

# HISTORY OF EDUCATION FUNDING IN CALIFORNIA

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# HISTORY

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- ❑ Until 1970s local control
  - ❑ Since then State control
  - ❑ Until late 70's local property taxes major share of school funding
  - ❑ State guaranteed a "funding floor" if district taxed themselves at a minimum level
  - ❑ State funded extraordinary costs; i.e. trans in rural)
  - ❑ Local ppty tax = 60% (22%)
  - ❑ State 34% (67%)
  - ❑ Federal 6% (9%)
  - ❑ 10% revenues restricted (40% of State 67%)
  - ❑ State controls local spending through centralized finance system
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# MAJOR POLICY EVENTS SINCE EARLY 1970s

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## Serrano v Priest

- School revenues too reliant on property taxes. Poor areas couldn't raise the same as rich areas

## SB 90 (1972)

- Established Revenue Limits that limit districts' general purpose revenues
- 1973-74 revenue limit based on state aid and local property tax received in 1972-73
- Annual inflation adjustment, but "squeezed" high-wealth districts

## Proposition 13 – 1978

### Property Tax Shift (1979)

- 1979 Legislature gave large share of property tax to local governments and made up difference to districts' revenue limit with state aid

### Proposition 98 (1988)

- guaranteed predictable funding source that would grow with economy and ADA
  - Three tests
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# CATEGORICAL FUNDING

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## Entitlement Programs

- ❑ Formula driven
- ❑ Based on student characteristics: ELS, Special Education, EIA

## Incentive Programs

- ❑ K-3 CSR, English Language Acquisition Program for grades 4-8, Professional Development in Math and Reading, Principals' Training Program

## Discretionary or Competitive Grants

- ❑ Generally for specified period
  - ❑ High Priority School Grants Program (HPSGP)
  - ❑ Immediate Intervention/Underperforming Schools Program (II/USP)
  - ❑ Advancement Via Individual Determination (AVID)
  - ❑ Various technology programs
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# CATEGORICAL FUNDING

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- ❑ Used for state or federal to control local spending decisions
  - ❑ Unusually high number in California
  - ❑ 1980 - 17 state-funded categorical programs
  - ❑ 2004 – Over 233 state and federal
  - ❑ 1980 – 2000 Per pupil funding increase 15%
  - ❑ Categorical funding increased 165%
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# CATEGORICAL FUNDING

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## Consolidation of Categorical Programs

- ❑ Teacher Credentialing Block Grant
- ❑ Pupil Retention Block Grant
- ❑ Professional Development Block Grant
- ❑ Targeted Instructional Improvement Block Grant
- ❑ School and Library Improvement Block Grant
- ❑ School Safety Consolidation Block Grant
  
- ❑ No money out of top two
- ❑ Others 15% out – 20% in

## Mega Item

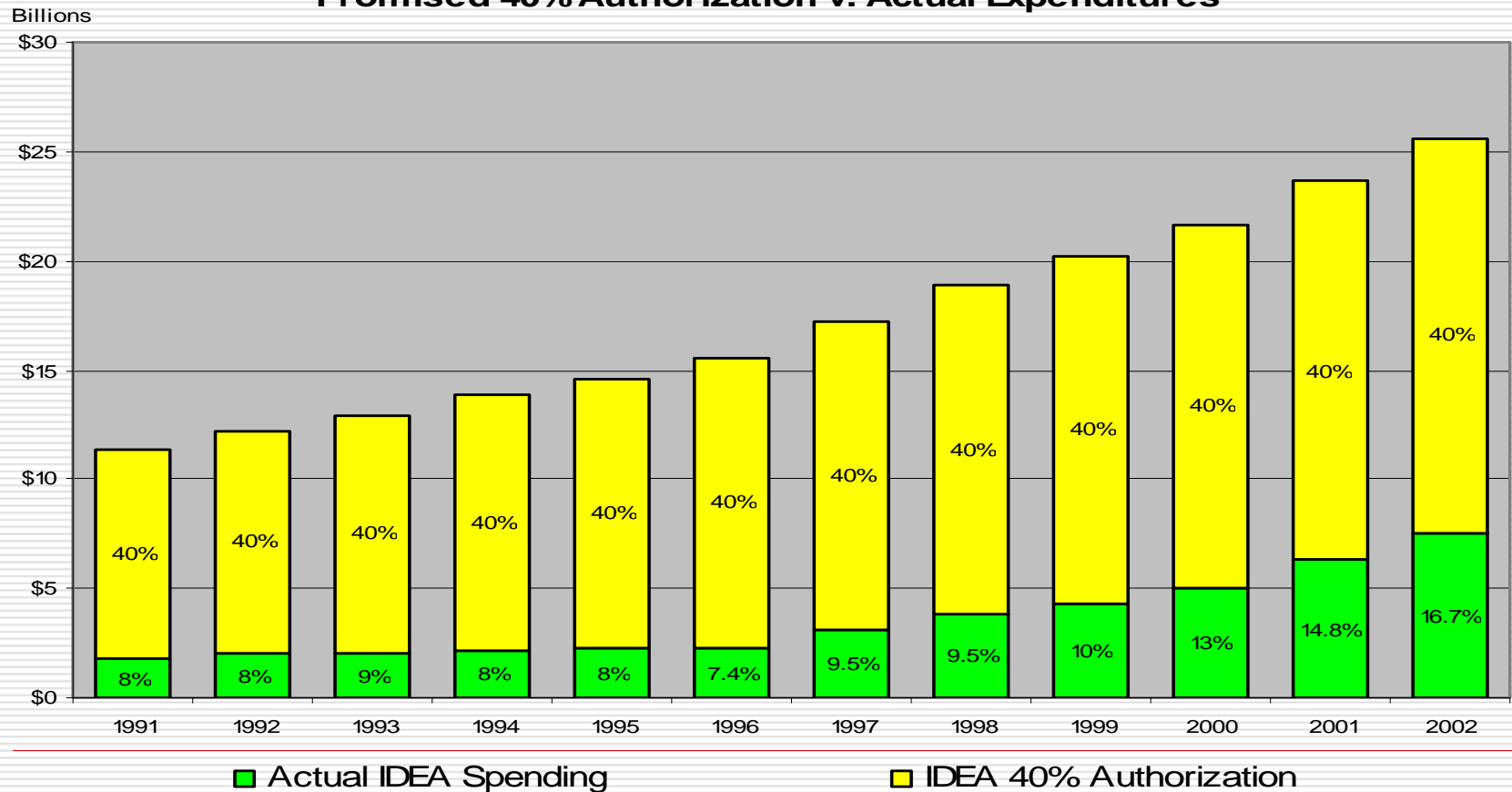
- ❑ 1981 – About 72 categorical items
- ❑ Shift 10% in and 15% out

# SPECIAL EDUCATION FEDERAL FUNDING

## CONGRESS' BROKEN PROMISE

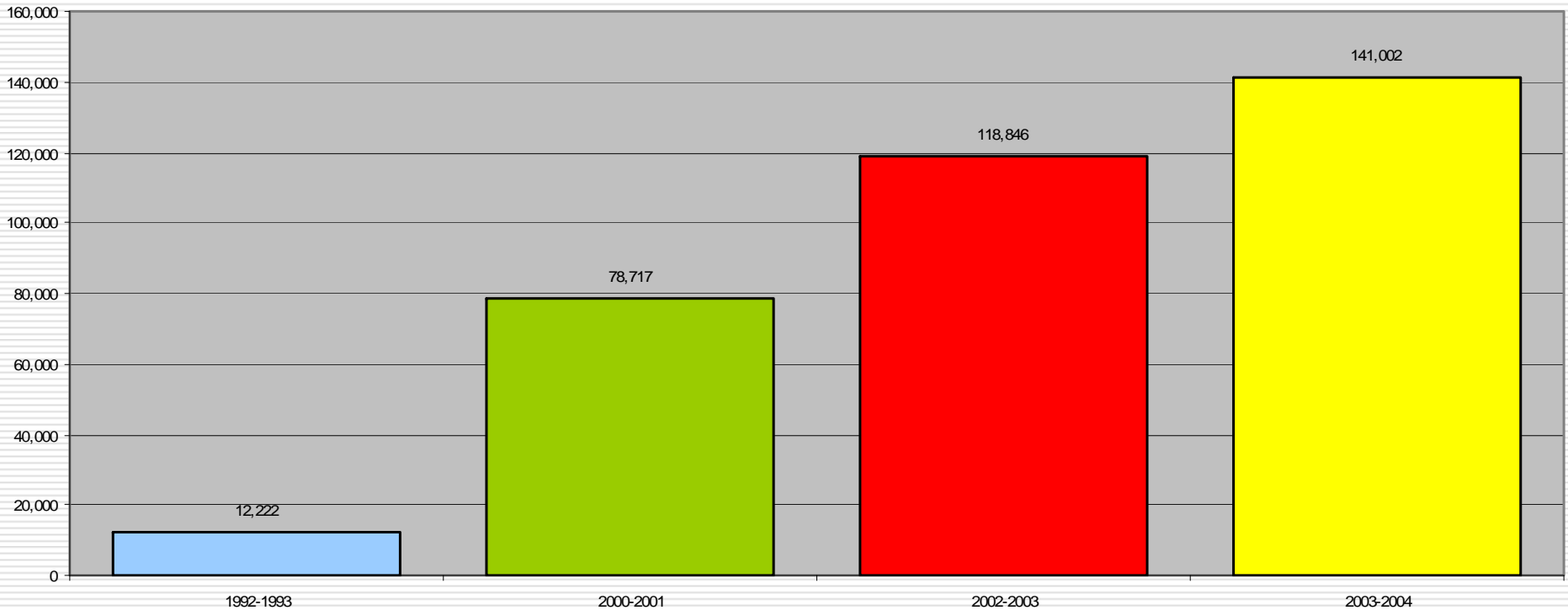
1991-2002

### Promised 40% Authorization v. Actual Expenditures



# SPECIAL EDUCATION FUNDING

## INCREASE IN THE NUMBER OF CHILDREN WITH AUTISM IN US PUBLIC SCHOOLS\*



\* Source, U.S. Department of Education.

\*\* In the U.S., the number of children identified with autism rose from 12,222 in the 1992-1993 school year to 78,717 in the 2000-2001 school year, an increase of 644%

\*\*\* The number of children with autism in the U.S. increased from 118,846 in 2002-2003 to 141,002 in the 2003-2004 school year. Source, New York Times, October 1, 2004.