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Opposing Views: The Divide in Public Education Funding – Property Tax Revenue

By Magda Derisma

In the United States Supreme Court's decision in *San Antonio Independent School District v. Rodriguez*, the Court made it clear that education is not an implicit or explicit right protected by the United States Constitution.

Although education is not constitutionally protected, it does not exist without safeguards. The Tenth Amendment to the Constitution implicitly reserves the power of educational decision making to each respective state. As a result, each state has a provision within their state's constitution that requires an equitable or ample public education system. Legislators of each state are given authority to decide how their education system will be maintained. A majority of state legislators have decided that public education is primarily a local expenditure that should be funded by local property tax revenue.

Nevertheless, the decision to largely fund public education through property tax revenue is one that is often challenged. Courts, education reformists, and legislatures are divided on the issue. Proponents of public education property tax funding view property taxes as an effective funding source for state and local governments. Opponents argue that this type of funding creates disparities in the quality of education that is available to children living in poor communities.

Proponents of Public Education Property Tax Funding

Proponents argue that property taxes are the most appropriate revenue source for the large expenditure of public education. In support of this, proponents turn to an analysis of federal, state, and local funding sources to ground their argument. To begin, public education is a huge local expenditure. Less than ten percent of education funding comes from the federal government. The large remaining balance is left for the states to fund. This balance is paid through potentially unstable state and local taxes.

Similarly, proponents argue that yearly school budgets and funding sources need to be stable and predictable so that teacher placements and educational services are not interrupted. Using state taxes to fund public education has the potential to create funding insecurities. To begin, state tax revenues are largely generated from income and sales taxes. Income and sales tax revenue are not stable sources and have the propensity to drop in times of recession. Local property taxes on the other hand are more stable despite changes that occur in economic conditions. The property tax base is seen as being less mobile than the income and sales tax base.

In addition, proponents note that there are a few states that do not collect sales or income taxes. Especially in those states it would be a difficult task to fund a public education system without the use of property tax revenue.

The argument is also made that the loss of local property taxes reduces civic engagement. Homeowners with school age children in public schools usually have a greater incentive to vote on issues that relate to public education when their property taxes are used to fund public education. Moreover, property-rich districts, districts that

have higher property values and ownership, are less likely to vote on plans that recommend equity in school financing. This is because equal school funding plans have the potential of reducing the amount of money spent on education in property-rich districts. Less funding could mean a cut in academic and extracurricular programs.

Finally, proponents argue that the funding of public education is a matter to be decided by the state governments. Proponents rest their argument in *San Antonio Independent School District v. Rodriguez*. In that case, poor children living in a school district with a low property tax base brought suit against the San Antonio Independent School District arguing that school funding based on local property taxes was unconstitutional given that the funding system favored wealthier communities and did not allow for equal educational opportunities. The Supreme Court ruled that public education was not a fundamental right guaranteed by the constitution and it was up to the states to decide how to fund and maintain public school systems.

Other courts have continued to uphold the decision of *San Antonio Independent School* in cases brought by education advocates. For example, in *Committee for Education Rights v. Edgar*, school districts, school boards, and students challenged the public education-funding scheme based on property taxes because they believed that there was inequality between poor and wealthier districts. The Illinois Supreme Court upheld the ruling in *San Antonio Independent School*, and further noted that public education funding is a political question for state legislators to decide. The court essentially said that these types of education funding questions have no place in the courts and are better suited for state legislators to decide.

Collectively, proponents of the use of property taxes to fund public education base their arguments on its practical application, the effect that it has on civic engagement, and the courts' decision to support state autonomy on education issues.

Opponents of Public Education Property Tax Funding

Opponents of public education property tax funding rest their argument on the disparities that property tax funding creates in the quality of education available to children living in low income communities. Some opponents argue that to create an equitable system within a state, the respective state governments would need to allocate a foundational amount of funding to each district. This funding would guarantee a basic level of education for all students within the state. The argument is based on the fact that wealth and property are not evenly distributed. Opponents argue that property-poor districts currently have less money to finance public education and that this perpetuates inequality. Access to adequate education is seen as an important opportunity to create opportunities for all children despite their financial backgrounds. It is also argued that people tend to live in areas with better schools and that this contributes to an increased workforce and potential boost in the productivity of the region. Opponents of property tax funding see a change in education funding as an opportunity to eventually redistribute wealth within a region.

Justice Earl Warren's opinion in *Brown v. Board of Education* furthers the argument that education is the most important function of state and local governments and that without adequate access to it, a child would struggle to succeed in life. Some opponents to a change in education funding have met success when challenging

education adequacy as it pertains to state constitutions. In a Supreme Court of California decision, *Serrano v. Priest*, the plaintiffs argued that the public education-funding scheme of the state of California violated the state constitution by creating inequalities in educational quality between wealthy and poor school districts. The court held that the state's education-funding system violated their equal protection rights under the state's constitution.

In summary, opponents to the use of property taxes to fund public education emphasize ground their argument on the disparities that this funding source creates. Their argument is supported by their focus on equal distributions of wealth and court decisions that address equal access to education.

Conclusion

The ways in which education is funded is a controversial debate among state legislators, education reformers, and courts. Proponents of property tax funding argue that property tax revenue is the most sensible way to fund such a large state expenditure while opponents believe that the current funding scheme creates educational disparities between poor and wealthy school districts. Only time will tell whether a large-scale change in education funding is likely or whether the system will remain unchanged.

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