

# LOCAL SCHOOL PARCEL TAX MEASURE THRESHOLD REDUCTION

Adopted by Convention Delegates May 2008

- WHEREAS, A public education system is the cornerstone of democracy; and
- WHEREAS, School funding continues to be critically low from the State of California, and while PTAs continue to advocate for increased state-wide funding, additional generation and control of local funding is recognized as providing an important revenue source to support children's educational needs; and
- WHEREAS, Delegates to the annual California State PTA convention in 1999 adopted a resolution calling for lowering of the 2/3 vote requirement for school and library bond measures, and in 2000 Proposition 39 was passed by voters to lower the threshold for local school facilities bond measures to 55%; and
- WHEREAS, The lowering of the threshold to 55% for local school facilities bond measures since Proposition 39 took effect has allowed a significant increase in the passage of such bonds by local communities; and
- WHEREAS, By law, local school districts are allowed to raise funds for school programs only through parcel taxes; and
- WHEREAS, Local parcel tax campaigns are difficult to pass because of the two-thirds threshold, thus many school districts do not attempt a campaign or are forced to conduct multiple campaigns; now therefore be it resolved
- RESOLVED,** That the California State PTA actively support and/or partner with coalitions to promote legislation and ballot measures to lower the requirement of a 2/3 threshold presently required to pass local school parcel tax measures to a 55% supermajority; and be it further
- RESOLVED,** That district, council and unit PTAs support legislation and ballot measures to lower the requirement of a 2/3 threshold presently required to pass local school parcel tax measures to a 55% supermajority.

## BACKGROUND SUMMARY

Numerous analyses of California's education finance system conclude that schools are severely under-funded by any measure. Examples of studies and reports include the 23 *Getting Down to Facts* Studies, 2007; *How Does California Compare? – Funding for Public Schools*, California Budget Project, 2007; and various EdSource reports including *Trends and Comparisons in California School Finance*, 2007; and *The Basics of California's School Finance System*, 2006. The history of school finance in California is important for understanding why.

## **Local School Parcel Tax Measure Threshold Reduction - *continued***

In 1972, California took away the ability of local school boards to levy local property taxes, and established state “revenue limits”. In 1978, voters passed Proposition 13, which severely limited increases in property taxes and constrained funds available for education. As part of Proposition 13, however, school districts were allowed to raise local funds through school facilities bonds (for school facilities only) and school parcel taxes, but both needed a 2/3 threshold to pass. This threshold made it very difficult to pass either type of local funding. Parcel taxes are levied with a flat fee per parcel, independent of the assessed value of the property. Funds from a local school parcel tax give a school district not only additional funding for needed programs that would otherwise not be provided, but also give districts the authority to decide how those funds are used.

In 2000, Proposition 39 was passed, a constitutional amendment changing the threshold for local school facilities bonds to a 55% supermajority. Since that time, school districts have found it easier to pass local school facilities bonds, and this has given access to the matching funds provided by the state school facilities bonds. As a result, school facilities have improved dramatically throughout the State.

Local parcel taxes, on the other hand, have remained difficult to pass. According to a California School Finance Report, “From 1983 through November 2006, voters approved 211 parcel taxes in 414 elections; 166 received a majority vote but not the necessary two-thirds approval.” Many districts do not attempt a parcel tax measure because of the difficulty of passage and the expense involved.

While PTA advocates for systemic education funding reform, California continues to rank very low in per-pupil spending compared to that of other states, as well as to funding levels deemed necessary by the adequacy studies. Allowing passage of local school parcel taxes by 55% would enhance local control of school programs similar to the improvements made to local school facilities through Proposition 39 and complement education reform. A multi-pronged approach of advocating for systemic reform while simultaneously working toward more feasible near-term solutions is consistent with PTA’s policies and positions.

Legislators have attempted to pass a bill to reduce the threshold for local school parcel tax measures to 55% several times over the years, only to be stymied by the two-thirds vote required in the legislature to pass a finance bill. Only a simple majority vote is required to pass a statewide initiative for a constitutional amendment to reduce the local parcel tax measure threshold to 55%, however, and it may be more practical for PTA to work with a coalition to introduce and pass such an initiative.

California is one of very few states in the nation to require a 2/3 vote to pass local school taxes. With the continuing documented inability of the legislature to raise revenues needed for schools and the limits on funding from Proposition 13, facilitating passage of local school parcel tax measures through a lowered threshold is critical for our schools to meet the requirements of a 21<sup>st</sup> Century education and produce graduates who can compete in the global marketplace.