

***The Impact of Landmark Court Cases on Funding in American Public Education Systems: The Legal System and the Financial Structure of Educational Institutions***

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The Asian Conference on Education 2019  
Official Conference Proceedings

**Abstract**

Court rulings and legal precedents can significantly influence educational policy, the fundamental financial structure of schools, and the educational funding process at the local, regional, and national levels of education systems. Landmark court cases involving different stakeholders, employing various administrative concepts and a wide range of legal strategies, have had a significant impact on contemporary educational funding methods and on the creation of educational programs and new types of schools (Odden & Picus, 2004). This presentation examines the close interdependence of the legal and education systems and the outcomes of five landmark court cases which continue to influence current legislation at the local, state, and national levels of education. Student performance and learning outcomes related to funding, the trend towards privatization in education, and the planning of financial models which are appropriate to the contemporary needs and requirements of diverse student populations and American schools are also addressed. Despite increases in the total amount of funding for education in the United States and new legislation designed to address and correct educational funding imbalances, some differences continue to exist in local and state funding for education (Essex, 2005). Differences in funding between some school districts and systems persist despite decades of discussion, research, and various legal strategies and challenges in the legal system.

Keywords: public education, financial structure, funding, landmark court cases

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## **Introduction**

Court rulings and legal precedents can significantly influence educational policy, the fundamental financial structure of schools, and the educational funding process at the local, regional, and national levels of education systems. Landmark court cases involving different stakeholders, employing various administrative concepts and a wide range of legal strategies, have had a significant impact on contemporary educational funding methods and on the creation of educational programs and new types of schools (Odden & Picus, 2004). The outcomes of some landmark cases have influenced current legislation, student performance, the move toward privatization, and the building of financial models appropriate to the contemporary needs and requirements of schools. The total amount of funding for education in the United States increases each year, but some differences continue to exist in state funding for education (Essex, 2005). Differences in funding between some school districts and systems persist despite decades of discussion, research, and various legal strategies and challenges in the legal system.

### **Serrano v. Priest (1971)**

John Serrano was a parent of a public school student in Los Angeles, and Ivy Baker Priest was the California State Treasurer. As a result of the state's education funding policy, people in poor districts in California had to pay a higher rate of property tax to get the same level of school funding as wealthy districts (Coons, Clune, & Sugarman, 1970). The state of California provided some financial aid for districts with low tax bases but this was not enough to compensate for the significant differences between the rich and poor districts (Groen, 2006). In a class action lawsuit representing public school students in underfunded school districts, Mr. Serrano and his attorneys argued that this unequal funding situation was a violation of the Equal Protection Clause of the Constitution of California and of the Fourteenth Amendment of the Constitution of the United States which stipulated in 1868 that all U.S. citizens must have completely equal legal protection (Essex, 2005). Justice Raymond L. Sullivan ruled in favor of the plaintiffs in the Superior Court of Los Angeles County. The Supreme Court of California later ruled that the system of school finance in California was not constitutional (Odden & Picus, 2004). The legal strategy based on the state constitution was successful.

The plaintiffs in some similar court cases in the 1960s had also challenged the constitutionality of major differences in school funding methods based mainly on local tax bases, but the cases before *Serrano v. Priest* (1971) failed in part because a clear legal definition did not exist for the key concept of educational need (Essex, 2005). In *Serrano v. Priest* (1971), the wealth of each pupil in relation to the district property tax base was legally defined as a suspect class, and the funding of education was based on the entire wealth of the state (Coons, Clune, & Sugarman, 1970). The new legal strategies employed in *Serrano v. Priest* (1971) were successful in the California Supreme Court, but the same legal strategies failed in *Rodriguez v. San Antonio* (1973) which was judged in the U.S. Supreme Court, while in another similar case, the *Robinson v. Cahill* (1973) case, the same legal strategies were successful in the New Jersey Supreme Court (Odden & Picus, 2004). The same legal strategies in similar cases related to school funding are not always successful in all states or at all levels of the legal system.

The California Supreme Court ruled that the education funding system in California was unconstitutional since the differences in property wealth between school districts caused significant differences in spending per pupil in different school districts (Groen, 2006). The success of the legal strategies used in *Serrano v. Priest* (1971) resulted in many similar cases in other states across the United States of America and served as an important legal precedent in the promotion of increased equality in educational funding.

### **Rodriguez v. San Antonio (1973)**

Mr. Rodriguez was the parent of a pupil who filed his case against San Antonio, Texas. The Texas San Antonio Independent School District system was accused by a group of Mexican-American parents of acting in violation of the Equal Protection Clause of the United States Constitution by maintaining a system of school finance that caused major inequalities in funding between school districts (Essex, 2005). The law suit was filed on behalf of families residing in low property tax school districts in the state of Texas. The parents asserted that their Mexican-American children were subject to discrimination as a result of widely different per pupil expenditures between districts in Texas (Green, 1999). The amount of school spending per pupil may affect learning outcomes.

The trial court in Texas determined that education was a fundamental right and that property wealth per pupil in school districts could be used to legally define a suspect class, a clearly identifiable group of individuals with unique characteristics (Green, 1999). However, the United States Supreme Court determined that education was not a fundamental right under the U.S. Constitution because education was not clearly defined as such in the text of the U.S. Constitution (Odden & Picus, 2004). The U.S. Supreme Court also ruled that property wealth could not be used to legally define a suspect class (Essex, 2005). However, the U.S. Supreme Court did allow states to interpret the Equal Protection Clause in their own state constitutions in a manner that permitted them to provide more state funding to school districts with low tax bases (Odden & Picus, 2004). Texas increased state funding of education in districts with low tax bases after this case. The decisions of the U.S. Supreme Court in *Rodriguez v. San Antonio* (1973) were not unanimous and were decided by one swing vote (Essex, 2005). Court rulings involving more than one judge in educational funding cases are seldom unanimous.

### **Robinson v. Cahill (1973)**

Mr. Robinson was a parent and Governor Cahill was the Republican governor of the state of New Jersey. The public school systems in New Jersey used taxes collected from local property as the main method of school district funding (Emel, 2002). Poor urban areas had a low property tax base, while higher property value suburban areas and single family homes had a relatively high property tax base. As a result, educational spending per pupil based on the property tax base was lowest in urban areas (Odden & Picus, 2004). The plaintiffs in *Robinson v. Cahill* (1973) used the Equal Protection Clause of the New Jersey state constitution and the education clause of the state which guaranteed an equal level of education for all children in New Jersey (Emel, 2002). As in previous landmark court cases related to school funding in other states, clauses in the state constitution provided support for legal arguments.

The New Jersey Supreme Court ruled that the inequalities in school funding between some districts as a result of different property tax bases was a violation of the state constitution and that, as a result, some New Jersey pupils were not receiving a sufficient level of education (Essex, 2005). Educational funding was low in many poor districts despite high property taxes. As a result of the court ruling in favor of the plaintiffs in *Robinson v. Cahill* (1973), the state of New Jersey significantly increased educational funding in districts with low tax bases. Increased educational spending by New Jersey corresponded with an improvement in measurable learning outcomes in low tax base urban school districts, although the learning outcomes were still lower than the outcomes in wealthier districts (Odden & Picus, 2004). Increased educational funding alone may not be enough to raise learning outcomes in poor urban areas to the same high levels as wealthy suburban areas.

### **Abbott v. Burke (1985)**

Raymond Abbott was a pupil from an underprivileged family in New Jersey and Fred G. Burke was the education commissioner of New Jersey. *Abbott v. Burke* (1985) was influenced by *Robinson v. Cahill* (1973), a landmark court case which established that unequal funding in school districts in the state was unconstitutional under the New Jersey state constitution (Bari, 2005). Although educational funding from the state to districts with low tax bases had increased after the ruling in *Robinson v. Cahill* (1973), significant differences remained between poor urban districts and wealthy suburban districts (Crampton, Thompson, & Vesely, 2004). The plaintiffs, including Raymond Abbott and other pupils and their guardians, successfully argued that the comparatively low level of educational funding in their urban district resulted in a lower quality of education which was a violation of the Equal Protection Clause and of the Education Clause of the New Jersey state constitution (Gewertz, 2008). The link between school funding and learning outcomes was successfully established, setting a valuable precedent.

As a result of the case, the New Jersey state funding formula for public schools was significantly changed so that all public schools in New Jersey received an equal amount of tax money (Bari, 2005). In addition to securing equal levels of funding for all state public schools, *Abbott v. Burke* (1985) also inspired a wide range of special programs and measures to improve the quality of education and learning outcomes in poor urban areas, including smaller class sizes, new pre-school programs, more vocational training in high schools, more tutoring, and new apprenticeship programs (Odden & Picus, 2004). The urban public schools which participated in the successful lawsuit were classified as Abbott districts and received higher levels of state educational funding than some wealthy school districts and some rural districts (Crampton, Thompson, & Vesely, 2004). The higher levels of educational spending by New Jersey in poor urban school districts resulted in complaints from some wealthy districts and poor rural districts that too much of the state's budget was being spent on education in poor urban districts (Bari, 2005). The higher levels of state education spending in Abbott districts led to an improvement in learning outcomes in the lower grades but had a smaller impact on learning outcomes in the higher grades (Essex, 2005). Differences in learning outcomes remained between poor and wealthy school districts.

## **The Burlington School Committee v. Massachusetts Board of Education (1985)**

The Burlington School Committee v. Massachusetts Board of Education (1985) case involved a first grade pupil named Michael Panico who had a reading learning disability and was given special reading tutoring and general counseling in a public school (Essex, 2005). Despite the additional tutoring provided by the public school and placement in a small class of pupils with special needs, Michael's reading ability failed to improve, and his parents decided to send Michael to a private school for pupils with various learning problems (Odden & Picus, 2004). Michael's parents believed that the public school was not capable of providing adequate services to meet Michael's special educational needs. The Individuals with Disabilities Education Act (IDEA), passed in 1975 by the United States Congress, gave all public schools the obligation to provide free, special education to meet the specific learning needs of students with mental, emotional or physical disabilities (Essex, 2005). The overall goal of IDEA was to create an educational environment in which all students, regardless of any disability, could learn effectively. The parents of Michael Panico and their attorneys argued that, under IDEA, the public school had a duty to pay for the transportation and tuition costs of a disabled student at a private school if the public school was unable to provide adequate services to meet the special needs of a disabled student (Odden & Picus, 2004). The financial burden of sending Michael to a private school was significant for his parents.

The district court ruled in favor of the Panicos and the public school was ordered to pay the transportation costs and education expenses of Michael Panico at the private school, although the case lasted for eight years (Essex, 2005). Burlington School Committee v. Massachusetts Board of Education (1985) was a landmark case for the rights of disabled students and was followed by several similar cases which led increasingly to the transfer of funds from public schools to private schools to meet the special educational needs of pupils and students with disabilities (Odden & Picus, 2004). After the ruling in Burlington School Committee v. Massachusetts Board of Education (1985), special education services for disabled students became increasingly privatized in many states.

## **Conclusion**

Landmark court cases have had a significant impact on changes in the structure of school funding in many states in the United States of America. Increased school funding in poor districts in California, New Jersey, Texas and other states has led to measurable improvements in learning outcomes, especially in the lower grades. The rulings in court cases have also resulted in an increase in the privatization of special education for pupils and students with mental, emotional, or physical disabilities and in a wide range of new programs to support disadvantaged pupils and students in many states (Essex, 2005). In the United States, in theory and in practice, individual pupils, students, and parents have the power to change school funding structures at the district, state, and national levels by asserting their rights under state constitutions and the United States Constitution. Successful cases in one state often lead to many similar cases and outcomes in other states, profoundly affecting school funding structures and funding methods and reducing school funding inequalities across the United States of America.

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