

## Technical Appendix

# Basic Aid School Districts

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# Supplemental Information

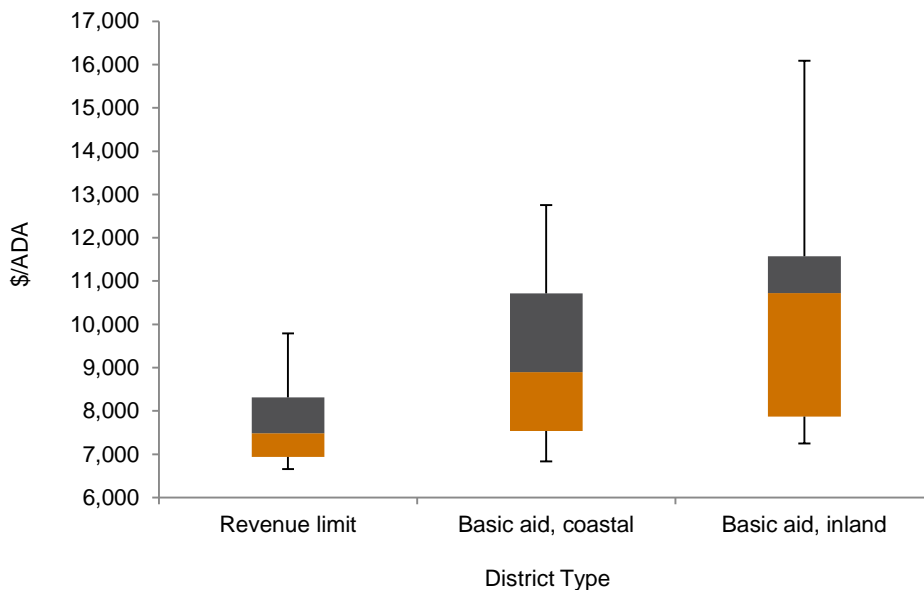
We first show the distribution of each source of revenue by basic aid status, then provide property tax allocations by county, and finally, we replicate many of the figures and tables from the accompanying report using a different categorization of basic aid districts.

## Variation in Funding by Source of Revenue

Although basic aid districts have more revenue per pupil available to them than revenue limit districts, there is substantial variation in funding across the state. This variation is represented in Figures 1 and 2. The boxes show the distance between the level of funding per pupil at the 75th and 25th percentile for a group of districts. Percentiles are weighted by the number of students in a district. Within each group, students are assigned the funding level of their district and ranked accordingly. The orange box is the distance between the 25th percentile and the median. The grey box is the distance between the median and the 75th percentile. The vertical lines show the distance between the 10th and 90th percentile.

Figure A1 shows total funding levels per pupil. At about \$7,500 per pupil, revenue limit districts have lower funding levels than both coastal and inland basic aid districts. There is also less variation—as seen by the spread from the 10th to 90th percentile of funding—in revenue limit districts than in basic aid districts. Even the 90th percentile of revenue limit districts receives less funding than the 75th percentile of coastal basic aid funding, and less than the median of inland basic aid funding. Inland basic aid districts have the largest difference between the 10th and 90th percentile of funding.

**FIGURE A1**  
Distribution of total revenues per pupil by basic aid status, 2010–11

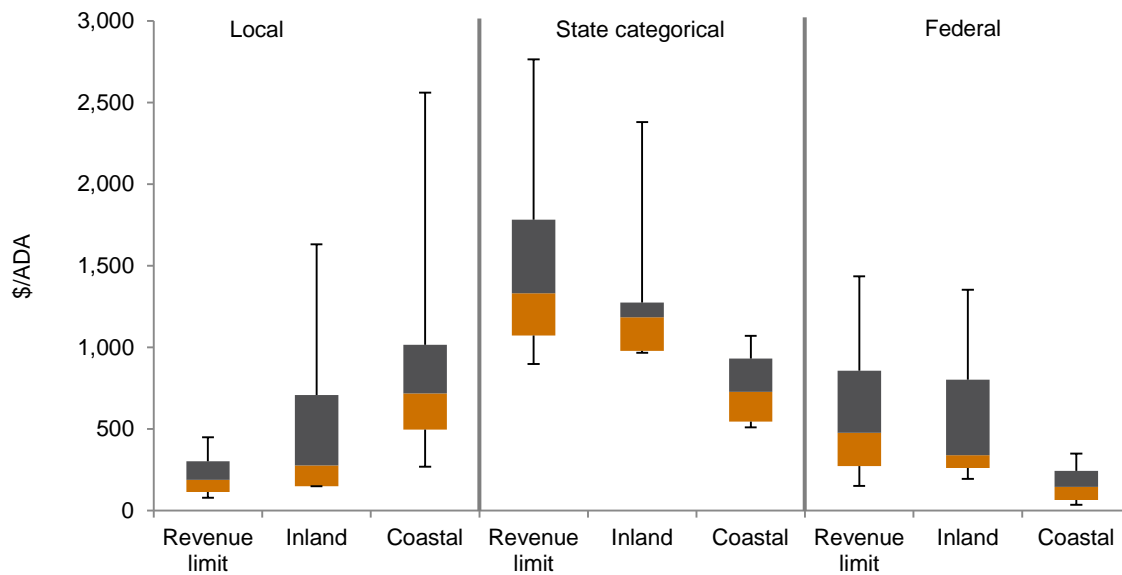


SOURCE: PPIC School Finance Model (2013).

Figure A2 provides the same illustration of variation for three other sources of school district revenue: other local funds, state categorical aid, and federal aid. The first three bars show the distribution of local revenue (e.g. parcel taxes, funds from the sale or lease of unused buildings) for each district type. The median level of local revenue per pupil is similar for revenue limit and inland basic aid districts. Coastal basic aid districts raise the most local revenue, but there is also a large difference between the 90th and 10th percentile. The 90th percentile of revenue limit districts do not raise as much local revenue as the 25th percentile of coastal basic aid districts.

The next three bars show the distribution of state categorical aid for the different types of districts. Again, the median revenue per pupil is similar for revenue limit and inland basic aid districts. However, in complete contrast to local revenues, revenue limit districts receive the most state categorical funding but also have the most variation. The 90th percentile of coastal basic aid districts receives less categorical aid than the 25th percentile of revenue limit districts. A similar trend is evident in the case of federal aid.

**FIGURE A2**  
**Distribution of revenue per pupil by source and basic aid status, 2010–11**



SOURCE: PPIC School Finance Model (2013).

NOTES: State categorical funding excludes funding for regional programs where allocation data are not available, including special education, ROCPs, and teacher credentialing. Federal funding excludes special education funding.

## Property Tax Allocations

Table 1 provides the allocation of the 1 percent property tax across local governments for each of California's 58 counties. In Alameda County, for example, 19 percent of property taxes are allocated to city governments, 13 percent to the county government, 45 percent to school districts and community colleges, and 23 percent to other special districts (e.g. library, mosquito abatement). Total property taxes raised from the 1 percent property tax differ by county.

**TABLE A1**  
Property tax allocations by local agency (%), 2010–11

| County          | City | County | K–14 | Other |
|-----------------|------|--------|------|-------|
| Alameda         | 19   | 13     | 45   | 23    |
| Alpine          | 0    | 62     | 26   | 12    |
| Amador          | 4    | 32     | 62   | 2     |
| Butte           | 5    | 11     | 61   | 23    |
| Calaveras       | 1    | 20     | 67   | 13    |
| Colusa          | 6    | 27     | 60   | 7     |
| Contra Costa    | 8    | 12     | 52   | 29    |
| Del Norte       | 1    | 18     | 64   | 17    |
| El Dorado       | 2    | 22     | 50   | 25    |
| Fresno          | 11   | 12     | 64   | 12    |
| Glenn           | 6    | 20     | 70   | 4     |
| Humboldt        | 7    | 15     | 58   | 20    |
| Inyo            | 1    | 28     | 62   | 9     |
| Kern            | 5    | 26     | 59   | 11    |
| Kings           | 6    | 22     | 53   | 18    |
| Lake            | 1    | 21     | 56   | 22    |
| Lassen          | 4    | 19     | 72   | 5     |
| Los Angeles     | 14   | 20     | 47   | 18    |
| Madera          | 3    | 14     | 72   | 11    |
| Marin           | 11   | 17     | 60   | 13    |
| Mariposa        | 0    | 25     | 69   | 5     |
| Mendocino       | 2    | 25     | 63   | 10    |
| Merced          | 5    | 19     | 67   | 9     |
| Modoc           | 3    | 26     | 65   | 6     |
| Mono            | 4    | 29     | 43   | 24    |
| Monterey        | 6    | 15     | 64   | 16    |
| Napa            | 9    | 19     | 67   | 6     |
| Nevada          | 7    | 14     | 57   | 22    |
| Orange          | 10   | 6      | 62   | 22    |
| Placer          | 7    | 17     | 64   | 13    |
| Plumas          | 1    | 20     | 68   | 11    |
| Riverside       | 6    | 10     | 44   | 41    |
| Sacramento      | 10   | 17     | 53   | 20    |
| San Benito      | 2    | 11     | 69   | 18    |
| San Bernardino  | 6    | 10     | 43   | 40    |
| San Diego       | 12   | 13     | 62   | 14    |
| San Francisco   | 0    | 59     | 30   | 10    |
| San Joaquin     | 9    | 19     | 58   | 13    |
| San Luis Obispo | 7    | 24     | 62   | 7     |
| San Mateo       | 10   | 13     | 61   | 15    |
| Santa Barbara   | 5    | 19     | 60   | 17    |
| Santa Clara     | 9    | 15     | 62   | 14    |
| Santa Cruz      | 5    | 12     | 58   | 25    |
| Shasta          | 6    | 12     | 65   | 16    |
| Sierra          | 1    | 52     | 33   | 14    |

TABLE A1 (continued)

| County     | City | County | K-14 | Other |
|------------|------|--------|------|-------|
| Siskiyou   | 6    | 21     | 70   | 4     |
| Solano     | 12   | 16     | 46   | 26    |
| Sonoma     | 5    | 20     | 60   | 14    |
| Stanislaus | 6    | 10     | 74   | 10    |
| Sutter     | 8    | 18     | 63   | 11    |
| Tehama     | 4    | 25     | 68   | 3     |
| Trinity    | 0    | 29     | 67   | 5     |
| Tulare     | 5    | 19     | 60   | 15    |
| Tuolumne   | 1    | 28     | 64   | 7     |
| Ventura    | 8    | 16     | 53   | 24    |
| Yolo       | 15   | 9      | 58   | 18    |
| Yuba       | 3    | 21     | 67   | 9     |

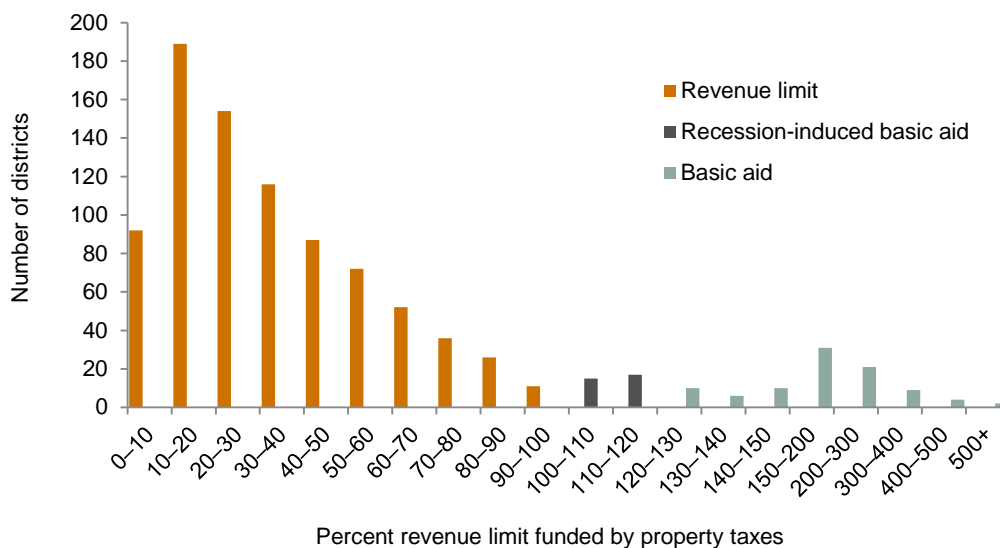
SOURCE: California Board of Equalization Annual Report, Statistical Appendix, Table 15, Available at [www.boe.ca.gov/annual/annualrpts.htm](http://www.boe.ca.gov/annual/annualrpts.htm).

## Recession-Induced Basic Aid Districts

In the remainder of this appendix, basic aid districts are disaggregated into two groups: those that were basic aid districts prior to the Great Recession and those that are recession-induced basic aid districts.

Figure A3 displays the number of districts by the percent of their revenue limit financed by property taxes. In this figure, the orange bars represent revenue limit districts (property taxes cover 0–100 percent of their revenue limit), the grey bars represent recession-induced basic aid districts (property taxes cover 100–120 percent or their revenue limit; without the deficit factor their property taxes would cover 80–100 percent of their revenue limit), and the teal bars represent traditional basic aid districts.<sup>1</sup>

FIGURE A3  
Proportion of revenue limit financed by property taxes, by basic aid status, 2010–11



SOURCE: 2010–11 revenue limit funding calculation, Second Principal Apportionment, California Department of Education.

NOTE: All figures and tables exclude statewide benefits that charter school districts and two all-charter districts (Hickman Community Charter and Pioneer Union Elementary in Kings County) receive through the charter school block grant in-lieu of their revenue limit.

<sup>1</sup> When the state cannot afford to pay for the entire revenue limit, it applies a “deficit factor,” the proportion of funding it can afford. Since the Great Recession, revenue limit funding is about 20 percent below statutory funding levels

Recession-induced basic aid districts tend to enroll fewer students than revenue limit districts, but more than basic aid districts (Table A2).

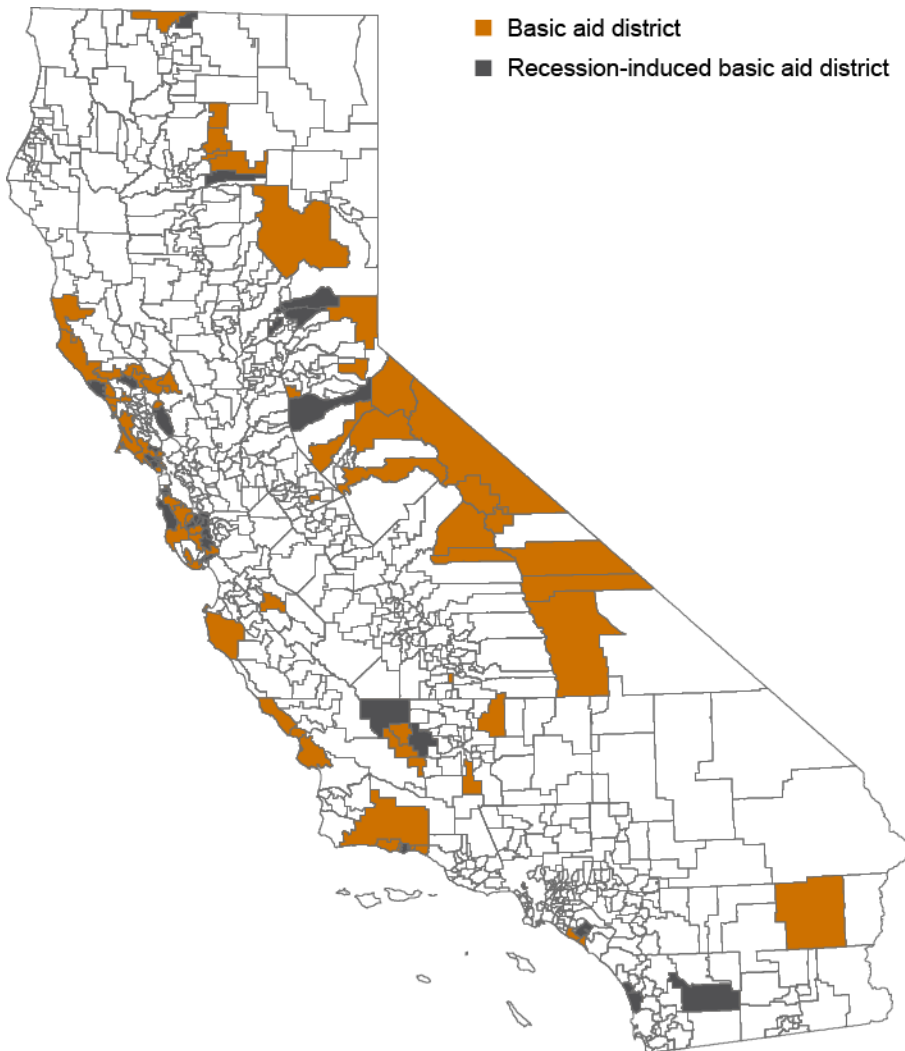
**TABLE A2**  
Average district enrollment by basic aid status

|             | Revenue limit districts | Recession-induced basic aid districts | Basic aid districts |
|-------------|-------------------------|---------------------------------------|---------------------|
| Elementary  | 2,275                   | 1,735                                 | 677                 |
| High School | 7,097                   | 6,416                                 | 3,989               |
| Unified     | 12,573                  | 8,684                                 | 2,539               |

SOURCES: PPIC School Finance Model (2013).

Figure A4 displays the geographic location of basic aid districts. The orange districts are traditional basic aid districts and the blue districts are recession-induced basic aid districts.

**FIGURE A4**  
Geographic location of basic aid districts



SOURCE: California Department of Education (2011)

The demographic characteristics of recession-induced basic aid districts more closely resemble the characteristics of traditional basic aid districts than revenue limit districts. The average household income is similar and they have similar levels of college-educated adults (Table A3).

**TABLE A3**  
Demographic characteristics by basic aid status, 2010–11

|                                   | Revenue limit districts | Recession-induced basic aid districts | Basic aid districts |
|-----------------------------------|-------------------------|---------------------------------------|---------------------|
| Average household income (\$)     | 60,928                  | 82,666                                | 85,961              |
| College-educated adults (%)       | 27                      | 51                                    | 54                  |
| Born in California (%)            | 54                      | 47                                    | 49                  |
| Household speaks only English (%) | 56                      | 64                                    | 69                  |
| White residents (%)               | 40                      | 56                                    | 62                  |
| Free and reduced price lunch (%)  | 57                      | 27                                    | 25                  |
| English learners (%)              | 24                      | 19                                    | 14                  |
| White students (%)                | 26                      | 43                                    | 52                  |
| 2011 API                          | 782                     | 856                                   | 864                 |

SOURCES: American Community Survey 5-Year Averages; U.S. Census Bureau, 2011; PPIC School Finance Model (2013).

NOTE: All differences in means are statistically significant at the 0.01 level.

Recession-induced basic aid districts are also similar to traditional basic aid districts in the value of their homes (Table A4). One interesting finding depicted in Table 4 is the tenure of residents within districts. A larger proportion of residents in recession-induced basic aid districts than in revenue limit and basic aid districts moved into their current residence since 2005. Home values greatly increased during the housing bubble, also increasing the property taxes collected on these higher values. It may be that recession-induced basic aid districts, by having a higher proportion of less-tenured residents, were more affected by the housing bubble, thereby triggering higher property taxes per pupil. Between 2005 and 2010, nominal property taxes increased by 30 percent in recession-induced basic aid districts, compared to a 2 percent decline in revenue limit districts. Property taxes per pupil increased by nearly 40 percent in recession-induced basic aid districts compared to less than 1 percent in revenue limit and basic aid districts.<sup>2</sup> This deserves future investigation.

**TABLE A4**  
Housing characteristics by basic aid status, 2011

|  | Revenue limit districts | Recession-induced basic aid districts | Basic aid districts |
|--|-------------------------|---------------------------------------|---------------------|
| Median value (\$)                              | 428,617                 | 731,068                               | 805,316             |
| Valued at \$1 million or more (%)              | 7                       | 23                                    | 35                  |
| Residents moved into residence since 2005 (%)  | 41                      | 43                                    | 40                  |
| Residents moved into residence before 1990 (%) | 37                      | 37                                    | 41                  |

SOURCES: American Community Survey Five-Year Averages; U.S. Census Bureau, 2011.

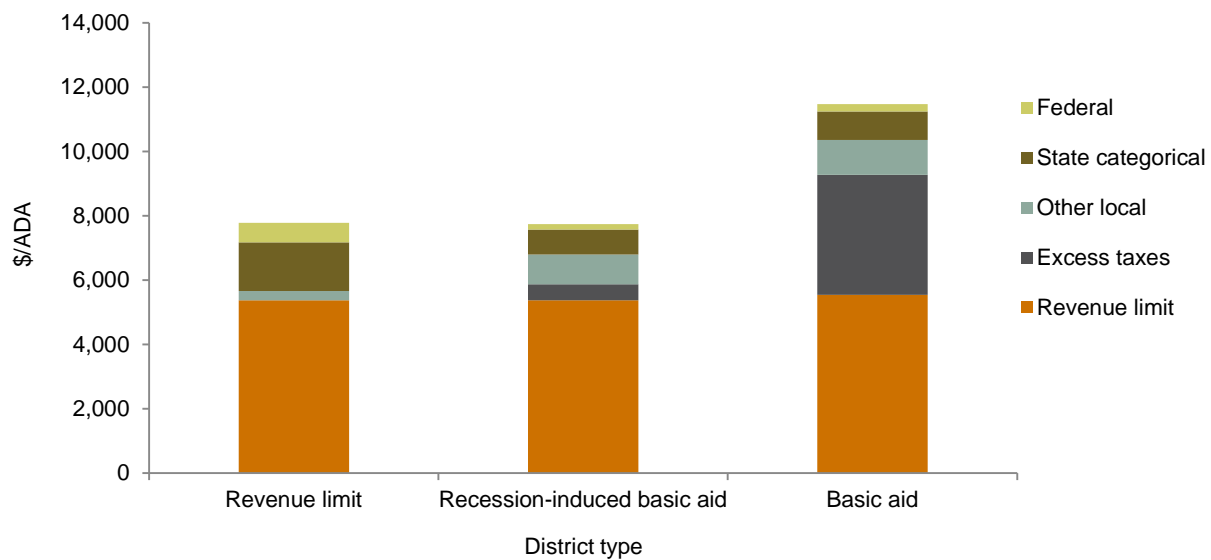
NOTE: All differences in means are statistically significant at the 0.05 level.

<sup>2</sup> In this calculation, nominal local revenue per pupil in 2010 is divided by local revenue per pupil in 2005. Other factors, such as changes in enrollment, can also affect local revenue per pupil. Nominal property taxes increased by 27 percent and property taxes per pupil by 67 percent in basic aid districts between 2005 and 2010.

Figure A5 displays the average funding levels of the three types of districts by source of funding. As we note in the accompanying report, basic aid districts had significantly more revenue than revenue limit districts. This additional revenue resulted from excess property taxes as well as nearly \$1,000 per pupil in other local revenue. However, state and federal categorical aid per pupil is lower in basic aid districts.

When recession-induced basic aid districts are separated from other basic aid districts, as show in Figure 5, a new trend emerges. Total funding in recession-induced basic aid districts is equal to total funding in revenue limit districts at about \$7,800 per pupil.<sup>3</sup> However, recession-induced basic aid districts have much less in excess taxes per pupil than other basic aid districts: \$500 per pupil compared to \$3,700 per pupil. This difference accounts for the difference in funding levels: recession-induced basic aid districts average \$7,800 per pupil compared to \$11,500 per pupil in other basic aid districts.

**FIGURE A5**  
Source of revenue by basic aid status, 2010–11



SOURCE: PPIC School Finance Model (2013).

NOTES: State categorical aid excludes regional programs where allocation of funding across members is not available, including special education, regional occupational centers and programs, and the teacher credentialing block grant. Total categorical aid for districts with excess taxes also includes the basic aid reduction.

<sup>3</sup> State categorical aid in recession-induced basic aid districts reflects the basic aid reduction of approximately \$400 per pupil (\$600 per pupil in basic aid districts).



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