



Week of March 12-16, 2012

## Sharing the Burden, Sharing the Benefits

By UCLA IDEA

This week in Sacramento, Gov. Brown helped broker a new coalition that includes the California Federation of Teachers (CFT) and other grassroots groups, but not a long-established coalition representing school administrators, teachers, other school workers, school board members and the PTA ("Education Coalition"). The three "parties"—CFT and grassroots allies, Education Coalition, and Brown—agree on the conditions that cry out for financial reform; however, they differ on how to distribute the benefits and burdens of public support for education.

One issue on the table was Brown's plan to consolidate categorical programs and redistribute these funds according to a weighted student formula that would direct more dollars to districts serving the most low-income students and English Learners. The Education Coalition argued that in times of extreme austerity for all of California's public schools, it makes little sense to try to distinguish among schools whose needs are more or less dire. "This is the worst possible time" for changing funding formulas since districts statewide are reeling from "\$20 billion in cuts that schools have endured" over the last four years. "Without additional revenues and a hold harmless provision, the consolidation proposal would result in some districts receiving additional funds at the expense of others, essentially 'robbing Peter to pay Paul.'"

The Education Coalition did not reject outright the principle that a fair funding system would direct more resources to students with the greatest needs, but they believe that addressing unfairness in this way must wait for new resources substantially greater than any current funding proposals.

Thus, on Wednesday, Brown and the CFT announced a compromise that at least will bring one less tax initiative to the November ballot. "This united effort makes victory more likely and will go a long way toward balancing our budget and protecting our schools, universities and public safety," Brown said.

Brown's *Schools & Local Public Safety Act* will keep its name but adopt some of the populist ideas behind the so-called "millionaire's tax" that had been advanced by the CFT and a broad array of progressive groups including the California Calls alliance and Courage Campaign. The initiative agreement lowers Brown's proposed sales tax increase from one-half percent to one-quarter percent; and takes a larger bite from wealthier Californians' income tax than Brown had proposed. For example, those earning \$600,000 would see a tax increase of 2 percent, instead of 1.5 percent; and 3-percent increases instead of 2 percent for millionaires.

The "reduced increase" of the sales tax softens the blow to lower-income Californians who are disproportionately affected by sales taxes on everyday commodities. The California Budget Project found that, measured as a share of family income, California's lowest-income families pay more state and local taxes than those with earnings in the top 1 percent—due to the large amount low-income

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earners pay in sales, excise and property taxes. Together, the new taxes would bring in \$7 billion to \$9 billion, \$2 billion more than Brown's original proposal.

The governor and his new allies face several challenges, not least of which is a hurried timeline. The Legislative Analyst must approve the new language before advocates can begin collecting the requisite signatures to make the November ballot. Even if this initiative qualifies, it might still face competition from the other remaining initiative, *Our Children, Our Future*, which would raise \$10 billion per year specifically for early childhood and k-12 education. Thursday, civil rights attorney Molly Munger pledged another \$1.5 million toward efforts to qualify the measure, which is backed by the California PTA.

At the heart of these competing initiatives and reforms lie unresolved questions about how to implement progressive taxation and how to correct unequal school opportunities for students. How should we distribute the burden of supporting public schools and universities? Do we want to support education as we have in the past? Are we willing to let public education decline because adequate support is, well, burdensome?

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