San Diego Unified School District

Taking Successful Strategies to Scale and Closing the Opportunity Gap with Robust Public Education Funding Town Hall Meeting

Patti Herrera, Director, Legislative Services

and

John Gray, President
California School Finance Timeline

- 1971: Serrano Priest
- 1972: Senate Bill 90
- 1974: K-14 Collective Bargaining
- 1975: Prop 13
- 1978: Gann Limit
- 1983: Senate Bill 813
- 1984: State Lottery
- 1988: Prop 98
- 1991: AB 1200
- 1992: Economic Recession
- 1994: Adoption of K-3 CSR
- 1996: School Reforms
- 1998: Williams Settlement; Prop 98 Suspended
- 2000: Prop 39; Restored Deficit Funding
- 2001: AB 2756; AB 825 Categorical Reform
- 2003: Economic Recession
- 2004: Prop 98 Suspended; Categorical Flexibility & Sweeps; No COLA
- 2007: Economic Recession Begins
- 2009: Deficit Factor; Increased Ongoing Flexibility Through 2012-13
- 2010: More Cuts to Education; Passage of Prop 30
- 2011: Prop 98 Suspended; no additional cuts
- 2012: Local Control Funding Formula
- 2013: Williams Settlement; Prop 98 Suspended
- 2015: Deficit Factor; Increased Ongoing Flexibility Through 2012-13
California’s Education Spending Continues to Lag

California’s K-12 Spending Per Student Lags Behind That of the Rest of the U.S. More Than at Any Time in 40 Years

* 2010-11 data estimated

Note: Rest of U.S. excludes the District of Columbia
Source: National Education Association

*-$2,856 (est.) per student loss in 2010-11
California’s Spending Lags the Nation

<table>
<thead>
<tr>
<th>California’s Schools Lag Behind Other States on a Number of Measures</th>
<th>California Rank</th>
<th>California</th>
<th>Rest of U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>K-12 Spending Per Student (2009-10)*</td>
<td>44</td>
<td>$8,826</td>
<td>$11,372</td>
</tr>
<tr>
<td>K-12 Spending as a Percentage of Personal Income (2008-09)*</td>
<td>46</td>
<td>3.28%</td>
<td>4.25%</td>
</tr>
<tr>
<td>Number of K-12 Students Per Teacher (2009-10)*</td>
<td>50</td>
<td>21.3</td>
<td>13.8</td>
</tr>
<tr>
<td>Number of K-12 Students Per Administrator (2007-08)</td>
<td>46</td>
<td>358</td>
<td>216</td>
</tr>
<tr>
<td>Number of K-12 Students Per Guidance Counselor (2007-08)</td>
<td>49</td>
<td>809</td>
<td>440</td>
</tr>
<tr>
<td>Number of K-12 Students Per Librarian (2007-08)</td>
<td>50</td>
<td>5,038</td>
<td>809</td>
</tr>
</tbody>
</table>

*2008-09 and 2009-10 data are estimated.

Note: “California Rank” and “Rest of U.S.” exclude the District of Columbia. Spending per student and number of students per teacher are based on average daily attendance (ADA). Number of students per administrator, guidance counselor, and librarian are based on statewide enrollment.

Source: National Education Association, National Center for Education Statistics, and U.S. Bureau of Economic Analysis
Money Matters in Student Performance

Test Scores vs. Dollars Per Student

Highest Performing States
- Maine
- New Jersey
- Rhode Island
- Vermont
- Wyoming

$23,000
$22,000
$16,000

Lowest Performing States
- California
- Arizona
- Nevada
- Idaho
- Mississippi

$8,700
$6,700
$0
Average Earnings of Full-Time, Year-Round Workers as a Proportion of the Average Earnings of High School Graduates by Educational Attainment: 1975 - 2013

## The Cost of Education

<table>
<thead>
<tr>
<th>Ranking</th>
<th>State</th>
<th>Current Expense Per Student (Adjusted for Regional Cost Differences)</th>
<th>Percentage of National Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Vermont</td>
<td>$18,882</td>
<td>161%</td>
</tr>
<tr>
<td>2</td>
<td>Alaska</td>
<td>$18,113</td>
<td>154%</td>
</tr>
<tr>
<td>3</td>
<td>Wyoming</td>
<td>$17,758</td>
<td>151%</td>
</tr>
<tr>
<td>4</td>
<td>New York</td>
<td>$17,326</td>
<td>148%</td>
</tr>
<tr>
<td>5</td>
<td>New Jersey</td>
<td>$15,421</td>
<td>131%</td>
</tr>
<tr>
<td>6</td>
<td>Connecticut</td>
<td>$15,172</td>
<td>129%</td>
</tr>
<tr>
<td>7</td>
<td>Maine</td>
<td>$14,613</td>
<td>125%</td>
</tr>
<tr>
<td>8</td>
<td>New Hampshire</td>
<td>$14,561</td>
<td>124%</td>
</tr>
<tr>
<td>9</td>
<td>District of Columbia</td>
<td>$13,917</td>
<td>119%</td>
</tr>
<tr>
<td>10</td>
<td>Delaware</td>
<td>$13,902</td>
<td>118%</td>
</tr>
<tr>
<td></td>
<td>US Average</td>
<td>$11,735</td>
<td>100%</td>
</tr>
<tr>
<td>46</td>
<td>California</td>
<td>$8,308</td>
<td>71%</td>
</tr>
</tbody>
</table>

Source: Education Week Quality Counts 2015 – January 8, 2015
Per-ADA Funding Volatility

Per-Average Daily Attendance Revenue Change
Historic IDEA* Funding

The San Diego Unified School District’s Unrestricted General Fund in 2013-14 contributed approximately $1,583 per all District students to Special Education.

Source: Digest of Education Statistics 2010, National Center for Education Statistics

*Individuals with Disabilities Education Act
Proposition 30 – The Schools and Local Public Safety Protection Act of 2012

- Proposition 30 continues to generate approximately $7 billion for education annually
  - Sales tax increase of 0.25% will expire in 2016
  - Personal income tax increase will expire in 2018

- Two initiatives have already been filed with the Attorney General’s Office (15-0065 and 15-0070)

Go to www.sscal.com/myssc.cfm for Initiative 15-0065 “The School Funding and Budget Stability Act of 2016” and Initiative 15-0070 “Investment in California’s Children Act”
Proposition 30 Revenue Gain and Loss

Sales Tax and Income Tax (In billions)

2013-14: $7.1
2014-15: $7.4
2015-16: $7.9
2016-17: $7.4
2017-18: $7.0
2018-19: $3.7
2019-20: $0.0

Districts Face Increasing Cost Pressures

Normal increases to salaries and benefits

Normal increases to operating costs (utilities, supplies, services, etc.)

Other extraordinary costs (post-retirement benefits)
## Employer Pension Increased Costs

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>CalSTRS* Employer Rate</th>
<th>CalPERS** Employer Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>8.25%</td>
<td>11.44%</td>
</tr>
<tr>
<td>2014-15</td>
<td>8.88%</td>
<td>11.77%</td>
</tr>
<tr>
<td>2015-16</td>
<td>10.73%</td>
<td>11.85%</td>
</tr>
<tr>
<td>2016-17</td>
<td>12.58%</td>
<td>13.05%</td>
</tr>
<tr>
<td>2017-18</td>
<td>14.43%</td>
<td>16.60%</td>
</tr>
<tr>
<td>2018-19</td>
<td>16.28%</td>
<td>18.20%</td>
</tr>
<tr>
<td>2019-20</td>
<td>18.13%</td>
<td>19.90%</td>
</tr>
<tr>
<td>2020-21</td>
<td>19.10%</td>
<td>20.40%</td>
</tr>
</tbody>
</table>

*California State Teachers’ Retirement System (CalSTRS)

**California Public Employees’ Retirement System (CalPERS)
Will the State Meet Its Goal?

Closing the Local Control Funding Formula (LCFF) Gap

In Billions

Year


Target
Funded
Proj. Target
Proj. Funded
THANK YOU