The Schools & Communities First initiative is not just about dollars – it is about giving every student, family, and generation the opportunity to succeed. Despite boasting the 5th largest economy in the world, California ranks 39th in the nation in per-pupil funding and near the bottom in the number of students per teacher, guidance counselor, and librarian. The Schools & Communities First initiative can help reverse the decades of disinvestment experienced by California’s children and families by restoring billions every year for our K-12 schools and community colleges.

To join our growing movement or learn more, visit www.SchoolsAndCommunitiesFirst.org

Paid for by Schools and Communities First - Sponsored by a Coalition of Social Justice Organizations Representing Families and Students. Committee major funding from:

California Teachers Association
Chan Zuckerberg Advocacy (Nonprofit (501(c)(4))
SEIU California State Council (Nonprofit (501(c)(5))

Funding details at http://fppc.ca.gov

February 2020
THE PROBLEM | Massive, chronic disinvestment in public education because corporations haven’t been paying their fair share.

In 1977, the year before California changed how it collects commercial and industrial property taxes, California was 7th in the nation in per pupil spending. The next year, the state dropped to 14th. By the 1980s California had fallen below the national average and we have never recovered. Even during the economic boom of the 1990s, California remained behind the national average in per-pupil spending. This funding gap worsened during the Great Recession, and was never made up, even after the revenue boost provided by 2012’s Proposition 30 and its extension, 2016’s Proposition 55. Compared to other states, California funds public education at a level similar to Texas, even though the cost of operating a school in California is more similar to that of New York. In 2014, New York’s investment per pupil was double the amount of California.

Today, California’s once world-class public schools are a shell of their former stature. California ranks near the bottom in spending per pupil and staffing ratios for teachers, guidance counselors, librarians, and administrators. Even more concerning, after 40 years of bare-bone budgeting, the impact on students of color, who disproportionately experience poverty and linguistic and social isolation, has been especially devastating.

• The 3rd grade math proficiency rate for Black students (30%) is about sixty percent of the California average (50%). The rate for Latino students (40%) is 10 percentage points lower than the statewide average.
• The 3rd grade English language arts proficiency rate for Black students (31%) is 18 percentage points lower than the California average (49%). The gap for Latino students (38%) is similar at 11 percentage points below the statewide average.

K-12 Education

This reform will provide K-12 schools with up to $4.5 billion in new revenue per year. To ensure the new revenue supports public education in a fair and equitable manner, the measure includes three key elements:

1. New revenue will not replace existing state funding. Under Proposition 98 (1988), additional local school property tax revenues generally offset state General Fund support needed to fully fund the Proposition 98 minimum guarantee. However, to provide new funding to schools, rather than provide relief to the state General Fund, the measure treats the new revenues for schools as additional to whatever is required to be provided to schools under Proposition 98.

2. To ensure equity, new revenue will be pooled statewide into a special fund, the Local School and Community College Property Tax Fund, and disbursed based on student need. Since the number and value of commercial properties that would be reassessed in each county varies widely, allocating new revenue based on the share of local property tax revenues would result in significant per-pupil funding disparities from county to county and school district to school district. By pooling the new revenue statewide for allocation to school districts, this inequity is avoided, including for rural communities. In addition, the Local Control Funding Formula is used to allocate new revenues from the statewide pool to school districts to provide additional funding for low-income students, English-learners, and foster youth.

3. New revenue will support basic aid school districts that are funded by local property taxes, but that currently receive no money from the Local Control Funding Formula (LCFF). Currently basic aid districts do not receive any funding through LCFF, even if they have high-need students. To assist these students, the Schools & Communities First measure specifies that basic aid districts will receive funding for each high-need student equal to the average per-student funding amount for all K-12 school districts.

Community Colleges

California’s 114 community colleges also stand to benefit from the California Schools & Local Communities Funding Act. Reform is expected to provide community colleges with $349 million in new revenue annually. This new revenue could help offset the trend of rising tuition costs, expand on efforts to enable students to attend full time and better prepare for four-year programs or the workforce, or to create 138,000 additional slots in the system. Since nearly 50% of community college students are either Latino or Black, increased funding for community colleges is a key step towards creating opportunities and closing racial disparities and educational achievement gaps in California.

K-12 Spending Per Pupil

California’s rank compared to the rest of the country in per-pupil expenditures

“Educational Opportunities and Performance in California,” Education Week, September 4, 2019

How Does California’s Support for K-12 Education Compare? |

<table>
<thead>
<tr>
<th>Rank</th>
<th>CA</th>
<th>US</th>
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</thead>
<tbody>
<tr>
<td>39</td>
<td>$10,281</td>
<td>$12,756</td>
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<tr>
<td>2015-16</td>
<td>K-12 Spending Per Pupil Adjusted for Cost of Living</td>
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<tr>
<td>39</td>
<td>10,281</td>
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Spending Per Student

<table>
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<th>Rank</th>
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<th>US</th>
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Note: All figures reflect California Budget & Policy Center calculations. Staffing ratios are based on average daily attendance. “Data are estimated.”

California Community Colleges Fee History

<table>
<thead>
<tr>
<th>Fee Per Unit</th>
<th>Before 1985</th>
<th>1985</th>
<th>1995</th>
<th>2005</th>
<th>2012 to Present</th>
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<tr>
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<td>$5</td>
<td>$13</td>
<td>$26</td>
<td>$46</td>
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New research shows that funding targeted to high-need students is an effective strategy to narrow achievement gaps and reduce poverty:

• A $1,000 increase in per-pupil spending in grades 10-12 leads to an average 5.3% increase in high school graduation rates, on average, among all students. (6.1% increase for low-income students, a 5.3% increase for Black students, and a 4.3% increase for Latino students.)

• More so, a 20% increase in per-pupil spending each year for all 12 years of public school for low-income students leads to a 25% increase in earnings and a 52% increase in family income, thereby making targeted investments earlier ever so important.

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