



Raising Revenues Locally Parcel Taxes in California School Districts 1983–2012

Overview

Parcel taxes are one of the few ways local school districts are able to raise taxes to supplement the revenues they receive from the state and other sources. However, most school districts in the state have not taken advantage of parcel taxes as a revenue-raising option.

Community college districts, which also can levy parcel taxes, are even less likely to rely on them. Currently, only three of California's 72 community college districts, representing 112 individual colleges, have parcel taxes in place.

One major reason few school or community college districts have even tried to pass a parcel tax is the requirement that two-thirds of voters approve it in a local election. Historically, attempts in the Legislature to lower this requirement to a 55% approval threshold have failed.

But with two-thirds Democratic control of the California Legislature, the prospect of lowering the voting threshold to 55% is now a real possibility. To do so, the Legislature would have to approve a constitutional amendment by a two-thirds vote in both houses, and then place it on a statewide election ballot, where California voters could approve the change with a simple majority vote.

Governor Jerry Brown's proposal for radically revising the current school finance system—including providing substantially more funding to districts with high percentages of English learners and low-income students—may also provide an incentive for school districts with fewer of those students to seek to pass parcel taxes.

To help inform the debate that renewed efforts to reduce the parcel tax voting threshold to 55% will inevitably provoke,¹ EdSource has analyzed parcel tax election data from 1983, when parcel taxes were first allowed, through the most recent local elections held on Nov. 6, 2012.

Despite sustained efforts to reduce unequal revenues among California school districts, inequities remain for a variety of reasons, including differences in revenues generated from federal programs and local fundraising efforts.² One pitfall of the potentially greater usage of the parcel tax is that it could exacerbate these inequities.

Identifying the most successful strategies used by districts that have passed parcel taxes, and providing technical assistance to those that have never sought one, could help ensure that districts serving students from all income backgrounds benefit from a lower threshold for passage.

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PRINCIPAL FINDINGS

- Only a small proportion—about one in four—of California school districts has attempted to get a parcel tax approved, and an even smaller proportion—about one in eight—has succeeded in doing so.
- Although the total number has increased steadily over the past decade, only about one in ten (108) California school districts in 16 out of 58 counties currently has a parcel tax in place.
- If a 55% voting threshold had been in place, a significantly larger number of parcel tax measures—192 out of the 271 measures that failed to get a two-thirds vote—would have been approved. Of all 608 parcel tax elections held in California since 1983, 87% would have been passed with the lower voting threshold, compared to the just over half approved by a vote of two-thirds or more.
- Parcel taxes have been approved in districts that tend to be smaller, more affluent, and with a higher percentage of white students and those of Asian descent.
- More than half of school districts that have approved a parcel tax are districts where less than a quarter of their students qualify for free and reduced-price meals.
- At the same time, parcel taxes have been of use to some school districts with substantial low-income student populations. Nearly one in five districts that have approved a parcel tax have student enrollments where more than half qualify for free or reduced-price meals.
- If the 55% threshold had been in place, school districts with more low-income students would have succeeded in getting a parcel tax approved.
- Districts that got at least 55% of the vote but failed to reach two-thirds in one or more parcel tax elections—and never succeeded in getting one approved—had a higher proportion of low-income, African American, and Latino students compared to districts that were successful in getting a parcel tax approved.
- Districts taking advantage of parcel taxes are overwhelmingly based in the San Francisco Bay Area. Nearly half of all districts with parcel taxes are in just three Bay Area counties (Santa Clara, San Mateo, and Marin).
- More than one-third of districts with parcel taxes are “basic aid” districts, which are among the wealthier school districts in the state.
- Parcel taxes typically generate a small percentage of total spending in school districts that have parcel taxes (an average of 6%).
- Six in ten school districts sought taxes of less than \$100 a parcel, but taxes higher than \$200 a parcel were most likely to be approved, as were parcel taxes of six to nine years in duration.
- In some districts, parcel taxes generate a significant proportion of their revenues. In districts like these, parcel taxes have been essential in keeping class sizes small, especially at the K-3 levels, and providing district-wide music and other programs that many districts have been forced to terminate during the recession.



BACKGROUND

California law severely limits local school districts' revenue-raising authority compared to most other states, which allow districts to raise local property taxes to support schools.³ School districts are primarily funded by revenues allocated by the state through complex formulas established decades ago.

In California, school districts have limited ways to raise additional funds—through parcel taxes, a seldom-used sales tax, and private donations typically generated by contributions to local education foundations or raised by parent organizations.

California is the only state that has parcel taxes

California is the only state that allows parcel taxes as a supplemental method of funding schools.⁴ The first parcel tax was assessed in 1983, and as school finance researcher Eric Brunner has noted, “has become the largest source of discretionary tax revenue available to school districts.”⁵

Community college districts can also levy parcel taxes. Currently, only three of California's 72 community college districts, representing 112 individual colleges, have parcel taxes in place, and they all are located in the San Francisco Bay Area: City College of San Francisco, the San Mateo County Community College District, and the Peralta Community College District in Alameda County.

Most parcel taxes assess a flat fee on each parcel of property, regardless of its size or value. Proposition 13 severely constrained the growth of *ad valorem* property taxes, which are taxes based on the value of a property. But the proposition left local governments, including school districts, with the option of passing a new “non-*ad valorem*” tax—a tax not based on the value of a property—if it received approval from two-thirds of local voters.

When holding parcel tax elections, districts must declare the specific purposes of the tax. Parcel taxes generally remain in effect for three to ten years, but the timeframe can be longer, or even permanent. State law requires districts' chief financial officers to report annually to their school boards on the amount of funds collected and spent, as well as the status of any project called for in the measure.

The two-thirds voting requirement erects barriers

The two-thirds voting requirement has erected significant barriers in the path of passing parcel taxes, and lowering it would certainly make a difference in some districts. In the November 2012 election, for example, out of a total of 22 measures on the ballot, 16 received the necessary two-thirds supermajority. But three districts got more than 55% but less than two-thirds of the vote needed for passage. In two of the three elections, the districts came painfully close to getting the needed votes.

Methodology

EdSource analyzed all parcel tax elections in California from 1983 through the November 2012 elections to look at questions such as how successful parcel taxes have been, the potential impact of eliminating the current supermajority voting requirement, the characteristics of school districts that have approved them, and how useful parcel taxes have been to school districts.

Our primary source of data was a parcel tax election database that is maintained by Ed-Data. School district characteristics were gathered from the California Department of Education and the 2010 Census. We also analyzed databases retrieved from the Standardized Account Code Structure (SACS) unaudited actual data sets from the California Department of Education. (For a more detailed methodology and description of sources, see the Appendix.)

- The parcel tax measure in San Bruno Park School District in San Mateo County received 59% of the vote.
- The parcel tax measure in Three Rivers School District in Tulare County failed by less than 100 votes. Out of 1,324 votes cast, the measure received 845 votes, or a 64% majority.
- The Pacific Grove Unified School District in Monterey County came even closer: Out of 9,194 votes for its parcel tax measure, 6,101 were affirmative, or 66.37% of the total—a mere 21 votes short.

For many years lawmakers, most recently former State Senator Joe Simintian (D-Palo Alto), have attempted to convince the Legislature to approve a constitutional amendment to reduce the voting threshold needed to approve a parcel tax from two-thirds to 55%.

To reduce the threshold for approval to 55% is a two-step process. Both chambers of the state Legislature, by a two-thirds vote, would have to pass a constitutional amendment. They would then have to place it on a state-wide election ballot. In that popular vote, only a simple majority—50% plus one—would be required for passage.

New efforts are being made to reduce the voting threshold

Efforts in the Legislature to get the needed two-thirds majority to place the issue before voters have failed, mainly because of Republican opposition.

However, one dramatic result of the Nov. 6, 2012 elections is that the Democratic Party gained two-thirds control of both houses in the state Legislature, which makes reducing the voting threshold to approve a parcel tax more likely than it has been in years.

Less than a month after the election, State Senator Mark Leno, chair of the Senate Committee on Budget and Fiscal Review, introduced a constitutional amendment, SCA 3, to do just that. In announcing his proposed legislation, he said:

Our per-pupil public education budget now ranks an embarrassing 47th among all states. Our students and teachers struggle with some of the most overcrowded classrooms in the nation and are hurt by a serious shortage of school librarians, nurses, and counselors. This change in law would give voters the power to make decisions about public education at the local level, allowing schools much-needed flexibility to improve instruction, fund libraries, music, the arts or other programs, or hire more teachers to reduce student-to-teacher ratios.⁶

To make his proposal more palatable to an electorate that just approved Proposition 30, the school funding initiative sponsored by Brown, Leno has included in his legislation the requirement that a district's governing board conduct an annual audit and establish a citizens' oversight committee.



Public opinion on the lower voting threshold is mixed

What is clear is getting voter approval to reduce the parcel tax threshold is by no means a slam dunk.

Public opinion appears to be divided at best on the question of reducing the voting threshold required to approve a school district parcel tax. In an April 2013 PPIC poll, 51% of adults expressed support for lowering the threshold to 55%—and even fewer (47%) of likely voters supported the idea, while 48% were opposed to it.⁷ A USC Dornsife/LA Times poll in March 2013 found that only 41% were in favor of the lower threshold, compared to 49% who were opposed to it.⁸ Even more disturbing for supporters of parcel taxes, the level of support had declined since just a few months earlier when a January 2013 PPIC poll showed 57% of adults and 51% of likely voters in favor of the idea.⁹

In addition, if the Legislature were to place a parcel tax measure on the statewide ballot, it is likely to generate significant opposition. Anti-tax forces typically oppose any attempts to lower the voting threshold. Jon Coupal, the president of the Howard Jarvis Taxpayer’s Association, recently described parcel taxes as “pernicious levies” and as “dangerous and a perversion of the California Constitution.”¹⁰ The association’s website includes a detailed primer titled “How to Defeat Local Parcel Taxes.”¹¹

In March 2013, the California Taxpayers Association also issued a brief urging retention of the two-thirds vote requirement. “A two-thirds vote protects parcel owners, since not all voters own parcels or pay parcel taxes,” the association noted.¹² The parcel tax has also been criticized for being a regressive tax. As researchers William Duncombe and John Yinger (2006) argued in their report for the “Getting Down to Facts” research project based at Stanford University:

A parcel tax does not meet basic standards of fairness. The owner of a mansion pays the same amount as the owner of a small house, and the 14 owners of a huge factory pay the same amount as a mom-and-pop store.

Unlike a property tax, in other words, a parcel tax is very regressive.

In addition, according to unpublished data from the Advancement Project, a civil rights group, many low-income school districts have fewer real estate parcels per student compared to wealthier districts, in part because high density housing such as apartment buildings only count as one parcel. That, in turn, could limit the revenues districts with a high proportion of low-income students can raise.

To help neutralize the regressive nature of the tax—and to increase the revenues it generates—some districts have attempted to impose different rates based not on the value of the property, but on the type of property: commercial vs. residential, new construction vs. existing structures, single family residences vs. multi-family units, and so on. This two-tier taxing system has been challenged in court, and it is unclear whether it will survive those challenges. (See the box on page 6.)

Differential Parcel Tax Rates in Dispute

During the past decade, about a dozen school districts, mainly in the San Francisco Bay Area, have adopted parcel taxes that have set different tax rates depending on the type of property being taxed.

These districts have not taxed property based on its value—which is barred by Proposition 13—but instead have levied a tax based on whether the property is used for residential or commercial purposes, is a single residence or a multi-family residence, or is a new development or an existing property.

The issue of setting a different rate for residential or commercial districts is now being litigated as a result of Alameda City Unified's 2008 parcel tax. The district's Measure H levied \$120 per parcel for residential and small commercial properties, and 15 cents per square foot on commercial properties larger than 2,000 square feet, up to a cap of \$9,500. But in a December 2012 ruling, *Borikas vs. Alameda Unified*, the California First District Court of Appeals ruled that Alameda's parcel tax violated state law, which requires a single rate for all properties.*

The school district is appealing the ruling, but if it is upheld, it could also invalidate other similar parcel tax measures. Last November, for example, five districts in Los Angeles County joined together to pass a

parcel tax that levied a tax of 2 cents per square foot for residential property and 7.5 cents per square foot for other classes of property. San Leandro Unified has a tax in place with different rates for single-family, multi-family, and commercial properties.

Berkeley Unified's parcel tax levies a charge of 22.8 cents per square foot on residential property, and 34.36 cents per square foot on commercial property. In addition, it imposed a flat \$50 fee on vacant land.

Alameda Unified now faces the prospect of having to reimburse businesses several million dollars raised by its parcel tax, which the courts are now saying is illegal.

However, the Legislature could intervene to amend the statute to permit different parcel tax levies that a small number of districts have adopted. Assemblyman Rob Bonta, D-Oakland, has introduced legislation, Assembly Bill 59, to do just that.** But opposition is expected, especially from business organizations that argue that differential rates violate state law.

*See [court ruling](#).

**See a description of [AB 59](#).

FINDINGS

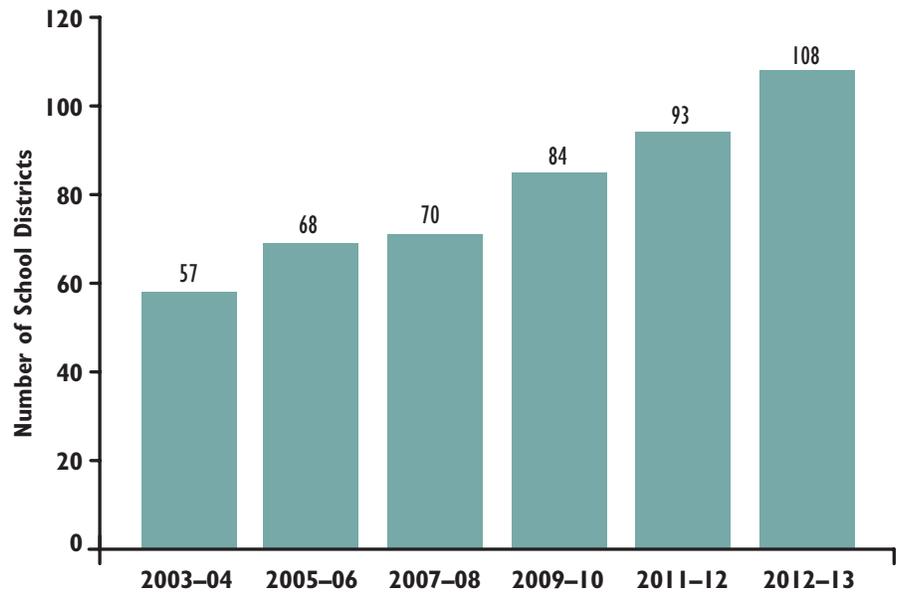
I. Proportion of Districts With Parcel Taxes and Total Revenues Generated

Only a small number of school districts have parcel taxes, although the number has steadily increased since 2003-04.

Our analysis indicates that there are 108 districts with parcel taxes currently in place—representing about one in 10 California school districts (see Figure 1).¹³

Although these districts represent a small proportion of all California districts, they do indicate a significant increase in the passage of parcel taxes over previous years. The number of districts with parcel taxes currently in place is nearly twice the number that had a parcel tax in place in 2003-04.

Figure 1: Number of California School Districts With Parcel Taxes



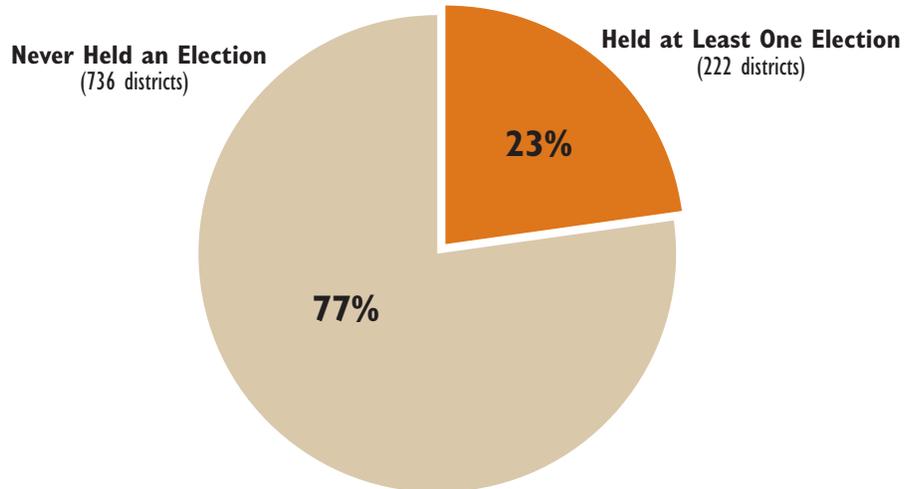
DATA: SACS UNAUDITED ACTUAL DATA FILES, CALIFORNIA DEPARTMENT OF EDUCATION

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Only a small proportion of California districts has sought to get a parcel tax approved, and even a smaller proportion has succeeded in doing so.

Only 222 districts—out of nearly 1,000 in California—have ever attempted to get a parcel tax approved, and only 124 districts have ever passed one (see Figures 2 and 3).

Figure 2: School Districts Holding Parcel Tax Elections, 1983–2012

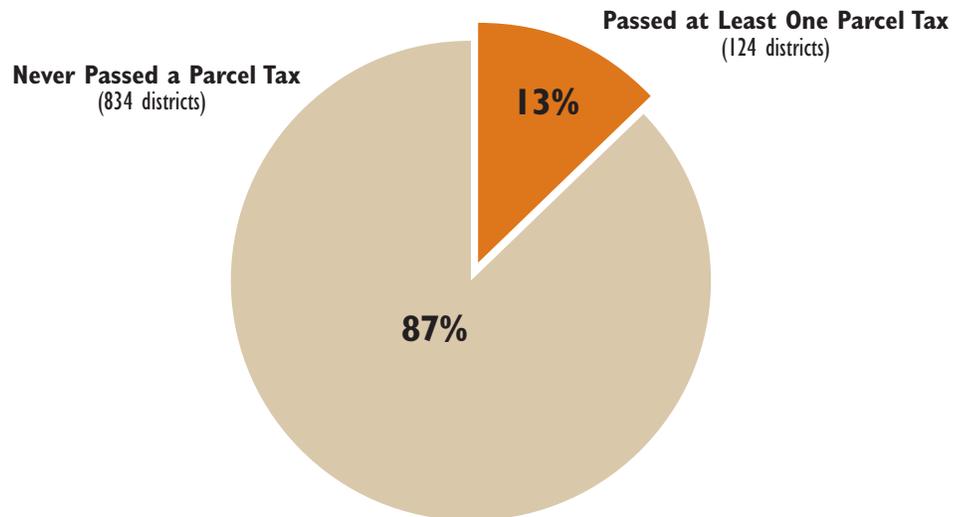


Note: In 2011-12, there were a total of 1,044 school districts, including county and charter school districts. Our analysis of “total districts” throughout this report is limited to 958 elementary, secondary, and K-12 unified districts because parcel tax elections have only been held in these types of districts.

DATA: ED-DATA PARCEL TAX ELECTION DATABASE

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Figure 3: School Districts Passing One or More Parcel Taxes, 1983–2012



Note: Total statewide districts for this report is limited to 958 elementary, secondary, and unified K-12 districts in 2011-12.

DATA: ED-DATA PARCEL TAX ELECTION DATABASE

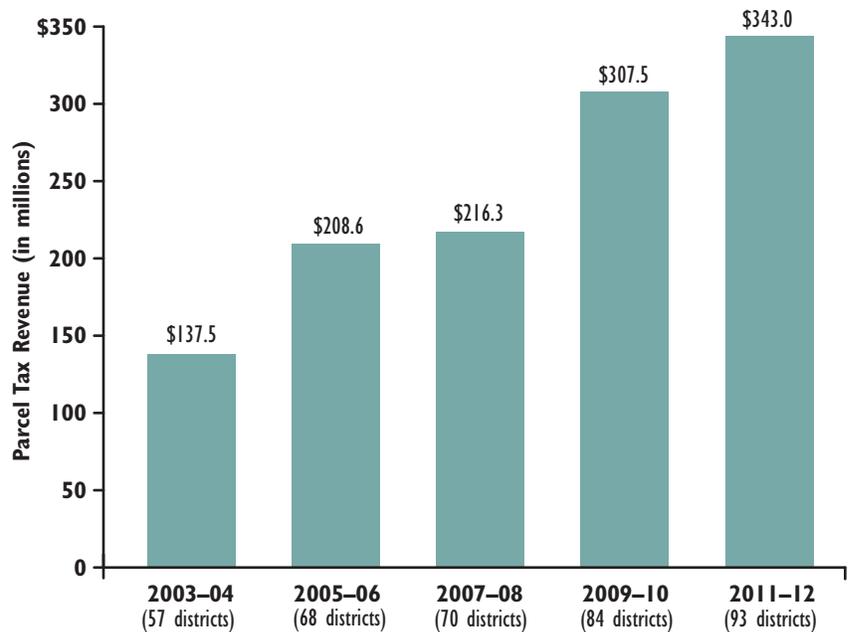
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The amount of revenues raised through parcel taxes represents a very small portion of total revenues spent on K-12 education.

In 2003-04, 57 districts with parcel taxes in place raised \$137 million dollars (in 2011 constant dollars). In 2011-12, the 93 districts with parcel taxes in place raised a total of \$343 million dollars.¹⁴ This represents a nearly 150% increase in parcel tax revenue generated by school districts with parcel taxes in place (see Figure 4).

Yet the 93 districts with parcel tax revenues in 2011-12 received a total of more than \$5 billion from federal, state, and local sources. Parcel tax revenues comprised just over 6% of total revenue in those districts. This proportion has been consistent since 2003-04.¹⁵

Figure 4: Total Parcel Tax Revenue Raised by School Districts (in millions)



Note: In 2011 constant dollars.

DATA: SACS UNAUDITED ACTUAL DATA FILES, CALIFORNIA DEPARTMENT OF EDUCATION

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II. Analysis of Parcel Tax Elections 1983–2012

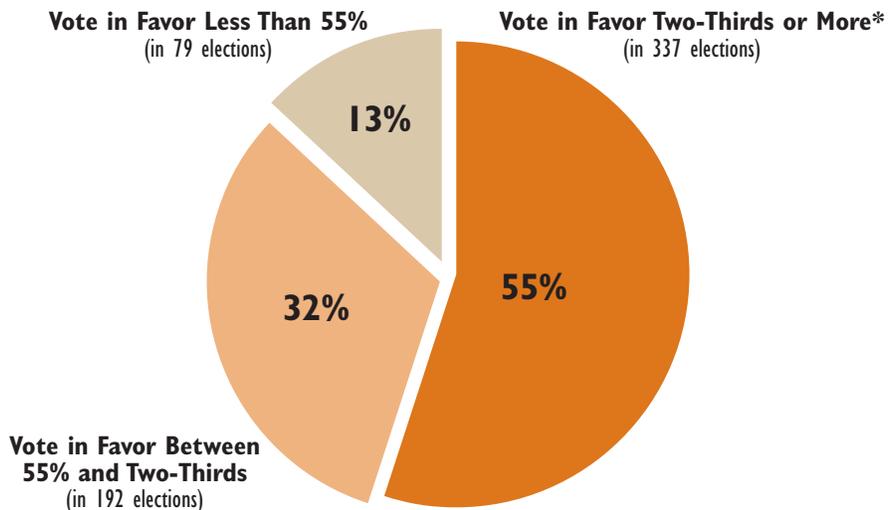
More than half of parcel tax elections have been approved with a two-thirds vote majority. But if a 55% voting threshold had been in place, 87% of parcel tax measures would have been approved.

Of all 608 parcel tax elections held between 1983 and 2012 and analyzed in this report,¹⁶ more than half (337) were approved with the necessary two-thirds vote (see Figure 5).

But many more measures would have been approved if a 55% voting threshold had existed. Of the 271 parcel tax elections that failed to get the necessary vote, 192 of them received between 55% and two-thirds of the vote.¹⁷

In only 79 elections—or 13% of the total number—did the parcel tax measure receive less than 55% of the vote. Thus 87% of all parcel tax measures put before voters during the past three decades would have been approved had the lower voting threshold been in place.

Figure 5: School District Parcel Tax Election Outcomes, 1983–2012



* Successful elections.

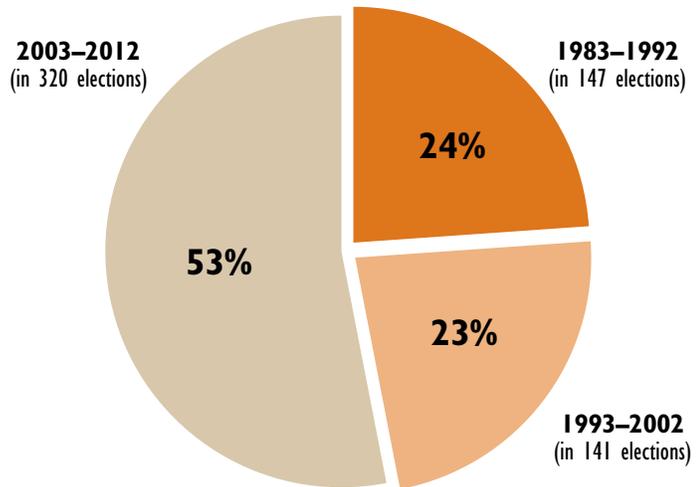
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More than half of all parcel tax elections since 1983 were held during the past decade, but the majority of these were sponsored by districts in which voters had previously approved a parcel tax.

Some 53% of all parcel tax elections were held between 2003 and 2012. Less than a quarter were held during the previous decade, and a similar proportion during the first decade parcel tax elections were permitted (see Figure 6).

Figure 6: School District Parcel Tax Elections by Decade, 1983–2012

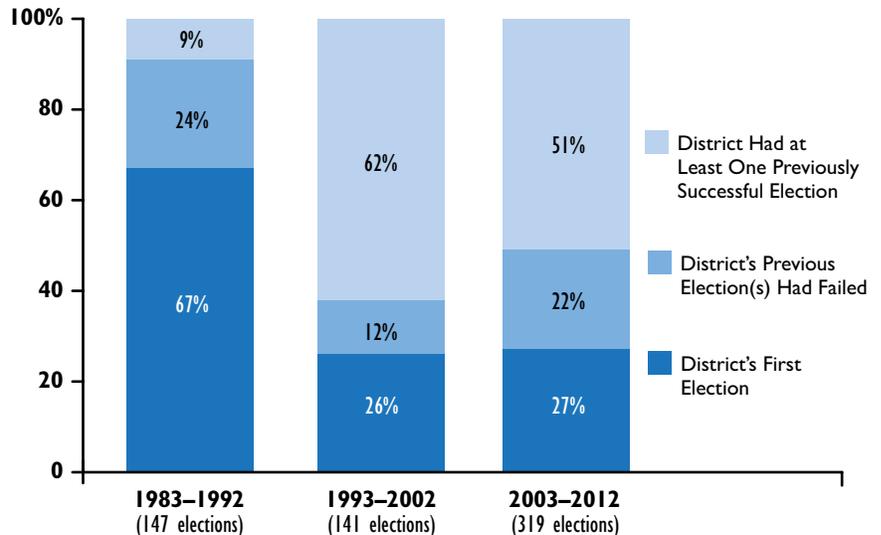


DATA: ED-DATA PARCEL TAX ELECTION DATABASE

EDSOURCE 5/2013

During the past decade, half of these elections were in districts that previously had a successful parcel tax election. Only about a quarter were trying to get approval of a parcel tax for the first time—about the same proportion as in the previous decade (see Figure 7).

Figure 7: School Districts' Prior History With Parcel Taxes in Elections by Decade, 1983–2012



DATA: ED-DATA PARCEL TAX ELECTION DATABASE

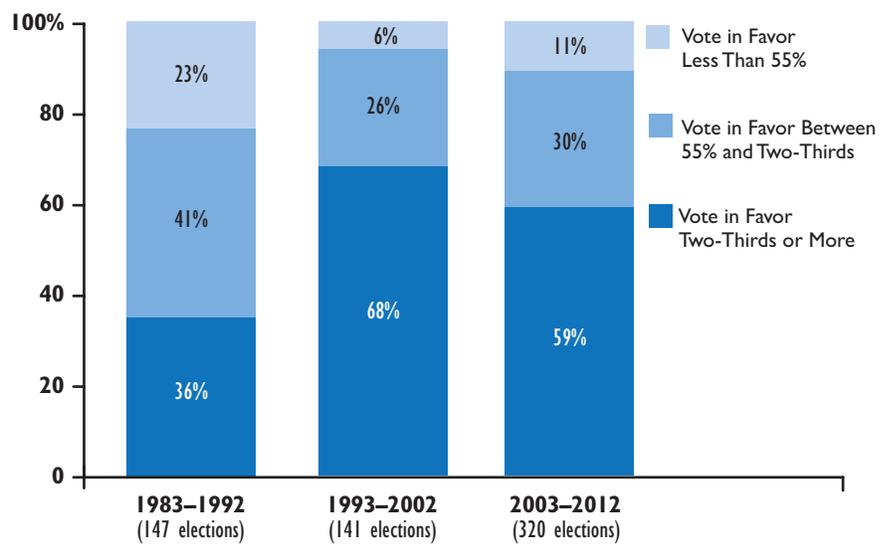
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Note: A 2012 election was excluded from the analysis in this figure because it was held by five Los Angeles county school districts jointly. As a result, the number of elections between 2003 and 2012 is 319.

The rate at which parcel tax measures have been approved has declined during the past decade.

As noted above, during the past decade there have been many more parcel tax elections on the ballot compared with the previous decade. However, a smaller percentage—59%—received the necessary two-thirds voter support for the tax to be enacted than in the previous decade. Although our analysis does not show why a lower proportion received the necessary votes, it does underscore the difficulties of getting parcel tax approval with the required two-thirds supermajority (see Figure 8).

Figure 8: Voting Patterns in Parcel Tax Elections by Decade, 1983–2012



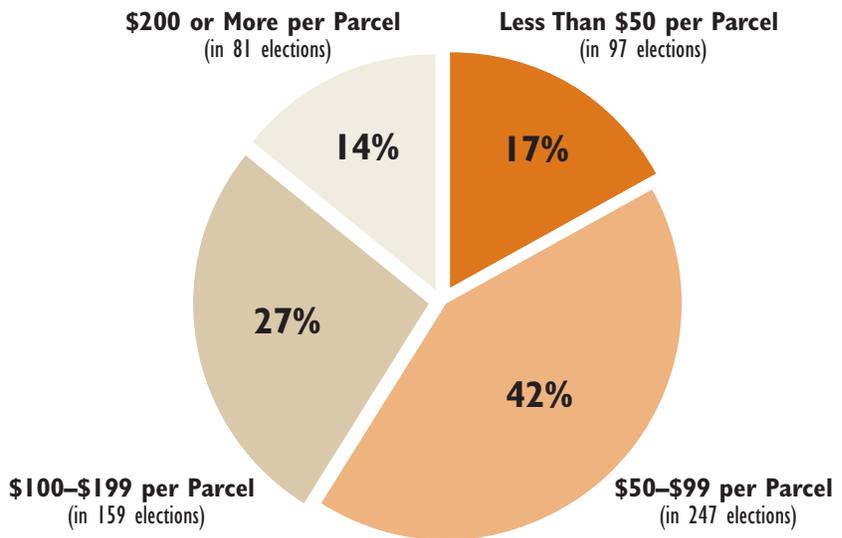
DATA: ED-DATA PARCEL TAX ELECTION DATABASE

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More than four out of five parcel elections sought taxes of less than \$200 per parcel, but higher parcel tax amounts were more likely to win voter approval.

The amounts sought by the vast majority of districts per parcel have been relatively low. In 59% of elections held, voters were asked to impose a tax of less than \$100 per parcel; while in another 27% of elections, districts sought a tax of between \$100 and \$199 inclusive. In only 14% of elections did districts seek a tax of \$200 or more per parcel (see Figure 9).¹⁸

Figure 9: Amounts Sought in School District Parcel Tax Elections, 1983–2012



Note: Not adjusted for inflation. In some districts, taxes were levied using criteria other than a straight per-parcel levy. These districts were not included in this analysis of 584 elections.

DATA: ED-DATA PARCEL TAX ELECTION DATABASE

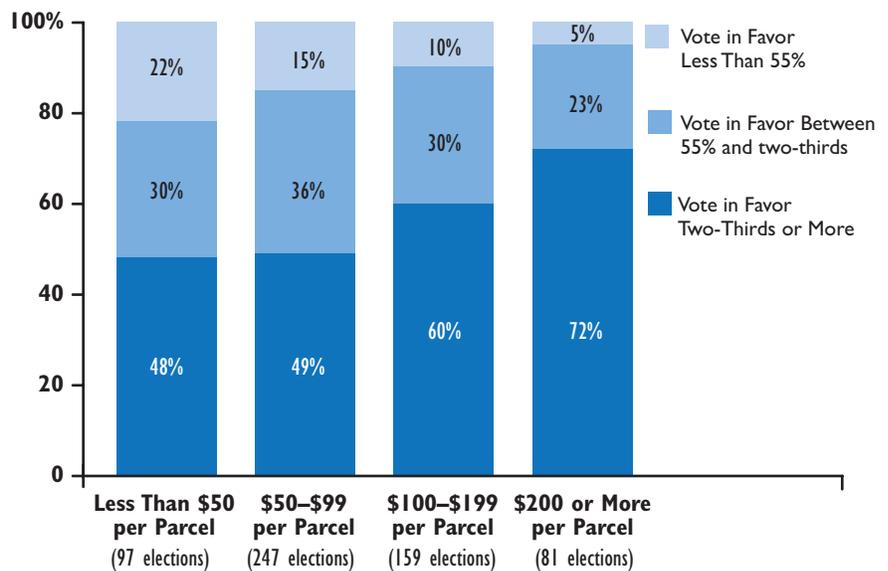
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However, levying a lower tax does not appear to improve the prospects for passage of the tax. Nearly three-quarters of elections in which voters were asked to approve a parcel tax of \$200 or more were successful, compared to less than half of elections seeking a tax of less \$50 per parcel (see Figure 10).

Our analysis of the 81 elections in which a parcel tax of \$200 or more was proposed shows that these elections were held in just 39 districts. These districts are not typical of California school districts. They tend to be wealthier than the average district, which may explain the greater willingness of voters to approve parcel taxes in these districts, despite the higher amounts being sought. On average, students qualifying for free or reduced-price meals comprised 11% of these districts compared to 54% of school districts statewide.¹⁹

Figure 10: Election Outcomes by Amount of Parcel Tax Sought, 1983–2012



Note: Not adjusted for inflation. Our analysis was limited to the 584 elections for which a flat per-parcel tax was proposed.

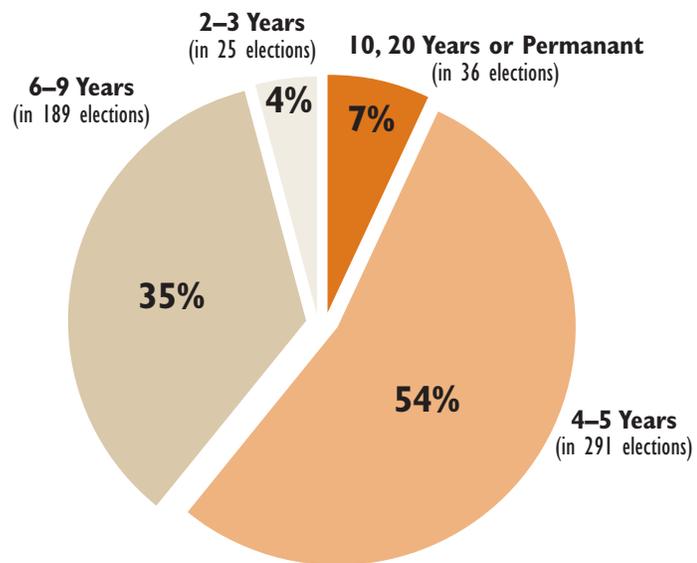
DATA: ED-DATA PARCEL TAX ELECTION DATABASE

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In more than half of elections, districts sought parcel taxes of four to five years in duration, but measures of six to nine years in length were the most likely to get voter approval.

Districts have sought parcel taxes of varying lengths, with the most common being four to five years. Another one-third of measures sought were for six to nine years in duration. Only a small number of elections sought taxes from two to three years in duration, or for a far longer period. Of the 36 elections seeking parcel taxes for the longest period of time, 25 were for 10 years, four were for 20 years, and seven proposed a permanent tax (see Figure 11).

Figure 11: Duration of Parcel Tax Proposed in School District Parcel Tax Elections, 1983–2012



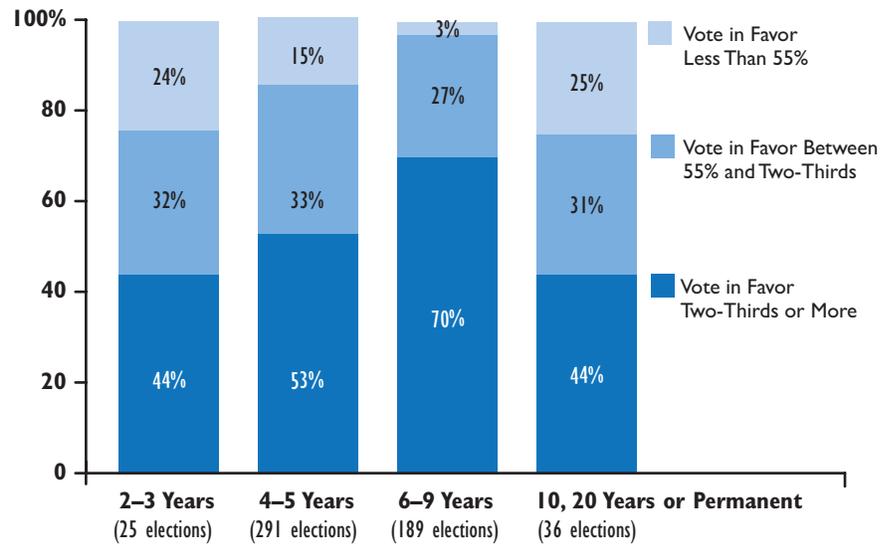
Note: This figure includes only 541 elections as the parcel tax database did not include information on the duration of taxes sought in the remaining districts.

DATA: ED-DATA PARCEL TAX ELECTION DATA BASE

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Parcel tax measures of six to nine years in length were the most likely to get voter approval with the required two-thirds majority. The proportion of elections getting between 55% and just under two-thirds of the vote remained relatively constant, regardless of the duration of the parcel tax measure being sought (see Figure 12).

Figure 12: Election Outcomes by Duration of Parcel Tax, 1983–2012



Note: This figure includes only 541 elections as the parcel tax database did not include information on the duration of taxes sought in the remaining districts.

DATA: ED-DATA PARCEL TAX ELECTION DATABASE

EDSOURCE 5/2013

III. Characteristics of School Districts Seeking Parcel Taxes

Districts that approve parcel taxes tend to be smaller, have a higher proportion of white and Asian students, and have a lower percentage of low-income students and English learners compared with districts that have never proposed or passed a parcel tax.

The 124 districts that succeeded in passing at least one parcel tax measure since 1983 had, on average, a nearly two-thirds white and Asian student enrollment and a one-third African American and Latino enrollment (see Table 1). They had almost half the proportion of low-income students (32%) compared with the proportion of those students in districts that had never placed a parcel tax on a ballot for voter approval (58%).

There was no significant difference regarding the proportion of homeowners and those 65 years and older when comparing districts that approved parcel taxes, those that proposed them but did not get voter approval, or those that did not even propose a parcel tax.²⁰

Table 1: Characteristics of California School Districts With or Without Parcel Taxes, 1983–2012

	Proposed One or More Parcel Tax			Never Proposed a Parcel Tax	Total School Districts
	Total	Passed at Least One Parcel Tax	Never Passed		
Number of Districts	222	124	98	736	958
Average Enrollment	10,848	6,314	16,583	5,049	6,393
Average % Eligible for Free or Reduced-Price Meals	38%	32%	46%	58%	54%
Average % English Language Learners	18%	16%	20%	19%	19%
Average % African American and Latino Enrollment	39%	33%	46%	46%	44%
Average % White and Asian Enrollment	56%	61%	49%	47%	49%
Average % Over Age 65	14%	14%	13%	14%	14%
Average % Homeowners	62%	62%	62%	64%	63%

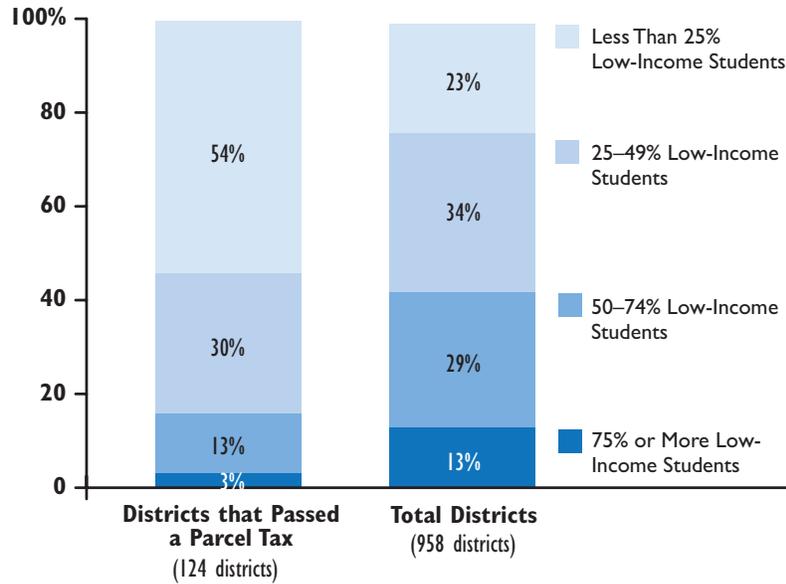
Note: All statistics are drawn from the most recent data available and are calculated at the mean. Recognizing that districts may have experienced demographic change between 1983 and 2012, we explored alternative ways of capturing this change and concluded that the patterns we identify remain the same. See the Data Sources and Methodology section in the Appendix for more details. “Total School Districts” reflects all elementary, secondary, and K-12 unified districts in 2011–2012.

DATA: ED-DATA PARCEL TAX ELECTION DATABASE AND SCHOOL DISTRICT CHARACTERISTICS; CALIFORNIA BASIC EDUCATIONAL DATA SYSTEM; CALIFORNIA DEPARTMENT OF FINANCE EdSource 5/2013

One in five districts that has approved parcel taxes has a majority of low-income students.

Although the majority of districts that have passed parcel taxes tend to serve students from more affluent backgrounds, this is not uniformly the case. In nearly one in five districts with parcel taxes, a majority of their students are from low-income backgrounds (see Figure 13).

Figure 13: Low-Income Population in Districts That Passed a Parcel Tax Compared to All Districts, 1983–2012



Note: “Low income” is measured by eligibility for free or reduced-price meals in 2010–11. “Total Districts” reflects all elementary, secondary, and K–12 unified districts in 2011–2012.

DATA: ED-DATA PARCEL TAX ELECTION DATABASE AND SCHOOL DISTRICT CHARACTERISTICS; EDSource 5/2013
CALIFORNIA BASIC EDUCATIONAL DATA SYSTEM; CALIFORNIA DEPARTMENT OF FINANCE

Districts getting between 55% and two-thirds voter support for a parcel tax election had more low-income and African American and Latino students.

Some 53 districts never succeeded in convincing voters to approve a parcel tax measure at any time during the past three decades, but in at least one election received at least 55 % of voter approval but less than the required two-thirds vote.

These districts had higher shares of low-income, African American, and Latino students compared with districts that successfully received two-thirds of support for a parcel tax. This suggests that should the threshold be lowered to 55%, more districts serving higher shares of low-income and African American and Latino students would benefit from such a change (see Table 2).

Table 2: School Districts' Characteristics With Yes Vote Between 55% and Two-Thirds, 1983–2012

	Districts Passing at Least One Parcel Tax	Never Passed a Parcel Tax but Yes Vote Between 55% and Less Than Two-Thirds
Number of Districts	124	53
Average Enrollment	6,314	6,191
Average % Eligible for Free or Reduced-Price Meals	32%	43%
Average % English Language Learners	16%	22%
Average % African American and Latino Enrollment	33%	43%
Average % White and Asian Enrollment	61%	53%
Average % Over Age 65	14%	13%
Average % Homeowners	62%	62%

Note: All statistics are drawn from the most recent data available and are calculated at the mean. Recognizing that districts may have experienced demographic change between 1983 and 2012, we explored alternative ways of capturing this change and concluded that the patterns we identify remain the same. See the Data Sources and Methodology section in the Appendix for more details.

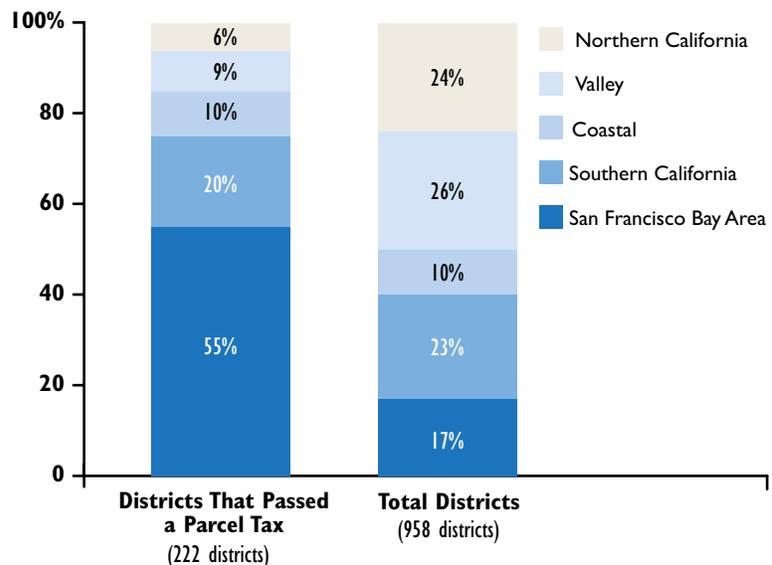
DATA: ED-DATA PARCEL TAX ELECTION DATABASE AND SCHOOL DISTRICT CHARACTERISTICS; CALIFORNIA BASIC EDUCATIONAL DATA SYSTEM; CALIFORNIA DEPARTMENT OF FINANCE EdSource 5/2013

Districts taking advantage of parcel taxes are overwhelmingly based in the San Francisco Bay Area, and very few are in Southern California or the Central Valley.

Underscoring their limited use in most parts of the state, parcel taxes are an overwhelmingly San Francisco Bay Area phenomenon. Very few are in place in Southern California. Of the 222 districts that have held at least one parcel tax election, more than half of those elections were in the San Francisco Bay Area. Bay Area districts comprise just 17% of all districts statewide—but 55% of all districts that held at least one parcel tax election. Districts in the San Joaquin Valley are also underrepresented among districts that have held elections, comprising one in four districts statewide but less than one in 10 districts that have held an election (see Figure 14).

Note: To be consistent with a 2003 Public Policy Institute of California report on local elections, we categorized counties as follows: **Northern California:** Alpine, Amador, Butte, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Mendocino, Modoc, Nevada, Placer, Plumas, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, and Yuba. **Valley:** Calaveras, Fresno, Inyo, Kern, Kings, Madera, Mariposa, Merced, Mono, Sacramento, San Joaquin, Stanislaus, Tulare, Tuolumne, and Yolo. **Coastal:** Monterey, San Benito, San Luis Obispo, Santa Barbara, Santa Cruz, and Ventura. **Southern California:** Los Angeles, Orange, San Diego, Riverside, San Bernardino, and Imperial. **San Francisco Bay Area:** Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma. “Total Districts” reflects all elementary, secondary, and K-12 unified districts in 2011–2012.

Figure 14: Regional Distribution of School Districts That Held a Parcel Tax Election, 1983–2012

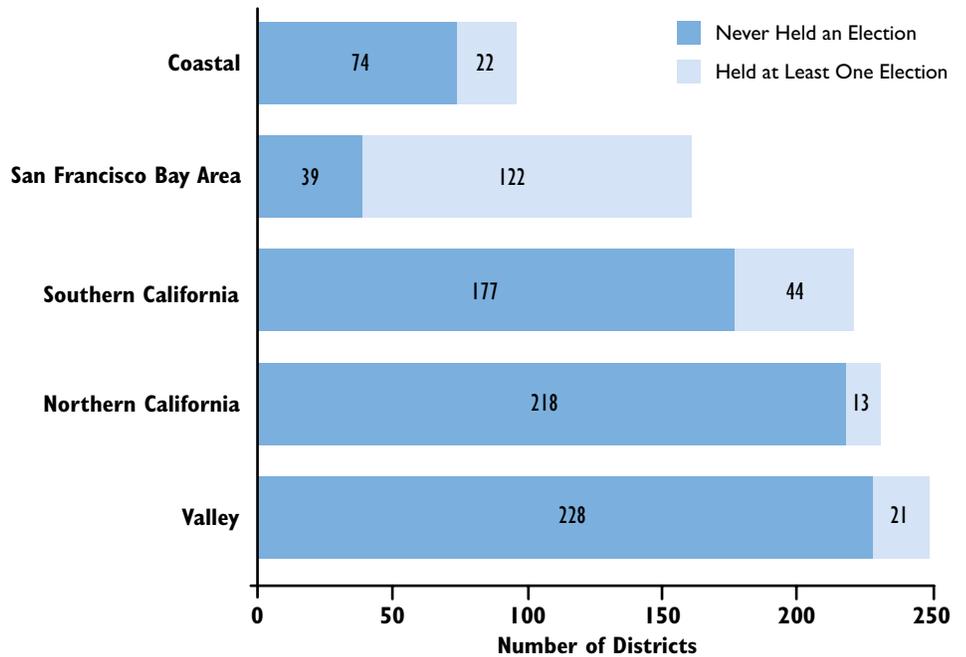


DATA: ED-DATA PARCEL TAX ELECTION DATABASE

EDSOURCE 5/2013

Another way to examine regional differences is to compare the number of districts that held parcel tax elections in a particular region with the total number of districts in that region. In the San Francisco Bay Area, 122 out of 161—or 76%—of districts in the region have held at least one parcel tax election since 1983. By contrast, less than a quarter of districts in all other regions held a parcel tax election (see Figure 15).

Figure 15: School District Parcel Tax Election Status by Region, 1983–2012



Note: For a description of regions and total districts analyzed, see the note in Figure 14.

DATA: ED-DATA PARCEL TAX ELECTION DATABASE

EDSOURCE 5/2013



Nearly half of parcel taxes currently in place are in just three San Francisco Bay Area counties.

The disparities are even starker when looking at the counties where the 108 school districts with parcel taxes are located. Parcel taxes are currently in place in only 16 of California's 58 counties.

Santa Clara County, with 274,000 students enrolled in public schools, was the county with the most parcel tax measures – 22 – in place. San Mateo County, with 94,000 students, was next with 16 districts with parcel taxes, followed by Marin County with 32,000 students and 15 districts with parcel taxes. By contrast, in Los Angeles County, with a student enrollment of 1.6 million, only 14 districts currently have parcel taxes.

Another indicator of the skewed regional distribution of parcel taxes is the small number of school districts with parcel taxes in the other counties that have them. In seven of those counties, only one school district had a parcel tax (see Table 3).

Table 3: School Districts with Parcel Taxes in Place by County, 2012–2013

	Number of Districts
Santa Clara	22
San Mateo	16
Marin	15
Los Angeles	14
Alameda	11
Sonoma	10
Contra Costa	9
Santa Cruz	2
Ventura	2
Humboldt	1
Mono	1
Monterey	1
Placer	1
San Francisco	1
Santa Barbara	1
Yolo	1
Total	108

DATA: ED-DATA PARCEL TAX ELECTION DATABASE.
EDSOURCE 5/2013

What Are “Basic Aid” Districts?

Almost all districts in the state get their basic funding from property taxes plus additional support from the state, typically around \$5,000 per student. This amount is known as “revenue limit” funding. However, 127 “basic aid” districts, usually in communities with high-value property, generate more of their basic funding from property taxes than the total “revenue limit” funding they would normally get from the state. Under regulations established decades ago, they are allowed to spend these “excess” property tax funds on their students, without being bound by state revenue limits.

However, not all basic aid districts serve an affluent student population. As a result of the state’s budget crisis, the number of basic aid school districts has grown in recent years because the amount they are eligible to receive through revenue limit funding has dropped below the amount they are able to generate entirely from their property taxes. But in general, research shows that the existence of basic aid districts has helped sustain the disparities in funding among California school districts. For a further description, see the EdSource [website](#).

A disproportionately large number of districts that currently have parcel taxes are “basic aid” districts.

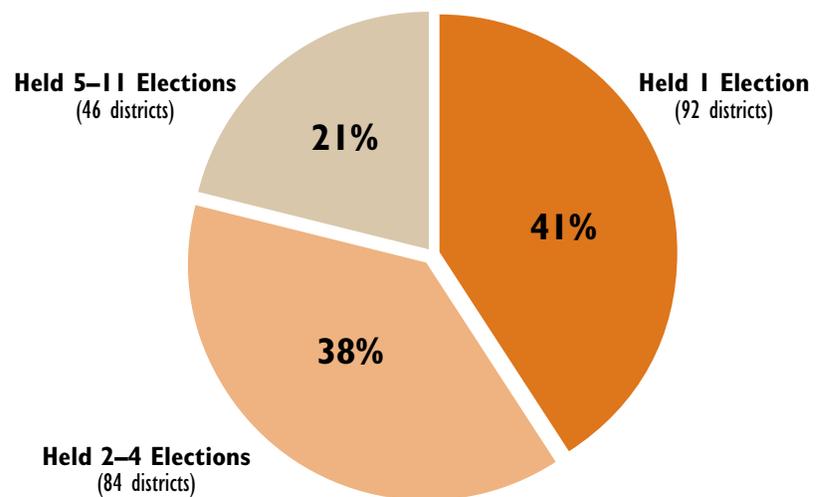
Some 38 of the 108 districts with parcel taxes in place in 2012-13 were basic aid districts.

The 127 basic aid districts in California are those that generate more property taxes on their own than the vast majority of school districts in the state. Although not all basic aid districts serve an affluent student population, they tend to be wealthier districts in communities with high property values.²¹

A large number of districts seeking parcel taxes have done so only one time, though most have done so multiple times.

Of the 222 districts that have proposed a parcel tax, 92 districts tried only once. Another 84 districts held between two and four elections, and 46 districts tried between five and 11 times (see Figure 16).

Figure 16: Number of Parcel Tax Elections in School Districts That Held at Least One Election, 1983–2012



DATA: ED-DATA PARCEL TAX ELECTION DATABASE

EDSOURCE 5/2013

Districts with a prior history of successful parcel tax elections continue to have success in passing them.

There is a strong relationship between the number of elections held and voter approval rates. If voters reject a parcel tax the first time it is on the ballot, a district is far less likely to try to convince voters to support it on a subsequent election ballot (see Table 4).

The converse is also true: If voters approve a tax, they are more likely to do so in subsequent elections, and the more likely a district is to give them an opportunity to do so.

So, for example, of the 92 elections held by districts who never attempted a parcel tax again, only 19 were approved by voters.²² That contrasts with the two districts that have sought voter approval for a parcel tax 11 times. In those cases, parcel taxes were approved 100% of the time.

Table 4: Passage Rate by Number of Elections Held, 1983–2012

Number of Elections Held	Number of Districts	Total Elections Held	Total Elections Passed	Passage Rate
Held 1 Election	92	92	19	21%
Held 2 Elections	44	88	38	43%
Held 3 Elections	24	72	34	47%
Held 4 Elections	16	64	41	64%
Held 5 Elections	14	70	49	70%
Held 6 Elections	18	108	65	60%
Held 7 Elections	6	42	35	83%
Held 8 Elections	3	24	20	83%
Held 9 Elections	3	27	16	59%
Held 11 Elections	2	22	22	100%
Total	222	609	339	55.7%

Note: None of the 222 districts analyzed held 10 elections. The total number of elections in this table (609) exceeds the total elections analyzed (608) due to how we treated districts that formed into a unified school district and how we incorporated the districts that held a 2012 parcel tax election jointly. See the Data Sources and Methodology section in the Appendix for details.

DATA: ED-DATA PARCEL TAX ELECTION DATABASE

EDSOURCE 5/2013

IV. Variations in Parcel Tax Revenues by District

In three-quarters of districts, parcel tax measures comprise less than 10% of their total revenues.

In most districts, parcel tax revenue comprises less than 10% of total revenues. In a third of all districts, parcel taxes generate between 5% and 10% of revenues. In 42% of districts, parcel tax revenues comprise less than 5% of total revenues (see Table 5). As described in more detail in Table 6, in only a handful of districts do parcel taxes account for about a quarter of district revenues.

Table 5: Share of Revenues From Parcel Taxes, 2011–2012

	Number	Percent
25%+ of Total Revenue	3	3%
10–24% of Total Revenue	20	22%
5–9.9% of Total Revenue	31	33%
< 5% of Total Revenue	39	42%
Total Districts	93	100%

DATA: 2011-12 SACS UNAUDITED ACTUAL DATA FILE, CALIFORNIA DEPARTMENT OF EDUCATION EdSource 5/2013

In some districts, parcel taxes generate a substantial proportion of their revenues.

Despite the relatively small amount raised by parcel taxes relative to total revenues overall, they generate a significant proportion of a few districts' revenues. Table 6 lists the five districts with the highest share of their total revenues coming from parcel taxes.

Income levels of students vary from district to district. Three of the five have almost no low-income students qualifying for free or reduced-price meals.²³ In Berkeley, some 45% of students are eligible for free or reduced-price meals, while in Emery Unified 85% are eligible.

Table 6: Parcel Tax as Share of Districts' Revenues: Top Five School Districts, 2011–2012

District	County	ADA	Total District Revenue	Parcel Tax Revenue		
				Total Parcel Tax Revenue	Per ADA	Share of Total Revenue
Piedmont City Unified	Alameda	2,460	\$30,510,668	\$9,547,968	\$3,881	31%
Kentfield Elementary	Marin	1,135	\$12,636,301	\$3,294,624	\$2,902	26%
Berkeley Unified	Alameda	8,681	\$117,174,768	\$29,550,524	\$3,404	25%
Emery Unified	Alameda	666	\$10,471,492	\$2,580,709	\$3,876	25%
Mill Valley Elementary	Marin	2,825	\$29,957,994	\$7,107,187	\$2,516	24%

Note: ADA= "average daily attendance."

DATA: 2011-12 SACS UNAUDITED ACTUAL DATA FILE, CALIFORNIA DEPARTMENT OF EDUCATION

EdSource 5/2013



The amount generated by parcel taxes per student in a district also varies greatly.

The amount raised from each parcel tax measure per student in attendance varies enormously—for example, from \$97 per student (in Fremont Unified) to \$4,350 per student (in the Stinson-Bolinas Unified school district).

About six in ten districts raised less than \$1,000 per student in attendance—and in most cases far less. In 35 districts, parcel taxes generated less than \$500 per student. In another 22 districts, they generated between \$500 and \$999 inclusive. Another 23 districts raised between \$1,000 and \$1,999 inclusive. Only 13 districts raised \$2,000 or more per student (see Table 7).

Table 7: Parcel Tax Revenue per Student in Attendance, 2011–2012

	Number	Percent
More than \$4,000 per Student	1	1%
\$3000–\$3,999 per Student	5	5%
\$2000–\$2,999 per Student	7	8%
\$1,000–\$1,999 per Student	23	25%
\$500–\$999 per Student	22	24%
Less than \$500 per Student	35	38%
Total Districts with Parcel Tax Revenue in 2011-12	93	100%
Note: “Student in Attendance” is “average daily attendance.”		

DATA: 2011-12 SACS UNAUDITED ACTUAL DATA FILE, CALIFORNIA DEPARTMENT OF EDUCATION EdSource 5/2013

Although parcel taxes have the potential to generate significant revenues for individual districts, the amounts they generate per student will vary considerably depending on the district's size.

In 2011-12, San Francisco Unified School District raised the largest amount from parcel taxes—almost \$34.3 million—of any district in the state. These revenues amounted to \$699 per student in attendance.

Berkeley Unified School District raised the second highest amount of any district in the state—nearly \$30 million—but because of its much smaller student population, the tax generated \$3,404 for each of its students (see Table 8).

Table 8: Top Five Districts Generating Most Parcel Tax Revenue, 2011–2012

District	County	ADA	Total District Revenue	Parcel Tax Revenue		
				Total Parcel Tax Revenue	Per ADA	Share of Total Revenue
San Francisco Unified	San Francisco	49,052	\$563,245,576	\$34,282,704	\$699	6%
Berkeley Unified	Alameda	8,681	\$117,174,768	\$29,550,524	\$3,404	25%
Oakland Unified	Alameda	34,159	\$414,313,408	\$20,700,590	\$606	5%
Alameda City Unified	Alameda	8,546	\$88,034,640	\$12,413,645	\$1,453	14%
Palo Alto Unified	Santa Clara	11,018	\$161,005,776	\$11,672,606	\$1,059	7%

Note: ADA= “average daily attendance.”

DATA: 2011-12 SACS UNAUDITED ACTUAL DATA FILE, CALIFORNIA DEPARTMENT OF EDUCATION

EDSOURCE 5/2013

DISCUSSION

Based on EdSource’s analysis of the data, it is clear is that if a 55% voting threshold had been in place instead of the current two-thirds requirement, many more of the parcel tax measures voters considered during the past three decades would have been approved. In addition, more districts with larger enrollments of low-income students would have been able to generate revenues from parcel taxes.

It is equally apparent that under current conditions, parcel taxes are of benefit to only a small number of districts in California. They have tended to be utilized by smaller, wealthier school districts, with a larger proportion of white and Asian students. They have also not been used to any great extent in the great population centers in both the Central Valley and Los Angeles, where some of the poorest districts—and students—are concentrated.²⁴

Yet despite parcel taxes being skewed toward benefiting more affluent districts, several districts serving substantial numbers of low-income students have managed to get parcel taxes approved even with the two-thirds supermajority requirement. These include Ravenswood Elementary in East Palo Alto, Oakland Unified, Berkeley Unified, Fremont Unified, Pittsburg Unified, San Francisco Unified, West Contra Costa Unified, and Culver City Unified.

One fundamental question is whether lowering the voting threshold will simply make it easier for other similarly wealthy districts to generate additional income—or whether it will also make it easier for less affluent school districts to take advantage of parcel taxes as a revenue-generating option.

In other words, will changing the voting threshold simply allow a greater number of more affluent and less diverse districts to generate parcel revenues? Or will it become a more useful tool for a large number of districts, regardless of the socioeconomic backgrounds of their students?

An analysis by Imre Mészáros, associate director of the Annenberg School of Communications and Journalism at the University of Southern California, is helpful in this regard. He suggests that many more districts—including a significant proportion of urban districts serving large numbers of low-income students—would benefit from a lower voting threshold and would have a reasonable chance of getting a parcel tax approved at the ballot box.²⁵

Based on his research, Mészáros concluded that if a 55% requirement for passage had been in place, “it is possible that hundreds of additional districts would have been able to pass parcel taxes.”

However, Mészáros also found that the outcome of parcel tax elections would be influenced by a range of variables, especially the level of unemployment in the state at the time of the election. According to his analysis, high levels of unemployment are associated with lower levels of support for parcel taxes at the ballot box.

“Poor economic conditions tend to suppress support for school funding,” he told EdSource. “Conversely, when the economy is strong, and people are better off, people are more likely to support school funding.”

With a 10% level of unemployment—close to the state’s current level of 9.8%—Mészáros’ analysis predicted that of the large number of districts that have never sought a parcel tax, more than 300 districts would have a 50-50 chance of getting voter approval for one if the threshold were reduced to 55%. With 6% unemployment, 628 school districts would face similar odds. With unemployment at 4%, 748 districts would have an even chance of getting voter approval.

Thus, rather than rejecting parcel taxes as a potentially useful tool for generating essential supplemental revenues because of the drawbacks noted above, another strategy would be to devise ways to ensure that it is more useful to a broader spectrum of school districts.

If the voting threshold were reduced to 55%, other improvements in the parcel tax could also be considered, including some proposed by the California Taxpayers Association.²⁶ These could include making parcel taxes more transparent to taxpayers by providing them with more information about how the taxes are assessed and collected, how the funds will be used, and who is exempt from paying them. This information could be included on property tax bills.



A user-friendly database should be established that provides details of a parcel tax as to its type, rate, its sunset date, the amounts it generates, what it is being used for, and the number of parcels subject to tax. This could be part of a larger effort to ensure that school districts' finances are more transparent to voters in general.

CONCLUSION

Despite the passage of Proposition 30, most school districts still face formidable challenges just to undo the impact of five years of sustained budget cuts triggered by the state's fiscal crisis. Parcel taxes are likely to become a more attractive option for many districts, especially if the economy continues to improve and the voting threshold for approval is reduced from a two-thirds supermajority requirement to 55%.

Parcel taxes are also consistent with the current push by the governor and others to devolve more power to the local school level. Having the capacity to generate revenues at a local level is central to a local school board's ability to run schools and programs in the way it believes is most effective to ensure students succeed.

If adopted by the Legislature in its current or similar form, Brown's proposal for a "local control funding formula"—which would direct additional funds to districts with high numbers of low-income students, English learners, and foster children—could also have an impact by increasing the appeal of parcel taxes, especially to more affluent districts. Districts with fewer low-income students that fear they will "lose" revenue relative to other districts under Brown's proposal may well consider turning to the parcel tax as a supplemental revenue-raising option for the first time.

Our analysis clearly shows that with a lower voting threshold for passage, parcel taxes could become a far more significant tool in the revenue-generating toolbox of school districts.

At the same time, parcel taxes alone will not be a panacea to undoing the damage of five years of sustained budget cuts. In addition, seeking voter approval for reducing the threshold for passage will be challenging given the modest level of support for doing so as indicated by recent public opinion polls cited in this report.

For these reasons, all revenue-generating options—including other possible constitutional changes that may yield greater returns to a larger number of districts, especially low-income ones—should also be considered. [ii](#)

ENDNOTES

- 1 See the Bibliography at the end of this report.
- 2 Louis Freedberg and Stephen Doig, "Spending Far from Equal among State's Schools, Analysis Finds," *California Watch*, June 2, 2011.
- 3 *Local Revenues for Schools: Limits and Options in California*, EdSource, September 2009.
- 4 William Duncombe and John Yinger, *Understanding the Incentives in California's Education Finance System*, The Maxwell School, Syracuse University, 2006.
- 5 Parcel taxes became legal under Section 4 of Proposition 13, allowing local governments to levy "special taxes" with a two-thirds approval by voters. Eric Brunner, "The Parcel Tax," in *School Finance and California's Master Plan for Education*, edited by Jon Sonstelie and Peter Richardson, 2001.
- 6 Leno, Mark. (Nov. 29, 2012). Senator Leno to Introduce Constitutional Amendment Removing Roadblocks to Local Approval of School Parcel Taxes. [[Press Release](#)].
- 7 *Californians and Education*, PPIC, April 2013.
- 8 *USC Dornsife/LA Times poll*.
- 9 *Californians and Their Government*, January 2013, PPIC. The results of these polls should be interpreted with caution, as the way the questions were asked was different. The January PPIC poll asked respondents whether they thought "replacing the two-thirds vote requirement with a 55% majority vote "was a "good idea or a bad idea." The April PPIC poll asked, "What if there was a measure on your local ballot to increase local parcel taxes to provide more funds for the local public schools? Would you vote yes or no?" By contrast, the USC Dornsife/ Los Angeles Times poll gave respondents a lengthy explanation of what a parcel tax is, and then summaries of what pollsters believed to be the major arguments for and against lowering the voting threshold.
- 10 Coupal, John. "The shameful history of parcel taxes: Opinion." *The Daily News*. Los Angeles. Feb. 12, 2013.
- 11 Howard Jarvis Taxpayer Association, "How to Defeat Local Parcel Taxes."
- 12 California Taxpayers Association, *The Other Property Tax*. March 2013.
- 13 This number was reached by adding the 93 districts that reported parcel tax revenue to the state in 2011-12 to the number of districts that had a successful parcel tax election in 2011 or 2012. The number thus includes districts where voters approved a parcel tax in November 2012, but might not have actually begun to collect revenues yet.
- 14 Fiscal year 2011-12 is the most recent year for which the total parcel tax revenues collected by school districts is available.
- 15 For a more in-depth analysis of districts with parcel tax revenues, see Section IV, "Variations in Parcel Tax Revenues by District" of this report.
- 16 Nine parcel tax elections are excluded from this analysis. Six elections were "Gann Limit" elections that required a simple majority vote for the purpose of raising the appropriation level in order to spend revenue from a previously enacted parcel tax. Three elections were excluded because the Ed-Data Parcel Tax Election Database did not have information on the percent that voted in favor of the measures.
- 17 An analysis of the districts that held a subset of these 192 elections is in section III "Characteristics of School Districts Seeking Parcel Taxes" of this report.
- 18 Note that these figures refer to the actual dollar amount levied at the time and have not been adjusted for inflation.

ENDNOTES *cont.*

- 19 This is based on the most recent district characteristic data available. See the Data Sources and Methodology section in the Appendix for details. Note that the unit of analysis discussed in this paragraph is school districts and that all data points reflect the average across the school districts we analyzed.
- 20 We also explored district type and found elementary school districts comprised half of the 222 districts that have ever attempted to get a parcel tax approved. This is not surprising given that elementary school districts comprise 56% of all districts statewide. Elementary and secondary school districts were more likely to succeed in getting voter approval for a parcel tax measure than unified school districts. About 62% of the elections held by elementary and secondary school districts were approved compared with only 47% of elections held in unified (K-12) districts. Elementary and secondary districts had a lower proportion of low-income students compared with unified school districts. The same is true in terms of their proportion of African American and Latino students. Racial and ethnic backgrounds and income levels of students are strongly related to passage rates, which might explain why elementary and high school districts had a better chance of getting voter approval. (This is based on the most recent data on district characteristics available from the California Department of Education. See the Data Sources and Methodology section in the Appendix for details.)
- 21 For a list of basic aid districts, see the [California Department of Education website](#). For a definition of basic aid districts, also refer to [EdSource](#).
- 22 Our analysis of the single elections held by these 92 districts found that more than one-third of them received a 55% vote in favor of passage, but failed to get the necessary two-thirds threshold.
- 23 In Mill Valley and Piedmont, 3.8% and 1.4% of students, respectively, qualified for free or reduced-price meals in 2010-11, while none in Kentfield do, according to Ed-Data.
- 24 Los Angeles Unified School District has attempted to get parcel taxes approved. In June 2010, a weak and underfunded campaign contributed to the defeat of Measure E, which would have imposed a \$100 parcel tax and raised \$95 million for four years. But it received only 53% of the vote. A \$298 per parcel measure intended for the November 2012 ballot that would have raised \$298 million annually was withdrawn by the Board of Education for fear that it could contribute to the defeat of Proposition 30, the statewide school funding initiative.
- 25 See “[Understanding California School District Parcel Tax Elections](#)” by Imre Mészáros. Presentation at the 2011 annual Association of School Finance and Policy conference. Mészáros conducted the research for his Doctor of Education degree at the University of Southern California (USC). The research was done under the supervision of Lawrence Picus, a school finance expert who is also president of EdSource’s board of directors.
- 26 California Taxpayers Association, [The Other Property Tax](#), March 2013.



ABOUT EDSOURCE

EdSource is an independent, impartial nonprofit organization established in 1977.

EdSource's mission is to engage Californians on key education challenges and to highlight strategies that promote student success.

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APPENDIX: DATA SOURCES AND METHODOLOGY

This analysis was based on multiple data sources. We used the statistical software program STATA to merge data files and to process and analyze the data.

Analysis of Elections. The analysis of 608 parcel tax elections held between 1983 and 2012 is based on a parcel tax election database maintained by Ed-Data, a partnership between EdSource, the California Department of Education, and Fiscal Crisis & Management Assistance Team (FCMAT). Many school districts have held multiple elections; therefore “608 elections” does not equate to 608 unique districts. Instead, a total of 222 districts held the 608 elections analyzed in this report. In 2012, five Los Angeles school districts held a parcel tax election jointly. We treat this election as a single event in the election analysis.

A total of nine parcel tax elections listed in the database are excluded from this analysis. These comprised six so-called “Gann Limit” elections that required a simple majority for the purpose of seeking permission from the public to spend revenue from a previously enacted parcel tax. Three elections were excluded because our data source did not have information on the percent that voted in favor of the proposed tax in those elections, and that information could not be found elsewhere.

Analysis of School Districts. We determined that 222 school districts held the 608 elections described above. In the vast majority of cases, this was easily discerned. However, we made a small number of key methodological decisions to deal with nuances in the data.

First, our election data source indicates that both the Panama Elementary Union School District and the Buena Vista Elementary School District each held a single parcel tax election in the mid-1980s and only one district passed one. These two school districts merged to form the Panama/Buena Vista Union School District a few years later; this newly formed district did not hold a parcel tax election. For analytical purposes, we analyzed district characteristics of this merged district, added up the election data points for both districts, and assigned them to this merged district. That is, we considered the Panama/Buena Vista Union School District to have held two elections and to have passed one election.

Second, Santa Barbara Elementary and Santa Barbara Secondary school districts recently merged to form the Santa Barbara Unified School District. Prior to the merger, these two districts comprised a “common administration” district governed by the same school board. (Although these districts report demographic information about students and staff as two separate districts, their financial information is filed with the state as if they were a single district.) Each of these school districts held three elections and successfully passed two. Likely due to their common administration status, these districts put their parcel taxes on the ballot at the same time. As a result, for analytical purposes, we analyzed the school district characteristics of the newly formed Santa Barbara Unified and considered this district to have held three elections and successfully passed two.

Finally, we treated the five school districts that held a 2012 election jointly as individual school districts. Two of these school districts had previously held one parcel tax election. For analytical purposes, both were considered to have conducted a total of two each. For the three districts for whom the 2012 election was their first election, their total number of elections held was one.

Our analysis of school district characteristics was based on the most recent information where possible. Data on the racial-ethnic distribution of enrolled students were generated from the 2011-12 “Enrollment by School” California Basic Educational Data System (CBEDS) data file. The student groups “Pacific Islander” and “Filipino” were added to the “Asian” student group to identify all Asians.

Information on district type and share of English learners came from Ed-Data and was also retrieved for the 2011-12 year. Data on those eligible for free and reduced-price meals was for 2010-11 and also retrieved from Ed-Data. When information on free and reduced-price meals was unavailable, we retrieved it from 2009-10.

We recognize that the elections were held over a 30-year period and that many districts have experienced demographic change. To explore this, we gathered data points of interest (total enrollment, share of enrollment that is African American and Latino, share of enrollment that is white and Asian, free and reduced-price meals, and English learners) for four points in time: 1992-93 (the earliest year available for most data points), 1997-98, 2007-08, and 2011-12). The vast majority (96%) of the 222 districts that held at least one parcel tax election had data points across all variables for all four years. We calculate the average for each district and duplicated the analysis shown in Table 1 and found that the patterns we identified remained the same. In the interest of focusing the discussion on current student demographics, we decided to present the results using the most recent demographic data.

School district-level information on the share of residents age 65 and older and proportion of housing units that are owner-occupied is based on the 2010 Census. The [Excel files](#) used. Three school districts out of the 958 school districts analyzed did not have data in this source.

Information on the school districts designated as “Basic Aid” districts in 2012-13 was retrieved from the [California Department of Education website](#).

Parcel Tax Revenue. Our analysis of parcel tax revenue is based on parcel tax revenue for general fund use as reported by school districts to the California Department of Education. We analyzed databases retrieved from the Standardized Account Code Structure (SACS) unaudited actual data sets made available by the [California Department of Education](#). These files contain the annual unaudited actual financial data that local educational agencies and county offices of education submit to the California Department of Education. In most years, a handful of districts reported very small amounts of parcel tax revenue in their general funds even though these districts did not have parcel taxes in effect. Phone calls to these districts revealed that this parcel tax revenue reflected late tax payments collected by the county after the tax had expired. Finally, one district, Hayward Unified, reported parcel tax revenue in the files we analyzed despite not having a parcel tax in place. Contact with the school district revealed that this was revenue raised through a Maintenance Assessment District parcel tax. Because it is not a school district parcel tax as studied in this report, we removed Hayward Unified’s data from our analysis of the SACS files.

Parcel tax revenue for San Francisco Unified School District was not listed under the correct object code in the 2011-12 SACS file. The district provided EdSource with the correct 2011-12-parcel tax revenue. Amounts reported for parcel tax revenue and total revenue may not match what is reported in Ed-Data due to rounding.

Our calculation of parcel tax revenue based on 2011 constant dollars in Figure 4 was based on utilizing the Bureau of Labor Statistics’ [Consumer Price Inflation calculator](#).