

## *Serrano v. Priest* (1971) 5 Cal.3d 584 (“*Serrano I*”)

In 1971, the California Supreme Court recognized for the first—but not the last—time that students have a fundamental right to equal educational opportunity under the California Constitution. In *Serrano v. Priest* (1971) 5 Cal.3d 584, 589 (“*Serrano I*”), California public school students and their parents brought a class action suit against state and local executive officers, challenging the constitutionality of the State’s public education financing system. According to the plaintiffs, the State’s school financing system, which relied heavily on taxes on local real property, resulted in wide differentials in the amount of money spent per pupil in wealthy school districts compared to poorer school districts. (*Id.* at p. 594.) The plaintiffs alleged that this disparity in expenditures “[f]ail[ed] to provide children of substantially equal age, aptitude, motivation, and ability with substantially equal educational resources.” (*Id.* at pp. 590 fn. 1, 591, 594.)

The trial court dismissed the plaintiffs’ claims for failure to state a claim, but the California Supreme Court reversed the trial court’s decision on appeal. (*Serrano I, supra*, 5 Cal.3d at pp. 591, 619.) The California Supreme Court held that the plaintiffs had adequately pleaded that the public school financing scheme violated the equal protection clauses of the Federal and State Constitutions because the plaintiffs’ allegations—if proven to be true at trial—would demonstrate that the State’s school financing system “classif[ie]d its recipients on the basis of their collective affluence and ma[de] the quality of a child’s education depend upon the resources of his school district and ultimately upon the pocketbook of his parents.” (*Id.* at 614.)

In reaching its decision, the California Supreme Court found that education “is the lifeline of both the individual and society” and serves the “distinctive and priceless function” as “the bright hope for entry of the poor and oppressed into the mainstream of American society.” (*Serrano I, supra*, 5 Cal.3d at pp. 605, 608-609) The Court also noted that “unequal education . . . leads to unequal job opportunities, disparate income, and handicapped ability to participate in the social, cultural, and political activity of our society.” (*Id.* at pp. 606-07.) As a result, the Court held that education is a fundamental right under the Federal and California Constitutions. (*Id.* at pp. 605, 608-609.)

Because the plaintiffs alleged that the State’s public school funding system classified students on the basis of wealth and impinged upon their fundamental right to education, the California Supreme Court applied a strict scrutiny analysis to the plaintiffs’ claims. (*Serrano I, supra*, 5 Cal.3d at p. 610.) The court found that the school financing laws at issue were not “necessary” to achieve any “compelling” state interest, and thereby failed under the strict scrutiny analysis. (*Ibid.*) As such, the Court remanded the case to the trial court to permit the plaintiffs to pursue their claims at trial and held that the laws comprising the State’s school financing system “must be found unconstitutional” if the plaintiffs’ allegations ultimately proved to be true. (*Id.* at p. 615.)

## *Serrano v. Priest* (1976) 18 Cal.3d 728 (“*Serrano II*”)

Following the California Supreme Court’s decision in *Serrano I*, the California Legislature amended the State’s funding scheme by making several “significant” legislative amendments intended to reduce the disparities in educational expenditures between poorer and wealthier school districts. (*Serrano v. Priest* (1976) 18 Cal.3d 728, 735, 743 (“*Serrano II*”).) Notwithstanding these “improvements” to the State’s funding system, the trial court deciding the *Serrano* plaintiffs’ case—after conducting a 60-day trial—held that “substantial disparities in expenditures per pupil . . . [would] continue to exist” under the newly-modified funding system. (*Id.* at pp. 735, 746.) As a result, the trial court held that California’s school financing system “fail[ed] to provide equality of treatment to all the pupils in the state” and thus violated the equal protection rights of students under the California Constitution. (*Id.* at p. 747.)

On appeal from the trial court’s holding, the defendants argued that a decision issued by the United States Supreme Court in a similar school funding challenge from Texas, *San Antonio School District v. Rodriguez* (1973) 411 U.S. 1, undercut the legal basis for the plaintiffs’ claims. (*Serrano II, supra*, 18 Cal.3d at pp. 761-764.) In *San Antonio School District*, which was issued after *Serrano I*, the United States Supreme Court held that education is not a fundamental right under the Federal Constitution. (*Ibid.*) However, the *Serrano II* court rejected the defendants’ arguments, noting that the California Supreme Court’s decision in “*Serrano I* was based not only on the provisions of the [F]ederal Constitution but on the provisions of [the] [California] Constitution as well.” (*Id.* at pp. 762.) For that reason, *San Antonio School District* had “no effect” on the *Serrano I* Court’s analysis of the California Constitution and did not diminish the viability of the plaintiffs’ claims. (*Id.* at p. 765.)

Turning to the evidentiary record of the plaintiffs’ case, the Court found that the plaintiffs had presented “substantial and convincing evidence” at trial to show that the school funding system “suffer[ed] from the same basic shortcoming as” the financing system originally at issue in *Serrano I*—“to wit, it allow[ed] the availability of educational opportunity to vary” in substantial and unjustified ways. (*Serrano II, supra*, 18 Cal.3d at p. 768.) According to the Court, the funding system at issue both “involve[d] a suspect classification” and “affect[ed] the fundamental interest of the students of this state in education,” thereby warranting strict scrutiny analysis. (*Id.* at p. 766.)

The California Supreme Court found that the defendants had failed to satisfy their heavy burden of showing that the laws at issue were “necessary to achieve a compelling state interest,” and held that the State’s public school financing system was unconstitutional under the equal protection clause of the California Constitution. (*Id.* at pp. 768-769, 767.)

## **Butt v. State of California (1992) 4 Cal.4th 668**

In *Butt v. State of California* (1992) 4 Cal.4th 668, the California Supreme Court again evaluated whether certain State action violated the fundamental right to education guaranteed by the California Constitution. In *Butt*, California public school students and their parents brought an action against the State, State officials, and a local board of education, alleging that the Richmond Unified School District's ("Richmond") budget shortfall and decision to end the school year six weeks early violated the plaintiffs' equal protection rights under the California Constitution. (*Id.* at pp. 673-675.) The trial court granted the plaintiffs' request for a preliminary injunction and ordered the defendants to ensure that the plaintiffs would receive a full school term or its equivalent. (*Id.* at p. 673.)

On appeal, the California Supreme Court affirmed the trial court's order granting the plaintiffs immediate relief. (*Butt, supra*, 4 Cal.4th at p. 674.) The Court explained that "the premature termination of the school term in Richmond would impose a "real and appreciable impact" on students' fundamental right to basic educational equality because, among other reasons, the plaintiffs' evidence showed that teachers would be unable to "complete instruction and grading essential for academic promotion, high school graduation, and college entrance" during the truncated school year. (*Id.* at p. 687.) According to the California Supreme Court, the anticipated school closures would impose a "severe and immediate academic disruption" on students. (*Id.* at p. 693.)

In its defense, the State argued that—regardless of whether the plaintiffs could obtain their requested relief from Richmond—the State itself had satisfied its constitutional duties by apportioning funds equally amongst its school districts and that it could not be "constitutionally liable for how local officials manage[d] the funds." (*Butt, supra*, 4 Cal.4th at p. 688.) The California Supreme Court rejected this argument, finding that "the State itself has broad responsibility to ensure basic educational equality under the California Constitution." (*Id.* at p. 681.) Further, the Court held that the "State's responsibility for basic equality in its system of common schools extends beyond the detached role of fair funder or fair legislator." (*Id.* at p. 688.)

Finally, the Court held that the plaintiffs had introduced sufficient facts to support a finding that strict scrutiny review should be applied to their claims, rather than a lower standard of review. (*Butt, supra*, 4 Cal.4th at p. 692.) The State proffered several alleged interests that it contended were served by the State's "nonintervention" in Richmond's budgetary crisis, but the California Supreme Court held otherwise, noting that the State had failed to identify any "compelling interest which negated its duty to intervene." (*Id.* at p. 692.) As such, the California Supreme Court affirmed the trial court's finding that the plaintiffs' claims had "probable merit" and affirmed the finding that a preliminary injunction was warranted. (*Id.* at p. 692 fn. 20, 694, 704.)

## **Reed v. United Teachers L.A. (2012) 208 Cal.App.4th 322**

In *Reed v. State*, public school students at three middle schools in Los Angeles Unified School District (“LAUSD”) and their parents brought an action against the State, the Governor, LAUSD, and several State agencies and officers, alleging that budget-based teacher layoffs in LAUSD violated, among other things, the plaintiffs’ right to equal educational opportunity under the California Constitution. (*Reed v. United Teachers L.A.* (2012) 208 Cal.App.4th 322, 327-328.) The plaintiffs brought their claims after LAUSD had already engaged in one round of teacher layoffs and in anticipation of a second round of teacher layoffs. (*Id.* at p. 327.) They alleged that California Education Code section 44955 (the “LIFO Statute”), which generally requires school districts to lay off teachers based on reverse seniority, had imposed—and would again impose—a “disparate negative impact” on them because they attended schools that tended to employ low-seniority teachers. (*Id.* at pp. 343-344 (dis. opn. of Doi Todd, J.)) Indeed, the plaintiffs’ schools lost between half and two-thirds of their teachers during the first round of teacher layoffs, whereas other schools in the district were not similarly affected. (*Id.* at p. 327.) The plaintiffs moved for a preliminary injunction and the court, finding “that . . . teacher turnover had and would continue to have a disparate negative impact” on the plaintiffs’ schools, enjoined LAUSD from laying off teachers at the plaintiffs’ schools. (*Id.* at pp. 343-344 (dis. opn. of Doi Todd, J.))

At the trial court’s urging, the plaintiffs, LAUSD, and a partnership of LAUSD schools entered into a settlement agreement that permitted LAUSD to “skip” laying off teachers at certain schools “to stabilize and improve the targeted schools” and “to prevent further equal protection violations.” (*Id.* at p. 344.) United Teachers Los Angeles (“UTLA”)—an affiliate of the California Teachers Association that had intervened in the action—opposed the scope of the parties’ settlement agreement and argued that such provisions potentially would abrogate portions of the collective bargaining agreement between UTLA and LAUSD. (*Id.* at pp. 344-345.) After a full fairness hearing and “full and robust discovery,” the trial court approved the parties’ consent decree. (*Id.* at pp. 345, 348.) In so doing, the trial court found, among other things, that “high teacher turnover devastate[d] educational opportunity in multiple ways” by “preclud[ing] the development of a stable support infrastructure . . . and inhibit[ing] the development of student-teacher relationships that are often critical to positive academic achievement.” (*Id.* at p. 347.)

UTLA appealed the judgment entered upon the consent decree, again arguing that the consent decree potentially abrogated the seniority rights of its members under its collective bargaining agreement with LAUSD. (*Id.* at p. 327.) In a 2-1 decision, the Court of Appeal agreed, holding that the teachers’ contractual rights could not be altered without a full-blown “decision on the merits” regarding the plaintiffs’ claims. (*Id.* at pp. 329-336.) Therefore, the Court of Appeal reversed the trial court’s holding and remanded the case back to the trial court for further proceedings. (*Id.* at pp. 338, 342.)