Chapter 1: The Problem

Introduction

Public K-12 education in California has struggled in recent decades and continues to lag behind much of the rest of the country in terms of academic achievement. According to the most recent data (National Assessment of Educational Progress, n.d.), California is below the national average in mathematics (2009 data), reading (2007 data), science (2005 data), and writing (2002 data) at both the fourth and eighth grade levels. The fact is that the performance of California’s students lags not only among ethnic minority subgroups but among non-Hispanic White students as well (Loeb et al., 2008).

Studies of high school graduation rates signal that California is also struggling in this regard. A recent study by the Educational Testing Service estimates that the high school completion rate in California in 2000 was 68.8%. Estimates of the national completion rate range from 66% to 71% (Barton, 2005). While California’s overall level of performance by this measure is close to the national level, a system that fails to graduate a third of its students is clearly not achieving an acceptable level of performance. Moreover, in many of California’s urban school
districts with high proportions of minority students, the high school graduation rates are far below the state-wide average (Civil Rights Project, Harvard University, 2005).

California also lags behind most of the United States in K-12 per student funding. According to the National Center for Education Statistics (n.d.), data for the 2006-2007 year indicate that average school spending per student in California was 3.2% below the national average of $11,406. While spending per student is below the national average, labor costs in California are generally higher than the national average. It is not surprising then that California has fewer teachers and administrators per student than the national average (Loeb et al., 2008).

Despite large recent expenditures to reduce class size in grades K-3 and in 9th grade English, California lags in this area as well. According to data from the National Center for Education Statistics (n.d.) for the 2007-2008 year, California has a pupil/teacher ratio of 20.8 compared to the national average of 15.5. In other words, average class size in California was one-third larger than the national average. And the situation has deteriorated since that time because of substantial budget cuts in the 2008-2009 and 2009-2010 years.
California’s level of funding for school construction and modernization has also lagged substantially behind the national average for two decades (E. J. Brunner & Rueben, 2001). While it is not clear that there is a direct link between school facilities spending and student academic achievement (Picus et al., 2005), this element of California school spending is consistent with the overall picture of a state that spends less on K-12 education than the rest of the country.

Although California is below the national average in per student funding, it is substantially above the national average in the proportion of students with special needs. More California students live in poverty and more are classified as English language learners (ELL) or as having limited English proficiency (LEP). For instance, in 2007-2008, 48.9% of California students qualified for reduced-price or free lunches compared to the national average of 40.4%; and in 2005-2006, 24.4% of California students had limited English skills compared to the national average of 8.6% (National Center for Education Statistics, n.d.).

In addition, California’s students are a more racially and ethnically diverse population than that of most states. For instance, African American and Hispanic students
together are a majority of the total student population.

Table 1 shows the ethnic breakdown of the school-age population in California and how this compares to the rest of the United States.

<table>
<thead>
<tr>
<th>Racial/Ethnic Category</th>
<th>Number of Students, California</th>
<th>Percent of the Total, California</th>
<th>Number of Students, U.S. (Average across States)</th>
<th>Percent of the Total, U.S. (Average across States)</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Indian/Alaskan</td>
<td>50,758</td>
<td>0.8</td>
<td>11,660</td>
<td>1.2</td>
</tr>
<tr>
<td>Asian/Pacific Islander</td>
<td>723,097</td>
<td>11.2</td>
<td>43,957</td>
<td>4.6</td>
</tr>
<tr>
<td>African American, non-Hispanic</td>
<td>494,957</td>
<td>7.7</td>
<td>164,252</td>
<td>17.1</td>
</tr>
<tr>
<td>Hispanic</td>
<td>3,003,521</td>
<td>46.7</td>
<td>189,047</td>
<td>19.6</td>
</tr>
<tr>
<td>White, non-Hispanic</td>
<td>1,915,449</td>
<td>29.8</td>
<td>544,233</td>
<td>56.5</td>
</tr>
<tr>
<td>Other</td>
<td>249,420</td>
<td>3.9</td>
<td>9,860</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,437,202</strong></td>
<td><strong>100.0</strong></td>
<td><strong>963,009</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: National Center for Education Statistics (n.d.)

This section has established that California’s K-12 school system performs below the national average in educational outcomes. It has also shown that California spends less than the rest of the country even though needs and costs are higher. While it is not clear that there is a
simple, direct relationship between school revenues and student achievement (Hanushek, 1997), it does appear that the extent to which local school officials’ hands are tied financially has an effect on the ability of the state’s accountability system to function as intended. This is the subject of the following section.

California School Finance: Structure and Accountability

The complex school finance system in California establishes not only how much money goes to each district but how these funds are to be used. Moreover, public finance, including school finance, in the State of California is complicated by large, chronic cyclical fluctuations in revenue (Loeb et al., 2008). These features of the school finance system in California constitute three important structural elements that are important for understanding the spending and outcome patterns described above. The features are that:

- Local authorities have limited flexibility in raising revenue.
- Local authorities have limited flexibility in allocating resources.
- There is considerable uncertainty concerning the level of funding from year to year.
These elements of the finance system inhibit the effectiveness of the state’s accountability system—the system by which districts and schools are held accountable for educational outcomes.

That local school officials have limited flexibility in raising revenue is due primarily to restrictions imposed by Proposition 13 passed by California voters in 1978 and to the way state policymakers have chosen to respond to those restrictions since that time. Described in more detail later in this chapter, Proposition 13 set a statewide property tax rate of one percent of assessed value and severely limited the growth of assessed value so that in many cases assessed value is less than market value.

Flexibility in the allocation of revenues by local officials is limited to the extent that a substantial amount of school district revenue is dedicated to categorical programs that provide funds for particular purposes for districts that meet the criteria. Picus (2001) has indicated that at least 130 state or federal categorical programs exist, and Timar (2006) has estimated that 40% of school district revenue received from the state is restricted to use for categorical programs. The K-3
Class Size Reduction initiative that began in 1996 is an example of such a categorical program (Rose et al., 2003). A result of these categorical programs is that substantial differences in spending levels across the system exist, but these differences are not systematically related to differences in needs or costs (Loeb et al., 2008). For example, Sonstelie, Brunner, and Ardon (2000) have concluded that the state has not in recent decades used categorical programs to direct substantially greater resources to districts with disproportionately large concentrations of disadvantaged students.

Finally, state and local revenues, including school funding, are unstable from year to year in California partly because sales tax revenues rise and fall with the condition of the economy, but mainly because of the way that the state income tax is structured to be progressive and to include capital gains and dividend income in addition to wages and salaries. Setting aside the substantial merits of such an income tax, a consequence is that there is a disproportionate reliance on the incomes of very wealthy people who are more likely to derive a large portion of their incomes from sources that are subject to the volatility of the capital markets. Capital gains and
dividend income are subject to much larger swings with the business cycle than are wages and salaries in the aggregate. In fact, the instability of state and local revenues has been highlighted by the financial crisis that emerged at the end of 2008. Revenue shortfalls have driven cuts to many school district budgets in the 2008-2009 and 2009-2010 years and shortfalls are expected to continue for at least the next couple of years.

Intuitively, it would seem that these structural elements of the California school finance system inhibit the performance of California schools. In fact, there is research that finds a relationship between local control of resource generation and resource allocation on the one hand and student achievement on the other. For instance Figlio (1997) found in a study using data from 49 states that schools in states with property tax limits had higher student-teacher ratios and lower teacher salaries and that students in these states performed more poorly than those in states without property tax limits across the range of tested subject areas. Loeb and Strunk (2007) also find that the share of funding from categorical sources, a measure of inflexibility in the allocation of resources, and the presence of restrictions on local revenue generating
capacity are negatively related to school performance in mathematics. Finally, Lianides (2006) has found a positive relationship between student achievement and unrestricted funds per student, especially when focusing on the amount of unrestricted funding allocated to classroom instruction.

While academic achievement has been lackluster and school funding has been inadequate, inflexible, and unstable, California has become a leader in the current standards-based reform movement. Part of a national recognition of the importance of education and the inadequacies of a public education system full of inequalities, the State of California has since 1997 imposed high instructional content standards in a number of core subject areas. Schools are held accountable for the performance of their students and sanctioned if they do not make adequate progress toward reaching the established goals. The theory that underlies accountability systems is that the threat of negative consequences (or the promise of rewards) serves as motivation for local authorities to make adjustments in their programs to achieve higher levels of student achievement.

So, on one side is a low level of per student funding coupled with limited local flexibility in raising and
allocating resources and uncertainty in the projection of future revenues. On the other side is a high level of academic standards and negative consequences for schools that do not make sufficient progress towards meeting the standards. Between these two sides yawns an obvious gap. This gap reveals a fundamental flaw in California’s public K-12 education accountability system. For an accountability system to work, the accountable individuals need not only a performance-based reward or punishment, but a mechanism for affecting performance. The limited abilities to allocate resources, to raise new revenues, and to project future revenues mean that the accountability mechanism in California for affecting school performance is weak because local officials do not have adequate tools to make substantial changes that might improve outcomes (Loeb et al., 2008).

Evolution of the California School Finance System

This section provides some historical background on the evolution of the public education finance system in California. To understand why California provides a relatively low level of per student funding and why local authorities have so little flexibility in raising revenue and allocating expenditures, it is important to be familiar
with some of the key legal and legislative events that have shaped the current state of the educational finance system in California. More complete accounts of these events have been published elsewhere (Picus, 1991, 1997).

Three and a half decades of court rulings, legislation, voter initiatives, and referenda going back to the landmark California Supreme Court case *Serrano v. Priest* have left California with a complicated school finance system that concentrates power at the state level and restricts the options that policymakers at both the state and local levels have in funding public K-12 education.

In August 1971, the California Supreme Court ruled in *Serrano v. Priest* that the existing system of financing schools through a combination of local property taxes and state funding was unconstitutional if disparities in locally taxable property led to disparities in spending per pupil. In the wake of this decision, the California legislature revised its aid formulas and distributed increased support to property-poor districts, but this was not enough to forestall the December 1976 California Supreme Court decision referred to as *Serrano II* which required that no district spend more than $100 per pupil
per year more than any other district unless it could be shown that the additional spending was unrelated to the property tax base. Variation in per pupil spending from categorical grants not related to the property tax base was allowed.

Prior to Proposition 13, local property tax revenues provided the majority of school funding (about 60%) while state funding amounted to about a third of school district budgets. By contrast, in 2004-2005, local sources provided only 22% of revenue whereas 67% of the budget came from the state. Also worth noting, prior to Proposition 13, almost 90% of school district revenue was unrestricted. In contrast, in 2004-2005 about 40% of the revenue received from the state was restricted by the state to use on specified programs (Timar, 2006). Passed by California voters by nearly a 2-1 margin on June 6, 1978, Proposition 13 has had the effect of limiting the extent to which authorities can rely on property taxes—the traditional base of school finance—to fund public education. Proposition 13 set a statewide property tax rate of one percent of assessed value and limited growth in assessed value to two percent per year unless a property is sold. Since its passage, the Legislature has determined how property tax
revenue should be allocated to local governments. Additional increases in *ad valorem* property taxes as well as transaction taxes and sales taxes on the sale of real property were prohibited. The effect was that property tax revenues were reduced by over 50%.

**The School District Parcel Tax**

The California school district parcel tax emerged following the passage of Proposition 13. Section 4 of Proposition 13 stated that cities, counties, and special districts may impose special taxes but only by a two-thirds majority vote in favor. What exactly constituted a special tax was not initially clear. In 1979, the Legislature granted local governments the authority to levy parcel taxes for police and fire protection with a two-thirds majority under the theory that parcel taxes are special taxes if they are dedicated to a particular purpose. In 1982, the California Supreme Court confirmed the Legislature’s theory, and the first school district parcel tax measures appeared on the November 1983 ballot.

A parcel tax is a fixed amount per parcel without regard to the value of the parcel of land. The amount may be different for residential and commercial property. Parcel taxes in California can be and have been levied by
square footage, but this is not the most common type. Parcel taxes are authorized only for a fixed period of time, typically five years or less. Often parcel tax measures will specify an exemption for homeowners who are 65 years of age or older. Cost of living adjustments are also commonly written into parcel tax referenda so that the amount of the tax increases from year to year.

The mechanism of the parcel tax as a source of revenue is especially important for school districts because it is directly responsive to the three structural features of the California school finance system identified earlier in this chapter. First, the parcel tax gets around the prohibition on increases in *ad valorem* property taxes and provides school districts with a way of generating additional local revenue. Second, parcel tax revenue is especially valuable to district officials because these funds are potentially unrestricted and can be used for current operations. In this respect, parcel tax revenue differs from funds raised through local bond issues. Article 13A of the California Constitution explicitly limits the use of funds raised from the sale of bonds to capital expenditures and prohibits the use of these funds for salaries or other current operating expenses. How parcel tax funds are to be used is specified
by the school district board in the ballot measure proposal. In fact, however, parcel tax ballot measures are usually written to direct the funds to programming rather than construction. Third, parcel tax revenue is less subject to the large year-to-year fluctuations that characterize many other sources of state and local government revenue. Despite the attractiveness of parcel tax revenue, only a small fraction of school districts receive revenue from this potential source.

For school districts, the ability to raise funds through the referendum process is limited by the requirement for a supermajority to pass bond measures and parcel taxes. From 1986 to 2001, school districts were required to obtain a two-thirds majority vote to pass general obligation bonds for school construction or renovation. Following the passage of Proposition 39 in November 2000, school boards have the authority to propose general obligation bonds with a 55% threshold if the district agrees to several administrative requirements. But local non ad valorem special taxes such as the parcel tax have been and continue to be subject to the requirement of a two-thirds favorable vote for passage. The two-thirds standard, which requires at least a 2-1 margin in favor, is
a high bar to clear; this is more obvious when one realizes that Proposition 13 itself only passed with a favorable vote of 64.8%. So far, various attempts to lower the required vote on special taxes to 55% or a simple majority have failed. Taking any measure to the electorate for a two-thirds majority vote is challenging for local authorities, but there may be situations in which combinations of factors make a two-thirds vote in favor more likely to be achieved.

As shown in Table 2, from November 1983 through June 2008, 225 school district parcel taxes have been approved by voters in 436 elections. Another 178 received a majority but not the required two-thirds majority. Only 33 of the elections failed with no majority. Despite the fact that 92% of parcel tax measures have had majority support and that 52% of parcel taxes have passed, most school districts have never attempted to pass a parcel tax. In 2004-2005, only 66 out of almost 1000 districts in California received parcel tax revenue. These ranged from $56 to $3,239 per ADA with an average of $717 and a median of $484 per ADA (Timar, 2006). So, for most districts, parcel tax revenue is not a large part of their total budgets; the
significance is, however, magnified by the fact that these are discretionary funds.

<table>
<thead>
<tr>
<th>Election Outcome</th>
<th>Number</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passed (Two-Thirds)</td>
<td>225</td>
<td>52</td>
</tr>
<tr>
<td>Failed with a Majority</td>
<td>178</td>
<td>41</td>
</tr>
<tr>
<td>Failed with no Majority</td>
<td>33</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>436</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Note: This data does not include the results of an election jointly conducted by nine elementary school districts in Sonoma County in June 1993 because data on the percentage of votes in favor for the individual districts is not available.

Source: EdSource

It is important to note that the school districts that have put parcel tax measures onto the ballot are not a random or representative sample of California school districts. Jones (1996) found that districts that had attempted to pass parcel taxes typically had higher levels of parent and voter education, higher income, higher property values, higher proportions of registered voters, and higher private school attendance. Also, they tended to have less of a mismatch in race and ethnicity between the population of students and the population of voters. And, they were likely to be more White and Asian and less Hispanic. Districts that had conducted parcel tax elections
also tended to be in or near large urban areas rather than in small towns or rural areas. Districts in the San Francisco Bay Area have in particular been more likely to submit parcel tax measures to the voters.

Statement of the Problem

There have been a number of studies that attempt to understand the determinants of the outcomes of school finance elections in the United States. Most of the studies focus on school bond or school budget referenda rather than on tax measures. Some of these studies have focused particularly on elections within the unique school finance system of California. But again, most of these studies have focused on bond measures rather than tax measures. Among the California studies, few have focused particularly on the parcel tax (E. J. Brunner, 2001; Ellsworth, 2007; Jones, 1996; True, 1996), and no study of the California school district parcel tax produced in the last ten years has been primarily focused on understanding the characteristics of districts that pursue parcel taxes or what characteristics are associated with electoral support for the measures. Brunner’s study provides some insight into these issues, but his primary focus is on the policy question of how to transform the existing parcel tax into a
more effective general school funding mechanism.

Ellsworth’s study is instead concerned with the inequities in per-student revenue that arise from the parcel tax and the consequences of this inequity. The studies by Jones and True are more directly related to the questions addressed here, but because of the passage of more than a decade, there is a substantial amount of new data available to analyze.

The last decade has also been a period of major changes for the state in terms of demographics, economics, and K-12 education policy outside of the school finance area. One very significant change in the last decade is the introduction of a standards-based assessment regime including the introduction in 1999 of the Academic Performance Index (API) as a quantitative measure of school performance. Since API scores have a high level of public visibility, it is reasonable to ask whether these scores have an influence on voter behavior on parcel tax measures. And so, because of these significant changes since the completion of the studies of the parcel tax by Jones (1996) and True (1996), our knowledge of the determinants of the initiation and outcome of parcel tax elections in California is incomplete at best.
In addition to these limitations on our understanding of the parcel tax in particular, our knowledge about school finance elections more generally suffers from another limitation. Much of the United States and California literature has examined the subject of school finance elections from the viewpoint of administrators who need to run an effective campaign rather from the viewpoints of scholars trying to understand the origins and determinants of elections or of district officials attempting to make decisions on whether to pursue a school finance referendum and what type to pursue. Far fewer studies have examined the demographic and structural conditions within school districts that are associated with successful and unsuccessful measures as opposed to the specific circumstances and tactics of the election campaigns.

Purpose of the Study

This study focuses on the parcel tax as a school funding mechanism in California. Specifically, it explores the characteristics of districts that propose parcel taxes and the conditions associated with the outcomes of these referenda. Also, it investigates the question of whether there is untapped potential for the parcel tax both at the existing two-thirds approval level and at a hypothetical
lower approval level of 55%. This study of the parcel tax as a school funding mechanism is the first comprehensive study of the subject in more than a decade. The review of the existing literature assesses the state of knowledge on the subject of school finance elections, including the gaps and inconsistencies that exist. The results of the analysis extend our knowledge of the subject and provide insights for school district officials considering a parcel tax measure and for policymakers reconsidering the two-thirds majority requirement for special taxes.

Research Questions

This study answers the following research questions:

1. What are the demographic and structural characteristics of California school districts that seek approval of parcel taxes and how do these characteristics differ from those of school districts that do not seek approval of parcel taxes?

2. What demographic and structural characteristics of California school districts help to explain the level of support that school district parcel tax referenda receive?

3. For those California school districts that have not pursued passage of a parcel tax during the period
under study, what is the likelihood that a parcel tax measure would pass?

4. What would be the likely effect on parcel tax passage rates of a reduction in the threshold from two-thirds to 55%?

The specific school district characteristics that are investigated in the literature review include:

• Parenthood and attendance in public vs. private schools
• Homeownership and property values
• Amount of the proposed parcel tax
• Economic conditions
• Demographic factors such as age, race, and ethnicity
• Political affiliation of voters or the local representatives
• Socioeconomic factors such as income, level of education, and class
• Confidence in public officials
• Size defined and measured in different ways: population of the district, number of enrolled students, and number of schools
• Population density of the district
• Degree of homogeneity of the community
• Outcome of prior school parcel tax measures

Many of these factors are studied in the empirical section of the dissertation.

Importance of the Study

In recent years there has been increasing pressure on school districts to produce substantial measurable increases in student academic achievement. At the same time most school districts have little flexibility in how they spend their funds. They also have a limited number of options for raising money that can be used at the discretion of school or district officials. Compounding these problems, state and local government budgets in California have since 2008 been under severe stress due to the national financial crisis and subsequent economic recession.

The parcel tax has since 1983 offered a potential source of substantial and stable discretionary funds. But, it is important for school district authorities to have a realistic understanding of their prospects for raising funds through the parcel tax referendum process before investing the time, effort, and money required to put a measure on the ballot and to get it passed. Because
existing studies of the parcel tax are limited in number and either out of date or insufficiently comprehensive, scholars of California school finance are not in a position to effectively advise school district officials on the prospects for passage of parcel tax measures in particular cases based on the characteristics of the school districts and their electorates.

The findings of this study are of interest to academics who study school finance as they will shed light on how multiple school district characteristics interact to affect local demand for school district funding and how recent demographic and policy changes in California have affected the climate for school spending in the state. The results not only inform scholars of California school finance but also provide guidance for school district officials who need to make school finance decisions. The answers to the research questions are valuable for local public officials who need to answer the question of whether they should pursue funding through a parcel tax referendum. If the situation appears unfavorable for passage, the district can make an informed decision to put the effort that would be involved in a parcel tax measure into the pursuit of other sources of funding such as grants from
private organizations or support from local educational foundations. Finally, the findings are of interest to policymakers and members of the public concerned with the implications of post-Proposition 13 public finance in general and of the two-thirds majority requirement for special tax measures in particular.

Limitations, Delimitations, and Assumptions

The study is based on the population of school districts that have conducted parcel tax elections and uncovers relationships between the characteristics of these districts and the outcomes of their parcel tax elections. Districts that have never conducted a parcel tax election are another population, and there are significant differences between these populations (E. J. Brunner, 2001; Jones, 1996). Nonetheless, this study assumes that any insights gained from studying the population of districts that have had parcel tax elections will apply to the population of districts that have not had parcel tax elections. Since these two groups are not random samples drawn from the population of all California school districts, the validity of this assumption is not certain. This is an unavoidable methodological limitation of the study. However, to control the significance of this
limitation, the study includes a comparative analysis of the characteristics of the group of districts that has had parcel tax elections with those of the group that has not. Ultimately, the question of whether the predictions concerning districts that could pass parcel tax measures are valid is an empirical matter and the potential subject of future research.

This study of school finance referenda in California is intentionally delimited in two significant ways to make it manageable. The subject is restricted to parcel tax measures at the school district level. It did not consider bond measures or Gann Limit elections. Also, this study focuses on school district characteristics and the characteristics of the population of the districts rather than on campaign strategies used by the school districts.

Definitions
Ad valorem property tax: A property tax that varies in proportion to the value of the property.
Adequate Yearly Progress (AYP): Measurement of yearly progress toward meeting the State’s minimum academic
standards as required by the Federal *No Child Left Behind* Act.

**Average Daily Attendance (ADA):** Most school funding distributed by the State of California is based on average daily attendance levels as measured by schools using standardized methods. ADA is computed by the total number of days of attendance for each student divided by the total number of days in the school year and aggregated for the whole student body. So, one student attending every day of the school year would contribute one ADA.

**Basic aid district:** A school district in California where local property tax revenue is sufficient to meet or exceed its revenue limit funding. Such districts are allowed to retain the excess revenue as unrestricted funding.

**Categorical funds:** Educational funds from the State or Federal government granted to qualifying schools or school districts to be used for specific programs or purposes.

**Elementary school district:** A school district that includes only primary school grades (K-8).

**High school district:** A school district that includes only secondary school grades (9-12).

**Joint school district:** A school district that serves parts of more than one county.
Natural logarithm: The natural logarithm is the logarithm to the base $e$, where $e$ is an irrational constant equal approximately to 2.718. The natural logarithm of a number is the power to which $e$ would have to be raised to equal the number. The notation $\ln(x)$ means the natural logarithm of $x$.

Parcel tax: A type of property tax used in California that requires a two-thirds majority of voter approval to pass. This tax is sometimes based on the size of the parcel, but never on the value of it. The revenue generated must be used for the particular purposes specified in the ballot measure.

Property tax: Government revenue collected from taxation of residential and commercial property.

Proposition 13: A voter initiative passed in June 1978 that amended the California Constitution, limited property taxes to one percent of assessed value, limited the growth of assessed values, and placed restrictions on future tax measures.

Proposition 88: A failed November 2006 California initiative constitutional amendment requiring simple majority approval that would have levied an annual $50 real
property tax on most parcels with the funds used for K-12 public education.

Referendum: A measure passed by a government entity that does not become effective until approved by a legally specified proportion of the electorate.

Revenue limits: The amount of per student unrestricted funding that a California school district receives is referred to as its revenue limit. Revenue limits are individualized and based on a complicated formula that includes the type and size of the district and historical spending levels. For most districts, the revenue limit funding level is achieved by a combination of local property tax revenue and State funding. See also “basic aid district” above.

School district: A geographically-based type of special purpose government entity that operates local public schools.

Specified owner occupied housing units: A term used by the Census Bureau to indicate the total number of owner occupied housing units described as either a one family home detached from any other house or a one family house attached to one or more houses on less than 10 acres with no business on the property.
Unified school district: A school district that includes both primary school grades (K-8) and secondary school grades (9-12).

Union school district: A school district formed by the consolidation of other smaller school districts.

Organization of the Study

Chapter 1 provided an introduction to the recent history and current state of public K-12 education in California through the lens of school finance mechanisms and focused particularly on the place of the parcel tax in this picture. It also laid out the problem to be studied and its importance. Chapter 2 reviews the literature related to school finance elections in California and elsewhere. Chapter 3 covers the methods used in the collection and analysis of the data, explains the challenge of using aggregate data to make inferences about individual voting behavior, and discusses the problem of making general inferences about likely community support for parcel tax measures from a non-random sample of districts—those that have held parcel tax referenda. Chapter 4 analyzes the data in relation to each of the research questions and presents the findings. Chapter 5 summarizes
the study and draws conclusions of value to district administrators, policymakers, and researchers.