

# California K-12 Funding in Context

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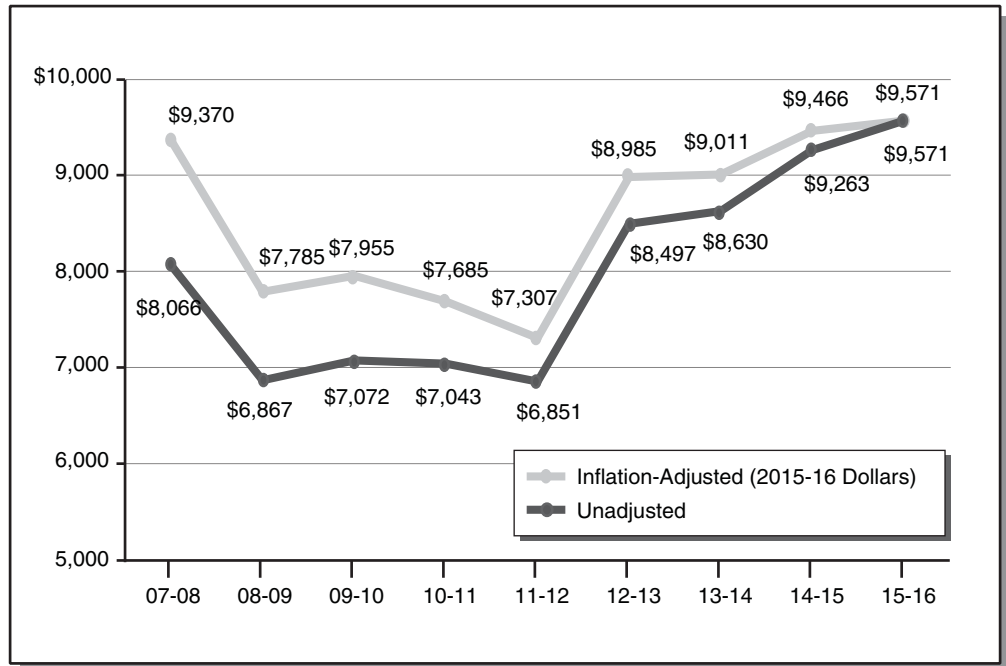
LEGISLATIVE ANALYST'S OFFICE

Presented to:  
Assembly Budget Subcommittee No. 2 on Education Finance  
Hon. Kevin McCarty, Chair





## K-12 Proposition 98 Funding Per Pupil



- After Reductions During Recession, Funding Begins to Increase in 2012-13**
- Funding in Governor’s 2015-16 Budget Slightly Above Inflation-Adjusted 2007-08 Levels**



## California Per-Pupil Ranking Compared to Other States

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### **California's Ranking in Per-Pupil Spending Decreased During Recession**

- In 2007-08, California ranked 23<sup>rd</sup> among 50 states and District of Columbia.
- In 2011-12, California ranked 36<sup>th</sup>.
- Given funding increases over the last three years, California's ranking is likely to increase as data are updated.



### **California's Ranking Drops if Adjusted for Cost of Employment**

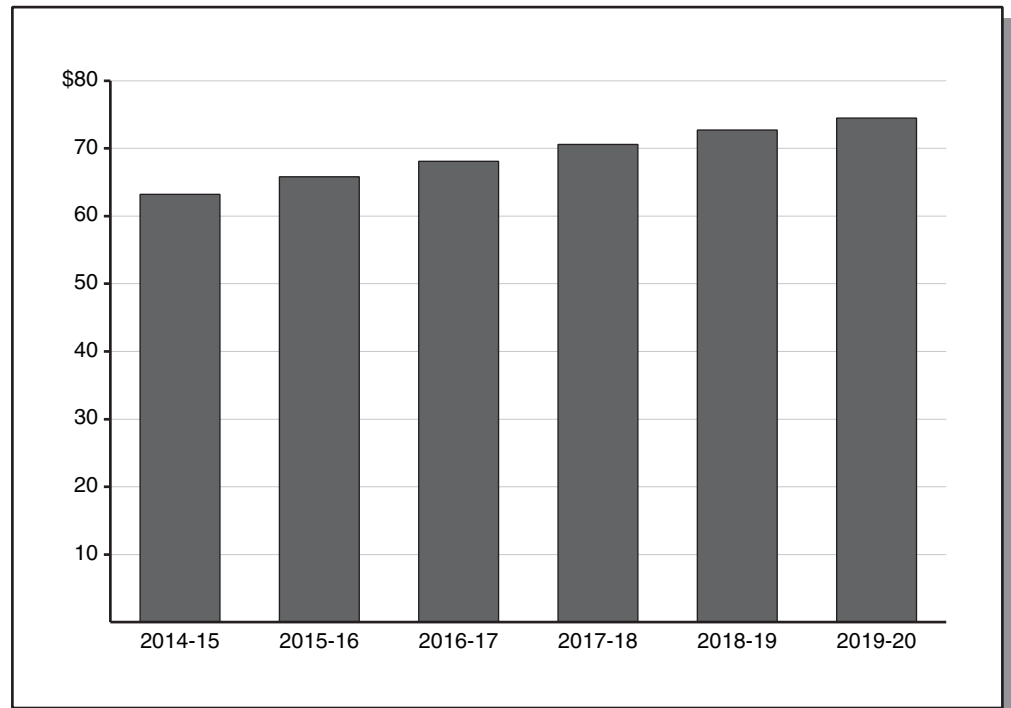
- Some rankings adjust per-pupil spending based on regional variation in wages. In one recent wage-adjusted ranking, California ranks 45<sup>th</sup> in the nation.



## LAO Main Proposition 98 Forecast

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*(In Billions)*



- Project Average Annual Growth of 3.3 Percent From 2014-15 to 2019-20**
- Project Faster Growth in First Few Years**
  - Minimum guarantee increases 8.1 percent from 2013-14 to 2014-15.
  - Minimum guarantee increases 4.1 percent from 2014-15 to 2015-16.



## **LAO Main Proposition 98 Forecast *(Continued)***

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### **Project Slower Growth in Guarantee as Proposition 30 Revenues Phase Out**

- Sales tax increases phase out over 2016-17 and 2017-18.
- Personal income tax increases phase out over 2018-19 and 2019-20.



### **Estimate Local Control Funding Formula Would Be 91 Percent Funded by 2019-20**