For more than 50 years, the United States has claimed to provide equal public education to all students, regardless of background or identity. But in fact, as income and wealth inequality have become more brutal and entrenched, low-income students, students of color, and students with disabilities have systematically and continuously been deprived of the resources that more privileged students take for granted. This fact sheet describes some of the sources of the underfunding of public schools, and policies that could finally achieve equity for our schools.

**Federal Underfunding of Public Schools Title I — a war on poverty**

In 1965, the federal government passed the Elementary and Secondary Education Act (ESEA), which sought to address the need for additional resources for schools in economically deprived communities. The legislation recommended that the federal government provide additional funding for low-income students, at a level up to 40% on top of average per-pupil state spending. That commitment, known as Title 1, has been underfunded every year.

If the federal Title 1 commitment had been met, Los Angeles would have had an additional $902 million to spend on low-income children in 2015 alone. Over the past 13 years — since this year’s high school graduates entered kindergarten — Los Angeles schools have been shortchanged $9 billion in federal Title 1 funds.¹

In 1975, Congress passed the law now known as the Individuals with Disabilities Education Act, or IDEA, which requires schools to provide students with disabilities with the supports they need in school. IDEA assumes that on average, the cost of educating a child with disabilities is twice the cost of educating a non-disabled student, and Congress pledged that the federal government would pay up to 40 percent of this cost. That commitment was also never been met.

If the federal IDEA commitment had been met, in 2015 alone, Los Angeles would have had an additional $201 million to spend on students with disabilities. Over the past 13 years — since this year’s high school graduates entered kindergarten — Los Angeles schools have been shortchanged $2.4 billion in federal IDEA funds.²

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¹ US Department of Education Budget Service and US Census Bureau, and National Education Association.
² Ibid.
Investment in Police and Prisons Instead of Schools

Over the past few decades, spending on police and prisons has skyrocketed, along with harsh criminal penalties for minor offenses, the criminalization of normal teenage behavior, and punitive school discipline policies. In addition to the unjust incarceration of millions of people, this expansion of the police and prison industry has reduced resources for public education.

In Los Angeles, between 2005 and 2014, increases in government spending were not distributed equally:3

- Spending on police increased by 49%
- Per pupil spending on instruction increased by only 5%

Bad Actors

While California public schools struggle, the wealthy and corporations have benefitted from tax subsidies and undermined public education through supporting school privatization.

- California's biggest charter school advocates include Eli Broad, Gap founder Doris Fisher, Netflix CEO Reed Hastings, the Walton family, Enron trader John Arnold, and Bill Bloomfield
- Wealthy commercial property owners who have benefited from the Prop 13 Commercial Property Loophole include Geoff Palmer, apartment complex developer; Brookfield, office complex owner; Goldman Sachs; Bain Capital; Michael Dell; E&J Gallo; JP Morgan Chase.

Make the Rich and Corporations Pay Their Fair Share

This is the wealthiest nation in the world—and among the most unequal—with the greatest concentration of wealth in the hands of the fewest people. California is the richest state in the US, the 5th largest economy in the world, yet ranks 43rd out of the 50 states in per-pupil funding. Every year, decisions are made by political leaders that strip public funding from public education and send that money to further increase private wealth. Los Angeles is no exception. But there are several policies that could generate millions of dollars to achieve equity in Los Angeles public schools.

- Passing legislation to close the carried interest loophole, in the works through a grassroots coalition, would raise about $891 million a year for California4
- Fixing the Proposition 13 Commercial Property Loophole, now a real possibility with the Schools and Communities First initiative on the ballot in 2020, would generate $11 billion a year for California
- In Los Angeles, slowing the unregulated growth of charter schools, which currently remove $600 million per year from neighborhood schools, could bring millions of dollars to Los Angeles schools

Our cities, states and federal government have the funds necessary to provide all students with an equitable and high-quality education, but they choose to spend resources on police and prisons, corporations and the wealthy. It is time to take those funds back and provide all children with the schools that they deserve.

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3 US Census Data, Annual Survey of State and Local Government Finances; and Annual Survey of School Finances
4 See report website for detailed methodology.