

he wanted any system of centralized state funding to allow school districts the flexibility and autonomy to make choices about how much to spend on schools.<sup>24</sup> As a way to address that concern, Sugarman came up with an idea called “district power equalizing.”<sup>25</sup> This formula allowed each school district to receive funding based on its tax effort—that is, the property tax rate—rather than its property values.<sup>26</sup> As Coons, Sugarman, and Clune concluded, “In this way the dilemma of choosing between subsidiarity and equality is eliminated, because by equality we mean equality of power.”<sup>27</sup>

Initially, lawsuits challenging disparities in school finance did not fare well. For example, legal aid attorneys sued, arguing that funding levels should reflect student need, but these efforts did not succeed.<sup>28</sup> Eventually, however, Coons and Sugarman collaborated with public interest litigator Sid Wolinsky on a case based on the theory of fiscal neutrality. That effort led to the California Supreme Court’s groundbreaking decision in *Serrano v. Priest*.<sup>29</sup> In *Serrano*, plaintiffs contended that reliance on the property tax system violated the Equal Protection Clauses of the federal and state Constitutions.<sup>30</sup> The lawsuit asserted that education was a fundamental right and that wealth was a suspect classification.<sup>31</sup> As a result, the state of California had to satisfy strict scrutiny; that is, the property tax system had to be necessary to promote a compelling state interest.<sup>32</sup> At the outset, the case seemed likely to fail like others before it. The trial court granted the defendants’ motion to dismiss without holding a trial.<sup>33</sup>

Plaintiffs appealed the decision, and the California Supreme Court agreed to hear the case.<sup>34</sup> Both Coons and Sugarman, along with Wolinsky, participated in the oral argument.<sup>35</sup> The court first found that the property tax system led to substantial disparities in per-pupil funding, citing as an example schools in the Los Angeles area.<sup>36</sup> While a public school in Beverly Hills could spend \$1,231.72 on each student’s education, a public school in Baldwin Park had only \$577.49 to spend.<sup>37</sup> The majority concluded that the evidence that the property tax system discriminated based on wealth was “irrefutable.”<sup>38</sup>

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24. SUGARMAN, *supra* note 1, at 6–7.

25. *Id.* at 7.

26. *Id.* at 7, 14.

27. SUGARMAN, COONS & CLUEN, PRIVATE WEALTH, *supra* note 4, at 202.

28. SUGARMAN, *supra* note 1, at 10, 12.

29. 487 P.2d 1241 (Cal. 1971).

30. *Id.* at 1244.

31. *Id.* at 1249–50, 1255.

32. *Id.* at 1249.

33. *Id.* at 1245.

34. *See id.*

35. SUGARMAN, *supra* note 1, at 12; Minorini & Sugarman, *supra* note 5, at 47.

36. *Serrano*, 487 P.2d at 1247–48.

37. *Id.*

38. *Id.* at 1250.