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RESEGREGATION IN CALIFORNIA PUBLIC SCHOOLS: THE SYNERGETIC EFFECTS OF PROPOSITION 13, EDUCATION REFORM, AND FISCALIZATION OF LAND

by

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"California [has become] a new version of the Mississippi of the 1960s and an evil of its own—a new bad example of how mobilizing white contempt against communities of color, immigrants, low-wage workers… could promise psychic reparations for the damage done to the quality of life by decades of neoconservative and neoliberal policies" (Lipsitz 2018, 242).

- George Lipsitz

INTRODUCTION

Over the span of four decades, California went from being one of the best states in per pupil funding for public education to one of the worst. In 1970 California was ranked 14th best in the nation in per pupil spending. By 2010, California was ranked the 14th worst state in the nation in per pupil spending (Berkeley Public Schools 2016). This downturn in per pupil funding is exacerbated by the fact that California has the largest number of students living in poverty in the nation and the largest population of English learners (Fensterwald 2017). Despite having the largest number of Latinx students in the country, California is the state in which Latinx students are the most segregated and "On average, Latinos attend California schools that are about 70 percent Latino whereas their share of the state's student population is 46 percent" (Edley and Kimner 2018, 9). On top of this, California ranks as "the most segregated state in terms of the share of blacks who attend majority white schools, a measure often used in the state during the civil rights era" (Freedberg 2014). Simply put, "60 years after Brown, California shows no significant change in the segregation of its African American students, who have been highly segregated since state statistics were first collected in the 1960s" (Orfield and Jongyeon 2014, 55). These funding gaps and accelerating resegregation are puzzling when considering the wealth present in the state of California, whose gross domestic product of almost $3 trillion dollars as of 2020 would rank it as the 5th largest economy in the world, ahead of Germany and India. It is even more puzzling considering the landmark decision by the California Supreme Court in

Serrano v. Priest that went further to equalize a student's access to education than any court case had done before.

Through Serrano v. Priest the California Supreme Court set the groundwork for equitable access to an equally funded education when they decided that under the equal protection clause of the U.S. constitution that the "right to an education in our public schools is a fundamental interest which cannot be conditioned on wealth" ("Serrano v. Priest" Wikipedia). Serrano v. Priest went far beyond Brown v. Board of Education which deemed separate facilities, even if approximately equal in quality, unconstitutional. This is because the actions taken by state and local governments in response to the Brown v. Board decision focused heavily on remediating the "separate" aspect of the case, rather than the "equal". This has caused inequalities to permeate America's education system for decades. Contrarily, Serrano v. Priest was meant to mark a critical moment in education policy history in California. It set a precedent that is the closest any court has come to requiring policies that attempt equal access to educational opportunity and attainment. Yet, as we see now, California remains one of the lowest funded states in public education, serving the poorest and most disadvantaged students in incredibly segregated schools. This presents the question of: why is it that such poor educational access for low-income students of color is present in California, particularly given the hopeful precedent of the Serrano decision.

LITERATURE REVIEW

Many scholars have pointed to proposition 13 being the obvious reason why California schools are lacking. It is no secret that Proposition 13 gutted funding for public education. It passed by voters via the initiative process in 1978, and subsequently decreased property tax revenues by 53 percent or $7 billion to the state's general fund ($31 billion in 2021 dollars when adjusted for inflation). It capped a parcel of property's tax rate at 1% of the assessed value and only allowed a parcel's assessment to be increased by 2% each year (County of Santa Clara Accessor). It required that only once a property is sold, could the value be reassessed with current market rates. This gutted the primary source of funds for school systems, dramatically increasing their financial hardship.

In the five years after the passage of Proposition 13, Catterall and Brizendine noted in their report *Proposition 13: Effects on High School Curricula, 1978-1983,* that this "financial hardship readily [translated] into program reductions… elimination of all summer school programs… layoffs and limits to salary increases" (Catterall and Brizendine 1985, 328). The decrease in per pupil funding, cutting of key extracurricular programs, and inability to retain staff were devastating to school and students. The same report noted that "the state legislature through its actions was now to be the annual arbiter of school finance, and districts would now have to submit to state-level decisions governing the exact dollar amounts of general revenues available to them from year to year" (Catterall and Brizendine 1985, 332). Catterall argues that the state government was able to carry the burden of education funding, increasing their leverage over local schools and their curricula. In this vein Catterall concludes that Proposition 13 spurred a "curriculum change at a time when both financial strains and recurring demands for improved pupil proficiencies were playing upon decision makers at all levels of the public education system" (Catterall and Brizendine 1985, 328). They argue that an emphasis on preparing students for standardized tests put a nail in the coffin of elective classes which were seen as inefficient, but lack any analysis regarding how this implementation of testing affected students of color disproportionately.

Other authors have argued Proposition 13 was the catalyst of California's failing education system because it led to new unequal real estate incentives. As a result of Proposition 13's near removal of property taxes, homeowners were incentivized to stay in their homes for longer periods of time and pass down their low property tax rates onto their children. Danforth argues that the structure of Proposition 13 "undermines equality and socioeconomic mobility by entrenching property wealth across generations" (Danforth 2021, 511). Danforth argues that Proposition 13 essentially subsidized generational wealth but barely touches on the fact that it did so unequally for people of color. On top of this, she does not explore how these new forms of socioeconomic redlining lock in racial segregation in education. The author is much more focused on the legal implications of Proposition 13 and how it could potentially be remedied through the courts.

In the same vein Danforth argues that "Proposition 13 subsidizes existing property wealth in perpetuity at the expense of funding the very tool -- education -- that has the greatest potential to subvert entrenched socioeconomic hierarchies" (Danforth 2021, 532). Yet while Proposition 13 does subsidize pre-existing property wealth in perpetuity at the expense of investing in education, even if education funding was not severely limited following the passage of Proposition 13, vast inequalities in the distribution of that funding would have continued to exist. On top of this, saying that Prop 13's revenue cutting effects alone are the cause of our entrenched socioeconomic hierarchies is to ignore that education is no longer a means to achieve socioeconomic mobility because of how intertwined education is with segregation and the barriers that standardized testing apply on low-income and disadvantaged students. Investment in education alone would not change the fundamental and structural anti-black and anti-poor policies that have been baked into the educational system and society more broadly. Education reform and the new redlining in conjunction with Proposition 13 have been incredibly harmful towards low-income students of color access to education, but none of these variables on their own have led to these drastic effects. This is a common tendency of much of the literature related to explaining the increasing inequality present in the California public school system. While there is no question that Proposition 13 starved California's education system of funding, made this system increasingly vulnerable to state and federal policy manipulation, and provided exclusionary real estate incentives, the literature previously discussed hasn't focused on the existing inequality that was in place prior to Prop 13 and how these two forces were mutually reinforcing.

Redlining was one of the most economically devastating policies for Black and Brown minorities. It consisted of the practice denying home loans to certain people based on their race. While officially outlawed in 1968 under the Fair Housing Act, enforcement of equal access to mortgages or homes was rare (U.S. Department of Housing and Urban Development). These discriminatory practices and their impacts are detailed in a myriad of scholarly works including a report published in 2018 by the U.S. Commission on Civil Rights that stated, "most communities of color are disproportionately affected by concentrated poverty and residential segregation. Given that school resources are so closely tied to the wealth of a community, low-income students and students of color are more likely to attend a neighborhood school that spends less on them and can provide fewer quality resources compared to a wealthier school that serves white students that would be able to provide more spending per-pupil and more quality resources" (U.S. Commission on Civil Rights 2018, 96). While low-income minority students are more likely to be in concentrated areas of poverty and segregation that lead to negative educational outcomes, the authors don't explore the specific policies that were put in place exacerbating these inequalities. A series of neoliberal education reforms were implemented that redefined the purpose of education: ensuring American students perform and that the educational system (teachers, administrators, schools) is held accountable when they don't. Metrics defining what was a good school versus a bad school were consciously implemented by neoliberal school reforms in the name of accountability. In effect, this created a downward spiral for schools already lacking funding to educate the students lacking in resources of all kinds. Despite the housing segregation or concentration of poverty low-income students of color experience, this punishing feedback loop of standardized testing has permanently kept low-income students of color from "performing," significantly impeding socioeconomic mobility.

In the book *Critical Race Spatial Analysis: Mapping to Understand and Address Educational Inequity*, author Deb Morrison argues that "Racial spaces analysis examines how whites secure this system of supremacy via the racialization of space, or the process by which residential location and community are carried and placed on racial identity" (Morrison et al., 2017, 110). This gets at the core harmful impacts of redlining that extend far beyond lines on a map. These effects have continued to be devastating for students from these communities, however they have also been exacerbated by other policies enacted since then. Instead of attempting to remedy the massive structural racism in education, neoliberal education reform policies like standardized testing, have further disadvantaged poor communities of color that have never been allowed the resources for their students to "perform." White people dominating and defining nearly every space in education policy and enactment is critically harmful, but this argument seems to leap past the obvious policies enacted that were race neutral on their face, but incredibly racist.

While redlining left a legacy of severe segregation and economic disadvantages, it is rarely connected back to the specific policies of education reform that greatly hindered education access for low-income students of color. Redlining cannot alone be examined as the root cause behind educational inequalities for the communities most affected by its legacy. At a time when the promise of integration and equality was so dominate with the passage of the Fair Housing Act and landmark decision of Serrano on the heels of the Civil Rights movement, race-neutral education policies were passed that had a massive racial impact.

The intricacies around California's downwards trajectory of equal access to quality education cannot simply be answered from any one of these individual policies. Like authors have explored before, each one of these policies were damaging to California public education on their own. However, it is these policies working in conjunction, during a period of so much progressive hope, ultimately exacerbated racial inequities in California's education system. My multi-pronged approach examines the causes of these negative educational outcomes in California by focusing on three key policies: conservative tax policy, education reform policies, and restrictive access to affordable housing. I will be exploring how these unequal educational outcomes all stem from this series of policies that were on their face race neutral, but in fact had tremendously negative racial impacts.

CONSERVATIVE TAX POLICY

California consistently ranks among the worst states in per pupil funding directly because of its history of conservative tax policies that have starved the state of funds, restricted resources, and subsidized generational wealth for mostly white families through property.

California voters passed Proposition 13 in June of 1978 as a response to economic stagnation, rising inflation, and rising property taxes. In 1968, the average single-family homeowner in California paid $362 in property taxes annually. A decade later, that figure had exploded to $811" (Danforth 2021, 516). By 1977 California had the 8th highest property tax payments, measured by percentage of property values, in the country (California Budget Project 1997, 1). In California, property taxes are an ad valorem tax, meaning the amount a taxpayer owes is dependent on the market value of a physical asset. This framework presents the potential to price out homeowners if property values surpass a homeowner's ability to pay. Due to inflation, property values were pushing property taxes higher even though property tax rates were no longer increasing, as they peaked in the early 1970s. At the same time as inflation skyrocketed and taxpayers struggled to pay their bills and taxes, the state of California had amassed a $3.8 billion surplus under Governor Jerry Brown in 1977-78 (California Budget Project 1997, 2).

This surplus was the result of an increase in the share of Medi-Cal and SSI/SSP that counties had to pay compared to the state, because of how these cost-shares were related to the assessed property valuations in each county (California Budget Project 1997, 1-2). This meant that any increase in property values increased the cost of these programs to the counties, limiting local officials' ability to lower taxes for residents desiring reprieve. Due to inflation, the strength of the economy, and the fact that "the state share of total program costs for Medi-Cal and

SSI/SSP fell as that of counties rose", the state budget surplus rose dramatically during this time as it had fewer expenditures. But since taxpayers only saw their tax bill increasing with little to no increase in services while the State had ever increasing surpluses, a narrative arose that California's property taxes were out of control and recklessly pushing middle class and retired homeowners out of their homes.

At the same time, California's education spending structure was going through a massive shift. In 1971 the California Supreme Court declared that California's hyper localized education funding formula dependent on municipal property taxes violated the Fourteenth Amendment's Equal Protection clause. Prior to Proposition 13 and for most of California's history 90 percent of K-12 funding came from two sources: 1) local district taxes on real property and 2) aid from the State School Fund. The majority of this revenue came from the former, as property taxes accounted for 55.7% of K-12 funding (Corporate Find Law). Localities could also vote to override the California Legislature's imposed cap on permissible district tax rates by holding a "tax override" election if the majority of a district's voters approved a higher rate of taxation for K-12 financing. In the 1968-1969 school year, Baldwin Park Unified School District spent "only $577.49 to educate each of its pupils… Pasadena Unified School District spent $840.19 on every student; and the Beverly Hills Unified School District paid out $1,231.72 per child" (Justia Law). As a result of these policies favoring local power, there were incredible discrepancies in per pupil funding across the state.

The California Supreme Court's decision on Serrano v. Priest prompted a massive redistribution of tax dollars across the state and significantly altered the way taxpayers perceived the value of their tax-dollar. In compliance with the Serrano decision, education funding was now allocated at the state level, taking funding away from localities. This increased the leverage of state and federal policy makers to sway programs, curriculum and redefine educational outcomes. It also changed taxpayers' attitudes about educational funding. Instead of investing in their own community and children, their hard-earned money was being sent to other children state-wide. This further frustrated home-owning taxpayers and emboldened them to show up in droves to pass Proposition 13.

Proposition 13 gutted public education funding. Instead of raising the threshold of funding to the levels of wealthy districts pre-Serrano, the legislature, facing solvency issues, lowered education funding across the board. These changes were incredibly damaging to schools up and down the state. Anti-poor and anti-black policies emerged in the wake of Proposition 13. It permanently brought an end to summer school, driver education programs and music and field trips in most schools. "Some classes were conducted with fewer texts than pupils, with books not allowed to be taken from classrooms for study or homework" (Catterall and Brizendine 1985, 341). Unsurprisingly enough, these major structural changes to resources being offered in schools did not enrage taxpayers. "Parent-teacher organizations successfully orchestrated fee-charging summer programs… but managed to serve small fractions of previous summer enrollments" (Catterall and Brizendine 1985, 342). Other solutions manifested through "some districts [beginning] to charge fees for participation in athletic activities -- typically $35.00 for a varsity sport," which was subsequently ruled illegal.

This shift from local to state funding meant a distinct shift in defining what educational outcomes were necessary. In conjunction with program cuts, state monies arrived with higher expectations and accountability tagged on. In 1985 a report on the years following the passage of Proposition 13 noted that "much of what has changed in these districts [is] in response to these two currents -- financial pressures and reorientation towards basic instruction" (Catterall and

Brizendine 1985, 340). Basic instruction meant a focus on things like language arts, math, history, and science leaving no room for costly extracurriculars. In 1983, the California State Legislature passed Senate Bill (SB) 813, a reform package with more than 80 initiatives. These initiatives included "increased high school graduation requirements, merit pay and incentives for teachers, and a curriculum overhaul, each characteristic of increased accountability" (Causey-Bush 2005, 111). Districts and schools were punished financially if expectations were not met. This increase in expectations with the lack of funding caused by Proposition 13, suffocated schools and made it nearly impossible for "failing" schools to meet these standards.

Proposition 13 effectively, legally, and race-neutrally lowered the standards of what children had educational access to, in the name of budget cuts. Wealthy white families had school choice options, despite the exclusionary practices emerging in school districts to systematically benefit their children over others. White families could choose private schools, even though they could pay the sport fees and summer school fees and had access to better public schools to choose from. These families made up for the lack of resources and extracurriculars found at their local public schools through tutors, paying museum fees, and by simply having access to generational wealth and knowledge.

Proposition 13 had massively devastating effects to California's public education, but especially on the access that low-income students of color have to an equal education. It severely gutted funding for education and decreased or eliminated programs vital to student success. At the same time, it increased particular expectations in student outcomes that were not achievable given the lack of funding. Proposition 13 gutted funding and spurred a downward spiral in our schools. But more powerfully, it had a particular and synergetic downward spiral impact on "failing" schools, pushing them further from success and the support to get there.

It’s not enough to say that Proposition 13 affected poor communities more because wealthier communities could offer private education or choose to fund public schools more vigorously. The answer cannot be found in explanations that low-income students just couldn’t perform as well as wealthier students. It is also the case that Serrano should have protected against such unequal outcomes because of the explicit requirements set out in the landmark, progressive precedent. One way business and policy makers alike systematically avoided compliance with this precedence was through a series of education reforms that fundamentally changed the values associated with educational outcomes in this country.

EDUCATION REFORM POLICIES

The ways in which we define the purpose of our education system shifted dramatically in the 1970s and 1980s. Race neutral on its face, a series of education reforms spurred by a growing wave of neoliberal sentiments of accountability, shifted the goal of education from learning to performance. This included implementing a national curriculum to standardize benchmarks, standardized testing to measure outcomes, and punishments to hold schools, administrators, and teachers accountable. This business-like model of efficiency resulted in a downward spiral whereby schools with the lowest performing students (which require the most resources) had their funding cut, crippling their ability to raise these students' performance on tests. This exacerbates the performance gap between the haves and have-nots in terms of performance. No longer did it make sense for schools to focus on the worst performing student in the class. Instead, schools realized it was more effective for their overall performance to put all of their resources towards ensuring that cusp students met or exceeded their benchmarks. Since the previous performance gap did not exist in a vacuum, but rather was caused by the generational wealth and knowledge afforded by racist educational policies of the Jim Crow era, this system only served to expand the advantages possessed by white, home-owning families.

The precedent set in Serrano should have protected against educational inequalities like this. But by turning the educational system into a business-like practice, it rationalized benchmarks low-income students could never meet and validated less funding for schools that didn't "perform". Due to program cuts and shift of education funding from local to state allocation caused by Proposition 13, these new educational reforms were able to be implemented easily and became the norm.

The anti-tax sentiment in California that inspired Proposition 13 was no anomaly. Four years after the passage of Proposition 13 "thirty-four states adopted some form of property-tax relief. As of 2018, nineteen states pegged property taxes to acquisition value… and virtually every state in the Union has restricted its legislature's ability to set property taxes in some form or another" (Danforth 2021, 521). Landowning Americans were keen on showing big government that big taxes weren't going to price them out of their homes and that tax revenue should be used as efficiently as possible. Conservative politicians that wanted smaller government through higher levels of accountability shared these values and utilized these sentiments in a global context to shift the narrative and frame what problems were plaguing average Americans, and how to solve them.

The wave of neoliberal policies that came out of the 1970s were greatly supported as they played to a sentiment of fear and anger stemming from nationwide economic stagnation and general underperformance. Following the detrimental loss of public trust in government after Watergate and the devastating losses caused by the Vietnam war, the United States was in the midst of losing its foothold as a world leader, at risk of losing the Cold War, and failing to stem the rise of socialism. Reports like *A Nation at Risk*, written by business and policies leaders, laid out a road map of solutions to these problems. It insisted that change was crucial to remain competitive economically in a post-industrial knowledge dependent world. One of those key changes was prioritizing education as a means to prepare the next generation of American workers, consumers, and citizens. President Reagan used this report "as a springboard for redefining the key education issues not as access and equity, but as the need for increased excellence" (Fowler 2013, 14). During this time many developed nations had "national content standards and tests" and that as such the clear solution to the economic workforce competitiveness shortfalls was "clear curriculum standards and tests to assess curriculum mastery" (Fowler 2013, 14). The neoliberal policy of standards-based reform arose across the country to encourage accountability by defining "performance". These policies added more requirements to education, including a nationwide curriculum which forced teachers to adhere strictly to set standards, implemented testing based on those standards, and did so without any increase in funding.

Standards to measure or define what performance is don't appear in a vacuum and are built upon an existing systematic educational gap between white wealthy students and low-income students of color. Upon its implementation there needed to be an agreeable standard to which performance was defined. This appeared in the form of a "cut score" meaning that "failure is determined by a cut score set by an appointed government panel" (Fair Test). This led to incredible variation between student performance in different states and demonstrates that cut scores are a negotiated political construct. It has also been noted that "there is no connection between test scores and actual academic performance" further demonstrating that this new strategy of test performance was more about mastering curriculum, and less about learning (Fair

Test). This greatly harmed low-income students of color who were in a disadvantaged position to learn from the beginning. These appointed boards also could have established cut scores that made everyone proficient or considered pre-existing inequalities that may lead to different outcomes for students. Instead, these arbitrary benchmarks defined certain privileged students as "valuable" and historically underinvested students, inversely, as "unvaluable." Policies around testing have never been about educating, but instead about enforcing a narrative of a system of meritocracy, one that low-income students of color have been structurally locked out of.

Due to standards-based reform and the starvation of funds from Proposition 13, students were not equal and not only lacked equal access to quality education but were actively barred from attaining it. Feeling emboldened by the state's new power in education funding and policy due to the adoption of Proposition 13, the California Board of Education adopted minimum competency requirements for students in reading and math the very same year as Prop 13 went into effect (San Bernardino Sun 1978). These requirements were measured through the High School Competency Exams which became a high school graduation requirement in California until the implementation of Standardized Testing and Reporting (STAR) exams in 1998 ("California Standardized Testing and Reporting Program" Wikipedia). The High School Competency Exam was subject to state prescribed rules of content and reporting, further centralizing and standardizing local curriculum.

Following this, in 1983 after the release of the report *A Nation at Risk* (and in line with its findings) the California State Legislature passed Senate Bill (SB) 813, a reform package with more than 80 initiatives. These initiatives included "increased high school graduation requirements, merit pay and incentives for teachers, and a curriculum overhaul, each characteristic of increased accountability" (Causey-Bush 2005, 337). Emphasizing the success of

Reagan's effort to redefine the purpose of education to be the vehicle by which to train the future of our workforce, business leaders were amongst the most fervent stakeholders included in SB 813's negotiations. "Highlights of SB 813 include increased high school graduation requirements, which align with new admission requirements from both the California State University and the University of California systems" (Causey-Bush 2005, 337). Not only did this reinforce the notion of how important it was for students to master curriculum to perform well on standardized tests, but it effectively gatekept all students that were not invested in and thus performed badly, from getting a higher education.

This oppressive system gatekept students struggling through no fault of their own while starving attempts at academic mobility by only rewarding high performing schools. Performance being tied to standardized testing created a feedback loop of "desirable" schools with "desirable test scores, and "undesirable" schools with "undesirable" test scores that defined student outcomes for decades to come. It also continued to define valuable neighborhoods and feeder patterns, exacerbating the effects of redlining. The Brookings Institute found that "after researching one hundred of the largest metro areas in the United States, the study found an average difference of $205,000 in home prices between houses in high-performing school districts and low-performing school districts" (Harshbarger et al., 2018). According to the New York Times, Economists found that "a five percent improvement in test scores in suburban neighborhoods can raise home prices by 2.5 percent" (Fitzgerald 2020). The implementation of standardized testing presents a tangible way to signal what areas should be invested in by homeowners, and which ones shouldn't. This prevents further investment in historically disadvantaged neighborhoods, disproportionately affecting minority families. Proposition 13 exacerbated the legacy of Redlining and caused further segregation as only wealthy children live in neighborhoods with "high performing schools." This ensures that not every child has equal access to high performing schools based on income and race.

Reforms emerged in the 1970s and 1980s that were on their face race neutral but contained a massive racial impact. Enactment of these policies made it increasingly difficult for all schools, but failing schools in particular, to provide a decent education. These schools' ability to get funding became dependent on being able to serve students who lack resources of all kinds. This negative feedback loop traps low-income students at the bottom, providing little support to achieve arbitrary, anti-black, anti-poor benchmarks. The structure of who lacks resources and who is going to what schools is also not an accident.

THE NEW REDLINING: RESTRICTIVE ACCESS TO AFFORDABLE HOUSING

One cannot talk about the harmful effects of Proposition 13 and education reforms on low-income students of color without discussing Redlining, its continuing impacts on education, and the new redlining or fiscalization of land that emerged in response to Proposition 13. Redlining did not go away and in fact was exacerbated by the policies that came out of the 1970s and 1980s. Race neutral on its face, the fiscalization of land was a policy that arose in response to Proposition 13's near removal of property tax revenue for cities. The fiscalization of land was detrimental towards the promise of equality that an end to redlining promised. It ensured little to no possibility of educational access for low-income students of color as affordable housing became disincentivized. This caused access to quality education to be dependent on a family's ability to pay for property, the very violation to the constitution the decision of Serrano attempted to remedy.

Redlining originated with the New Deal in the 1940s to create homes and spur economic development, but only for white families. Red lines were drawn on maps throughout this country to ensure that the housing incentives to restart America's economy, were only accessible to white people. These incentives included the creation of the Federal Home Loan Bank system along with 30-year set mortgages and no set interest rates. To ensure that only white people could access these benefits, banks color coded cities to indicate areas of sound investment and not-sound investment. Black and brown people were often denied loans altogether, forcing them to buy in the red areas on the map, otherwise known as the not investable/valuable land. White covenant laws backed by the Fair Housing Administration were also put into place and used heavily throughout California to actively subsidize white only suburb tracts and ensure "the presence of socially or racially inharmonious groups in a neighborhood" as it "tends to lessen or destroy owner-occupancy appeal" (FHA 1938, 1412 (3)-1413). Although redlining and covenant laws were both outlawed in 1968 with the Fair Housing Act, these racist policies precluded black and brown families from generating the wealth the white families had been able to accumulate at the time.

Proposition 13 was passed just ten years after Redlining became officially illegal. Not only was the end of Redlining never enforced, but the profound legacy of redlining made it incredibly difficult if not impossible for black and brown families to have any chance at socioeconomic mobility. Buying a home is the easiest and most accessible way for the average person to accumulate wealth. For almost 30 year 98% of FHA loans were handed out to white borrowers (Hannah-Jones 2015). This meant that Black and Brown Americans systematically could not access wealth and accumulate wealth. This severely disadvantages Black and Brown families and did not allow for the equal access to real estate that an end to Redlining promised.

Even if Black and Brown families had found a way to accumulate capital quickly enough to buy homes, Proposition 13 changed the tax structure in California so greatly that it subsidized the accumulation of generational wealth by encouraging homeowners to stay in their homes and enjoy their incredibly low property tax. If homeowners decided to their home, they would relinquish property tax rate granted to them at the time of purchase, and most likely pay an exorbitant amount on their new home. Under Proposition 13 homeowners could pass down their homes with the same property tax rate to their children, further adding to generational wealth and making “valuable” neighborhoods impossible to penetrate for non-white families. Additionally, new home buyers in a neighborhood paid more than their neighbors and thus contributed a greater share to community resources. This caused the percentage of homeowners in California to shrink “and now trails the national average by double digits. The decline is especially pronounced among younger generations and for African American and Latinx households” (Danforth 2021, 527). As a result of these policies, non-white families are structurally discouraged from purchasing property in high value areas.

This new form of constricting where racial groups can purchase property has massive impacts, particularly in educational outcomes. If housing prices are dependent on a good school and only those that can pay can access the good school, then poor families, that have been historically disadvantaged economically from redlining policies will never have access to good schools. If they never have access to good schools their homes will be significantly less valuable in perpetuity. We see this right now in a study done by the Brookings Institute in 2018 which found that “in the average U.S. metropolitan area, homes in neighborhoods where the share of the population is 50 percent Black are valued at roughly half the price as homes in neighborhoods with no Black residents” (Harshbarger et al., 2018). This is important because “In U.S. metropolitan areas, 10 percent of neighborhoods are majority Black, and they are home to 41 percent of the Black population living in metropolitan areas and 37 percent of the U.S. Black population." The same study found that "Homes of similar quality in neighborhoods with similar amenities are worth 23 percent less ($48,000 per home on average, amounting to $156 billion in cumulative losses) in majority Black neighborhoods, compared to those with very few or no Black residents" (Harshbarger et al., 2018). These cumulative losses are incredibly devastating and will never be remedied. Instead of addressing these inequities, our current system continues to perpetuate the same segregation by educating students based off these unequal feeder patterns, permanently limiting minority students' economic mobility.

Redlining was most impactfully exacerbated by proposition 13's creation of the fiscalization of land in order to make up lost revenue in cities and counties. By putting a monetary value on land, cities effectively gatekept housing and land usage to those who could pay for it. Since schools are defined by their feeder patterns, only those who could pay into "well-performing" school feeder patterns could have access to a good education.

In the years following the passage of Proposition 13, cities, counties, and school districts dependent on Assembly Bill (AB) 8 for funding as localism was no longer possible. The Legislature implemented this bill known as the "bailout" to "reallocate approximately $2.7 billion in property tax revenues from schools to cities, counties, and special districts" (California Budget Project 1997, 2). The Legislature recognized that "Proposition 13's property tax limitations disproportionately affected counties" and continued to aid in supplementing funding to counties for programs like Medi-Cal, SSI/SSP, and Boarding Home and Institutions Care previously paid by counties prior to the tax cuts (California Budget Project 1997, 3). However, when faced with a recession in the 1980's, the state could no longer afford to provide these "bailouts", reversing the policies of AB 8. This resulted in counties and cities reducing services and finding other ways to make up lost revenue.

These cuts were anti-poor from the start. Libraries, parks, and other public services used by the poor were the most impacted by these cuts. These policies reinforced one of the most harmful purposes of historic Redlining: “That is to say, it is a practice that bases a person’s worth on the value society places on his or her residential location (or assumed residential location). Redlining justifies the divestment of resources away from segregated neighborhoods and is still practiced today” (Morrison et al., 111). Cities began to implement user fees for public services, similar to public schools after Proposition 13 was passed. User fees are incredibly regressive, as they are not a proportional percentage of the payer’s income and are typically used more by those who do not have access to capital.

Proposition 13 incentivized cities to implement policies the constrained the building of housing and exacerbated effects of redlining. Despite implementing other taxes to create revenue “total real per capita city revenues were down by 14 percent” (California Budget Project 1997, 10). Cities instead turned to big box retail or car dealerships as a way to increase sales-tax revenues. This was often “at the expense of permitting new residential development” (Danforth 2021, 528). Proposition 13 starved cities budgets so greatly that residential development was no longer profitable as “new homes mean new residents, who in turn require expensive public infrastructure and services” (Danforth 2021, 528). In order to make the fiscalization of land as profitable as possible, impact fees were implemented by cities on new developments. They are one of the “few forms of municipal revenue exempt from Proposition 13’s otherwise stringent restrictions” (Danforth 2021, 528). Cities load development fees onto developers in the few instances where cities do permit building. These development fees are reflected in the price of the homes on the market, so that developers can make their money back.

As discussed in the literature review, redlining cannot be discussed education. Education is severely tied to socio-economic mobility, both things redlining greatly racially impacted. Conservative tax policies, education reforms, and redlining all effectively gatekept Black and Brown Californians from educational programs necessary for advancement, accessing wealth, buying into areas with "good schools." We know that "school resources are so closely tied to the wealth of a community, low-income students and students of color are more likely to attend a neighborhood school that spends less on them and can provide fewer quality resources compared to a wealthier school that serves white students that would be able to provide more spending per-pupil and more quality resources." Implementation of standards-based reform and standardized testing reinforced and exacerbated these massive discrepancies as a result of Proposition 13 and redlining. There was never equal access to standardized test preparedness and without adequate funding to meet need, test scores struggled. With performance being the way we signaled "good" vs "bad" schools, these scores now signal to home buyers what feeder patterns to buy into. This further means that good schools could only be bought into, never allowing for equal access for low-income students of color, thus a new form of Redlining.

Yes, discriminatory lending practice are illegal, but black and brown people are still relegated to neighborhoods with few resources and investments. Redlining did not in fact go away, but was instead replaced by other discriminatory policies exacerbating the original inequities. Policies that benefit white homeowners have always been favored as demonstrated by redlining in the 1940s to Proposition 13 subsidizing generational wealth via property taxes.

CONCLUSION

In the 1970s there was hope and potential for racial equality in every aspect of our society, but particularly to equalize education for low-income students of color. Momentum from the Civil Rights Movement and California's unprecedented decision in Serrano v. Priest made it seem like racist policies were a thing of the past and true equality was within reach. Yet, today we see an educational system that is more segregated than ever with low-income students of color being systematically excluded from a quality education. To ensure that financial equality in compliance with the Serrano decision would never happen, politicians and business leaders alike successfully changed the narrative of education's purpose in this country and implemented colorblind policies in the name of excellence and accountability. Conservative tax reform, education reform, and the fiscalization of land had massive racial impacts on students in California. These three policies working in synergy, proved to mutually reinforce the unequal results of segregation, redlining, and white privilege. By making these policies with massive racial impacts race-neutral, colorblind politics have become increasingly mainstream and prevented any equitable remedy.

Ignoring the racial impact of these policies continues to reinforce and exacerbate struggles that low-income students of color face. Today, color blind policies are increasingly popular as it allows white people to cling to this idea that "the material success they enjoy relative to racial minorities is a function only of individual hard work, determination, thrift, and investments in education" (Gallagher 2003, 22). As argued above, one cannot now embrace colorblind policies to institute equality, without acknowledging and rectifying the deep structural racism our society is built on. These three neoliberal policies in response to a progressive era and court decisions, left massive impacts on low-income students of color because they failed to remedy why those students are and continue to be in these disadvantaged positions. They further exacerbated these structural disadvantages as we now see an education system in California that is more segregated and unequal than ever before. Conservative tax policy, education reform, and the new redlining of restrictive access to affordable housing continue to work together in conjunction to form incredibly unequal access to education in California.

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