Funding for schools in California has improved...

https://gettingdowntofacts.com/publications/working-toward-k-12-funding-adequacy-californias-current-policies-and-funding-levels
...but funding remains short of adequate levels given the goals of state policies.

Average *actual operational spending* was $12,204 per student in 2016-17.

GDTFII estimated that the *adequate cost* per pupil would be around $16,890.

[Source](https://gettingdowntofacts.com/publications/working-toward-k-12-funding-adequacy-californias-current-policies-and-funding-levels)
Districts’ budgets are being impacted by rising costs.

Costs of Special Education

Changes in State Special Education Funding and Number of Students with Disabilities from 2005 to 2014

Inflation-adjusted state special education funding has decreased, while the number of students with disabilities has grown.

Districts’ budgets are being impacted by rising costs.

Growing Pension Liabilities

[Diagram showing realized and projected CalSTRS statutory contributions, 2006–2021, as percent of salaries.]

- District contribution more than doubles
- State
- Employer
- Employee

Districts’ budgets are being impacted by rising costs.

Rising Health Care Costs and Liabilities
Changes in Per-Pupil Spending Since 2003–2004

Fully Funded Schools

Governor’s proposed 2020-21 budget includes Additional $4 Billion

November 2020 over $4 Billion via Schools and Communities First measure

March 2020 $15 Billion Facilities Bond Measure
What would it look like if our schools were adequately funded?

How can we get there as a state?
Agenda

- 10:15-11:15: Panelist presentations
- 11:15-11:30: Panelist Q&A
- 11:30-11:45: Table conversations
- 11:40-11:45: Table share out
Panelists

Samantha Tran, Senior Managing Director, Education Policy, Children Now

Carrie Hahnel, Independent Consultant

Fred Silva, Director of Public Policy, California Forward

Sawait Seyoum, Sacramento City parent advocate & Senior Legislative Advocate, Disability Rights California
On a mission to build power for kids.

PACE 2020 Annual Conference
February 2, 2020
There are Not Enough Adults on School Campuses

<table>
<thead>
<tr>
<th>Staff Type</th>
<th>National average</th>
<th>CA</th>
<th>CA rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total staff</td>
<td>1:8</td>
<td>1:11</td>
<td>48</td>
</tr>
<tr>
<td>Teacher</td>
<td>1:16</td>
<td>1:24</td>
<td>50</td>
</tr>
<tr>
<td>Librarian</td>
<td>1:128</td>
<td>1:783</td>
<td>50</td>
</tr>
<tr>
<td>Guidance counselor</td>
<td>1:482</td>
<td>1:760</td>
<td>49</td>
</tr>
<tr>
<td>Administrator</td>
<td>1:207</td>
<td>1:300</td>
<td>47</td>
</tr>
</tbody>
</table>
The Tale of Three High Schools

Typical California High School:
- Approximately 1,100 students
- More than 60% are low income

California: Gunderson High School, San Jose Unified School District

Illinois: Urbana High School, Urbana School District

New Jersey: Garfield High School, Garfield School District
## A Tale of Three Schools: Comparing Investments

<table>
<thead>
<tr>
<th></th>
<th>Gunderson High School (San Jose, California)</th>
<th>Urbana High School (Urbana, Illinois)</th>
<th>Garfield High School (Garfield, New Jersey)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>District</strong></td>
<td>San Jose Unified District</td>
<td>Urbana School District</td>
<td>Garfield School District</td>
</tr>
<tr>
<td><strong>2017-18 Expenditure per Pupil as reported by District</strong></td>
<td>$10,982</td>
<td>$14,364</td>
<td>$17,388</td>
</tr>
<tr>
<td><strong>Comparable Wage Index Compared to National Average</strong></td>
<td>29% higher</td>
<td>11% lower</td>
<td>24% higher</td>
</tr>
<tr>
<td><strong>Expenditures per Pupil Adjusted by Regional Costs</strong></td>
<td>$8,493</td>
<td>$16,210</td>
<td>$13,997</td>
</tr>
<tr>
<td><strong>Local Cost of Living Compared to National Average</strong></td>
<td>51% higher</td>
<td>18% lower</td>
<td>27% higher</td>
</tr>
</tbody>
</table>
## A Tale of Three Schools Comparing Opportunities and Services

<table>
<thead>
<tr>
<th>Student Engagement</th>
<th>Gunderson High School; CA</th>
<th>Urbana High School; IL</th>
<th>Garfield High School; NJ</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SPORTS TEAMS</strong></td>
<td>17</td>
<td>19</td>
<td>22</td>
</tr>
<tr>
<td><strong>CLUBS AND ORGANIZATIONS</strong></td>
<td>8</td>
<td>17</td>
<td>40</td>
</tr>
</tbody>
</table>

### FIGURE 1

Gunderson, Urbana, and Garfield High Schools Staffing Data

<table>
<thead>
<tr>
<th></th>
<th>Gunderson High School</th>
<th>Urbana High School</th>
<th>Garfield High School</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TEACHERS</strong></td>
<td>60</td>
<td>87</td>
<td>96</td>
</tr>
<tr>
<td><strong>ADMINISTRATORS AND OTHER CERTIFICATED PERSONNEL</strong></td>
<td>9 (including 3 administrators)</td>
<td>20 (including 4 administrators)</td>
<td>20 (including 3 administrators)</td>
</tr>
<tr>
<td><strong>TOTAL CERTIFICATED STAFF</strong></td>
<td>69</td>
<td>107</td>
<td>116</td>
</tr>
</tbody>
</table>
California’s teacher salaries were 85.5% of wages for college graduates in other professions and about 92% of compensation if pensions and benefits are both taken into account.

### TABLE 1
The number of teachers depends on both salary levels and expenditures (2017-18)

<table>
<thead>
<tr>
<th>STATE</th>
<th>STUDENTS ENROLLED PER TEACHER (RANK)</th>
<th>AVERAGE TEACHER SALARY (RANK)</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>22.7 (49th)</td>
<td>$80,680 (2)</td>
</tr>
<tr>
<td>Florida</td>
<td>19.7 (46th)</td>
<td>$48,168 (46)</td>
</tr>
<tr>
<td>Illinois</td>
<td>15.7 (34th)</td>
<td>$65,721 (11)</td>
</tr>
<tr>
<td>New Jersey</td>
<td>11.8 (3rd)</td>
<td>$69,917 (6)*</td>
</tr>
<tr>
<td>New York</td>
<td>11.6 (1st)</td>
<td>$84,227 (1)</td>
</tr>
<tr>
<td>Texas</td>
<td>15 (23rd)</td>
<td>$53,334 (27)</td>
</tr>
<tr>
<td>United States</td>
<td>15.8</td>
<td>$60,477</td>
</tr>
</tbody>
</table>

Four states, Utah, Nevada, Arizona and California, stand out as serious outliers with pupil-teacher ratios over 22. Florida is the next highest.

Data: National Education Association, 2019 Rankings and Estimates. *NEA Estimate
Academic studies from 2007 showed that State needed to spend between $17 - $32 billion more for schools to reach the state’s academic goals.

From 2007-08 to 2011-12 (Great Recession), annual funding fell by $15.6 billion.

Investments since 2011-12 have been significant, but current spending is only slightly higher than it was in the early 2000’s when adjusted for inflation.

Student teach ratios in 2017-18 almost back to 2007-08 levels
California Education Spending Lags Most Other States

**TABLE 2**
California’s education spending lags most other large states (2015-16)

<table>
<thead>
<tr>
<th>STATE</th>
<th>PER-PUPIL EXPENDITURE ADJUSTED FOR REGIONAL COST DIFFERENCES (2016)</th>
<th>PERCENT OF TOTAL TAXABLE RESOURCES SPENT ON EDUCATION (2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>$10,281</td>
<td>3.2%</td>
</tr>
<tr>
<td>Florida</td>
<td>$9,764</td>
<td>2.8%</td>
</tr>
<tr>
<td>Illinois</td>
<td>$13,829</td>
<td>4.5%</td>
</tr>
<tr>
<td>New Jersey</td>
<td>$16,543</td>
<td>4.9%</td>
</tr>
<tr>
<td>New York</td>
<td>$19,697</td>
<td>5.0%</td>
</tr>
<tr>
<td>Texas</td>
<td>$8,619</td>
<td>3.8%</td>
</tr>
<tr>
<td>United States</td>
<td>$12,756</td>
<td>3.7%</td>
</tr>
</tbody>
</table>

Adjusting for regional costs differences, Education Week ranks California 39th in per-pupil expenditures and 40th (with several other states) for the portion of resources it devotes to education.

Data: Education Week, Quality Counts, June 5, 2019; National Center for Education Statistics and the U.S. Bureau of Economic Analysis.
<table>
<thead>
<tr>
<th>Investment Effort</th>
<th>Additional Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>NATIONAL AVERAGE</td>
<td>$11 Billion</td>
</tr>
<tr>
<td>ILLINOIS</td>
<td>$26.7 Billion</td>
</tr>
<tr>
<td>NEW JERSEY</td>
<td>$37 Billion</td>
</tr>
</tbody>
</table>
For more information, visit
www.childrennow.org

To join The Children’s Movement, visit
www.childrennow.org/thechildrensmovement/

Follow us on Social Media
Securing Education Resources to Finance California's Future: 
*Insights from Forthcoming Research*

PACE Annual Conference  
February 7, 2020  
Sacramento, California
Current sources of education funding

**California**
- State funds: 59%
- Local property taxes: 21%
- Federal funds: 8%
- Other local sources: 12%

**U.S.**
- State funds: 47%
- Local property taxes: 36%
- Federal funds: 8%
- Other local sources: 9%
The State General Fund is more dependent on personal income taxes than ever before.
Education funding has been shaped by a complicated web of court decisions, policies, and voter initiatives.
Where Could Additional Funding for Education Come From?

- New taxes
- Other tax reforms
- Reprioritization
New tax considerations

Experts, advocates, and policymakers we spoke with said:

• State and local revenue sources will need to be identified
  • BUT, principles of equity and local control will need to be balanced

• A balanced mix of tax options must be employed to:
  ✓ Maximize revenues
  ✓ Spread the tax burden
  ✓ Minimize volatility
  ✓ Mitigate against negative economic consequences
## Potential tax options

Most often identified by experts, advocates and policymakers we spoke with:

<table>
<thead>
<tr>
<th>Category</th>
<th>Suggestion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services Tax</td>
<td>Expand sales tax to services, potentially in combination with reductions/changes to retail sales taxes</td>
</tr>
<tr>
<td>Split Roll</td>
<td>Split the property tax roll in order to allow corporate property values to grow at market rate</td>
</tr>
<tr>
<td>Other Local Taxes</td>
<td>While some suggested lowering the parcel tax vote threshold, most focused on ways to expand local tax authority to include other taxes <em>besides</em> the parcel tax</td>
</tr>
<tr>
<td>Taxes on Corporations</td>
<td>Increase corporate income tax, particularly on highest-earning corporations</td>
</tr>
<tr>
<td>Taxes on High-Income Earners</td>
<td>Further increase the personal income tax on the highest-income earners</td>
</tr>
<tr>
<td>Reduce Tax Expenditures</td>
<td>Including credits, deductions, incentives, and other tax breaks</td>
</tr>
</tbody>
</table>

---

**PACE**

Policy Analysis for California Education
New revenues are important but insufficient

Experts, advocates, and policymakers we spoke with said California must also:

1. Reexamine its priorities
2. Improve practice, outcomes, and accountability
3. Improve collaboration between elected officials, state education leaders, and advocates
4. Strengthen public and political will to fully fund education
5. Break down silos between early education, K-12 education, higher education, and other children’s services segments
What can state leaders do?

1. Take an active role in coordinating and leading a conversation about increasing education funding
2. With education stakeholders, develop a master plan for education funding that covers more than just K-12 education, particularly early education
3. Strengthen fiscal transparency and analysis so that stakeholders understand how money is being used and see the results of that spending
4. Work with researchers and policy analysts to examine how to modernize California’s school funding infrastructure
Panelist Q&A

Samantha Tran, Senior Managing Director, Education Policy, Children Now

Carrie Hahnel, Independent Consultant

Fred Silva, Director of Public Policy, California Forward

Sawait Seyoum, Sacramento City parent advocate & Senior Legislative Advocate, Disability Rights California
Table conversation

• Introductions
  • Your name & role

• Discussion questions
  • What do you see as the most viable policy options for raising more revenues for education?
  • How should state leaders think about balancing local control - including local taxation - with issues of equity?
  • How can stakeholder groups work together to ensure that an ambitious and high-impact solution is brought to fruition?
Group Shareout
Next up...!

- Go downstairs, get your lunch, and bring it back into the Magnolia Ballroom by 12:15
- 12:15 – 1:00 – Lunchtime presentation of the 2020 PACE/USC Rossier Annual Poll in the Magnolia Ballroom