well in limiting variation between schools in base limit revenues from the 25th to 75th percentile range.[78] For school districts listed as medium or large in size, by average daily attendance, the range in dollars between the 25th and 75th percentile was always less than $100 per pupil.[79]

73 Camp, Jeff. "California's Education System 100% Demystified." Ed100. http://ed100.org/support/californiaskimps/
74 Weston, supra, note xxix
75 *Ibid.*
76 *Ibid.*
77 *Ibid.*
78 *Ibid.*
79 *Ibid.*

Discrepancies can occur in school funding, but in the words of Margaret Weston, "… there may be legitimate reasons for differences in per-pupil funding, such as adjustments for population density or regional wage costs, research has found that California's system currently[80] lacks any such rationale."[81] As an example of needless inequities in the California funding system, high school students in unified school districts[82] received $781 dollars less per pupil annually than high school students who attended in normal high school districts.[83] In 2010, reform to base revenue limits would have been a major step toward horizontal balance between school districts.

In 2013, California began the implementation of a new school-funding system, the Local Control Funding Formula (LCFF).[84] Just by its name, it would seem to suggest a radical change in how California spends money on education, and perhaps represent a positive step forward in how the state tries to get around Proposition 13.

Maybe the biggest reform from the new LCFF is that it is doing away with base revenue limits entirely.[85] Instead, the LCFF will deploy a base funding system differentiated by grade[86] span.[87] The LCFF will replace most of the previous K-12 funding streams with the creation of base, supplemental[88] and concentration grants[89].[90] The transition to the LCFF began in the fall of 2013 but it is not expected to be fully implemented until the 2020-21 school year.[91] The state government is tasked with writing regulations to guide funding, local accountability plans and formulating rubrics for evaluation of improvement and intervention needs in the meantime.

Based on the implementation schedule, it is far too early to tell if the LCFF will begin to fix the myriad structural issues in public education spending for the California government. However, this is without a doubt a positive step for Sacramento and Governor Brown. Targeting grade spans should make a difference in correcting for nonsensical horizontal imbalances that have been a fact of life for California since the 1980s. The supplemental and concentration grants, hypothetically, should help an effort to equalize outcomes for student in high-poverty areas, but the impact of these grants is difficult to ascertain at this early stage. If this LCFF works, it should serve as an example of how well a state education system can work even with the vast majority of power concentrated at the state level.

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80 2010

81 *Ibid.*

82 About 70 percent of high school students in California attend high school in unified school districts

83 2010

84 "Local Control Funding Formula Overview." California Department of Education (2014). http://www.cde.ca.gov/fg/aa/lc/lcffoverview.asp

85 Weston, supra, note xxix

86 Since the base revenue limits represented about 97% of the money going to California schools, I figured that this was most important. The grade spans identified by the California Department of Education include: K-3, 4-6, 7-8, and 9-12.

87 "Local Control Funding Formula." California Department of Education (2013). http://www.cde.ca.gov/fg/aa/lc/documents/lcffregionalinput.pdf

88 Supplemental grants will be equal to 20% of the adjusted base grant for targeted disadvantaged students. This covers English learners, those eligible for free or reduced-price meals, and students in foster homes.

89 The Concentration grant is meant to compensate for school districts with large percentages of targeted students under their purview, greater than 55% of enrollment.

90 California Department of Education, supra, note lxxix

91 California Department of Education, supra, note lxxxi

Serrano and Proposition 13 have worked in conjunction (though the Serrano decisions were well-intentioned as far as trying to improve the situation for less-affluent school districts) to hold back the California public education system as a whole. That is easy to say, but there are still enough structural issues in place (Prop 13 itself) that the solutions are not always easy to find. With any luck, the LCFF will be a first step towards California correcting itself and creating a more equitable, sustainable and successful public education regime.

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