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*Estados Unidos*

*1955*

DISTRIBUIÇÃO

*Financiamento da Educação*

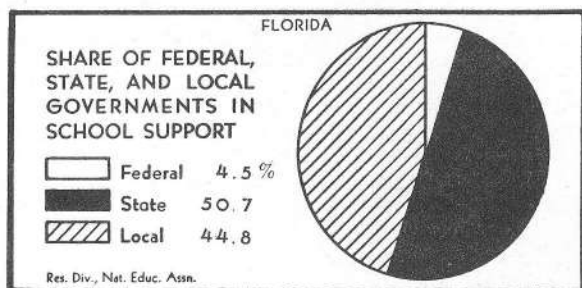
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STATE SUPPORT OF PUBLIC SCHOOLS IN FLORIDA, 1953-54<sup>1/</sup>

In Florida, the percentage of all school funds provided by the state increased rapidly from 1924-25 until 1941 when the legislature revised the taxing structure, quadrupling the assessed valuation in the state in one year's time. In 1924-25, only 5.96 percent of all school revenue was derived from state sources. By 1940, the percent from state sources had increased to 51.0. By 1946-47, because of the increase in revenues from local ad valorem taxes, the percentage from state sources had decreased to only 37.5 percent of the total. The trend toward increased state support was definitely resumed to 1947, however, when the legislature more than doubled the amount of state aid, established the foundation program fund and took a number of other important steps resulting in major revisions and improvement in the state aid plan. In 1953-54, the percentage of all school revenue receipts derived from state sources amounted to approximately 50.73 percent.



Sources of State School Revenue

Prior to 1927, state aid was derived from the state permanent school fund and the proceeds of ad valorem taxes. After 1927, for a period of years, increasing emphasis was placed on earmarked taxes for sources of state school support. By 1940, all but a minor percentage of state school funds was derived from earmarked taxes. The 1945 legislature took an important step toward abolishing earmarked taxes for various purposes, and until passage of the constitutional amendment in 1953 earmarking motor vehicle license funds for capital outlay and debt service, all school support has been based on appropriations from the general fund, altho some of the laws earmarking specific tax sources for schools are still on the statute books.

**Earmarked taxes**--All of the receipts for the former state teachers salary fund, which was established in 1931 and discontinued in 1947, were, during most of this period, derived from earmarked taxes. Until 1941, a constitutional state property tax of 1 mill was set aside for the state teachers salary fund. A constitutional amendment, which became effective in 1941, eliminated all state property taxes including this constitutional 1-mill state tax and a 3/4-mill tax which had been levied for the state textbook fund.

For a number of years, 1/2 cent of the gasoline tax has been earmarked for schools. This earmarked part of the tax was abolished in 1931, was reestablished in 1937, and again eliminated in 1949 for schools and earmarked for county roads.

In 1931, the proceeds of the motor vehicle license tax were earmarked for schools and were continued as a source of school revenue until 1949. A constitutional amendment in 1953 earmarked the first proceeds from motor vehicle license sales for capital outlay for thirty years.

<sup>1/</sup> Prepared for the Research Division, National Education Association, by James L. Graham, Director, Division of Administration and Finance, State Department of Education, Tallahassee, Florida.

**Legislative appropriations from the state general fund**--In 1949 all earmarked revenues, such as motor vehicle license tax which is given historical mention, as well as store license and inventory tax and others previously earmarked for schools, were repealed as school earmarked sources and placed in the general revenue fund, with the exception of income from interest on the permanent school fund. Altho this is the only earmarked source it too is commingled with general revenue and all appropriations for public schools come directly from general revenue.

While prior to 1949 during the war and postwar years the state depended partly on accumulated balances, it was necessary to pass in 1949 a limited 3 percent sales tax to augment general revenue.

The total legislative appropriation for the 1953-1955 biennium was \$136,291,925. For 1953-54 the amount was \$66,876,000; for 1954-55, \$69,415,925.

**Income from permanent school funds**--According to the constitution, the principal of the state permanent school fund must remain inviolate and only the income from the fund can be used for schools. The fund is derived from (1) sales of United States lands granted to the state; (2) one-fourth of the proceeds of the sales of state lands; (3) escheats; (4) gifts to the state for unspecified purposes; and (5) state appropriations. On June 30, 1954, the permanent school fund amounted to \$8,522,080 and the accumulated income made available during the year amounted to \$267,559. This income, however, now becomes a part of the minimum foundation program fund and is not separately distributed to schools.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked taxes . . . . .	\$ 9,395,924 a/	12.3
2. Legislative appropriations . . . . .	66,876,000	87.7
3. Income from permanent school funds (included above) . . . . .	(267,559)	...
Total . . . . .	\$76,271,924 b/	100.0

a/ Auto license tax earmarked for capital outlay and debt service authorized under Section 18, Article XII, of the state constitution and state board regulations, effective January 1, 1953.

b/ Includes state foundation program fund and textbooks.

Apportionment of State Aid

Until 1927, general state aid was distributed to counties on the basis of average daily attendance. A plan adopted in 1927 for distributing the state funds so as to promote equalization roughly in terms of needs was continued only for two years. In 1929, the law was changed to use aggregate daily attendance as the basis for apportionment of the public free school fund (the proceeds from the 1-mill tax and the income on the state school fund were left to be apportioned on an average daily attendance basis), but this law was held unconstitutional and the former basis of average daily attendance was restored for all funds until the state teachers salary fund was created in 1931. This fund provided for apportionment in terms of instruction units based largely on average daily attendance and size of the schools. In 1939, the legislature divided the state teachers salary fund into two distinct parts, with the provision that the instructional salary portion could be used only for instructional salaries and that the transportation portion could be used either for transportation or for instructional salaries. In 1947, this fund was replaced by the minimum foundation program fund.

**General aid**--Since 1947, Florida has no general aid.

**Equalization aid**--Altho an attempt was made to establish an equalization fund in 1927, a satisfactory plan



had not been worked out and no further equalization fund was established until 1945. At that time, a small foundation program fund amounting to \$50 per instruction unit was established, to be apportioned on the basis of need and taxpaying ability as determined by an objective formula prescribed by the state board of education. An index of taxpaying ability was used to determine the amount which should be provided by each local school system. Slightly more than half of the counties in the state participated in this limited fund.

The 1947 legislature completely revised the state aid system, eliminating the state salary fund and the limited foundation program. In the place of these funds there was established a minimum foundation program fund in which all counties participate and which now constitutes over 98 percent of all state aid.

The cost of the minimum foundation program is determined for each county on an objective basis as prescribed by law supplemented by regulations of the state board. The appropriation is on a unit basis, so that the amount required increases as the training of teachers is improved and as attendance increases.

In 1945, the obsolete formula which had been used for calculating instruction units on the basis of attendance in individual schools with special weighting according to school level was materially revised. This formula was further revised in 1947. The number of instruction units for the larger elementary and high schools in the county is now found by dividing by 27 pupils in average daily attendance. A much smaller number of pupils ranging down to 17 for the smallest schools is used for determining units for small isolated schools. Instruction units are also allowed for vocational education, for classes for exceptional children (at the rate of one unit for each class of 10 or more), for classes for adults and for supervisors. One administrative and special instructional service unit is also allotted for each eight instruction units. These may be used for principals, librarians, and other special instructional personnel.

To find the amount to be included in the program for instructional salaries, the number of instruction units for each county, determined as explained above, is multiplied by the percentage of members of the instructional staff employed according to training and certification. The percentage represented by properly certificated teachers with an earned doctor's degree is multiplied by \$3,950; the percentage represented by properly certificated teachers with an earned master's degree by \$3,350; the percentage represented by properly certificated college graduates by \$2,900, with smaller amounts being used for the less well-trained teachers.

The amount for salaries thus determined is included in the program, providing the teachers of each race and training classification are paid salaries that average as high as the amount used in the apportioning schedule on the basis of training. All teachers employed on this basis are required to serve 10 months. However, the amount for salaries may be increased to include an allowance for members of the instructional staff employed on a year-round basis. For each person employed year-round from the supervisory staff, the vocational staff, and the administrative and special instructional service staff, one-fifth is added to the training allotment schedule for the 10 months to provide for year-round salaries.

The amount included in the program for other current expenses is computed at the rate of \$300 for each instruction unit. The amount included for capital outlay is now computed at \$400 per instruction unit instead of \$300 as previously provided by the 1947 law. This portion of the fund may be used only for bona fide capital outlay purposes and must be used primarily for construction at permanent centers. A constitutional amendment, effective January 1, 1953, now permits the state board of education to issue bonds on behalf of county boards of public

instruction for capital outlay needs. First proceeds from the sale of state motor vehicle license plates are earmarked by this amendment to guarantee a stable source of state revenue which insures a highly marketable security.

The number of units for transportation is found by using the number of transported pupils and the area served at the rate of one unit for each 80 transported pupils and one unit for each 56 sections of land area served. (This amounts to a density of transported population formula.) The number of units thus found is multiplied by \$1,250.

The total cost of the minimum foundation program for each county is the total of the items above for instructional salaries, for other current expense, for capital outlay, and for transportation.

Each county is required to levy the equivalent of 6 mills, based on average assessment practices. Since assessment ratios are not uniform, an index of taxpaying ability is used to determine the amount of local funds required to be provided for the cost of the minimum foundation program. The actual levy required depends on the assessment ratio, but must be sufficient to produce the funds required to be provided as determined by the index of taxpaying ability. If a county desires to include kindergartens in its program, its tax effort must be increased by 5 percent. Furthermore, if a county or if several cooperating counties organize a public junior college which is to be included in the program, the tax effort likewise must be increased by 5 percent.

The amount provided by the state toward the cost of the minimum foundation program in each county is then found by subtracting the amount required to be provided by local tax effort, as determined by application of the index of taxpaying ability, from the objectively determined cost of the program.

Special aid--The state textbook fund is used on the basis of requisitions filed by counties within the allotment set up for each county as determined by the number of pupils in each grade and the cost of books for the grade. Books are purchased by state contract and, therefore, the funds are not directly apportioned to the counties. Any county may use up to 75 percent of its allocation, which is not used for textbooks, for the purchase of library books.

All state vocational funds, except for teacher training and for the state department of education, are now provided thru the state minimum foundation program fund. For this reason, there is no separate appropriation for vocational education for the public school systems.

The vocational rehabilitation program and the veterans' training program are administered directly by the state and, therefore, are not included in the appropriations to public school systems.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54 a/

Type and percent of aid	Name of fund	Basis of distribution	Amount
1. General aid (0.0%)			
2. Equalization aid (98.4%)	Foundation program fund	Objective formula for determining need and effort	\$73,696,659
3. Special aid (1.6%)	State textbook fund	Need based on number of pupils and cost of books	1,214,189

(Items 1 plus 2 plus 3 equal 100%.)

Total . . . . . \$74,910,848

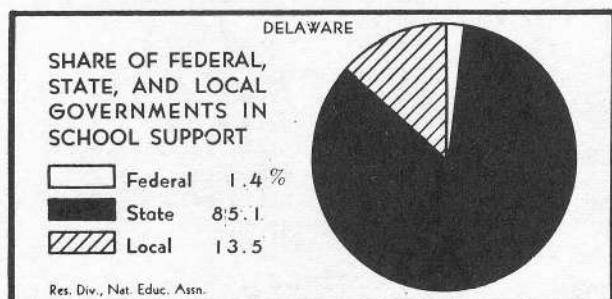
a/ \$76,271,924 was available for 1953-54, but only \$74,910,848 was actually apportioned to the counties. The remaining \$1,099,265 becomes a part of the 1954-55 foundation program fund.

STATE SUPPORT OF PUBLIC SCHOOLS IN DELAWARE, 1954-55<sup>1/</sup>

Until 1941 the general fund of the state was not called upon to finance any part of the public education system. Up to that time the income from corporation franchise taxes, personal income taxes and from the public (permanent) school fund went into the current school fund for distribution to school districts. In 1939, however, the General Assembly passed an act, effective July 1, 1941, whereby all income of the state is paid into a single general fund which is the source of all appropriations to the various state agencies.

State funds appropriated for schools are supplemented by funds raised locally, either after a favorable referendum authorizing local property taxes in the districts outside the city of Wilmington or in Wilmington by appropriations by the city council from city tax funds. The total amount of such funds spent locally for school purposes for 1953-54 was \$1,499,545 for current expense, representing 9.4 percent of the current expense costs; and \$908,249 for debt service. State and federal funds spent for 1953-54 amounted to \$14,557,584.

In the present setup federal funds reimburse the state rather than the district, since the state appropriations to the districts include these reimbursements. Excluding building funds, the amount of federal revenue for 1954-55 will be \$265,000, or 1.4 percent; state \$15,834,494, or 85.1 percent; and local \$2,500,000 (includes current and debt service), or 13.5 percent.



Sources of State School Revenue

All state school funds, except those for school building aid, are appropriated by the legislature from the general fund of the state.

Earmarked revenues--The school building aid fund derives its revenues from the sale of state bonds. This aid is available, upon application, to districts which deposit with the state treasurer their share of school building costs determined on the following basis: for white schools 60 percent state, for colored schools 100 percent state. Bond sales in the amount of \$12,239,080 were authorized by the 1953 legislature for use within the next two years.

<sup>1/</sup> Prepared for the Research Division, National Education Association, by R. L. Herbst, Assistant Superintendent, Department of Public Instruction, Dover, Delaware.

Legislative appropriations from the state general fund--Delaware distributes aid for general school expenses thru a fund known as the current expense and minor capital outlay fund, which is made up of specific items in the biennial appropriation for schools. The legislature made a total of \$15,175,494, exclusive of the repair item of \$659,000, available to school districts and to the state board of education to take care of these items for the school year 1954-55. This was an increase of approximately \$750,000 over the corresponding appropriation for 1953-54.

An appropriation is made for each year to enable districts to pay salaries from state funds according to state salary schedules. These schedules cover administrators, secretaries and clerical assistants, teachers and principals, custodians, and health service. For all other current expenses, a uniform amount is provided according to the enrollment in the school. For 1954-55 the legislature appropriated directly to the state board of education and the school districts \$11,196,311 for salaries, \$2,446,635 for operation, and \$120,000 for minor capital outlay. In addition the following amounts also were made available: emergencies \$77,888; costs of education not otherwise provided for \$949,000; salary increases due to the change in salary schedules \$35,060; for repairs to school buildings \$659,000; and handicapped children \$350,600.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1954-55

Source	Amount	Percent
1. Earmarked revenues		
a. Proceeds from sales of state bonds for school building aid . . . . .	a/	a/
2. Legislative appropriations		
a. Salaries . . . . .	\$11,196,311	70.7
b. Cost of operation . .	2,446,635	15.4
c. Minor capital outlay .	120,000	0.8
d. Emergencies and special accounts . . . . .	77,888	0.5
e. Costs not otherwise provided (includes addition to a, b, and c)	949,000	6.0
f. Increases in salaries due to change in salary schedules (administrators) . . . . .	35,060	0.2
g. Repairs to school buildings (available until expended) . . . .	659,000 b/	4.2 b/
h. Handicapped children .	350,600	2.2
3. Income from permanent school funds . . . . .	75,000 c/	0.5 c/
Total . . . . .	\$15,834,494 d/	100.0 d/

a/ Not more than \$12,239,080 from sale of bonds, to be used within two years.

b/ From sale of bonds. Not recurring.

c/ Included as part of item 2a.

d/ Excludes undetermined amount from sale of state bonds for school buildings.



# DELAWARE (CONT.)

Income from permanent school funds--The permanent school fund, known as the public school fund, had its real beginning in 1837 when the federal government allocated to Delaware the sum of \$500,000. This, together with other moneys which have been added thereto from time to time, now amounts to about \$2,000,000 in cash and investments. The public school fund income is appropriated and distributed as a part of the current expense and minor capital outlay fund.

## Apportionment of State Aid

Delaware has one general purpose flat-grant fund, one special capital outlay fund which is distributed partly on an equalizing basis, and special purpose flat-grant funds.

General aid--The state is divided into units for purposes of distributing the current expense and minor capital outlay fund. These units consist of (1) the city of Wilmington, (2) 15 special districts including the larger towns, (3) 43 schools with four or more teachers, exclusive of special districts, (4) one special appropriation for all schools with one to three teachers, to be administered by the state board of education. The General Assembly makes the appropriations on the basis of legislation enacted in 1949 and 1951. It consists of specific amounts in the school budget for each of the above units for (1) administrative salaries, (2) clerical salaries, (3) instructional salaries, (4) janitorial salaries, (5) health salaries, (6) \$550 for each 25 pupils in Grades I-VI and for each 20 pupils in Grades VII-XII and (7) minor capital outlay of \$50 for each 25 or 20 pupils as described in (6) above. Salaries are paid to school employees on the basis of schedules contained in law enacted by the legislature. The amount provided by the unit of \$550 may be used as the district sees fit, except for salaries, debt service, and transportation of pupils. The act further provides that there shall not be more than one teacher supported by state funds for each unit of pupils and that no more teachers shall be supported by state funds than are actually employed.

Since the state has obligated itself to pay for salaries and other expenses based upon enrolments, the legislature has provided an emergency fund of \$949,000 to cover increased costs due to increased enrolments, and to provide for unforeseen costs. This amount is made available to the state board of education; however, any withdrawals from it must be approved by the permanent budget commission, composed of the governor, secretary of state, state tax commissioner, state treasurer, and the state auditor. The permanent budget commission also recommends to the General Assembly the amount to be appropriated to each district based upon legislation described above, in which the state board of education recommends the amount of the unit for operation costs. The budget for state funds as a whole is then submitted to the legislature and becomes official when included in the legislative appropriation.

Rates of the present schedule range from \$2,400 for beginning teachers without degrees to a maximum of \$4,600 for teachers with 10 years experience and a master's degree. Each district must meet the terms of the state salary schedule. It

may not pay less or more than the prescribed rates from state funds. It may supplement the rates of the schedules by local revenue, however. Full experience is allowed for in-state and out-of-state experience, as well as for military service under certain conditions.

Special aid--The school building aid fund is distributed for the construction of school buildings at approved centers in districts which provide local funds in accordance with legislation and which meets other requirements--for all white schools, state 60 percent, local 40 percent; colored schools, state 100 percent. The fund is made available when needed as shown by approved building programs.

Another fund first established in 1947 is the fund for delayed repairs for school buildings, now called capital improvements. The amount of this fund was determined on the basis of survey of needs for essential school building repairs. The money is appropriated on the basis of need as determined by the survey. Its use is supervised by the state board of education.

The special aid for handicapped children amounts to \$350,600 for 1954-55 and is supervised by the state department.

TABLE 2.--APPORTIONMENT OF STATE AID, 1954-55

Type and percent of aid	Name of fund	Basis of distribution	Amount
1. General aid (93.6%)			
a. Current expense and minor capital outlay	Current expense and minor capital outlay fund	Approved budget	\$ 2,644,523
b. Emergency aid	Emergency fund	As emergencies arise	949,000
c. All salaries	Salary fund	State salary schedules	11,196,311
d. Salary increases	Salary increase fund	State salary schedules	35,060
2. Special aid a/ (6.4%)			
a. School building aid	School building aid	Variable matching formula	b/
b. School building repairs	Delayed repairs fund	Approved need as determined by survey	659,000 c/
c. Handicapped children		District and state program	350,600

(Items 1 plus 2 equal 100%.)

Total . . . . . \$15,834,494

a/ Excludes undetermined amount of school building aid.

b/ Figure for amount of this aid as yet undetermined.

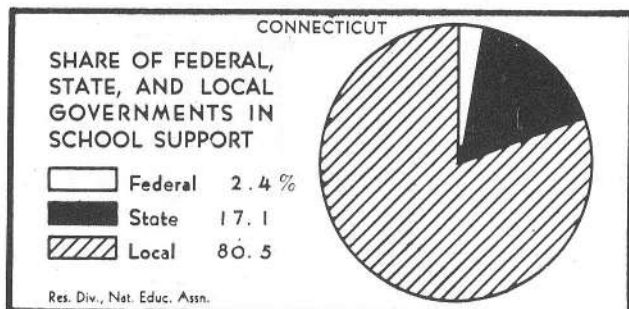
c/ Biennial figure.



STATE SUPPORT OF PUBLIC SCHOOLS IN CONNECTICUT, 1953-54<sup>1/</sup>

The public elementary and secondary schools of Connecticut are financed from the funds derived from local sources, largely the income from the general property tax, supplemented by state and federal funds. Federal funds are used largely to finance programs administered by the state department of education.

The total revenue for defraying the current expenses of the public elementary and secondary schools for the year ended June 30, 1954, amounted to \$90,369,824. Of this amount, \$15,461,558, or 17.1 percent, came from state sources, and \$2,126,760, or 2.4 percent, from federal funds. Local administrative units provided the balance \$72,781,506, or 80.5 percent of the total revenue.



## Sources of State School Revenue

Connecticut has no earmarked taxes. Those state funds which are used for public school purposes are appropriated from the general fund of the state. Tax revenues in the general fund come from a general sales tax, inheritance taxes, and taxes on net incomes of corporations, gross earnings of public utilities, income from investments, premiums and capital stock of insurance companies, savings deposits, gross receipts of manufacturers and dealers in alcoholic beverages, amusements measured by seating capacity, and other miscellaneous sources.

Legislative appropriations from the state general fund--The state aid funds for public school aid are appropriated from general state revenues. Appropriations are made to the state department of education. The funds appropriated are apportioned by the department to the local administrative units in accordance with the provisions of the statutes.

Income from permanent school funds--The state permanent school fund is known as the "school fund." It was originally derived from the proceeds of the sale of western lands. It is under the control of the state treasurer. The present principal of the fund is \$2,150,790 and the income for the year 1953-54 was \$108,000.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked taxes . . . . .	None	0
2. Legislative appropriations	\$15,353,558	99.3
3. Income from permanent school funds . . . . .	108,000	0.7
Total . . . . .	\$15,461,558	100.0

## Apportionment of State Aid

Under the revised plan for the distribution of state funds for the support of public elementary and secondary schools, funds are apportioned for five different purposes: (1) assistance to towns for educational purposes; (2) physically handicapped children; (3) elementary-school transportation; (4) high-school transportation; and (5) mentally handicapped children. The following statements explain these apportionments classified as to type.

General aid--Assistance to towns for educational purposes is essentially a general aid. Under the provisions of the law each administrative unit is apportioned annually a sum computed on the basis of its average daily membership for the preceding school year according to the following formula: average daily membership 1-100, \$110 per pupil; 101-150, \$100 per pupil but not less than \$11,000; 151-200, \$90 per pupil but not less than \$15,000; 201-250, \$80 per pupil but not less than \$18,000; 251-500, \$17,500 plus \$60 per pupil in excess of 250 but not less than \$20,000; 501-750, \$32,500 plus \$50 per pupil in excess of 500; 750 and over, \$45,000 plus \$30 per pupil in excess of 750.

The act sets up two major provisions to safeguard the use of the funds: (1) Beginning with the school year ending June 30, 1949, there must be deducted from the funds, otherwise due, any amount by which the local unit has failed to maintain during the preceding school year a program costing \$140 per pupil exclusive of the cost of transportation. (2) The state department of education is empowered to withhold an equitable amount from any administrative unit which fails to maintain its schools according to law.

Special aid--The grants for transportation to elementary schools and to high schools are essentially special aids, altho elementary transportation aid is apportioned in part on an equalizing basis.

Under the statutes there are two groups of administrative units which receive the grant for transportation to elementary schools: (1) Those units whose average annual receipts from taxation are less than \$35,000 are divided into six classes and reimbursed for a percentage of their expenditures for such transportation according to the following schedule--Class I, with average annual tax receipts of less than \$12,500, 75 percent; Class II, with average annual tax receipts of \$12,500 to \$20,000, 70 percent; Class III, with average annual

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Raymond J. Fay, Chief, Bureau of Teacher Certification and Public Understanding, Department of Education, Hartford, Connecticut.

CONNECTICUT (CONT.)

tax receipts of \$20,000 to \$25,000, 65 percent; Class IV, with average annual tax receipts of \$25,000 to \$30,000, 60 percent; Class V, with average annual tax receipts of \$30,000 to \$32,500, 55 percent; Class VI, with average annual tax receipts of \$32,500 to \$35,000, 50 percent. (2) Those administrative units which had a population of 6,000 or less in 1930 receive a reimbursement of one-half of the expense of elementary-school transportation but not more than \$20 per pupil. In the event that a unit qualifies on both of these bases, it receives the larger amount to which it is entitled.

Towns which do not maintain high schools and which have average annual receipts from taxation of less than \$60,000 receive a reimbursement of one-half of the cost of transporting pupils to schools in other units but not more than \$35 per pupil.

Formerly the reimbursement of units for transportation to both elementary and high schools varied with changes in average annual receipts from taxation and population. However, the General Assembly has frozen the classification of the towns for these purposes--for elementary transportation as of 1935, and for high-school transportation as of 1937.

There are three grants which have as their main purpose the promotion of specific types of educational opportunity. They are aid for industrial arts, physically handicapped children and mentally handicapped children. Funds to promote the industrial arts program are apportioned under regulations established by the state board of education. For the first year each administrative unit maintaining an approved program is reimbursed for the full amount of its expenditures for this purpose. For each year thereafter the reimbursement is decreased by 25 percent so that at the end of five years of operation the local unit bears the full cost. The aid for the education of mentally handicapped children provides double the amount of reimbursement received under general aid, that is, each mentally handicapped child counts as two for reimbursement purposes.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

Type and percent of aid	Name of fund	Basis of distribution	Amount
1. General aid (89.8%)			
a. Assistance to towns for educational purposes	State general fund	An amount per pupil depending on number of pupils in unit (see formula)	\$13,885,796
2. Special aid (10.2%)			
a. Elementary school transportation	State general fund	Sliding scale based on average annual receipts from taxation	803,658
b. High-school transportation	State general fund	One-half of expenditures up to \$35 per pupil	164,032
c. Industrial arts	State general fund	According to regulations of state board of education	178,368
d. Special education			
1. Physically handicapped children	State general fund	Two-thirds of the expenditures for approved programs	380,405
2. Mentally handicapped children	State general fund	Double amount of reimbursement received under general aid, i.e., each mentally handicapped child counts as two for reimbursement purposes	49,299
(Items 1 plus 2 equal 100%.)			
Total . . . . .			\$15,461,558

STATE SUPPORT OF PUBLIC SCHOOLS IN COLORADO<sup>1/</sup>

The Colorado legislature of 1952 passed acts of major revision to the school finance structure. The basic act is known as the Public School Finance Act of the state of Colorado. This act streamlined school funds to a state public school fund and to a county public school fund for purposes of distributions to the local school district operating fund level.

Simultaneous with the first operation of the act, a statewide uniform reappraisal of assessed valuations went into effect. This required a translation of mill levy requirements into dollar values upon the former basis for the first tax year 1952. Starting with the tax year 1953, the application of uniform valuations should materially enhance the realistic functioning of the equalization portion of the finance program.

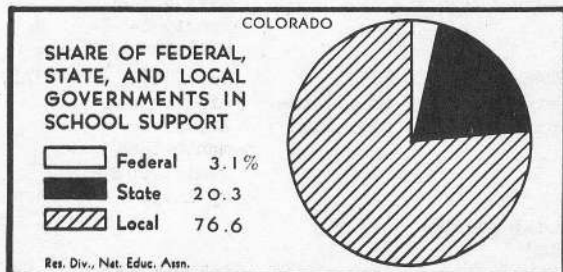
Additional revenue was made available to the schools by four changes: (1) additional state appropriation; (2) elimination of state appropriations for county tax replacement; (3) an act to cause timber sales and oil lease receipts from school lands to be treated as income rather than capital; (4) small increase of school revenue from county tax levy.

The 1953 legislative session amended the act as to value of classroom units and levies required, in order to adjust to the reappraised valuations. An act was passed enabling revenue from federal mineral lease royalties to be made available to schools both at the state and county levels, with the state appropriation decreased \$775,000, this being an estimated equivalent amount.

School revenue from federal sources during 1952-53 amounted to \$495,000 for school lunch, \$146,814 for vocational education, \$1,632,565 for assistance in federally affected areas, also \$40,606 from flood control leases and some undetermined amounts from national forests, a total of approximately \$2,314,985, exclusive of money for buildings under Public Law 815.

State revenue for schools during 1952-53 was made available by an appropriation of \$12,500,000, earnings from public school fund of \$2,300,811 together with appropriations of \$58,000 for the education of physically and mentally handicapped children, and \$99,400 for vocational education, a total of \$14,958,211.

It is estimated that \$6,465,977 was available in 1952-53 from county revenue and that the school districts' revenue amounted to \$42,247,508 for current expenses and \$7,874,963 for debt service or approximately \$56,588,448 in local revenue.



The state contribution of \$14,958,211 to the estimated school revenue of \$73,861,644 during 1952-53 represented 20.3 percent. In comparison with \$66,000,000 for current expenses, the state contribution was 22.6 percent.

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Charles E. Hathaway, Director of Finance and Research, State Department of Education, Denver, Colorado.

Sources of State School Revenue

Legislative appropriations from the state general fund--Each year, an appropriation is made to the state public school fund. Accumulated revenue in the public school income fund from school lands is transferred at the end of each fiscal quarter to this basic school assistance fund. Starting with the year 1953-54, one-third of mineral lease royalties and certain specified remainders are to be credited to the state public school fund. The appropriations for physically and mentally handicapped children and for vocational education are disbursed separately.

Income from permanent school funds--Under a federal land grant act of 1875 the United States turned over to the state of Colorado public lands equivalent in area to one-eighteenth of the area of the state; these lands to be used for the benefit of public schools. Public school lands may be leased, rented, exchanged, or sold. On July 1, 1953, the school lands consisted of approximately 2,800,000 acres, nearly all being under lease. In addition, there is about 100,000 acres under certificate of purchase.

Proceeds from the sale of school lands, estates that escheat to the state, gifts and grants to the state for educational purposes constitute the principal of a permanent school fund known as the public school permanent fund which is held in trust and administered by the state land board. Since these lands are unappraised, the principal of the permanent school fund on July 1, 1953, was represented by cash, \$221,359; bonds, \$16,446,582; farm loans, \$1,709,960; and foreclosed lands, \$313,309; a total of \$18,691,210, minus reserves.

The income of about \$2,200,000 from this fund each year constitutes the public school income fund which is transferred quarterly to the state public school fund.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1952-53

Source	Amount	Percent
1. Legislative appropriations		
a. To state public school fund		
1. Equalization distribution . .	\$5,317,202	35.5
2. Direct grant, Ag.D.A. basis .	6,875,000	46.0
3. Direct grant to junior colleges . . . . .	195,300	1.3
4. Emergency . . . . .	112,498	0.7
b. For education of physically and mentally handicapped children .	58,000	0.4
c. For vocational education . . . .	99,400	0.7
2. Income from permanent school funds		
a. Equalization distribution . . .	1,167,070	7.8
b. Direct grant, Ag.D.A. basis . .	411,857	2.8
c. Final payments under former acts	721,884	4.8
Total . . . . .	\$14,958,211	100.0

Apportionment of State School Moneys

Committees in designing the present school finance structure were desirous to avoid the concept that the state distribution is an "aid" or "assistance" in the nature of charity; it is part of the finance structure.

Of total money furnished by the state to the public schools during 1952-53, \$6,811,186, representing 45.5 percent of the total, was issued upon the basis of equalization. This compares with about 40 percent for equalization in 1951-52 and only 38.6 percent during 1950-51.

General grants--Of the appropriation, 55 percent is specified for general grant distribution in August upon basis of unweighted Ag.D.A. of previous year. This amounted to \$6,875,000 in 1952-53. For the purpose of



# COLORADO (CONT.)

emergency payments, 1.5 percent of the appropriation is restricted until June of the following year. Payments for emergencies amounted to \$112,498 during 1952-53.

In September, general grants are made to the organized junior colleges equivalent to \$900 for each 7 full-time students of the preceding year. Such payments during 1952-53 were \$195,300. If there is any remainder in the state public school fund as of June, it is distributed as a general grant to eligible districts upon the basis of the Ag.D.A. used for the previous August distribution. For June 1953, the remainder was \$411,856.38.

**Equalization distribution**--The object of the equalization portion of the program is to provide minimum classroom unit amounts from standard efforts of, first the district, second the county, and third the state.

During 1952-53, the classroom unit value was \$2,625 for teachers holding a "graduate certificate" and \$2,425 for teachers holding other than a "graduate certificate." The minimum required levy for the district was 8 mills (2 mills for county and union high-school districts and 6 mills for districts within these areas); for the county it was 6 mills.

Assessed valuations partly due to statewide reappraisal increased in 1952 by 42.6 percent compared with 1951 assessed valuations. For the school year 1953-54, adjustments were made to a classroom unit value of \$2,725 for teachers holding a "graduate certificate" and \$2,500 for teachers holding other than a "graduate certificate." The minimum required levy for districts was reduced to 7 mills (1½ mills for county and union high-school districts, 5½ mills for districts within these areas) and for the county to 4.25 mills.

The number of classroom units to which a school district is entitled is based upon the aggregate number of days of attendance in the preceding year and limited by the number of equivalent full-time teachers employed in the current year. The days of attendance are weighted in quarter of unit steps by factors of from 1 to 2 with the weighting being applied inversely to group days of attendance per square mile of district area. This is an indirect, and the only approach in the program toward consideration of compensation for additional costs of transportation and applies only to areas with fewer than 216 Ag.D.A. per square mile. Classroom units are calculated to the major fraction of one-tenths. The first 2,160 weighted Ag.D.A. allows one classroom unit, the next 2,880 weighted Ag.D.A. allows the second classroom unit, and from there on, each additional 3,600 weighted Ag.D.A. permits an additional classroom unit. Since this basically represents about 22 enrolled pupils to the classroom, it is intended to amply provide for all certificated personnel, including kindergarten, regular, part-time, special teachers, principals, and superintendents.

Many school districts do not need to use the entire quota of classroom units; some small districts make use of extra tenths for special part-time classes, such as music. In rapidly growing areas access to emergency grants for additional teachers is provided.

From the amount of the value of classroom units for a district, the amount produced by the minimum levy is deducted leaving a first difference. The amount produced by the county required levy is allocated in respect to only the positive such first differences. These allocated amounts are deducted from the positive first differences and the remaining difference is paid by the state. In those counties where the county required levy will produce more than the sum of the positive first differences, only the amount of such sum need be raised, the state paying none. This occurred in 16 out of 63 counties during 1952-53.

This program represents the county and the state as sharing the equalization burden in varying proportions

which ranged from two counties sharing as low as 18.0 percent to the high of 16 counties sharing 100 percent of the equalization difference in 1952-53.

There are no special distinctions for high-school attendance except that in county and union high-school districts the weighting factor is limited to 1.2.

All teachers must be paid at least three-fourths of the classroom unit value for their type certificate held, and in addition, the district must pay at least three-fourths of Ag.D.A. general grant receipts as salary to teachers to qualify for any state or county payments. Equalization payments amounted to \$6,484,272 during 1952-53.

**Special distribution**--The state supplements federal funds to aid school districts in financing the costs of vocational education in the form of reimbursements for expenditures, which were \$99,400 for 1952-53.

For the education of physically and mentally handicapped children, \$58,000 was provided during 1952-53. Provisions for this educational work have been materially increased to \$190,000 for 1953-54.

Final payments under former acts amounted to \$721,884.

TABLE 2.--APPORTIONMENT OF STATE SCHOOL MONEY, 1952-53

Type and percent of payment	Name of fund	Basis of distribution	Amount
<b>1. General grants (53.4%)</b>			
a. Teachers' salaries by three-fourths of receipt	State public school fund	Previous year Ag.D.A. weighted	\$6,875,000 411,857
b. Current expense	State public school fund	Previous year enrollment	195,300
c. Contingency	State public school fund	Emergency, growth, etc.	112,498
d. Current expense	Remainder public school income fund	School census final payment	394,970
<b>2. Equalization grants (45.5%)</b>			
a. Teachers' salaries by three-fourths or more	State public school fund	Classroom value less district 8-mill levy, less share county 6-mill levy	6,484,272
b. Teachers' minimum salaries	Public school income fund	Total \$75 minimum salary per month less 5-mill county levy	326,914
<b>3. Special grants (1.1%)</b>			
a. Physically and mentally handicapped children	General fund	Reimbursement salary and transportation	58,000
b. Vocational	General fund	Reimbursement	99,400
(Items 1 plus 2 plus 3 equal 100%.)			
Total . . . . .			\$14,958,211

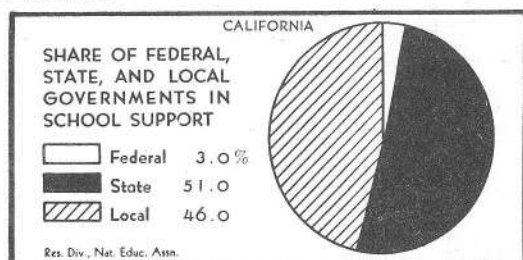
STATE SUPPORT OF PUBLIC SCHOOLS IN CALIFORNIA, 1954-55<sup>1/</sup>

The state of California supports public schools at all three levels--elementary schools (Grades kindergarten-VIII), high schools (Grades IX-XII), and junior colleges (Grades XIII-XIV).

All three levels are supported from one fund, the state school fund. The state school fund and district taxes provide almost all of the support of the public schools. The receipts from federal funds are relatively small.

The amount of state funds apportioned in 1953-54 was \$367,073,437.55, or about 54 percent of the current expenditures for that year. It is estimated that federal funds accounted for approximately 3 percent. The remaining 43 percent in 1953-54 for current purposes was raised by local taxation.

The amount of state funds to be apportioned in 1954-55 will be \$398,210,949.49. The estimated percentage distribution for 1954-55 is 51 percent state, 46 percent local, and 3 percent federal.



Sources of State School Revenue

Most of the state support of public schools comes originally from the general fund of the state. This fund is maintained largely by means of sales, income, and franchise taxes. The schools have first call on existing state monies.

Transfers from the state general fund--State support of the three levels of education at \$180 per unit of average daily attendance is guaranteed by a constitutional amendment adopted in 1952, implemented by 1953 statutes. The amounts needed for this apportionment are transferred annually from the state general fund to the state school fund.

In addition to the \$180 per unit of ADA there is transferred from the general fund to the state school fund an amount for the reimbursement of 75 percent excess cost of instructing pupils in the operation of motor vehicles; the amount not to exceed \$30 per pupil instructed.

Income from permanent school funds--The permanent school fund for the support of public schools consists of lands granted to the state and bonds purchased with the proceeds of the sale of such lands, and of oil and mineral royalties.

Of the total amount of state funds apportioned in 1953-54 about 1 percent was received as income from permanent school funds.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1954-55

Source	Amount	Percent
1. Transfers from state general fund	\$394,710,949.49	99.1
2. Income from permanent school funds	3,500,000.00 a/	0.9
Total . . . . .	\$398,210,949.49	100.0
a/ Estimate.		

Apportionment of State Aid

There were no changes in the apportionment law of 1954-55 from that in effect 1953-54; i.e., the equalization principle and the deduction of fixed allotments (except driver training) from the constitutional \$180 per unit of ADA for excess cost for special education, pupil transportation, growth, and county services.

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Henry W. Magnuson, Chief, Bureau of Education Research, Sacramento, California.

General aid (basic)--The law provides for basic aid for elementary-school districts (Grades kindergarten-VIII), high-school districts (Grades IX-XII), and junior college districts (Grades XIII-XIV). No district receives less than \$120 per ADA, and in no case less than \$2,400.

Equalization aid--The law defines a foundation program for elementary-school districts computed on a basis of \$212 or \$232 per unit of ADA. In general, districts whose assessed valuation per ADA is \$10,000 or less benefit more from the \$232 formula.

Special foundation programs are allowed for necessary small elementary schools and school districts with an ADA of one hundred or less. These provide for higher amounts than are allowed for larger districts. In order to qualify for this program the necessary teachers must be employed. The foundation program for these districts is as follows: 1-25 ADA, employing 1 teacher, \$5,300; 26-50 ADA, employing 2 teachers, \$10,600; 51-75 ADA, employing 3 teachers, \$15,900; 76-100 ADA, employing 4 teachers, \$21,200. If the required number of teachers are not hired the regular program is effective.

The foundation program for high-school districts above 280 ADA is computed on a basis of \$280 or \$350 per unit of ADA. Districts with an assessed valuation of \$23,333 or less per ADA benefit more under the \$350 program. The foundation program is computed on the district ADA less ADA for adults. For each unit of adult ADA, a district receives the same amount of state aid as is allowed per unit of ADA for attendance in the regular day classes, but not more than \$200 per unit of adult ADA. Reimbursement for adult ADA in state institutions, prisons, etc., is based on actual expenditures, not to exceed \$148, but not less than \$120 per unit of ADA.

The foundation program for small high schools and small high-school districts is as follows: \$13,100 plus \$505 for each ADA from 1 to 80 inclusive, plus \$125 for each ADA from 81 to 280 inclusive. Small high schools maintained in separate facilities with a separate administrative head and maintaining less than four years have a foundation program determined by multiplying the ADA by \$280, or applying the following percentages to the small school foundation program, whichever is larger: 1 year maintained, 55 percent; 2 years maintained, 65 percent; 3 years maintained, 80 percent.

Junior college districts compute their programs on a basis of \$380 per unit of ADA. The foundation program is computed on the district ADA less ADA for adults. For each unit of adult ADA, a district receives the same amount of state aid as is allowed per unit of ADA for attendance in the regular day classes, but not more than \$200 per unit of adult ADA. Reimbursement for adult ADA in state institutions, prisons, etc., is based on actual expenditures, not to exceed \$148, but not less than \$120 per unit of ADA.

Each elementary-school district coming under the \$212 foundation program is charged with an amount of self-support equal to a tax of 60 cents on 100 percent of each \$100 of the assessed valuation of the district. Each elementary district coming under the \$232 foundation program is charged with a tax of 80 cents. Each high-school district coming under the \$280 foundation program is charged with an amount of self-support equal to a tax of 45 cents. For each high-school district coming under the \$350 program a 75-cent tax is charged. Each junior college district is charged with a 30-cent tax. Qualifying taxes, at all levels, i.e., 60 cents elementary, 45 cents high school, and 30 cents junior college, will have to be levied during the preceding year in order for the districts to participate in the equalization program.

If the amount produced by the qualifying tax in each district, together with the basic aid received, will not support the foundation program, the district receives an additional sum as equalization aid sufficient within the limits of state funds to enable it to meet the calls of its foundation program. Equalization aid apportioned during the year 1954-55 will amount to \$64,728,515.54 for elementary-school districts, \$12,282,170.67 for high-school districts, and \$2,297,119.38 for junior college districts.



TABLE 2.--APPORTIONMENT OF STATE AID, 1954-55

Special aid--In addition to all other allotments, all districts receive the excess cost, if any, of educating physically handicapped minors up to \$400 per ADA, \$400 for cerebral palsied minors, 75 percent of excess cost up to \$150 for mentally handicapped, and up to \$300 for severely mentally handicapped minors. Reimbursements to districts for 1954-55 will total \$6,905,408.74. There is apportioned in addition to the \$400 excess cost for physically handicapped an amount of excess cost up to \$350 for transportation of certain classifications of physically handicapped amounting to \$1,012,462.68. Districts having driver education received \$699,669.49 state aid towards the support of this program.

Funds are apportioned from the general fund to the county school service fund for emergency schools, for purposes of elementary supervision by the county, for partial payment of county superintendents' salaries, and for the budgetary requests for other county school services. In 1954-55 the sum of \$2,060,950 will be apportioned for county elementary-school supervision.

For purposes other than elementary supervision, the amount each county receives from the county school service fund is determined by a budgetary request to the state superintendent. The amount of \$7,617,964 will be apportioned to the county school service fund as allowances for budgetary needs for the year 1954-55, which includes \$139,200 for the partial payment of the county superintendents' salaries (\$2,400 allotment to each county). This fund is provided by multiplying the total ADA of the state by \$3.57. The elementary supervision fund is provided by multiplying the ADA by 94 cents. In addition, the county school service fund in 1954-55 will receive \$1,248,044 for elementary emergency schools and special classes, (including the physically and mentally handicapped), \$413,280 for pupils of high-school level educated by the county superintendent of schools (including the physically and mentally handicapped).

Not less than 85 percent of the money apportioned to school districts except that for transportation shall be spent for salaries of certificated employees.

State aid for pupil transportation--The law requires a district to meet from local sources transportation costs equal to what a 2-cent tax rate would yield. Of any costs between 2 and 8 cents the state will pay half, the state will pay all above 8 cents.

For a unified district operating transportation at two levels, or two districts with identical boards, the district pays the first 3 cents, the state half between 3 and 12 cents and the state all above 12 cents.

Under similar circumstances for three levels the district pays the first 4 cents, the state half between 4 and 16 cents, and the state all above 16 cents.

The transportation fund is established by multiplying the total ADA by \$3.20. This amount totals \$7,035,918.96 for 1954-55.

Growth allowance--Initial computation of the amount of state aid due each district based on previous year's ADA is to be supplemented by an additional computation (made twice a year) which recognizes the increase of the current ADA over the previous year's ADA. For each ADA in growth the amount of basic and equalization aid received per ADA in the 1954-55 apportionment is allotted to the districts. Growth in small schools has a different formula; an additional teacher must be necessary and hired to allow for growth. This fund is established by multiplying the total ADA by \$12, amounting to \$26,500,752.

Encouragement for unification--All the provisions from previous laws, such as the "no-loss," \$5 additional foundation program, remain in effect for the unified districts organizing under those provisions. Unified districts effective July 1, 1953, or thereafter, receive a 5 percent increase in the foundation program during the first year reduced each year by 1 percent each of the five succeeding years.

Miscellaneous--An amount of \$17,160 is apportioned for out-of-state attendance.

A net debit adjustment of \$58,661.12 has been added because of deficit apportionments made the preceding year.

Type and per- cent of aid	Name of fund	Basis of distribution	Amount
1. General aid (to districts) (66.5%)			
a. Basic aid			
1. Elementary schools	State school fund	\$120 per ADA	\$194,088,360.00
2. High schools	State school fund	No district less than	58,670,520.00
3. Junior colleges	State school fund	\$2,400	11,871,240.00
2. Equalization aid (19.9%)			
a. Elementary schools	State school fund	Cost of foundation program	64,728,515.54
b. High schools	State school fund	in excess of qualifying tax	12,282,170.67
c. Junior colleges	State school fund	rate and basic aid	2,297,119.38
3. Special aid (to districts and counties) (13.6%)			
a. Physically handicapped and mentally handicapped	State school fund	See text	6,905,408.74
b. Transportation	State school fund	See text	7,035,918.96
c. Excess transportation cost of certain classes of physically handicapped	State school fund	See text	1,012,462.68
d. Driver education	State school fund	See text	699,669.49
e. State aid to county school service fund			
1. Budgetary requests	County school service fund	On budget request of county superintendents	7,478,764.00
2. County superintendent's salary	County school service fund	\$2,400 to each county	139,200.00
3. Supervision (elementary)	County school service fund	\$2,400 for each unit allowed	2,060,950.00
4. Reimbursement for education of pupils a/	County school service fund	Foundation program equivalent for elementary districts and high-school districts	1,661,324.00
f. County school tuition fund	County school service fund	\$120 per ADA	17,160.00
g. Net debit adjustment	State school fund		58,661.12
h. Amount for apportionment for growth	State school fund	See text for formula	26,500,752.00
i. Final apportionment adjustment b/	State school fund	See footnote	702,752.91

(Items 1 plus 2 plus 3 equal 100%.)

Total . . . . . \$398,210,949.49

a/ Includes cost of emergency schools, special training schools, juvenile halls, and excess cost for physically handicapped.

b/ Includes amounts from various special apportionments to be distributed to equalization districts on an ADA basis in June of fiscal year.



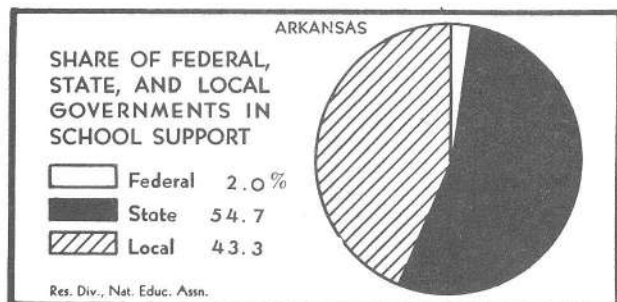
STATE SUPPORT OF PUBLIC SCHOOLS IN ARKANSAS, 1954-55<sup>1/</sup>

The receipt of public school moneys in Arkansas in 1954-55 totaled \$31,721,955 from state sources, including balance and severance tax.

Local funds are derived from millage on assessed valuation of personal and real property and public utilities. The average millage effort of all the districts in the state was 32.3 in 1952, 33.4 in 1953, 34.4 in 1954, 35.7 in 1955. The 1954 total assessed valuation in the state was \$838,918,123. The total yield from local millage for the 1954-55 school year was \$24,300,000 (est.) gross. County funds disbursed to local school districts amounted to \$800,000 (est.) in 1954-55. The total in local revenues was \$25,100,000.

Federal funds for public elementary and secondary schools included: forest reserve, \$456,351; flood control, \$50,650; mineral leasing and Taylor grazing, \$5,698; Smith-Hughes Act, \$103,264; George-Barden Act, \$501,442. The total of federal funds, excluding vocational rehabilitation and school lunch, was \$1,117,405.

Local districts may vote unlimited millage levies. The total required local support for the minimum program is based on 18 mills times the total assessed valuation of the state times the local district's relative ability index. Any local millage voted above 18 is considered enrichment thru local support, provided its assessments are in keeping with average assessing practices.



Sources of State School Revenue

State revenues in Arkansas are classified as "special revenues" or as "general revenues" by legislative action. The special revenues are allocated for certain specific purposes. The general revenues accrue to the general revenue fund, and are then credited to the various state funds on a percentage basis.

Transfers from state funds--The state public school fund received \$29,310,756 in 1954-55 from general revenue. The general revenue was \$58,513,625 for the state.

The state board of education has authority to make allocations of the public school fund income for the various aids and services within the legislative appropriations.

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Joe L. Hudson, Director, Disbursements and Accounting, State Department of Education, Little Rock, Arkansas.

Income from special legislative acts--Transfers from the teacher retirement fund, as a result of accumulations due to teachers withdrawing from the retirement system, amounted to \$279,780. Severance tax receipts amounted to \$428,295. Balance carried over from July 1, 1954, totaled \$1,617,980.

Income from permanent school funds and miscellaneous receipts--Interest on the permanent school funds from loans to school districts thru the revolving loan fund and miscellaneous receipts totaled \$85,144.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1954-55

Source	Amount	Percent
1. Transfers from state funds		
a. From general revenue by Stabilization Act (Act 118 of 1953) . . .	\$29,310,756	92.4
2. Income from legislative acts		
a. Transfers from other state agencies (\$279,780), severance tax receipts (\$428,295), and balance July 1, 1954 (\$1,617,980) . . . . .	2,326,055	7.3
3. Income from permanent school funds, and miscellaneous receipts . . . . .	85,144	0.3
Total . . . . .	\$31,721,955	100.0

Apportionment of State Aid

State funds were allocated to Arkansas school districts as general aid, minimum school budget aid, state transportation aid, and special aids. The state legislature provided for the allotment of state aid to be administered by the state board of education thru specific appropriations for: (1) minimum school budget aid for teachers' salaries, (2) minimum school budget aid for capital outlay and maintenance and operation, (3) transportation aid, (4) per capita state apportionment, (5) vocational education aid, (6) instruction of handicapped children, (7) purchase and distribution of elementary textbooks, (8) purchase, servicing, and distribution of audio visual aids, (9) salaries of county school supervisors, (10) vocational rehabilitation, (11) school lunch commodity distribution. The state legislature also authorized transfers from the public school fund for: (1) state library commission and teacher retirement system (operation and maintenance, disability and retirement, and state matching of the 4 percent payment from teachers).

General aid--State apportionment of \$2 per capita on the 1953 corrected enumeration of 430,052 amounted to \$876,288 including an additional \$20 per child in ADA for children residing in orphanages. The state apportionment is charged to the local district in calculating its required support of the minimum school budget.

Equalization aid--The Arkansas Minimum School Budget Law provides for: (1) measuring the minimum

ARKANSAS (CONT.)

TABLE 2.--APPORTIONMENT OF STATE AID, 1954-55 a/

educational need for each school district on a uniform basis, (2) converting the educational need for the minimum essentials into cost expressed in dollars, (3) a partnership plan of support for the minimum school budget between the local district and the state so that each pays its share, (4) allowing local districts to extend the minimum school program thru better assessing practices or higher millages.

The law provides for each county an index of relative ability based on economic factors. Thru the use of this method, the county ability is determined on the basis of assessments adjusted to average assessing practice in the state. The county tax-paying ability is prorated among the districts on the basis of the ratio of the district assessment to the total county assessment. The difference between the total allowed in the minimum budget and the district's required local support is the state's share of the minimum program. Approximately 75 percent of the state's share of the minimum school budget was allocated and earmarked for teachers' salaries. Act 307 of the Fifty-Ninth General Assembly of Arkansas provided that districts would receive in minimum school budget aid the same amount qualified for under the original Minimum School Budget Act of 1951 plus an additional \$275 per teacher unit, determined on the 1953-54 average daily attendance.

Special aid--State transportation aid is allotted to all school districts in the state that furnish transportation services for pupils to and from school. The two basic factors in the formula for allocating transportation aid are density of population of transported children and an allowance for depreciation on approved vehicles operated. A per pupil allowance is based on the density factor. The depreciation scale, based on ten years service, provides an amount of money that will approximately equal the cost of replacing the vehicle. State transportation aid allotted to all districts in 1954-55 amounted to \$4,589,959.

Vocational aid was allotted to those districts approved for vocational services. State funds in the amount of \$911,448 and federal funds in the amount of \$604,706, or a total of \$1,516,154, was allocated to local school districts for vocational services.

Textbooks for elementary Grades I-VIII cost the state \$560,499 in 1954-55. This amount included expenditures for distribution of the books. The state expended \$59,924 for purchase, servicing and distribution of audio visual aids. These materials are circulated to the local schools from the state library.

State aid for instruction of handicapped children amounted to \$65,385. This aid is allocated on the basis of excess cost above the average expenditure per child in ADA in the district. Some of the fund is used for scholarships for teachers to secure special training for working with handicapped children.

The state's share of the salaries of county school supervisors was \$136,795. The amount is determined on the same scale, according to type of certificate, as that set up for teachers' salaries in the Minimum School Budget Law.

Type and percent of aid	Basis of distribution	Amount	Estimated 1955-56
1. General aid (3.2%)	Scholastic population	\$ 876,288	\$ 876,634
2. Equalization aid--minimum school budget aid (73.8%)	Minimum allowances for essential services to be included in minimum budget less required local support based on index ability	20,519,037	19,119,037
3. Special aid (23.0%)			
a. Transportation aid	Density of population of transported pupils and an allowance for depreciation	4,589,959	4,680,000
b. Vocational aid	Approved vocational service	911,448	780,000
c. Free textbooks	Budget based on an amount per average daily membership	560,499	600,000
d. Instruction of handicapped children	Cooperative program with local districts based on cost in excess of per capita current expenditure	65,385	75,000
e. Audio visual aids	Purchase, servicing, and distribution of materials thru a central library	59,924	20,000
f. Salaries of county school supervisors	Training and type of certificate	136,795	138,000
g. Distribution of school lunch commodities	Salaries and operation for distribution program	84,750	76,300

(Items 1 plus 2 plus 3 equal 100%.)

Total . . . . . \$27,804,085 \$26,364,971

a/ Severance tax not included. The state treasurer distributed 50 percent of this fund back to the counties on basis of collection. The counties allot it to districts on a per capita basis.

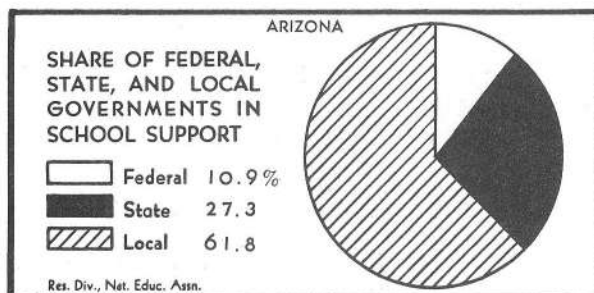
STATE SUPPORT OF PUBLIC SCHOOLS IN ARIZONA, 1953-54<sup>1/</sup>

Since acquiring statehood in 1912, Arizona has recognized the principle of equalization of educational opportunity thru increasing state aid.

The first state appropriations for elementary and high schools were arbitrary flat sums distributed on the basis of average daily attendance. The amount of this aid varied inversely with the increase in attendance and ranged roughly from about \$15 to \$20 per capita per annum. The total of these annual appropriations, from the first of \$500,000, reached \$750,000 in 1919. In 1921 the legislature changed from the flat sum to a specified rate per capita of average daily attendance in elementary and high schools as the basis of the annual school appropriations.

In 1940 by initiative act the people of Arizona provided for a substantial increase and a differentiation in the per capita rates allowed for attendance at elementary level and attendance at high schools. The differential was eliminated by 1947 legislation.

In 1953-54 revenues for all public school purposes were as follows: federal \$5,521,129.45, or 10.9 percent; state \$13,883,791.06, or 27.3 percent; county \$4,736,136.35, or 9.3 percent; and local \$26,705,195.43, or 52.5 percent.



Sources of State School Revenue

Legislative appropriations are the most important source of the state school fund. Until 1933 the general property tax was the only means employed to raise funds to meet these appropriations for the public schools. Since that time many other sources of revenue have been tapped to pay for the over-all cost of governmental functions in Arizona, e.g., sales taxes, fuel, income taxes, luxury taxes, special licenses and fees, and increased federal aid. The state auditor's report for the fiscal year 1953-54 shows general property taxes contributed \$9,153,422.80 to the state's grand total of revenues which amounted to \$83,700,675.88.

Another source of state school funds was provided by Congress in the Enabling Act which

specified that four sections in every township be granted to the state as an endowment to common and high-school education. Annual earnings from the leasing of these school lands and interest from the permanent school fund (created by the sale of school lands) have become a part of the state school fund.

Legislative appropriations from the state general fund--The act of 1940 required that the legislature appropriate annually a fund sufficient to provide \$65 per elementary pupil and \$95 per high-school pupil in average daily attendance the previous year. By legislative act in 1947 the state increased its support of elementary education from \$65 to \$95 per pupil in average daily attendance, but left state support to high schools at \$95 per pupil as provided in the initiative act of 1940.

The establishment of junior colleges was authorized by the legislature in 1927 with total support coming from local taxation. In 1935 the legislature appropriated one-half the cost of maintenance up to \$15,000 to each junior college. In 1947 the amount was raised to \$37,000, and in 1949 to \$75,000, at which time the "one-half the cost of maintaining" provision was struck. In 1953 the total aid was raised to \$100,000 to become effective in the fiscal year 1953-54.

By the provisions of 54-813 ACA 1939 enacted in 1951 the legislature appropriated \$100 per capita aid to each homebound student to be paid in addition to the general \$95 per capita allotment.

Income from permanent school funds--Annual earnings of the permanent school fund, consisting of proceeds of school land leases and the interest on bonds, are apportioned quarterly to elementary and high schools on the basis of average daily attendance in addition to the \$95 per pupil. The permanent school fund exists in fact, amounting to approximately \$3,914,600 invested in safe interest bearing bonds, and only the interest is spent annually. Also, there remains at this time approximately 8,000,000 acres of school lands which are leased for agricultural and grazing purposes.

The receipts from the state per capita apportionment, permanent school fund, school land earnings, plus those from national forests and miscellaneous sources are combined to make up the state school fund. Junior college aid and homebound aid, as noted above, are provided for by special legislative action.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Legislative appropriations		
a. Homebound . . . . .	\$ 14,363.60	0.1
b. General appropriation . . . . .	14,031,595.00	92.1
c. Junior college . . . . .	200,000.00	1.3
2. Permanent school fund.	994,945.00	6.5
Total . . . . .	\$15,240,903.60	100.0

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Roy W. Gilbert, Comptroller, Director of Research, Department of Public Instruction, Phoenix, Arizona.



TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

## Apportionment of State Aid

The initiative measure of 1940 authorized the legislature to prescribe a method of apportionment of school funds made available. The legislature fixes the purposes and amounts to be deducted for administration and special aid from the appropriated moneys in the state school fund. The balance of all moneys in the state school fund is then available for apportionment to counties on the basis of mathematical formula as revised in Chapter 85, House Bill No. 34, enacted in March 1947.

General aid--The formula for apportioning the state school fund, as taken from 54-602 ACA 1939 amended, is as follows: "After making the necessary allowance for the payment from the state school fund of amounts authorized for the state board in the general appropriations bill, the board shall allocate the balance remaining in the state school fund for common-school and high-school education, in the proportion respectively that average daily attendance during the previous year in common schools and high schools multiplied by ninety-five (95) bears to the sum of the product so obtained. The amounts so allocated shall be apportioned to the several counties on the basis of average daily attendance in the common and high schools in each county."

The funds thus received by the counties from the state school fund are, in turn, distributed by the county school superintendents to local school districts on the basis of average daily attendance for the high six months of the preceding year.

Special aid--An examination of Table 2 will reveal that portions of the state school fund are set aside for special purposes, namely, textbooks, vocational rehabilitation, teachers' retirement and vocational education. This earmarking of expenditures is done by the legislature. Homebound students and junior colleges receive funds annually by action of the legislature. The legislature likewise sets the budget for the state department of public instruction and diverts state school fund monies for this purpose.

Type and percent of aid	Name of fund	Basis of distribution	Amount
<b>1. General aid (89.9%)</b>			
a. Per capita apportionment	State school fund	ADA elementary and high school	\$12,757,488.23
b. Permanent school fund	State school fund	ADA elementary and high school	994,945.00
<b>2. Special aid (10.1%)</b>			
a. Homebound	Special appropriation	As needed	14,363.60
b. Textbooks	State school fund	Grades I-VIII	679,680.27
c. Vocational rehabilitation	State school fund	As needed	50,000.00
d. Teachers' retirement	State school fund	As needed	344,000.00
e. Vocational education	State school fund	Reimbursement	122,555.00
f. Junior colleges	Special appropriation	Flat grant	200,000.00
g. State department of public instruction	State school fund	As needed	127,871.50
(Items 1 plus 2 equal 100%)			
Total . . . . .			\$15,290,903.60 <u>a/</u>
a/ Less sum of \$50,000 for vocational rehabilitation, state appropriation.			

TERRITORIAL SUPPORT OF PUBLIC SCHOOLS IN ALASKA, 1953-54<sup>1/</sup>

The public school system in the territory of Alaska consists of 28 incorporated and independent school districts, 68 regular and special rural schools, 8 schools on military reservations and 22 rural schools operated under contract for the Alaska Native Service.

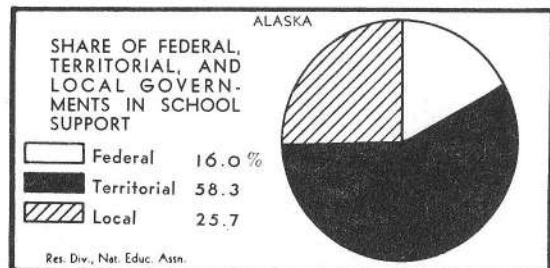
The laws of the territory provide that every city shall constitute a school district and such percentum of the total expended for the current operating costs of public schools within the limits of an incorporated city or a school district as the legislature may from time to time direct shall be refunded from the monies in the territorial treasury. In addition, the people of any incorporated city and its adjacent settlement, or settlements, may incorporate as an independent school district, provided that the total area of such independent school district does not embrace more than 500 square miles of territory. Expenditures for the construction and repair of buildings, interest on bonds, purchase of equipment and other similar indebtednesses are not classified as current operating expenses.

In all areas outside of incorporated cities and school districts the cost of all public schools are met in their entirety by the territory with the exception of the schools operated on military reservations and the schools operated under the Johnson-O'Malley Act of the U. S. Congress. The support of the schools on military reservations is provided in the form of entitlement under Public Law 874 thru the U. S. Office of Education. The support of the schools operated under the Johnson-O'Malley Act is provided by the Bureau of Indian Affairs (Alaska Native Service) in accordance with a contract negotiated with the office of the Commissioner of Education.

In addition to bearing a large percent of the current operating expenses of schools in incorporated cities and districts, and paying 100 percent of rural school costs, the territory provides all funds for the transportation of pupils in these two classes of schools.

Tuition payments of \$81 per school year per child are paid by the territory for all pupils living outside the limits of city independent incorporated school districts where school facilities are not available in their place of residence and who are in attendance at district schools.

During the 1953-54 school year, approximately 25.7 percent of the funds needed to meet the current operating costs of the public schools was derived from local sources in the form of direct property and sales taxes.



The current operating expenses in Alaska's public schools during the 1953-54 school year amounted to \$7,857,069.34. Of this sum, \$2,019,946.03 was derived from taxes levied against personal and real property and sales taxes in the school districts; \$1,254,119.28 was received from the federal government for the operation of schools on military reservations and Johnson-O'Malley schools; and the balance, or \$4,583,004.03, is a portion of the appropriation made by the territorial legislature

for the support of public schools. (The pie chart is based on current operating expenses only.)

Territorial Sources of School Revenue

Of all monies appropriated by the territorial legislature for schools during 1953-54 school year, approximately 9.06 percent is derived from funds earmarked for the public school current fund (4.86 percent from the territorial school tax and 4.20 percent from miscellaneous sources). The balance is derived from the general fund of the territory. Approximately 49 percent of the total territorial appropriation is apportioned for public schools excluding the University of Alaska. The greatest single revenue for the territory is the income tax which provides approximately 40 percent of the total territorial revenues.

Earmarked revenues--The territorial school tax is in reality a head tax. It is a special levy of \$5 per year upon all men and all gainfully employed women between the ages of 21 and 55. The amount provided by the school tax during 1953-54 was \$282,941.49.

Territorial law requires that 50 percent of the gaming licenses and other game receipts be paid into the public school current fund.

Twenty-five percent of the money received from the federal forest reserve fund, mines and mineral leases is deposited in the public school current fund.

Legislative appropriations from the territorial general fund--While it is true that Alaska schools have earmarked revenues such as the school tax, game licenses, and other miscellaneous sources, in practice these revenues are added to the territorial general fund to make up the total legislative appropriation for schools. Actually the only source of income to the territorial Department of Education for support of Alaska schools is from legislative appropriations, U. S. Office of Education, and from the Alaska Native Service.

In accordance with the provisions of territorial law, the 1946 legislature directed that from 75 to 85 percent of current operating costs, depending upon size of resident enrolments, be refunded to the independent and incorporated city schools. For the school year 1953-54 these revenues totaled \$3,724,159.92, which sum represents a 75, 80 or 85 percent refund to those schools for the monies they expended for current operational costs.

At the present time approximately 78 percent of Alaska's public schools and 30 percent of its school population are located in areas outside incorporated cities, incorporated and independent school districts.

The territorial legislature appropriates funds for all expenses incurred in connection with school in unincorporated areas including construction. The amount made available for current operating expenses for the 1953-54 school year was \$800,000. The amount made available for construction and repair of rural school buildings for the same period was \$456,762.48, which includes the rural school's share of tobacco tax.

The territorial legislature appropriates money to cover transportation costs of pupils who reside at least one and one-half miles from schools established along regularly maintained highways. An appropriation is also made for the payment of tuition of nonresident pupils in incorporated and independent school districts. The sum provided for transportation during 1953-54 school year was \$492,500. The amount provided for tuition was \$73,000.

Correspondence courses are furnished to all children who reside in areas where no school is provided. The territorial legislature appropriated \$10,000 for this "non-resident instruction" during the 1953-54 school year. The sum of \$5,000 was appropriated to cover the cost of fire insurance on rural school buildings during the same period. Also, \$15,000 was appropriated to cover instructional cost of educating handicapped children; \$3,000 was provided for

<sup>1/</sup> Prepared for the Research Division, National Education Association, by John E. Dapceovich, Chief Accountant, Department of Education, Juneau, Alaska.



## ALASKA (CONT.)

citizenship night school, and \$25,000 for vocational education.

**Income from permanent school funds**—An act of Congress approved March 4, 1915, set aside and reserved from sale or settlement sections sixteen and thirty-six of each township of public lands in Alaska. The income from these lands is set aside in a fund known as the "permanent school fund." The act provided that this fund may be invested and the income used exclusively for school purposes. A 1931 territorial law provided that funds derived from the sale of abandoned school buildings or other property of defunct schools shall be credited to the permanent school fund. On June 30, 1954, there was a total of \$20,000 invested in U. S. government bonds. Income from the invested permanent school fund is deposited in the public school current fund.

TABLE 1.—SOURCES OF TERRITORIAL SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked revenues a/		
a. Territorial school tax . . . \$	282,941.49	4.86
(\$5 poll tax)		
b. Game licenses . . . . .	93,559.81	4.20
c. Forest reserve fund . . . .	1,696.01	
d. Royalties, rentals, etc. . . .	149,295.22	
2. Legislative appropriations		
a. Support of schools within incorporated cities and districts . . . . .	3,625,000.00	62.26
b. Support of schools outside incorporated cities and districts . . . . .	800,000.00	13.74
c. Tuition . . . . .	73,000.00	1.25
d. Transportation . . . . .	492,500.00	8.46
e. Rural school buildings . . . .	350,000.00	6.01
f. Provision for teachers' salary increase . . . . .	425,000.00	7.30
g. Nonresident instruction . . . .	10,000.00	0.17
h. Insuring rural school buildings . . . . .	5,000.00	0.09
i. Education of handicapped children . . . . .	15,000.00	0.26
j. Citizenship night school . . . .	1,500.00	0.03
k. Vocational education . . . . .	25,000.00	0.43
3. Income from permanent school funds a/ . . . . .	500.00	0.01
Total . . . . .	\$5,822,000.00	100.00
a/ Included in legislative appropriations.		

## Apportionment of Territorial School Funds

Only a part of the total amount appropriated by the territorial legislature for school purposes can properly be termed territorial aid for schools. This part consists of the appropriation for the support of schools in incorporated cities and incorporated districts. Payments to city schools for tuition of nonresident students might also be classified as territorial aid.

**Aid and expenditures for general school purposes**—The support of schools in incorporated cities and incorporated districts is paid out in the form of reimbursements for maintenance of current operational expenses incurred. In accordance with territorial law in all districts with resident ADA of less than 150 pupils, 85 percent of operational costs are refunded; in all districts with resident ADA of 150 but less than 300, 80 percent refund is made; and in all districts with a resident ADA of over 300 pupils the refund is 75 percent. The law authorizes the Commissioner of Education to reduce any item in the budget of a school or to refuse to pay the prescribed percent of aid for any expenditure that does not meet requirements.

The appropriation for schools in unincorporated areas is used to pay the entire school cost. For these schools the legislature appropriates the money to the territorial Department of Education which administers the schools and pays the bills.

**Aid and expenditures for special educational purposes**—Money appropriated by the territorial legislature is used to pay for the tuition of nonresident pupils who are attending schools in incorporated cities, incorporated and independent school districts. Territorial law charges the Board of Education of the territory with determining the amount of tuition to be paid and seeing that the payments are actually made.

The law also directs the territorial Board of Education to provide for the transportation of pupils, to draw up rules and regulations under which transportation services shall be furnished and to supervise the expenditures of the territorial appropriation for this purpose.

It is the duty of the territorial Board of Education to arrange for constructing, or renting of the necessary rural school houses and provide for maintaining and equipping of such buildings.

Tobacco tax receipts to be used only for construction, etc.—The revenues from a tobacco tax which are earmarked for the construction, rehabilitation, and repair of public school buildings are not included in Tables 1 and 2. For the 1953-54 school year the city schools, incorporated and independent school districts shared in the distribution of \$810,530.06 under a formula prescribed by the territorial Board of Education.

Some districts use these funds for amortization of bonds issued for school building purposes. Some districts are building up reserves of these funds to be used for matching Alaska public works funds for building purposes. The remaining districts use these funds for major rehabilitation of their existing school facilities.

TABLE 2.—APPORTIONMENT OF TERRITORIAL FUNDS, 1953-54

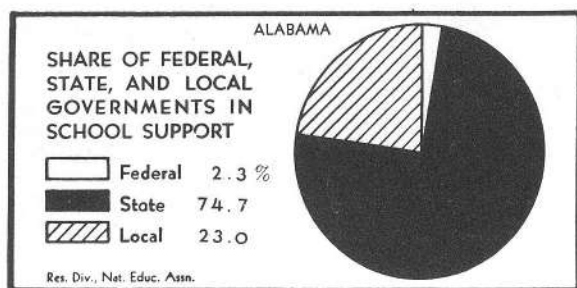
Type and percent of aid	Basis of distribution	Amount
1. Funds for general school purposes (83.3%)		
a. Support of schools within	Refunds for 75 to 85 percent of expenses for operating	\$3,625,000
b. Support of schools outside incorporated cities and districts	Disbursed as direct expenditure by territorial Department of Education	800,000
c. Provision for teachers' salary increase		425,000
2. Funds for special educational purposes (16.7%)		
a. Tuition of nonresident pupils	As directed by territorial Board of Education	73,000
b. Transportation of pupils	Discretion of Commissioner of Education	492,500
c. Rural school buildings		350,000
d. Nonresident instruction		10,000
e. Insuring rural school buildings		5,000
f. Education of handicapped children		15,000
g. Citizenship night school		1,500
h. Vocational education		25,000
(Items 1 plus 2 equal 100%.)		
Total . . . . .		\$5,822,000

STATE SUPPORT OF PUBLIC SCHOOLS IN ALABAMA, 1953-54<sup>1/</sup>

State appropriations for public elementary and high schools have been increased considerably during the past nine years--from \$19,236,507 in 1944-45 to \$25,431,056 in 1945-46, \$29,983,729 in 1946-47, \$44,602,758 in 1947-48, \$45,217,567 in 1948-49, \$51,668,971 in 1949-50, \$52,028,153 in 1950-51, \$64,060,400 in 1951-52, \$66,344,900 in 1952-53, and \$70,459,771 in 1953-54. However, a promotion in 1949-50 caused the actual appropriation to be only \$49,434,447, and \$51,562,621 in 1950-51.

In 1945-46 elementary- and high-school revenue from all sources totaled \$38,520,405. The state appropriation of \$25,431,056 was 66 percent of this total. The federal government provided \$1,463,826, or 3.8 percent, and local taxes produced \$11,625,523, or 30.2 percent, of total elementary- and high-school revenue. The figure for federal aid includes Lanham Act funds but omits funds for the veterans' training program.

The fiscal year 1953-54 is the latest year for which complete data are available from all sources. Total revenue for the school year 1953-54 was \$93,454,947 annually, of which the state appropriation constituted approximately 74.7 percent. The 1954-55 revenue will be slightly increased. Federal aid was 2.3 percent of the total revenue for 1953-54, and 23.0 percent was raised by local taxation.



Sources of State School Revenue

Of the total state revenue of \$70,009,771 which was directly available to public elementary and high schools in 1953-54, \$68,735,256--public school fund, minimum program fund, revolving fund, and surplus account--came from taxes specifically earmarked for education. The remaining \$1,274,515 consisted of income from permanent school funds and miscellaneous sources. In addition, an appropriation of \$450,000 for the purchase and distribution of state-owned textbooks was made from earmarked tax revenues in the educational trust fund and is included in item 1-b and in the total of Table 1 on this page.

In 1953-54 the state revenue available to public elementary and high schools, institutions of higher learning, and miscellaneous educational services totaled \$90,702,913.

All state revenues for public elementary and high schools in 1946-47 were appropriated from two funds--the public school fund and the educational trust fund. In 1947 the state legislature authorized a state referendum earmarking accumulated surpluses in the income tax fund and all future income from this tax, over and above the amount required to replace state ad valorem taxes lost thru homestead exemption, for education. The voters of this state, by a vote of approximately four to one, ratified this amendment on August 26, 1947. Consequently, 1947-48, 1948-49, and 1949-50 appropriations were made

against this fund in addition to the funds available for 1946-47. An extra cent sales tax was levied by the 1951 legislature, making a total sales tax of 3 cents on each dollar. This money was available for education beginning in 1951-52.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked taxes		
a. For public school fund:		
State ad valorem 3 mills . . .	\$ 5,002,748	7.1
Transfer from educational trust fund . . . . .	500,000	0.7
State income tax to replace 3-mill tax lost by homestead exemptions . . . . .	1,172,737	1.7
b. For educational trust fund:		
Sales . . . . .	\$51,679,152	
Use . . . . .	4,238,707	
Tobacco . . . . .	7,298,174	
Hydro-electric companies . . . . .	510,070	
Railroad companies . . . . .	602,366	
Iron ore . . . . .	186,390	
Coal tonnage . . . . .	129,883	
Telephone companies . . . . .	860,677	
Store license . . . . .	67,511	
Pullman car companies . . . . .	20,000	
Express companies . . . . .	15,101	
Income tax investment . . . . .	383,795	
Miscellaneous and balance . . . . .	1,813	
	\$65,993,639	
Income tax . . . . .	13,535,780	
	\$79,529,419	
Surplus account . . . . .	3,405,535	
	\$82,934,954	
Total for elementary and high schools . . . . .	62,509,771	88.7
2. Legislative appropriations . . .	1,005,000	1.4
3. Income from permanent school funds		
a. Income from permanent school funds . . . . .	246,434	0.4
b. Income from fees and rentals . . .	23,081	0.0
Total . . . . .	\$70,459,771	100.0

Earmarked taxes--All of the public school fund, amounting to \$6,945,000 in 1953-54, was appropriated to public elementary and high schools. Approximately \$5,002,746 of this fund was from the constitutional 3-mill tax; \$1,172,737 was from the state income tax to replace the amount of the 3-mill state tax used for homestead exemptions; \$500,000 was transferred from the educational trust fund; \$246,434 from income from permanent school funds; and \$23,081 from miscellaneous sources.

Appropriations from the educational trust fund and surplus account in 1953-54 totaled \$83,939,954. This includes \$1,005,000 general fund transfer shown in Table 1, item 2 above. The public elementary and high schools received \$64,014,771 of the total appropriation. Of this amount \$1,005,000 was transferred from the general fund of the state. All of the remaining \$63,009,771, including \$500,000 transferred to the public school fund, was derived from earmarked taxes.

<sup>1/</sup> Prepared for the Research Division, National Education Association, by N. F. Greenhill, Director, Division of Administration and Finance, State Department of Education, Montgomery, Alabama.



# ALABAMA (CONT.)

Taxes earmarked for the educational trust fund include chain store, tobacco, and sales taxes, and a long list of privilege or license taxes.

Rates levied on chain stores vary from \$1 on one store to \$75 for each store in excess of 200. Alabama's tobacco tax law adopted in 1932 applies to cigars and smoking tobacco, as well as cigarettes, and imposes a tax graduated according to retail price or the volume of sales. Proceeds above costs of administration are credited to the educational trust fund.

The state taxes at 2½ percent the annual gross receipts from intrastate business of railroads, telegraph, telephone (in excess of \$50,000), and express companies. A tax of 2/5 mill is imposed on each kilowatt hour of hydro-electric power manufactured and sold. Operators of coal and iron ore mines pay severance taxes of 2½ cents per ton on iron ore mined. A tax of 3 percent on the net value at the mine of products of gravel pits, stone quarries, and other mines is also levied. Sleeping car companies pay a flat tax of \$20,000 per year. Revenues from these taxes are earmarked for the educational trust fund.

The 1939 legislature reenacted a 2 percent sales tax and a 2 percent use tax. All of the use tax was appropriated to the educational trust fund. The 1951 legislature increased the sales tax to 3 percent. All of the sales tax, with the exception of \$1,700,000 and the cost of collection is earmarked for the educational trust fund.

The 1947 legislature submitted an income tax amendment to the people which earmarks the future proceeds from the state income tax, in excess of amounts needed for homestead tax exemption reimbursements, exclusively for teachers' salaries. The proceeds from this tax will be apportioned to county and city school systems thru the state's minimum program and will, therefore, be a part of the equalization fund.

The 1953 legislature appropriated \$3,405,535 from the educational trust fund surplus to teachers' salaries in the public elementary and high schools, trade schools, and institutions of higher learning.

Legislative appropriations from the state general fund--In addition to earmarked tax proceeds, the legislature appropriated \$1,005,000 to the educational trust fund for 1953-54 from the general fund of the state.

Income from permanent school funds--Interest on sales of public school lands, the valueless sixteenth section fund, the school indemnity fund, and the United States surplus revenue deposit, contributed \$269,515 to the public school fund in 1953-54.

## Apportionment of State Aid

The total state appropriation to public elementary and high schools in 1953-54 amounted to \$70,009,771. This amount excludes the appropriation of \$450,000 for the purchase of textbooks shown in Table 2. Of this amount \$67,556,871 was distributed directly on the basis of educational need in such a way as to equalize the entire costs of the statewide minimum school program. The remaining \$2,452,900 was distributed as special aid for vocational education.

General aid--The public school fund amounting to \$6,945,000 is required by the state constitution to be distributed on the school census basis. But the amount each school system receives from the public school fund is charged against it before participation in the minimum program fund. Thus, the public school fund, while distributed as general aid, in effect becomes a part of the equalization program.

Equalization aid--The equalization aid in 1953-54 was comprised of the minimum program fund of \$60,561,871 and the revolving fund appropriation of \$50,000. In addition, the public school fund of \$6,945,000 is counted as funds available in the equalization program.

The Alabama plan of state support is what is technically known as the "Small-Fund" plan. The cost of the statewide minimum program for the state minimum term of nine months is calculated on a uniform basis for the following items: (1) teachers' salaries; (2) transportation; (3) current expenses other than salaries and transportation; (4) capital outlay-debt service. The total cost of these items is summed for each of the 111 school units of the state. Toward the support of the minimum term these 111 local school units are required to contribute \$4,676,485 annually. Actually local school units receive \$20,144,292 from local taxes, but the remainder of the local funds is used for the enrichment of the school programs beyond the state minimum. As in most states, Alabama formerly required each school unit to contribute to the support of the minimum program by local tax effort determined by the levy of a stated number of mills of local taxes. A law passed in 1939 provided for a new method of calculating the required local effort in proportion to an index which is an average of the assessed valuation of the school unit, expressed as a percentage of the state total and an index of local taxpaying ability. The index of taxpaying ability, more fully described in an article by Cornell and Johns appearing in School Executive for June 1941 is a weighted average for each school unit of six economic factors (sales tax paid; auto license paid; public utility valuation; income tax paid; farm income; value added by manufacture) expressed as percentages of their state totals.

The equalization aid is so large in proportion to all other state aid that all of the 111 school units in Alabama participate in the equalization fund. In effect, all state funds for the support of public schools in Alabama now operate as equalization funds.

Special aid--The only special aids in 1953-54 are appropriations of \$2,452,900 to vocational education and \$450,000 for free textbooks in the elementary grades--Grades I-VI, inclusive. Funds for vocational education are supplemented by federal funds and no local matching is required. Books purchased with the textbook money are distributed to counties in proportion to the number of children enrolled in the schools.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

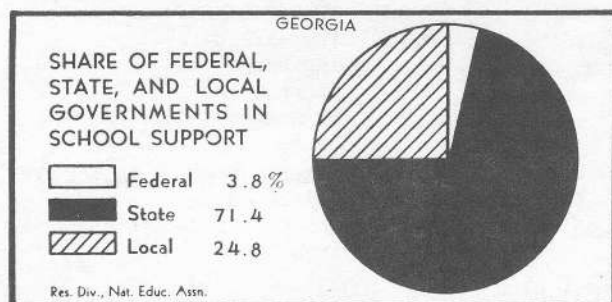
Type and percent of aid	Name of fund	Basis of distribution	Amount
1. General aid (9.9%)	Public school fund	School census	\$ 6,945,000
2. Equalization aid (86.0%)			
a. Equalization cost of minimum program	Minimum program fund	Difference between cost of minimum program and specified funds available to local school administrative units to meet such cost	60,561,871
b. Same as minimum program	Revolving fund	Same as minimum program	50,000
3. Special aid (4.1%)			
a. Vocational education	Vocational fund	Entire cost paid from state and federal funds	2,452,900
b. Free textbooks	Free textbooks fund	Children enrolled	450,000
(Items 1 plus 2 plus 3 equal 100%.)			
Total . . . . .			\$70,459,771

STATE SUPPORT OF PUBLIC SCHOOLS IN GEORGIA<sup>1/</sup>

The state constitution, adopted August 7, 1945, states that "The provisions of an adequate education for the citizens shall be a primary obligation of the state of Georgia, the expense of which shall be provided for by taxation." The state superintendent, county superintendent, county boards of education, and the state board of education are constitutional officers. The county, exclusive of any independent school system, composes one school district and is confined to the control and management of the county board of education. The county serves as a basic unit for the administration and local tax support of schools.

There are 159 counties and 46 independent city units of administration. This is an average of 1.3 units of administration per county. Under the provisions of the constitution, no new city units of school administration can be created by the General Assembly. The constitution provides that "The fiscal authorities of each county shall levy a tax for the support and maintenance of education, not less than 5 mills nor greater than 15 mills (as recommended by the county board of education) upon the dollar of all taxable property in the county, located outside the independent school system." The local revenue for independent school systems is governed by the provisions of the city charter. Property assessments for tax purposes are usually higher in city systems than county systems. Usually the tax rate for school purposes in city systems is lower than that of county systems.

In the school year 1953-54, 24.8 percent of the total school revenue receipts, or \$33,497,993 came from county and city ad valorem taxes. The state appropriated 71.4 percent, or \$96,453,108. Federal aid provided 3.8 percent, or \$5,062,167, including \$2,050,000 from Public Law 874 funds, \$2,282,642 lunch funds, \$720,600 for vocational education, and \$8,925 for the school survey program.



Sources of State School Revenue

From 1940 to 1952 the General Assembly had favored consistently no earmarking or allocated taxes for specific purposes. The constitution provided that all money collected from taxes, fees and assessments for state purposes, as authorized by the

General Assembly, would be paid into the general fund of the state treasury and these funds appropriated therefrom by the General Assembly. A constitutional amendment was passed in November 1952 allocating the gasoline tax to the highway department for construction and maintenance of highways. This is the only allocated tax fund. All other funds are placed in the state treasury and the legislature appropriates to the various departments of state government funds as needed for the operation of these departments.

General fund receipts for Georgia are derived chiefly from a 3 percent sales tax with practically no exemptions, state income tax, tobacco, alcohol, gasoline and insurance premium incomes. A constitutional amendment passed in 1952 limits property taxes to one-fourth of 1 mill on the assessed valuation.

The state has no permanent school fund. All of the state revenue for the support of the public schools are provided by legislative appropriations. The state budget commission, composed of the governor and state auditor, has authority to allot any excess revenue beyond the total amount appropriated by the General Assembly.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked taxes . . .	...	...
2. Legislative appropriations and budget commission appropriations	\$96,453,108	100.0
3. Income from permanent school funds . . . .	...	...
Total . . . . .	\$96,453,108	100.0

Legislative appropriations from the state general fund--State school funds which are appropriated by the General Assembly are distributed as provided in the state minimum foundation program of education. For the fiscal year 1953-54, the state appropriated for the operation of this foundation program, exclusive of federal vocational funds and administrative cost for the department of education, \$75,791,500. During the same year the state appropriated \$2,835,000 as contingent funds. A special allotment of \$2,726,608 was spent for textbooks and school libraries. State funds in the amount of \$600,000 were distributed for vocational education, in addition to the basic state salaries of the regular vocational teachers working within school programs. Capital outlay funds in the amount of \$14,500,000 was allocated to school systems for construction of new buildings and additions to old buildings. All of these items make a general fund appropriation for school purposes in 1953-54 of \$96,453,108.

Apportionment of State Aid

The appropriation for the minimum foundation program is used to: (1) pay the salaries of state-allocated teachers of all school systems; (2) an allowance of \$300 per state-allocated teacher for

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Claude Purcell, Director, Division of School Administration, State Department of Education, Atlanta, Georgia.



current expenses; (3) to pay a large percentage of transportation costs as determined by the minimum foundation formula for the allotment of transportation funds; (4) a contingent fund to assist school systems which have relatively small amounts of local revenue available for school purposes.

General aid--The state board of education fixes a minimum state salary schedule which all qualified teachers must receive if employed by boards of education. The total cost of the minimum program is determined by each system. Approximately one-half the taxing ability of the local system is deducted from the total needs of the system and the state provides the remainder of the funds necessary to meet the cost of the minimum program. The remaining one-half of the local ability may be used by the local boards of education in supplementing the minimum program and in providing educational services.

Teachers are allotted by the state board of education to local school systems based on the average daily attendance for the preceding year. This allotment is made upon the school density, varying from 1 teacher to each 30 children in elementary grades and 1 teacher for each 25 children in average daily attendance in high-school grades for the most densely populated areas to 1 teacher to each 20 children in average daily attendance in elementary grades and 15 children in average daily attendance in high-school grades for the most sparsely populated counties. Local units of administration are permitted to supplement from local funds the salaries of teachers paid by the state and to employ additional teachers to be paid from local funds. Additional teachers employed beyond the state allotment cannot be paid less than the annual salary that is prescribed by the state minimum salary schedule.

Special aid--Textbooks are provided for all grades from the first thru the twelfth. The state adopts a multiple list of textbooks and local school administrators, with the aid of the local staff, select the necessary textbooks for their school system.

School library allotments are made to the various school systems upon a matching basis; for each \$2 furnished by the state, the local systems are required to furnish \$1. Besides the special allotment for library books, local systems may spend for library books a part of their allotment for textbooks where the whole allotment is not needed for purchases for textbooks.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

Type and percent of aid	Name of fund	Basis of distribution	Amount
<b>1. General aid (81.5%)</b>			
a. Teachers' salaries for 12 months and extended school program	State foundation fund	Number of teachers allotted to each system based on population and ADA and state salary schedule	\$61,601,400
b. Pupil transportation	State foundation fund	Annual depreciation of equipment, length of route, type of road, number of children transported	7,697,000
c. For maintenance and operation cost of schools	State foundation fund	\$300 per state allotted teacher	6,493,100
d. Contingent fund	State foundation fund	\$17 per pupil in ADA less local effort	2,835,000
<b>2. Special aid (18.5%)</b>			
a. Textbooks and libraries	Textbook fund	Textbooks: Number of children enrolled Libraries: Number of teachers allotted	2,726,608
b. Vocational	Vocational fund	Aid for travel and for extending work program on 12 months' basis	600,000
c. Capital outlay	Capital outlay fund	Construction and remodeling of buildings	14,500,000
(Items 1 plus 2 equal 100%.)			
Total . . . . .			\$96,453,108



STATE SUPPORT OF PUBLIC SCHOOLS IN IDAHO

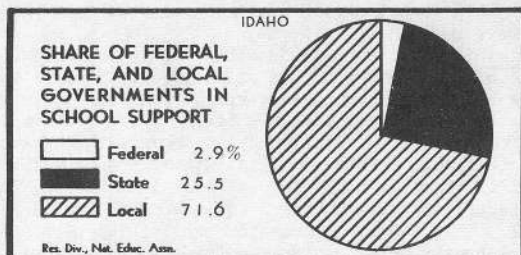
The 1953 session of the Idaho legislature revised the minimum educational program so that any comparative figures now derived must be estimates upon the probable operation of the program for the year 1953-54. However, such estimates will be better for present purposes than would be an accurate statement of the financial operations for the past year under the old laws.

To determine the exact federal contributions for public schools would entail research beyond the needs of present reporting. Federal maintenance and operation funds are distributed to a number of school districts, both for Indian education and for other federally-impacted local school districts; the most important of the latter being the communities and counties surrounding the Atomic Reactor Plant near Arco.

M. & O. grants to school districts educating Indians are averaging about \$70,000 annually. There are no separate Indian schools in Idaho, all Indian children being enrolled in the public schools. Other federal M. & O. grants have not much exceeded \$100,000 annually.

Federal contributions for school lunch are not so high as formerly, amounting to approximately \$500,000 in cash and commodities during the last completed year. Federal apportionments for vocational education at the public school level average some \$160,000 per year.

Total federal contributions for public education, then, are about \$830,000 per year, or approximately 2.86 percent of total maintenance and operation costs. If federal allocations remain at present levels this percentage will decrease because of expanding general public school expenditures from state and local funds.



Sources of State School Revenue

State revenues for public schools are derived, with insignificant minor exceptions, from legislative appropriations and from the earnings of the endowment fund and endowment lands. Endowment earnings accrue directly to the public school income fund without legislative appropriation being required.

Legislative appropriations from the state general fund--These fall into two categories: (1) Appropriations to the public school income fund to complete the state's share of the minimum program. The amount is calculated at such figure, when added to endowment income, to complete the state's share. If more is appropriated than required, or if endowment income exceeds estimate, only the required amount is apportioned and the balance remains in the fund to apply against requirements for succeeding years. If less than required amounts are appropriated, or if endowment earnings are less than estimated, the deficit may be either carried forward as a claim to be paid in addition to the requirements for the succeeding year, or, the balance may be certified back to the counties and made up by increased county levies.

(2) Apportionments for vocational education aid are made directly to the school districts maintaining vocational programs and these apportionments are made from the appropriation for general maintenance and operation of the state board of education

1/ Prepared for the Research Division, National Education Association, by John M. Booth, Executive Secretary, Idaho Education Association, Boise, Idaho.

and board for vocational education. Apportionments are based upon agreements between the individual school districts and the vocational education division.

State general funds are the source of all educational appropriations. The general fund income arises from income tax, about 59 percent; property tax, 11 percent; franchises, licenses and fees, 16 percent; and excise taxes, 14 percent. (Motor fuel taxes do not accrue to the state general fund.)

Income from permanent school funds--Idaho was admitted to the Union during the time when two sections in each township were reserved for public school endowment. The total acreage so reserved was just under three million acres. To this has been added some lands acquired thru foreclosure of farm mortgage loans made from the permanent school funds, a practice no longer permitted under the constitution. Approximately 2.4 million acres of public school lands remain unsold.

Funds accruing from the endowments, to the public school income fund, are (1) agricultural, mineral and grazing leases on school lands unsold, and the proceeds of timber and timber products on forested school lands; (2) income in cash from invested cash endowment funds. At the end of 1952 there was approximately 21 million dollars of invested and uninvested cash. The total assets of the endowments, not including lands remaining unsold but including invested and uninvested cash, land sale contracts, timber sale contracts, foreclosed lands certificates, etc., exceeded 26 million dollars.

The actual income from invested cash and from land use is now averaging about a million dollars per year.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54 (Estimated)

Source	Amount	Percent
1. Earmarked taxes a/ . . . . .	\$ 35,000	0.5
2. Legislative appropriations		
a. To public school income fund . .	6,084,122	82.1
b. Vocational education . . . . .	300,000	4.0
3. Income from permanent school funds		
a. Public school endowment fund . .	996,000	13.4
Total . . . . .	\$7,415,122	100.0

a/ If "car company" tax is less than \$50,000 annually it accrues directly to the public school income fund, otherwise to the state general fund.

Apportionment of State Aid

With the exception of the small vocational education allocation, all state funds are distributed on an equalization basis. Distribution is channelled by the state to the counties, and by the counties to the school districts. Since the distribution is governed by formula established in the law, the county function is ministerial so far as state funds are concerned. Counties distribute both state and county funds simultaneously for the completion of the minimum program requirements of school districts within the county.

Equalization aid--The equalization formula is established in the laws, with the slight exception that the transportation allowance may be modified to a degree by state board of education action. The state's share is the computed balance of the minimum programs of all school districts after (1) district minimum levy proceeds, (2) county minimum levy proceeds, (3) estimated income from fines, forfeitures for breaches of penal code, and forest fund income are deducted. The state's share for appropriation is computed by deducting estimated endowment earnings from the total of the state's total contribution. Estimates are made a year in advance. Estimates for appropriation by the legislature must be made two years or more in advance.

There are four elements in the minimum program for any school district; and, since the basic data for each district will differ from those of any other district, no two districts will have the same minimum program, nor will they receive

# IDAHO (CONT.)

equal amounts of state aid, even tho they may be practically the same in number of pupils attending. Two changes were made in 1953, and the following reporting is in accordance with those changes.

1. The minimum salary schedule. This is a legal minimum schedule and no teacher may be paid less than the figure representing her level of training and experience on the schedule. The schedule adopted in 1953 is as follows:

Year in which teaching	Less than two years college	Two years college but less than three	Three years college but less than four	Four years college but less than five	Master's degree or 30 semester hours graduate credit
1	\$1,300	\$1,550	\$1,750	\$2,000	\$2,200
2	1,345	1,595	1,810	2,072	2,290
3	1,390	1,640	1,870	2,144	2,380
4	1,435	1,685	1,930	2,216	2,470
5	1,480	1,730	1,990	2,288	2,560
6	1,525	1,775	2,050	2,360	2,650
7		1,820	2,110	2,432	2,740
8		1,865	2,170	2,504	2,830
9				2,576	2,920
10				2,648	3,010
11				2,720	3,100

Training increments	250	200	250	200
Service increments	45	45	60	72
				90

Exceptions: A school district may claim, for apportionment purposes, only as many teachers according to the minimum salary schedule as it has approved classroom units; also, since the estimates must be made in advance, the apportionments for any year must be based upon the staff members of the preceding year. Any teachers added, or any change of teachers under which the new staff member has higher professional qualification than had the teacher who was replaced, may leave the salaries of the district not fully "covered" under the minimum salary apportionment schedule for the year in which apportionments are made.

With these exceptions, each district is guaranteed enough money to meet the salary schedule for all teachers employed. Even those teachers who are employed above the number of allowed classroom units must be paid not less than the legal minimum salary stipulated in the minimum salary apportionment schedule.

2. Allowance within the minimum program for each classroom unit: The allowance is \$34 per month, for each month the school was in session the preceding year. Classroom units indices vary with the size of the school unit. In elementary school the variation is from one unit for 22 pupils to one for each 30 pupils in average daily attendance in larger schools. The high-school range is from one unit for eight pupils to one unit for each 23 pupils in ADA in large schools.

There remains but few small school districts in Idaho. However, in the larger school districts which find it necessary (1) to maintain small, remote elementary attendance units, each one- and two-teacher unit may, with state board approval, be separately computed; and (2) more than one high school; each high school is separately computed providing the high school is accredited by the state board of education. A classroom unit is allowed for one-half the number otherwise required for special classes for handicapped children. No allowance may be made in any case for a school with less than five pupils in ADA, and those with more than five but less than 10 pupils in ADA must be approved for apportionments by the state board of education.

3. An allowance of \$1.30 per pupil in ADA for each month the school was in session the preceding year.

4. An allowance for transportation: This is 65 percent of allowed transportation costs. Certain transportation expenses are not allowable (maintenance of bus garages, etc.) but if the district contracts its transportation, the total costs are allowable. In actual practice, the transportation allowances within the minimum program will not much exceed 50

percent of the actual transportation costs in the year in which the apportionments are paid.

The sum of these four factors is, for any district, its minimum program. The minimum district participating levy is 5 mills and the balance to complete the minimum program is guaranteed by law.

The computation proceeds somewhat as follows:

The state department of education totals the minimum program requirements for all school districts and subtracts therefrom the proceeds of the minimum levy for all districts. The balance is the share of the state and county.

Next, there is deducted the estimated revenues from fines, forfeitures and forest funds, and the calculated proceeds of 8-mill county minimum program levies. This leaves the amount to be provided by the state. (In some counties the full 8-mill levy is not required to complete the minimum program for contained school districts. These are called "token" counties because they are given a "token" apportionment of \$5,000 for constitutional reasons.)

Having determined the state's share, the state department examines the public school income fund to determine whether there is, or will be, enough revenue to the fund for the year to fully meet the state's obligation. In the unlikely event the funds are short, the apportionment to each county is proportionally reduced.

Calculation of the amount to be provided by the county is the last step. For, while the state's share is calculated upon a computed yield of 8 mills at the county level, the county must in most cases absorb any deficit because of shortages at the state level. The county contribution is calculated, then, by deducting from the total minimum program of its districts the proceeds of the district minimum levy, of fines, forfeitures and forest funds, and of apportionments from the state. The state board certifies to the county commissioners the balance to be supplied and the county commissioners must levy enough to provide that amount. It is not often, however, that the county levies must exceed 8 mills; prior to 1946 this was almost always the case.

Special aid--Vocational education aid is the only special aid to schools in Idaho from the state level. Schools must match this aid, the percentages varying from year to year.

All schools have considerable taxing leeway, above their minimum program levies. The leeway is dependent upon the class of district. Common and Class C districts are limited to a total of 15 mills including their minimum levies, tho they may secure approval of the state board of education for additional levies for transportation and tuition payments for high-school pupils being educated outside the district. Subject to such approval there is no legal levy limit.

All other districts are limited to 30 mills total levy including their 5-mill minimum program participating levies.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54 (Estimated)

Type and percent of aid	Name of fund	Basis of distribution	Amount
1. Equalization aid (96%)	Public school income fund	To counties: difference between total of minimum program of all participating school districts and proceeds of district and county minimum program levies and certain other revenues; from counties to districts, difference between their total minimum program and their minimum district levy proceeds	\$7,115,122
2. Special aid--vocational education (4%)	State general fund, thru state board M. & O. appropriation	Matching by school districts	300,000
(Items 1 plus 2 equal 100%)			
Total . . . . .			\$7,415,122



full equalized assessed valuation in the case of the separate high-school and elementary-school districts. The twelve-grade districts compute equalization for all grades at a combined rate of 5 mills.

Except by special permission of both county and state superintendents, districts of small attendance may not receive state aid to continue operation. The pupil requirements are to be raised so that by 1957 the small high school must average fifteen attendance pupils per grade offered in the high-school course. The elementary school now must have at least fifteen attendance pupils in order to receive state aid.

Special aid--Certain districts containing state institutional land receive from the common school fund sums equivalent to the yield of their local district tax rates applied to the equalized assessed value of such state land.

Certain districts receive from the common school fund the cost during the preceding school year of schooling children who are residents of state university housing centers, military encampments, federal hospitals, etc., or orphans residing in orphanages which accept children from outside the local districts.

Salaries of county superintendents and of one state-paid assistant in each county are classified roughly in proportion to county population and are paid from the common school fund. Each county superintendent also receives \$1000 for supervisory expenses.

Appropriations are made from the state general fund for vocational education grants, the excess cost of schooling handicapped children, pupil transportation, and excess cost of school lunches. State and federal moneys are combined to match local funds in paying teachers of vocational education. Excess cost maximums allowed per pupil are \$300 for all types of the physically handicapped; \$190 for the truant, incorrigible or delinquent pupil; and \$250 for the mentally deficient pupil. For project training programs for mentally handicapped pupils, the excess cost may be two-thirds of the salary of the teacher.

School districts may claim a state reimbursement up to three-fourths of the cost of approved transportation, but not in excess of \$20 per child transported at least one and one-half miles. To supplement federal assistance on school lunches the state pays according to the type of lunch provided.

TABLE 2.--APPORTIONMENT OF STATE AID, 1954  
(Calendar year)

Type and per- cent of aid	Name of fund	Basis of distribution	Amount
1. General aid (25.2%)	Common school fund	\$22 per ele- mentary- school pupil; \$7 per high- school pupil	\$20,107,986
2. Equaliza- tion aid (54.7%)	Common school fund	Specified tax rate yield and general grant supple- mented to \$173 per ele- mentary- or high-school pupil	43,594,741
3. Special aid (20.1%)			
a. State in- stitu- tional rebates	Common school fund	Equivalent of district tax on state- owned land	34,508
b. Univer- sity housing children	Common school fund	Tuition of housing area children	47,043
c. Military camp grants	Common school fund	Tuition of federal prop- erty pupils	673,446
d. Orphan- age children	Common school fund	Tuition of orphanage children	393,500
e. County supervi- sory sal- aries	Common school fund	Based on county popu- lation	1,062,080
f. County super- vision	Common school fund	\$1,000 per county	102,000
g. Voca- tional educa- tion	State general fund	With local and federal funds to pay teachers	2,150,000
h. Handi- capped pupils	State general fund	Excess cost up to stated maximums	5,400,000
i. Transpor- tation	State general fund	Three-fourths cost up to \$20 per pupil	4,200,000
j. School lunches	State general fund	Excess cost; as to type of lunch	2,000,000

(Items 1 plus 2 plus 3 equal 100%.)

Total . . . . . \$79,765,304 a/

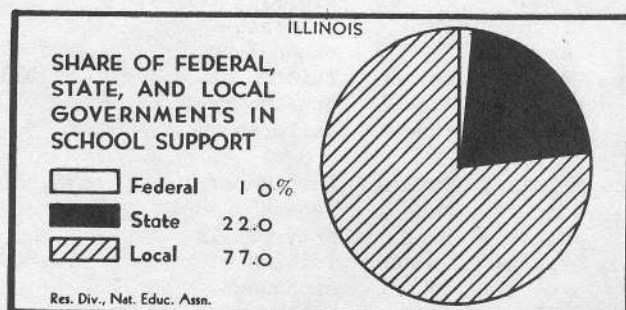
a/ This sum, the \$5,670,000 allotted to the down-  
state teachers' pension fund, and \$1,774,104 assign-  
ed to Chicago District as a "proportionate offset,"  
equal \$87,209,408, the total of Table 1.



STATE SUPPORT OF PUBLIC SCHOOLS IN ILLINOIS<sup>1/</sup>

In Illinois the local school districts provide, thru general property taxes, nearly all support of public elementary- and secondary-school education.

For the fiscal year ended June 30, 1952, the net operating expenses of the public elementary and secondary schools (exclusive of balance on hand, new capital outlay and items of duplication) were \$327,707,426. The state provided \$67,767,537, or 20.7 percent; local revenues, \$255,582,281, or 78 percent; and the federal government, \$4,357,608, or 1.3 percent. For 1953-54 the percentages may be: state, 22 percent; local, 77 percent; and federal, 1 percent.



Sources of State School Revenue

All state aid for common schools in Illinois is in the form of specific legislative appropriations. The state permanent fund exists as a debt, and the interest is paid from current appropriations.

Legislative appropriations from the state general fund--One-twelfth of the annual legislative appropriation for the common school fund is drawn monthly from the state general fund. For the year ended in June 1952, the state general (nonreserved) fund, one of many in the state treasury, was derived from the following sources in the approximate percentages given: retailers' occupational tax, 61 percent; insurance and taxes and fees, 7 percent; liquor tax and license, 8 percent; cigarette tax, 6 percent; public utility tax, 7 percent; inheritance tax, 4 percent; several miscellaneous sources, 7 percent.

School districts receive payments made from appropriations drawn against the state general fund on account of special services rendered to pupils. These special services include maintenance of classes for handicapped children, transportation of common school pupils, and provision of school lunches. Also from the state general fund a sum is allotted to the common schools to supplement federal grants for vocational education.

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Lester R. Grimm, Director of Research, Illinois Education Association, Springfield, Illinois.

Altho legislative appropriations are made for a fiscal year (July 1 to June 30), Table 1 is arranged to show sums actually made available for use during the twelve months of the calendar year of 1954.

Income from permanent school funds--The permanent state school fund debt of \$948,955 represents the proceeds of a percentage from the sales of public lands and also a portion of the surplus revenue of the United States received by Illinois under the federal act of March 4, 1837. The annual \$57,000 interest on this debt is now appropriated with the common school fund and is distributed as a part of that fund.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE IN 1954  
(Calendar year)

Source	Amount	Percent
1. Earmarked taxes . . . . .	None	...
2. Legislative appropriations		
a. Common school fund . . .	\$73,459,408	84.2
b. Excess cost of maintaining classes for handicapped children . . . . .	5,400,000	6.2
c. Transportation reimbursements . . . . .	4,200,000	4.8
d. Vocational education . .	2,150,000	2.5
e. School lunches . . . . .	2,000,000	2.3
3. Income from permanent school funds		
a. Annual appropriation of interest equivalent . .	a/	a/
Total . . . . .	\$87,209,408	100.0
a/ Included in item 2a above (\$57,000 a year).		

Apportionment of State Aid

The funds of Table 1, exclusive of \$5,670,000 allotted to the downstate teachers' retirement system and \$1,774,104 assigned as a "proportionate offset" to Chicago District, are to be used in the general manner that Table 2 indicates.

Table 2, as does Table 1, covers the calendar year of 1954; it shows the sums actually to be used in the period of twelve months.

The state auditor in apportioning the common school fund first deducts the special aids payable therefrom and then apportions the balance in proportion to the equalization and general aid claims. In 1954 payments for equalization and general aid are based on pupil attendance for the school year ended June 30, 1953.

General aid--General aid is at the rate of \$22 per elementary-school attendance pupil, counting a kindergarten pupil as one-half of an elementary-school pupil; and \$7 per high-school attendance pupil.

Equalization aid--Equalization claims are based on computed needs to support a foundation level of \$173 per elementary-school attendance pupil and \$173 per high-school pupil, with the required local educational tax rate being 4 mills on the

## INDIANA (CONT.)

Legislative appropriations from the state general fund--The General Assembly reenacted the state school support law with a flat appropriation of \$68,390,000 for 1954-55. It is assumed that this appropriation includes proceeds of the 7-mill state property levy for schools and the 50-cent share of the school in the \$1.50 state poll tax, already mentioned. Proceeds of both of these taxes are now paid to the state general fund.

The state paid \$36,150.04 from the state general fund for the education of tubercular patients of school age in the school year 1953-54.

Income from permanent school funds--In 1953 the Indiana General Assembly enacted a law which required all local county auditors to return to the state treasurer all funds not invested at the local level. By accumulating these funds it was hoped that these funds could be used to buy school bonds for the purpose of building school buildings. In recalling this money, it inflicted a decrease in the revenue received from the investment of the common school fund. Formerly, the county auditor was required to pay the state treasurer 4 percent interest on all funds held or invested by the county auditor. Since the bulk of the common school fund now rests with the state, it is invested in government securities at a rate somewhat less than 1 percent. This loss of revenue severely handicapped our special education program and since it was only in force for the first time during 1953-54, the full effects are yet to be felt. The common school fund for school building bonds has been used by only two school districts in the state, which means that the full purpose of the law has not been achieved. The lack of more applicants is due to the severe restrictions imposed by the commission responsible for the administration of the purchase of these bonds, and it is hoped that these restrictions can be removed or loosened to benefit these desperate communities.

### Apportionment of State Aid

The state school support law of 1953 attempts to establish a system of paying more to school corporations with a low assessed valuation per pupil than to school corporations with a high assessed valuation per pupil.

Equalization aid--Tax factors were established by the state tax commission in 1951 to adjust all corporations to a consistent basis of assessed valuation on the assumption that the procedures for assessing were not uniform in the state. A study was made of properties sold in each school corporation in relation to the assessed valuations, and a ratio of assessed valuation to selling price was obtained for each school corporation. These percentages of all school corporations were averaged, and it was found that the average ratio for the state was 30.30 percent. The tax factor, or the assessment ratio factor, for a school corporation was obtained by dividing the state average of 30.30 by the school corporation ratio. It was found that the range in the tax factors was from .8099 to 1.2636. By multiplying the actual net assessed valuation by the tax factor, an adjusted valuation was established.

The state school support law provided for all the legal minimum salaries of teachers minus a deduction of an amount equal to 14 mills of the adjusted net assessed valuation. A pupil-teacher ratio was declared as a maximum limit for the number

of teachers under contract for state support. In other words, all legal, minimum salaries would be paid for elementary teachers with at least an average daily attendance of 32 pupils and for all high-school teachers (Grades IX-XII) with an ADA of 28 pupils minus the deduction of 15 mills of the assessed valuation. The deduction of the 14 mills (referred to as the "local share") left a range of payment of salaries by the state from zero to over ninety percent.

To guarantee at least a uniform, minimum foundation program with extremes in economic conditions of school corporations, the state school support law of 1933 provided for a degree of equalization for noninstructional aid. A thousand dollars was provided for every unit of 32 pupils in ADA in Grades I-VIII and for every unit of 28 pupils in ADA in Grades IX-XII--minus 60 cents on the hundred dollars of the adjusted net assessed valuation. This helped the school corporation with low economic status.

In addition to state support for tuition and noninstructional aid, the new state support law provided \$25 per pupil transported a mile and a half or more--minus 10 cents on the hundred dollars of the adjusted net valuation.

The general commission on education has established density factor in transportation to assist schools with high operational costs in certain parts of the state where the population is relatively sparse.

Special aid--The income from the common school fund is used to support any excess costs in the education of handicapped pupils.

Special aid for the education of tuberculosis patients of school age has been established since 1945. The state paid \$36,150 on this program for the school year 1953-54 from the general fund.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

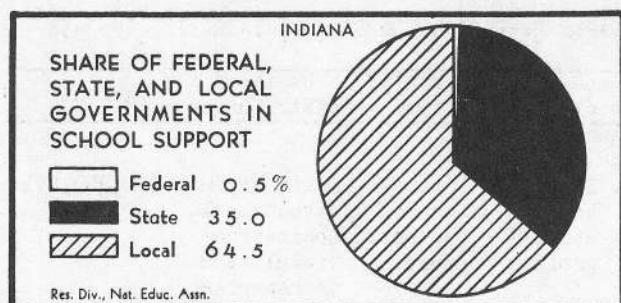
Type and percent of aid	Name of fund	Basis of distribution	Amount
<b>1. Equalization aid (98.4%)</b>			
a. State school support program	State school support fund	Costs of instructional, noninstructional, and transportation programs less 15 mills, 60 mills, and 10 mills, respectively, on adjusted assessed valuation	\$64,309,991
<b>2. Special aid (1.6%)</b>			
a. Vocational education	Vocational		225,000 <sup>a/</sup>
b. Education of handicapped children	Common school fund	Costs in excess of costs of regular classes	767,084
c. Education of tubercular children	State general fund	Three-fourths of entire cost	36,150
(Items 1 plus 2 equal 100%.)			
Total . . . . .			\$65,338,225
<sup>a/</sup> State's share for vocational education.			



STATE SUPPORT OF PUBLIC SCHOOLS IN INDIANA <sup>1/</sup>

The constitution of the state of Indiana requires that the General Assembly shall provide by law for a general and uniform system of common schools wherein tuition shall be without charge and equally open to all. Altho the framers of the constitution intended that the state should assume the responsibility for maintaining public schools, the greater burden had to be borne for years by local taxation on real and personal property. With the placing of a limit by the 1932 legislature, amended in 1953, upon the amount of property taxes which could be levied, it became necessary to find additional state sources of revenue to maintain the schools. These were provided by laws passed in 1933, amended in 1943 and in 1947. In March of 1949, a complete new state support law was passed which extended state school support to transportation and equalization as well as tuition.

Prior to 1933, the state government provided not over 10 percent of all public elementary and secondary school revenues. In 1933-34, 36.1 percent of total school revenues came from the state. This percent increased to 40 percent in 1946-47. For the school year 1954-55 the state will furnish the greatest amount of state support, \$68,390,000, or approximately 35 percent of the total expenditures which increased 4 million over the school year 1953-54. Federal and local governments furnished in 1953-54 approximately 0.5 percent and 64.5 percent.



Sources of State School Revenue

Sources of revenue provided by the 1933 legislature included taxes earmarked especially for the public schools and money appropriated from the state general fund. The relative importance of legislative appropriations as sources of state school revenue has grown, and that of earmarked taxes has decreased since 1933.

Earmarked taxes--Proceeds of former earmarked taxes are now placed in the state general fund. In 1933 taxes were imposed on alcoholic beverages for the benefit of school tuition funds. A 1937 law diverted proceeds of these taxes except retail permit fees to the general fund. Retail permit fees were credited to a fund known as the excise fund,

and one-third of the receipts were paid to the state school tuition fund. A part of the intangibles tax (stamp tax) was allocated to the state school tuition fund.

Until December 31, 1949, the state levied a school tax of 7 mills on all real and personal property of the state for the support of school corporations that were unable to maintain an adequate, minimum program of education. This equalization program was set aside by the new state school support law of 1949 inasmuch as equalization was provided on the basis of an objective formula and inasmuch as powers were granted to the general commission on education for the development of additional equalization in extreme situations. All payments under the old state relief program were completed by December 31, 1949. The 7-mill tax was not abolished, and the proceeds are placed in the general fund of the state.

The state poll tax of \$1.50 has 50 cents designated for the benefit of public schools. In the calendar year 1953 poll taxes were paid by 552,535 men and the payments were placed in the general fund.

From the standpoint of fiscal procedure, there are only two sources of support for schools that can be classified strictly as earmarked funds--the income from the common school fund and the congressional school fund; the congressional school fund, however, really is support on a local or county level since the funds are invested and the income distributed by county officials. However, the common school fund and the congressional school fund are permanent school funds in Indiana.

To the income from the principal of the common school fund are added fines or forfeitures collected by justices of the peace and clerk of courts, and the revenue from licenses required of ferries, carnivals, circuses, theaters, traveling merchants, and stockbrokers.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked revenues		
a. 7-mill state property tax	a/	a/
b. 50-cent poll tax . . . . .	a/	a/
c. Fines, forfeitures . . . . .	b/	b/
d. Licenses required of ferries, carnivals, circuses, theaters, traveling merchants, and stockholders .	b/	b/
2. Legislative appropriations		
a. State school support program . . . . .	\$64,309,991	98.4
b. Education of tubercular children . . . . .	36,150	0.1
c. Vocational education . . . . .	225,000	0.3
3. Income from permanent school funds		
a. Common school fund . . . . .	767,084	1.2
Total . . . . .	\$65,338,225	100.0
a/ Proceeds are paid to state general fund and included in items in 2 above.		
b/ Included as part of item 3a.		

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Paul R. Griesel, Statistical Officer, Department of Public Instruction, Indianapolis, Indiana.



IOWA (CONT.)

transported per day; (2) vehicles operated for a distance of 150 miles per pupil per year; (3) a road condition index of 1.40. Adjustments, upward or downward, are made in the basic rate for variations from the above standards in the number of pupils transported, the per pupil mileage traveled by school buses, and the condition of the roads over which the buses travel in individual districts. Thru 1948-49 the basic rate was \$18 per pupil per year. The 1949 legislature raised the basic rate from \$18 to \$30 per pupil and increased the appropriation to \$3,000,000 per year to make this payment possible. The 1951 and 1953 legislatures continued this with the same appropriation of \$3,000,000.

A new fund for vocational education of \$200,000 was appropriated by the 1951 legislature. School districts upon approval are reimbursed for part of the salaries and travel expenses of full-time vocational teachers. The new state appropriation makes possible supplementing federal funds for such expenses up to one-half of the teacher's salary, which relieves the local district of one-half of the burden for vocational instruction. The 1953 legislature increased this appropriation to \$300,000 per year for each of the next two school years.

The Iowa law formerly provided that each four-year high school which conducted approved normal training courses should receive \$750 annually. The year 1947-48 was the last that such training was given in Iowa, and only one school qualified. A final payment of \$375 was made in 1948-49. However, a provision is made for teacher instruction and problem-solving discussions to be held at the county institutes each year. This is not certification training. Expenditures for these institutes amounted to \$49,500 in 1952-53.

Other special aids discontinued since 1947 were the standard rural school fund, and aid to consolidated districts which maintained centralized schools and met other legal specifications. Such districts now participate in other types of aid.

School districts are reimbursed for costs of transportation or home instruction of physically handicapped children. Under the law of 1947, \$250,000 was appropriated annually to reimburse school districts for that part of the cost of educating physically and mentally handicapped children, which is in excess of the cost of education in the regular curriculum. Costs are computed on a per pupil basis and include expenditures for general administration, health service, attendance officers, equipment, plant operation and maintenance, and insurance, as well as instruction and transportation. The 1949 legislature appropriated \$526,000 per year, which was continued by the 1951 and 1953 legislature.

School districts are reimbursed for loss of taxes on unplatted public lands located within their borders. The amount of this reimbursement in 1952-53 was \$106,396.

TABLE 2.--APPORTIONMENT OF STATE AID, 1952-53

Type and per- cent of aid	Name of fund	Basis of distribution	Amount
1. General aid (67.0%)			
a. General	State general fund	According to formula (prorated)	\$12,000,000
b. Semian- nual ap- portion- ment	Perma- nent fund	Number of chil- dren ages 5 to 21	113,876
2. Equalization aid (11.5%)			
a. Equaliza- tion	State general fund	According to formula (pro- rated)	2,000,000
b. Mining camp dis- tricts	State general fund	Financial needs	72,000
3. Special aid (21.5%)			
a. Transpor- tation	State general fund	According to formula	3,000,000
b. Vocation- al	State general fund	Supplements federal funds up to one-half salary and travel of vo- cational teach- er	200,000
c. County insti- tutes	State general fund	\$500 per county	49,500
d. Education of handi- capped	State general fund	Cost of trans- portation and special instruc- tion	526,000
e. Reim- bursement for taxes on public lands	State general fund	Amount of reve- nues lost on un- platted public lands	106,396

(Items 1 plus 2 plus 3 equal 100%.)

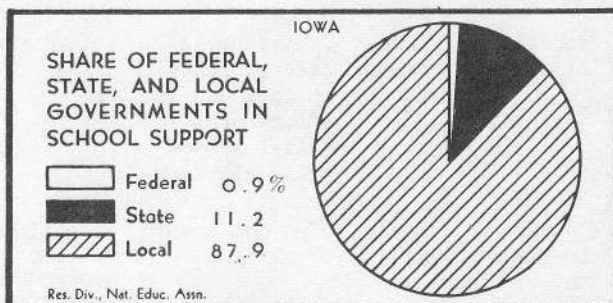
Total . . . . . \$18,067,772

STATE SUPPORT OF PUBLIC SCHOOLS IN IOWA<sup>1/</sup>

Iowa's public schools are supported chiefly by the local property tax. In 1952-53, state funds amounted to 11.2 percent of the total school costs. The 1951 legislature appropriated a total of \$17,847,500 for the 1952-53 school year.

The 1953 legislature made the same appropriations except for two funds: Equalization aid was increased from \$2,000,000 to \$3,000,000; and aid to vocational education was increased from \$200,000 to \$300,000. The total legislative appropriation is \$18,947,500 for each of the 1953-54 and 1954-55 school years. The relatively small increase will not offset the rising school costs, due mainly to expanding enrolments. Therefore, the percent of state aid will decrease during the next two years, and thus place a greater burden on the local property tax.

In the fiscal year 1952-53, or total school expenditures of \$161,343,963 local sources produced \$140,366,031, or 87.0 percent; the state provided \$18,067,772, or 11.2 percent; the county (for the county board of education) raised \$1,475,675, or 0.9 percent; and federal aid amounted to \$1,434,485, or 0.9 percent.



Sources of State School Revenue

That portion of Iowa's public school revenue receipts which is reported as coming from the state consists of appropriations made by the legislature from the general fund of the state and a distribution of the interest on the permanent school fund.

Legislative appropriations from the state general fund--The amount from the general fund for support of public schools in 1952-53 was \$17,953,896. The permanent school fund is not included in this figure. Major sources of the state general fund include sales and income taxes, inheritances, beer, cigarette, corporation, and chain store taxes, and profits from state liquor stores.

Income from permanent school funds--The permanent school fund of Iowa is represented by loans secured by first mortgages on real estate and by government bonds. For the school year 1952-53 the interest on the permanent school fund amounted to \$113,876.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1952-53

Source	Amount	Percent
1. Legislative appropriations	\$17,953,896	99.4
2. Income from permanent school funds . . . . .	113,876	0.6
Total . . . . .	\$18,067,772	100.0

Apportionment of State Aid

Iowa had no statewide equalization program until the school year 1945-46. All state money distributed to schools, before that time, was in the form of special aid allotments, except for the interest on the permanent school fund.

General aid--Interest on the permanent school fund is apportioned semiannually to school districts on the basis of number of children residing in each between the ages of 5 and 21. The amount of this apportionment in 1952-53 was \$113,876. The 1947 legislature appropriated \$7,347,650 per year as general aid, distributed on the basis of 11 cents per day for each elementary pupil and 14 cents for each high-school pupil in average daily attendance. The 1949 legislature increased this to \$12,000,000 per year to be distributed on the basis of 17 cents per day for each elementary pupil and 20 cents for each high-school pupil in ADA. A new provision granted 25 cents per day for each junior college student carrying at least 12 semester hours of work. The same appropriation and distribution was provided for by the 1953 legislature, except that district must have at least a levy of 8 mills.

Equalization aid--Under the equalization law of 1945, school districts whose "available funds" from local sources are less than the sum of \$75 per elementary-school child and \$125 per high-school child receive "supplementary aid" equal to the amount of the deficiency. "Available funds" are defined as the sum of: (1) the estimated proceeds of a standard local tax rate (exclusive of school building levies) of 17 mills for independent districts maintaining high schools, 10 mills for other districts maintaining high schools, and 7 mills for elementary-school districts; (2) the amount received from the semiannual apportionment from the permanent school fund; and (3) other revenue and nonrevenue receipts in the district general fund, exclusive of transfer from the schoolhouse fund. The legislature in 1949 appropriated \$2,000,000 per year for equalization purposes and the 1951 legislature continued this \$2,000,000 appropriation. The 1953 legislature increased the appropriation to \$3,000,000 using \$90 per elementary child and \$145 per high-school child. Also, a district must levy at least a tax of 10 mills.

Mining camp schools received aid because of the low financial ability of the supporting communities. In 1948-49 the amount of \$72,000 was distributed according to the need of the districts. The 1951 and 1953 legislatures continued this appropriation.

Special aid--Beginning with 1945-46, school districts that are required by law to furnish transportation have received state aid on a basic rate determined as follows: (1) an average of 125 pupils

<sup>1/</sup> Prepared for the Research Division, National Education Association, by William Slaichert, Supervisor of Research, Iowa State Department of Public Instruction, and Dorothy Brazzle, Research Analyst, Iowa State Education Association, Des Moines, Iowa.



# KANSAS (CONT.)

\$84,820 for agriculture; \$28,570 for trade and industry; \$30,995 for homemaking, and \$20,269 for distributive education.

**Income from permanent school funds**--The constitution of Kansas provides for a permanent school fund to be derived from (1) proceeds of all lands granted by the United States to the state for support of schools, (2) 500,000 acres of "internal-improvement lands" granted under the 1841 Act of Congress, (3) escheats, and (4) 5 percent of the sales of public lands granted to the state by Congress. The constitution also provides that the interest from this fund, together with the rent of school lands and such other means as the legislature may provide "shall be inviolably appropriated for the support of common schools." The income and interest derived from this fund comprise the annual school fund, which in 1953-54 totaled \$743,549 when combined with receipts from the tax on motor carriers, the admission and annual renewal fees paid by certain insurance companies and receipts from mineral leases on federal property within the state.

## Apportionment of State Aid

The interest and income from the permanent school fund, the fees or taxes required of insurance companies and motor carriers and receipts from mineral leases are distributed by the state treasurer to the county treasurers as the annual school fund. The state school finance fund is distributed to counties, and by counties to elementary-school districts in accordance with the state aid law of 1949.

The legislature of 1949 replaced former elementary-aid laws with a new law creating an elementary-school finance fund and provided for a distribution of this fund on an equalization basis beginning in 1949-50. The appropriation for this fund was \$15,600,000 for 1953-54. However, \$16,162,490 was distributed in 1953-54, which necessitated a deficiency appropriation of \$1,060,000 by the 1955 legislature to pay elementary aid in full in 1954-55. No state money goes to high schools from this fund.

**General aid**--By constitutional provision the annual school fund is apportioned among the counties on the basis of the school census of persons ages 5 to 21. The school census basis is also used by the counties in distributing their portions of the fund to the elementary-school districts, Grades I-VIII, inclusive, (\$743,549 in 1953-54).

Under provision of the law in effect in 1953-54 and prior years, after all special appropriations have been made from sales tax receipts, the "residue" is distributed to the counties, half on the basis of population and half on the equalized tangible assessed valuation. The counties then distribute the residue sales tax to all local taxing units, including school districts, in proportion to the ratio that the actually levied local tax rate times the tangible assessed valuation of the local taxing unit is to the sum of all such local tax rates times the tangible assessed valuation of the state (\$6,298,119 for 1953-54).

**Equalization aid**--Some aid has been granted since 1937 to elementary-school districts. Previous state aid and support laws were replaced in 1949 by the new elementary-school finance law which provides state aid for a guaranteed school foundation program.

Under the 1949 law, guarantees for the individual school districts are computed on the basis of elementary classroom units, determined in two ways (1) on the number of pupils enrolled in Grades I-VIII, inclusive, and (2) on the college training and experience of the teacher.

Classroom units based on enrolment in two-or-more teacher districts are determined as follows: 12 or less pupils, 1 unit; 13 to 47, 1 unit plus 1/18 for each pupil over 12; 48 to 359, 3 units plus 1/24 for each pupil over 48; 360 to 2,459, 16 units plus 1/28 for each pupil over 360; 2,460 or more, 91 units plus 1/32 for each pupil over

2,460. The number of units so determined is multiplied by \$2,800.

Classroom units based on training and experience of elementary teachers: Less than 30 semester hours, 1 unit; 30-59 hours, 1.1 unit; 60-89 hours, 1.2 units; 90-119 hours, 1.3 units; over 119 hours, 1.4 units. Add 6 additional semester hours for each full year of teaching experience, not to exceed 5 years. The number of units so determined is multiplied by \$2,000.

The amount of the guarantee to each district is computed on the following formula: To the smaller of the amounts determined in the two preceding paragraphs add \$5 per month for each pupil who is transported 2½ miles or more from home to school. Deduct the sum of (1) the equivalent of 2 mills on the tangible valuation of the district, (2) one-third of the equivalent of 5 mills on the intangible valuation of the district, (3) the amount to be received from the county elementary-school fund, and (4) the amount received from the state annual school fund. The difference between the guarantee and the deductions is the amount of state money the school district will receive.

One-teacher districts with 10 or more pupils compute guarantees on the basis of teacher preparation and experience. Schools with 6-9 pupils receive such fractional guarantees as the enrolment is to 10.

While \$15,600,000 was appropriated under this law, \$16,162,490 was actually distributed to the elementary schools, Grades I-VIII, inclusive, for use in 1953-54.

**Special aid**--The administration of vocational education funds is placed by law in the hands of the state board of vocational education. Specialists employed by the state department of vocational education are responsible for the allocation and distribution of these funds to school districts, \$164,654 in 1953-54. The 1953 legislature provided \$100,000 for state participation in paying local district expenses for the education of mentally retarded and homebound children; \$90,281 was used in 1953-54.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

Type and percent of aid	Name of fund	Basis of distribution	Amount
1. General aid (30.0%)			
a. General apportionment	State annual fund a/	School census ages 5 to 21	\$ 743,549
b. Residue sales tax	Residue sales tax	Local levies and assessed valuation b/	6,298,119 c/
2. Equalization aid (68.9%)	State school finance fund a/	Classroom unit formula based on enrolment and teacher preparation, less 2-mill levy plus other revenues	16,162,490
3. Special aid (1.1%)			
a. Vocational education	Vocational education fund	Discretion of state board of vocational education	164,654
b. Special education	Special education fund	Discretion of state board of education	90,281
(Items 1 plus 2 plus 3 equal 100%)			
Total . . . . .			\$23,459,093

a/ Apportioned only to Grades I-VIII, inclusive.

b/ To all taxing units, including schools.

c/ Does not include \$106,745 to municipal universities.



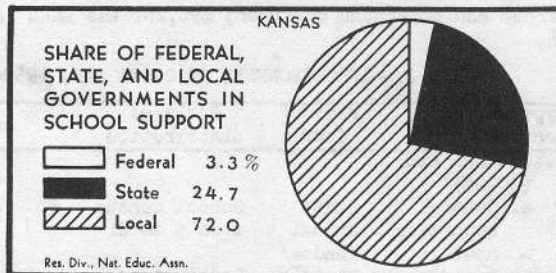
STATE SUPPORT OF PUBLIC SCHOOLS IN KANSAS, 1953-54<sup>1/</sup>

The support of public elementary and secondary schools in Kansas is based principally on local property taxes, levied on real and personal property in the form of school district and county levies. The state annual school fund, the state school finance fund, and the special education fund were the three definite sources of state support for elementary schools in 1953-54. A variable amount of state money from the "residue sales tax" is distributed each year to all taxing units, including the schools, to be used for the reduction of the general property tax levy. No state funds are provided for secondary schools except a small amount for vocational education, and the high schools' share of the residue sales tax.

The total public school expenditures for 1953-54 amounted to \$94,555,593. This amount includes general fund, special transportation and special education expenditures. The state contributed \$743,549 from the annual school fund, \$16,162,490 from the state school finance fund, \$164,654 from the vocational education fund, \$6,298,119 from the residue sales tax, and \$90,281 from the special education fund--a total of \$23,459,093, or about 24.7 percent of the total expenditures.

Federal assistance of \$3,130,405 consisted of \$298,829 for vocational education in the secondary schools and \$2,831,576 for operational costs in federally impacted areas. Federal funds constitute 3.3 percent of the total school expenditures.

Approximately 72.0 percent of total school expenditures came from local sources.



Sources of State School Revenue

Until 1937 the chief source of school revenues from the state was the small income from the permanent school fund. In 1937 the legislature created a state school aid fund and earmarked part of sales tax revenues to be paid to that fund. The sales tax is still the principal source of state revenue for the public schools. The only appropriations made by the legislature from state general revenues for school purposes are used to supplement local funds in matching federal funds for vocational education.

**Earmarked taxes**--There are two state taxes levied specially for the support of public schools: (1) an ad valorem tax on motor carriers operating in the state levied at the average rate of all ad valorem taxes for all purposes in the several taxing units of the state for the preceding year, and (2) admission and annual renewal fees of \$50 each, paid by mutual legal reserve life insurance companies and capital stock insurance companies, other than burial, organized outside the state. Receipts from these taxes which are for the benefit of the annual school fund have been of minor importance. They totaled \$365,451 in 1953-54 and are included in Table 1 in the amount reported for the income from the permanent school fund.

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Minter E. Brown, Director, Professional Relations, Kansas State Teachers Association, Topeka, Kansas.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked taxes		
a. Insurance fees . . . . .	\$ 30,800 a/	...
b. Tax on motor carriers . . .	334,651 a/	...
c. Mineral leases . . . . .	98,598 a/	...
d. Sales tax b/		
1. State school finance fund	16,162,490 c/	68.9
2. Special education fund .	90,281 c/	0.4
3. Residue sales tax . . . .	6,298,119 c/	26.8
2. Legislative appropriations		
a. Vocational education . . . .	164,654 d/	0.7
3. Income from permanent school funds		
(State annual school fund) . .	743,549	3.2
Total . . . . .	\$23,459,093	100.0

a/ Included in \$743,549 income from permanent school fund.

b/ While the sales tax act of 1937 does not specifically " earmark" sales tax revenues for any purposes, except that any balance must be distributed as residue sales tax, in practice all state equalization aid funds have been appropriated from this source.

c/ Available for use in fiscal year July 1, 1953, to June 30, 1954.

d/ Amount expended for public schools.

The Kansas sales tax was established by the Act of 1937, at the rate of 2 percent on the gross receipts from retail sales of tangible personal property, utility services, meals and drinks, and admissions. After setting aside amounts totaling \$2,660,000 for social welfare purposes the 1937 Act reserved the next \$2,500,000 of sales tax proceeds for the state school aid fund. Allocations of sales tax receipts under the 1937 law have been amended by succeeding legislatures, increasing the amount appropriated for social welfare and school purposes. For the 1953-54 year the amount allocated to the state school finance fund was \$15,600,000. However, since 1949, sales tax funds have been diverted to the state's general fund, a total of \$40,396,464 having been so transferred from 1949 to 1954, inclusive.

The schools also receive additional amounts under the provisions of the amended 1937 law that, after all specific appropriations from the sales tax revenues have been made, any balance up to \$12,500,000 known as the "residue sales tax" is distributed to counties and by counties to local taxing units, including school districts, to be used in reducing local property tax rates. All except 5 percent of the receipts from an excise tax on malt beverages is added to the retail sales tax fund and so constitutes a part of the residue sales tax which amounted to \$6,298,119 distributed to schools in 1953-54.

The residue sales tax is an uncertain source of state revenue for the public schools. While residue sales tax in 1953-54 amounted to about 6.6 percent of all school expenditures, under present laws it leaves the schools in a vulnerable position due to the uncertainty concerning the amount of residue itself.

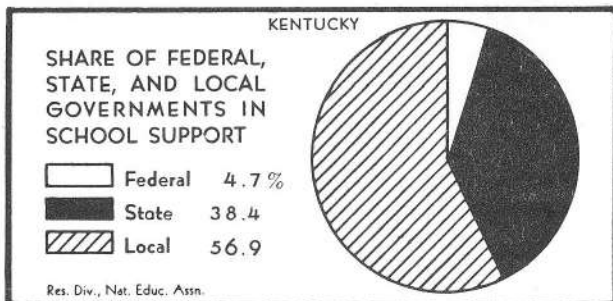
As all residue sales tax receipts must be used to reduce the local property levy, the residue does not operate to increase the amount available for schools, but rather to decrease the local school levies on general property.

**Legislative appropriations from the state general fund**--To match federal funds under the Smith-Hughes and George-Barden Acts, the state in 1953 appropriated \$262,500 for use in 1953-54. Of this amount, \$164,654 was expended for vocational education in the public schools as follows:

STATE SUPPORT OF PUBLIC SCHOOLS IN KENTUCKY, 1953-54, 1954-55<sup>1/</sup>

In Kentucky, local school districts have increased their tax revenue from general property, franchises, bank shares, poll taxes and other local revenue sources from \$22,706,244 in 1946-47 to \$49,005,732 in 1953-54. This is an increase of 116 percent. Local school revenue from the property tax during 1953-54 was \$46,732,413. The state common school fund on January 1, 1948, was \$19,501,250. By the school year 1953-54, this fund had been increased to \$31,785,500. This represents an increase of 63 percent over a six-year period.

Total receipts for the support of public elementary and secondary schools in Kentucky for the year ending June 30, 1954, amounted to \$86,051,740. Of this sum, \$32,998,500, or 38.4 percent, was provided by the Commonwealth of Kentucky. The federal government provided \$4,047,508, or 4.7 percent, of the total receipts. Reimbursements to the local school districts from federal funds for vocational education accounted for \$640,790. The federal school lunch program accounted for \$1,951,237 and \$1,411,508 was received by the local districts in connection with Public Law 874. The balance of federal money was from miscellaneous sources. The remaining sum of \$49,005,732, or 56.9 percent of the total, was derived from local sources; namely, general property taxes, tax on franchise corporations, bank share taxes, poll taxes, whiskey withdrawal taxes and other local revenue sources.



Sources of State School Revenue

The funds provided by the Commonwealth of Kentucky for the support of public elementary and secondary schools are not derived from earmarked taxes, but are made available by direct appropriation of the General Assembly.

Legislative appropriations from the state general fund--The General Assembly appropriated \$31,785,500 to the common school fund for the school year 1953-54, \$843,000 for free textbooks, and \$370,000 for vocational education.

General fund revenues of Kentucky, which are the sources of these appropriations, are chiefly derived from taxes on property, individual and corporate income, sales and gross receipts and inheritances.

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Stanley Hecker, Research Analyst, Department of Education, Frankfort, Kentucky.

Income from permanent school funds--The permanent state school fund is made up of state school bonds. As provided by the Constitution of Kentucky, the interest on such bonds shall be used to supplement the per capita appropriation for the support of common schools. This interest amounted to \$138,938 for the year ending June 30, 1954.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked taxes . . . . .	...	0.0
2. Legislative appropriations		
a. Support for public schools . . . . .	\$31,785,500	96.3
b. Free textbooks . . . . .	843,000 a/	2.6
c. Vocational education . . . . .	370,000	1.1
3. Income from permanent school funds . . . . .	138,938 b/	0.4
Total . . . . .	\$32,998,500	100.0

a/ Distribution is of books rather than money.  
b/ Included in item 2a above.

Apportionment of State Aid  
(1954-55)

The 1954 session of the Kentucky General Assembly, following the voters approval of a constitutional amendment in November 1953, enacted into law a new method of distributing state financial aid to the various common school districts. However, due to inadequate funds for the biennium 1954-55, 1955-56, the foundation program enacted is only partially financed.

The Kentucky foundation program determines educational need in terms of classroom units and transportation units. Entitlement for classroom units is based on average daily attendance of the preceding year (27 ADA pupils per unit), approved vocational and exceptional children classes, approved administrative and special instructional service personnel and approved supervisors and directors of pupil personnel. Transportation units are based on the ADA of transported pupils who live one mile or more from school, on the area served by the transportation system and the types of road traveled.

The educational need of a district is translated into financial need on the basis of four categories: (1) Instructional salaries (an allotment schedule based on training of personnel); (2) Other current expense (\$600 per classroom unit); (3) Capital outlay (\$400 per classroom unit); (4) Transportation (\$1,600 per transportation unit). The sum of the above four categories is the financial need of the local district.

Financing this program is a partnership arrangement between the local school district and the state. The Kentucky State Department of Revenue determines what percentage the equalized value of all property located in each district subject to local taxation at full rate is of the equalized value of all such property in the state. The total amount of local funds to be raised in the state by local taxation is determined by levying at \$1.10

# KENTUCKY (CONT.)

per \$100 valuation tax rate on the total actual state assessment. Each district is required to raise the amount obtained by multiplying their percentage of equalized property value times this state total. The difference between the district's financial need and the local required tax effort determines the state aid received by the district.

To put this program into effect would have required an additional \$17,600,000 for the 1954-55 school year. Due to this inadequate financing it was possible to have a guaranteed level of approximately 70 percent of the fully financed program for the school year 1954-55.

General aid--During the year 1954-55 state aid is distributed from two accounts of the foundation program fund. The per capita account is \$26,212,500 and is distributed to each district on the basis of \$37.51 for each census child.

Equalization aid--The equalization account amounts to \$8,573,000 and is distributed to those districts in which the sum of local tax requirement and per capita account allotment is less than 70 percent of their total financial need as determined by the foundation program law. During 1954-55 approximately 150 of the state's 224 school districts participated in the equalization account.

Special aid--The 1954-55 annual appropriation of \$843,000 for free textbooks is to be used for the purchase and distribution of textbooks to pupils in attendance in Grades I-VIII.

The revenues of the state vocational fund, along with federal vocational funds, are allocated

to school districts providing approved vocational programs. State aid in the amount of \$370,000 has been granted for this purpose during 1954-55.

TABLE 2.--APPORTIONMENT OF STATE AID, 1954-55

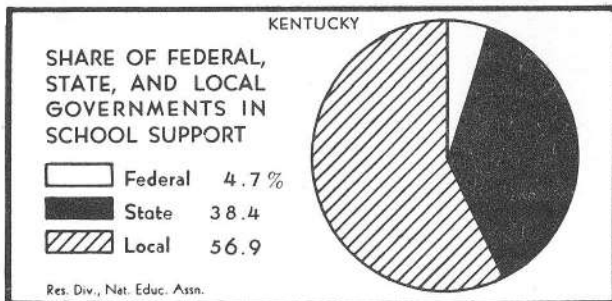
Type and per- cent of aid	Name of fund	Basis of distribution	Amount
1. General aid (72.8%)	Per cap- ita	School cen- sus (ages 6 to 17 in- clusive)	\$26,212,500
2. Equaliza- tion aid (23.8%)			
a. Support in less able dis- tricts	Equali- zation	Need formu- la	8,573,000
3. Special aid (3.4%)			
a. Free text- books	Textbook	Attendance (Grades I- VIII)	843,000 <u>a/</u>
b. Voca- tional educa- tion	Voca- tional educa- tion	Approved vocational projects	370,000
(Items 1 plus 2 plus 3 equal 100%.)			
Total . . . . .			\$35,998,500
a/ Distribution is books rather than money.			



STATE SUPPORT OF PUBLIC SCHOOLS IN KENTUCKY, 1953-54, 1954-55<sup>1/</sup>

In Kentucky, local school districts have increased their tax revenue from general property, franchises, bank shares, poll taxes and other local revenue sources from \$22,706,244 in 1946-47 to \$49,005,732 in 1953-54. This is an increase of 116 percent. Local school revenue from the property tax during 1953-54 was \$46,732,413. The state common school fund on January 1, 1948, was \$19,501,250. By the school year 1953-54, this fund had been increased to \$31,785,500. This represents an increase of 63 percent over a six-year period.

Total receipts for the support of public elementary and secondary schools in Kentucky for the year ending June 30, 1954, amounted to \$86,051,740. Of this sum, \$32,998,500, or 38.4 percent, was provided by the Commonwealth of Kentucky. The federal government provided \$4,047,508, or 4.7 percent, of the total receipts. Reimbursements to the local school districts from federal funds for vocational education accounted for \$640,790. The federal school lunch program accounted for \$1,951,237 and \$1,411,508 was received by the local districts in connection with Public Law 874. The balance of federal money was from miscellaneous sources. The remaining sum of \$49,005,732, or 56.9 percent of the total, was derived from local sources; namely, general property taxes, tax on franchise corporations, bank share taxes, poll taxes, whiskey withdrawal taxes and other local revenue sources.



Sources of State School Revenue

The funds provided by the Commonwealth of Kentucky for the support of public elementary and secondary schools are not derived from earmarked taxes, but are made available by direct appropriation of the General Assembly.

Legislative appropriations from the state general fund--The General Assembly appropriated \$31,785,500 to the common school fund for the school year 1953-54, \$843,000 for free textbooks, and \$370,000 for vocational education.

General fund revenues of Kentucky, which are the sources of these appropriations, are chiefly derived from taxes on property, individual and corporate income, sales and gross receipts and inheritances.

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Stanley Hecker, Research Analyst, Department of Education, Frankfort, Kentucky.

Income from permanent school funds--The permanent state school fund is made up of state school bonds. As provided by the Constitution of Kentucky, the interest on such bonds shall be used to supplement the per capita appropriation for the support of common schools. This interest amounted to \$138,938 for the year ending June 30, 1954.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked taxes . . . . .	...	0.0
2. Legislative appropriations		
a. Support for public schools . . . . .	\$31,785,500	96.3
b. Free textbooks . . . . .	843,000 a/	2.6
c. Vocational education . . . . .	370,000	1.1
3. Income from permanent school funds . . . . .	138,938 b/	0.4
Total . . . . .	\$32,998,500	100.0

a/ Distribution is of books rather than money.  
b/ Included in item 2a above.

Apportionment of State Aid  
(1954-55)

The 1954 session of the Kentucky General Assembly, following the voters approval of a constitutional amendment in November 1953, enacted into law a new method of distributing state financial aid to the various common school districts. However, due to inadequate funds for the biennium 1954-55, 1955-56, the foundation program enacted is only partially financed.

The Kentucky foundation program determines educational need in terms of classroom units and transportation units. Entitlement for classroom units is based on average daily attendance of the preceding year (27 ADA pupils per unit), approved vocational and exceptional children classes, approved administrative and special instructional service personnel and approved supervisors and directors of pupil personnel. Transportation units are based on the ADA of transported pupils who live one mile or more from school, on the area served by the transportation system and the types of road traveled.

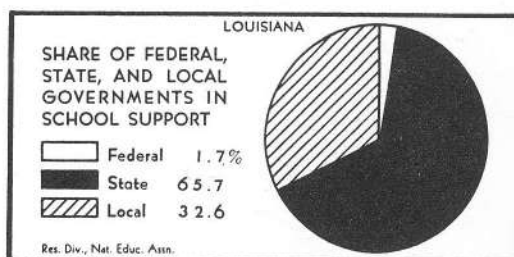
The educational need of a district is translated into financial need on the basis of four categories: (1) Instructional salaries (an allotment schedule based on training of personnel); (2) Other current expense (\$600 per classroom unit); (3) Capital outlay (\$400 per classroom unit); (4) Transportation (\$1,600 per transportation unit). The sum of the above four categories is the financial need of the local district.

Financing this program is a partnership arrangement between the local school district and the state. The Kentucky State Department of Revenue determines what percentage the equalized value of all property located in each district subject to local taxation at full rate is of the equalized value of all such property in the state. The total amount of local funds to be raised in the state by local taxation is determined by levying at \$1.10

STATE SUPPORT OF PUBLIC SCHOOLS IN LOUISIANA, 1954-55<sup>1/</sup>

Funds supplied by the state of Louisiana for the support of elementary and secondary education are, for the most part, guaranteed or dedicated by the constitution or by statute. Certain taxes, and parts of proceeds of other taxes, are allocated to the state public school fund from which the legislature makes appropriations to the schools. Should the anticipated revenues of the public school fund fall short of the amount appropriated, they are supplemented from the state general fund.

Total revenue receipts of the 67 parish and city schoolboards of Louisiana in 1953-54 were \$135,145,446. The state provided \$88,756,346, or 65.7 percent; federal government \$2,338,677, or 1.7 percent; parish and local governments \$44,050,423, or 32.6 percent.



Sources of State School Revenue

The state public school fund was created by constitutional amendment in 1934. Revenues from this fund are chiefly derived from constitutionally dedicated tax revenues. The state public school fund is composed of two distributions--(1) per educable distribution (three-fourths of the fund) and (2) equalization distribution (one-fourth of the fund). The total amount distributed from the state public school fund during the fiscal year 1954-55 was \$49,427,904.19. The amount being distributed during 1955-56 is \$52,187,351.40.

The legislature appropriated \$16,100,000 for 1954-55 to guarantee the statewide minimum salary schedule adopted in 1948 for all elementary and secondary teachers in the public schools. The sum of \$16,600,000 has been appropriated for 1955-56 to guarantee this schedule. The increased appropriation is to take care of new teachers being employed because of increased enrollment and to allow increases for regularly employed teachers obtaining higher educational qualifications and an extra year of teaching experience.

In addition, Act No. 9 of 1954 transfers \$16,000,000, or one-fourth, whichever is greater, from the proceeds of the sales tax in the public welfare fund for the fiscal years 1954-55 and 1955-56, to the Louisiana state board of education to supplement the teachers' salary fund to make adjustments in the salary of employees in the public elementary and secondary schools and the state operated trade schools in the state of Louisiana, including all teachers, school bus drivers, janitors, maintenance and custodial workers, supervisors, visiting teachers, office personnel, administrative employees, and officials.

The amount distributed in 1954-55 for teachers' special salary fund and proportionate increase for other employees amounted to \$29,643,893.95.

**Earmarked taxes**--The 1920 legislature enacted a law taxing at 12 percent the gross value of natural products, except agricultural, severed from the soil. Subsequent laws have changed the tax to apply at varying rates, based upon the quantity severed. Proceeds are placed in the severance tax fund. A constitutional amendment of 1940 provides that one-fifth of the severance taxes collected on oil and one-third on sulphur up to \$200,000 in each parish shall be returned to the parish of origin. Of the severance taxes returned, the parish schoolboard receives an amount proportioned on the relative amount of ad valorem taxes levied by each taxing authority in the parish. The remainder of severance tax proceeds in

the severance tax fund, after paying the amount (\$2,746,936 in 1954-55) for free textbooks, library books, and school supplies, is transferred to the state public school fund. Rates of severance taxes were generally increased by 1948 legislation. Severance taxes constituted 57.9 percent of state revenue available to public schools in 1954-55.

A general state property levy of 5.8 mills is allocated by the Louisiana constitution as follows: 2.0 mills for the general operation of the state government; 0.8 mill for the support of the Confederate veterans; 0.5 mill for the support of the state university; and 2.5 mills to the state public school fund. Receipts from the 2.5-mill tax credited to the public school fund were \$6,069,543 for the fiscal year 1954-55.

**Legislative appropriations from the state general fund**--One of the most important school acts of recent years was that which in 1944 guaranteed for four years a minimum distribution from the state public school fund of \$30 per educable child. The law stated, if revenues accruing to the public school fund were insufficient, the amount needed to meet this payment in full would be transferred from the property tax relief fund. The distribution under this law had increased to \$64 per educable child in 1954-55 and payment is now guaranteed by transfers from the state general fund. The contribution from the general fund in 1954-55 was \$2,251,789.

The 1948 legislature appropriated \$4,000,000 from the state general fund for each year of the ensuing biennium to provide for a school lunch program. Subsequent appropriations made by special legislative sessions increased this amount to \$9,512,977 for 1954-55, whereas, the sum of \$10,144,102 will be distributed during 1955-56.

Appropriations from the state general fund provided \$1,164,689 for vocational education in 1954-55. Of this amount \$664,689 was for the purpose of matching federal grants. The state made available \$500,000 for the further development of vocational education during 1954-55.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1954-55

Source	Amount	Percent
1. Earmarked taxes		
a. Severance taxes . . . . .	\$57,166,725	57.9
b. 2½-mill property tax . . . . .	6,069,543	6.1
c. State sales tax . . . . .	16,000,000	16.2
d. Rockefeller Foundation . . . . .	2,500,000	2.5
2. Legislative appropriations		
a. Transfer from state general fund.	2,251,789	2.3
b. School lunch program . . . . .	9,512,977	9.6
c. Vocational education--regular . .	664,689	0.6
d. Vocational education--special . .	500,000	0.5
e. Vocational rehabilitation . . . .	395,066	0.4
f. Education for crippled and exceptional children . . . . .	500,000	0.5
g. Industrial arts . . . . .	75,000	0.1
h. Adult education . . . . .	250,000	0.3
i. On-job and institutional training .	75,000	0.1
j. Textbooks . . . . .	2,746,936	2.8
3. Income from permanent school funds .	59,408	0.1
Total . . . . .	\$98,767,133	100.0 a/

a/ Figure excludes \$9,179,919 paid out of the state public school fund for teachers' retirement; \$3,218,202 paid out of severance tax fund for schoolboards' share of material severed from soil.

**Income from permanent school funds**--Sixteenth section funds originated as a result of grants by Congress in 1806 and 1843 of sixteenth section lands and the subsequent sale of these lands by the state. Prior to 1880 proceeds of the sale of these lands were used for noneducational purposes and so became a perpetual debt to the schools. Since 1880 proceeds of sales of sixteenth section lands have been deposited with the state to the credit of the parish in which the lands are located. These proceeds and the principal of the state's debt to the schools constitute the permanent school fund known as the free school fund. Act 521 of 1948 allows the parish schoolboard to withdraw from the state treasury the proceeds of the sale of sixteenth section lands to its credit for the purpose of constructing additional school facilities within the parish. If the parish schoolboard does not elect to

<sup>1/</sup> Prepared for the Research Division, National Education Association, by George B. Benton, Junior, Supervisor of Finance, Department of Education, Baton Rouge, Louisiana.



# LOUISIANA (CONT.)

withdraw these funds the state pays interest on this principal at the rate of 4 percent per annum to the parishes in which the sixteenth section lands are located. The distribution to parishes for this purpose during 1954-55 was \$59,408.34.

## Apportionment of State Aid

**General aid**--The state constitution provides that three-fourths of the state public school fund shall be distributed to parish schoolboards in the proportion that the number of educable children from six to 18 years of age in each parish bears to the total number of such educable children in the state. This distribution in 1954-55 was \$37,070,928, or \$48 per educable. The corresponding distribution for 1955-56 will be \$39,140,513.55, or \$48.94522 per educable.

Beginning with 1948-49 all public elementary- and high-school teachers are paid a minimum salary on a nine-month basis in accordance with a schedule established by Act 155 of 1948. Annual rates included in the schedule start with \$1,200 for beginning teachers with less than one year of professional training and range upward to \$3,600 for teachers in their twelfth year of service who hold masters' degrees. Act No. 8 of 1954 amended Act 155 of 1948 to include an increase in schedule rates with the starting salary of \$1,600 for beginning teachers with less than one year of professional training and to range upward to \$4,800 for teachers in their nineteenth year of service who hold masters' degrees. Parish and city schoolboards are entitled to pay more than the amount prescribed by the schedule from local funds. The sum of \$16,100,000 was made available by the legislature for 1954-55 in order to meet the provisions of the schedule. The corresponding amount appropriated for 1955-56 is \$16,600,000.

Act No. 9 of 1954 transfers \$16,000,000, or one-fourth, whichever is greater, from the proceeds of the sales tax in the public welfare fund for the fiscal years 1954-55 and 1955-56, to the Louisiana state board of education to supplement the teachers' salary fund to make adjustments in the salary of employees in the public elementary and secondary schools and state operated trade schools in the state of Louisiana, including all teachers, school bus drivers, janitors, maintenance and custodial workers, supervisors, visiting teachers, office personnel, administrative employees, and officials.

The amount distributed in 1954-55 for teachers' special salary fund and proportionate increase for other employees amounted to \$29,643,893.95.

Act No. 74 of 1954 set up a new statewide salary schedule for bus operators. In 1955 this act was amended by Acts 57 and 58 to take care of adjustments which were not covered in the original act. The amount appropriated in 1954-55 was \$1,464,698.61 and the amount appropriated in 1955-56 is \$3,145,140.34.

**Equalization aid**--The state constitution provides that one-fourth of the state public school fund shall be distributed on the basis of equalization. The amount distributed on this basis in 1954-55 was \$12,356,976.19. For 1955-56 the distribution will be \$13,046,837.85. This money is made available to parish school systems on the basis of their need to meet a standard minimum educational program. A statewide minimum program is formulated and the sum of other available state funds and certain local funds is matched against its total cost.

In determining the minimum educational program each parish is allotted teachers on the basis of the average daily attendance of children in the schools of the parish plus allotments to take care of the average cost of transportation, administration, and other overhead costs. The sum of these allotments to each parish is deemed to be the cost of the minimum program of education in that parish. Where the other revenues available to a parish school system fall short of the total minimum program, the equalization fund makes up the difference. In this way the state guarantees or underwrites the cost of the minimum educational program. Since certain revenues available to the parish are not included as a part of the support of the minimum program, parishes of greater wealth can offer a richer program than that afforded by the minimum program.

**Special aid**--Not actually distributed to parish schoolboards, but used for the benefit of the schools, is the free textbook fund. This fund is used by the state department of education to provide school children with free textbooks, library books, and other materials of instruction. The amount of this fund was \$2,746,936 in 1954-55 and \$2,878,112 has been appropriated for 1955-56.

Another fund is the appropriation from the state general fund for the purpose of providing free lunches to the school children of the parishes distributed on the basis of the number and type meals served. For the year 1954-55 the sum of \$9,512,977 was appropriated and for 1955-56 the sum of

\$10,144,102 has been appropriated. Expenses for administering the program are taken out of this sum. These amounts included \$150,000 for administering the food distribution program.

For the year 1955-56 the legislature appropriated \$664,689 to be used in matching federal grants for vocational education, and \$500,000 for providing facilities for vocational agriculture, trade and industrial, homemaking, and distributive education. Sums provided for the special program are distributed according to a plan set up by the state board of education.

The state provided \$500,000 in 1954-55 for the education of physically handicapped children, distributed to the parishes on the basis of need as determined by the state department of education. For 1955-56 the appropriation amounts to \$910,000.

The state provided \$395,066 for the education of physically handicapped children in connection with the vocational rehabilitation program for the state during 1954-55. This sum is used to match federal funds for this same purpose. For 1955-56 the appropriation amounts to \$500,066. Included in these amounts is an appropriation for tuberculosis patients.

The state provided \$75,000 for the industrial arts program for each year of the biennium 1954-1956.

The state provided \$250,000 for the adult education program for each year of the biennium 1954-1956.

The state provided \$75,000 for the on-job and institutional training program for each year of the biennium 1954-1956.

In 1955 the legislature for the first time appropriated the sum of \$225,000 for driver education courses in the high schools of Louisiana.

TABLE 2.--APPORTIONMENT OF STATE AID, 1954-55

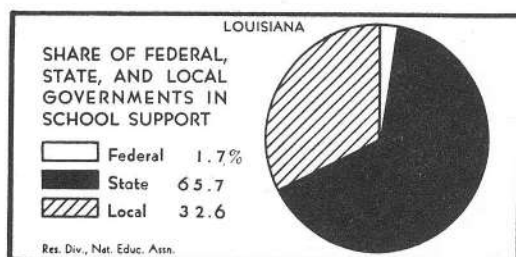
Type and percent of aid	Name of fund	Basis of distribution	Amount
1. General aid (71.6%)			
a. Educable apportionment	Public school fund	Number of educables six to 18 years of age	\$37,070,928
b. Teachers special salary fund	Public school fund	Rates of minimum salary schedule and number of teachers	29,643,893
c. Bus operators' salary fund	Public school fund	Need of parishes	1,464,699
d. Interest on free school fund	Free school fund	Location of lands	59,408
2. Equalization aid (13.0%)	Public school fund	Difference between cost of minimum program and other available revenue	12,356,976
3. Special aid (15.4%)			
a. Textbooks and supplies	Severance tax fund	Needs of parishes	2,746,936
b. Vocational education--regular	State general fund	Matching federal grants	664,689
c. Vocational education--special	State general fund	Discretion of state board of education	500,000
d. School lunch	State general fund	Number and type of meals served	9,512,977
e. Education of crippled children	Public school fund	Needs of parishes	500,000
f. Vocational rehabilitation	Public school fund	Matching federal grants for case services	395,066
g. Industrial arts	State general fund	Needs of parishes	75,000
h. Adult education	State general fund	Needs of parishes	250,000
i. On-job and institution- al training	State general fund	Matching federal funds	75,000
(Items 1 plus 2 plus 3 equal 100%.)			
Total . . . . .			\$95,315,572 a/

a/ Figure excludes \$9,179,919 paid out of the state public school fund for teachers' retirement; \$3,218,202 paid out of severance tax fund for schoolboards' share of material severed from soil.

STATE SUPPORT OF PUBLIC SCHOOLS IN LOUISIANA, 1954-55<sup>1/</sup>

Funds supplied by the state of Louisiana for the support of elementary and secondary education are, for the most part, guaranteed or dedicated by the constitution or by statute. Certain taxes, and parts of proceeds of other taxes, are allocated to the state public school fund from which the legislature makes appropriations to the schools. Should the anticipated revenues of the public school fund fall short of the amount appropriated, they are supplemented from the state general fund.

Total revenue receipts of the 67 parish and city school boards of Louisiana in 1953-54 were \$135,145,446. The state provided \$88,756,346, or 65.7 percent; federal government \$2,338,677, or 1.7 percent; parish and local governments \$44,050,423, or 32.6 percent.



Sources of State School Revenue

The state public school fund was created by constitutional amendment in 1934. Revenues from this fund are chiefly derived from constitutionally dedicated tax revenues. The state public school fund is composed of two distributions--(1) per educable distribution (three-fourths of the fund) and (2) equalization distribution (one-fourth of the fund). The total amount distributed from the state public school fund during the fiscal year 1954-55 was \$49,427,904.19. The amount being distributed during 1955-56 is \$52,187,351.40.

The legislature appropriated \$16,100,000 for 1954-55 to guarantee the statewide minimum salary schedule adopted in 1948 for all elementary and secondary teachers in the public schools. The sum of \$16,600,000 has been appropriated for 1955-56 to guarantee this schedule. The increased appropriation is to take care of new teachers being employed because of increased enrolment and to allow increases for regularly employed teachers obtaining higher educational qualifications and an extra year of teaching experience.

In addition, Act No. 9 of 1954 transfers \$16,000,000, or one-fourth, whichever is greater, from the proceeds of the sales tax in the public welfare fund for the fiscal years 1954-55 and 1955-56, to the Louisiana state board of education to supplement the teachers' salary fund to make adjustments in the salary of employees in the public elementary and secondary schools and the state operated trade schools in the state of Louisiana, including all teachers, school bus drivers, janitors, maintenance and custodial workers, supervisors, visiting teachers, office personnel, administrative employees, and officials.

The amount distributed in 1954-55 for teachers' special salary fund and proportionate increase for other employees amounted to \$29,643,893.95.

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the severance tax fund, after paying the amount (\$2,746,936 in 1954-55) for free textbooks, library books, and school supplies, is transferred to the state public school fund. Rates of severance taxes were generally increased by 1948 legislation. Severance taxes constituted 57.9 percent of state revenue available to public schools in 1954-55.

A general state property levy of 5.8 mills is allocated by the Louisiana constitution as follows: 2.0 mills for the general operation of the state government; 0.8 mill for the support of the Confederate veterans; 0.5 mill for the support of the state university; and 2.5 mills to the state public school fund. Receipts from the 2.5-mill tax credited to the public school fund were \$6,069,543 for the fiscal year 1954-55.

**Legislative appropriations from the state general fund**--One of the most important school acts of recent years was that which in 1944 guaranteed for four years a minimum distribution from the state public school fund of \$30 per educable child. The law stated, if revenues accruing to the public school fund were insufficient, the amount needed to meet this payment in full would be transferred from the property tax relief fund. The distribution under this law had increased to \$64 per educable child in 1954-55 and payment is now guaranteed by transfers from the state general fund. The contribution from the general fund in 1954-55 was \$2,251,789.

The 1948 legislature appropriated \$4,000,000 from the state general fund for each year of the ensuing biennium to provide for a school lunch program. Subsequent appropriations made by special legislative sessions increased this amount to \$9,512,977 for 1954-55, whereas, the sum of \$10,144,102 will be distributed during 1955-56.

Appropriations from the state general fund provided \$1,164,689 for vocational education in 1954-55. Of this amount \$664,689 was for the purpose of matching federal grants. The state made available \$500,000 for the further development of vocational education during 1954-55.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1954-55

Source	Amount	Percent
1. Earmarked taxes		
a. Severance taxes . . . . .	\$57,166,725	57.9
b. 2½-mill property tax . . . . .	6,069,543	6.1
c. State sales tax . . . . .	16,000,000	16.2
d. Rockefeller Foundation . . . . .	2,500,000	2.5
2. Legislative appropriations		
a. Transfer from state general fund.	2,251,789	2.3
b. School lunch program . . . . .	9,512,977	9.6
c. Vocational education--regular . .	664,689	0.6
d. Vocational education--special . .	500,000	0.5
e. Vocational rehabilitation . . . .	395,066	0.4
f. Education for crippled and exceptional children . . . . .	500,000	0.5
g. Industrial arts . . . . .	75,000	0.1
h. Adult education . . . . .	250,000	0.3
i. On-job and institutional training .	75,000	0.1
j. Textbooks . . . . .	2,746,936	2.8
3. Income from permanent school funds .	59,408	0.1
Total . . . . .	\$98,767,133	100.0 a/

a/ Figure excludes \$9,179,919 paid out of the state public school fund for teachers' retirement; \$3,218,202 paid out of severance tax fund for schoolboards' share of material severed from soil.

**Income from permanent school funds**--Sixteenth section funds originated as a result of grants by Congress in 1806 and 1843 of sixteenth section lands and the subsequent sale of these lands by the state. Prior to 1880 proceeds of the sale of these lands were used for noneducational purposes and so became a perpetual debt to the schools. Since 1880 proceeds of sales of sixteenth section lands have been deposited with the state to the credit of the parish in which the lands are located. These proceeds and the principal of the state's debt to the schools constitute the permanent school fund known as the free school fund. Act 521 of 1948 allows the parish schoolboard to withdraw from the state treasury the proceeds of the sale of sixteenth section lands to its credit for the purpose of constructing additional school facilities within the parish. If the parish schoolboard does not elect to

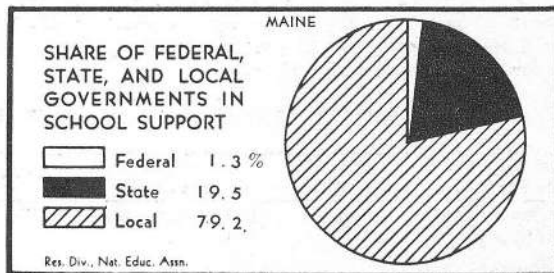
<sup>1/</sup> Prepared for the Research Division, National Education Association, by George B. Benton, Junior, Supervisor of Finance, Department of Education, Baton Rouge, Louisiana.



STATE SUPPORT OF PUBLIC SCHOOLS IN MAINE, 1953-54 <sup>1/2/</sup>

Under the constitution of Maine, much of the responsibility for the support of education rests on the municipalities which are required to raise at least 80 cents per capita of the population for the support of public schools. The state gives aid to municipalities by allotments thru legislative appropriations from the general funds of the state.

In 1952-53 the cost of public elementary and secondary education in Maine was \$31,312,451. Of this, 19.5 percent, or \$6,088,760 came from the state; 79.2 percent, or \$24,811,051 from local sources; and 1.3 percent, or \$409,640, from the federal government.



Sources of State School Revenue

In 1945 the legislature amended the statutes which had earmarked certain state taxes and other revenues for education, diverting these revenues to the state general fund. Except for the income from permanent funds, all state revenue for the support of education is now provided by legislative appropriation.

Legislative appropriation from the state general fund--Appropriations are now made to the state department of education from state general funds to cover aid for all educational purposes. This appropriation for 1953-54 amounted to \$8,168,321.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Legislative appropriations . . .	\$8,168,321	97.8
2. Income from permanent school funds		
a. Permanent school fund . . . .	16,887	0.2
b. Interest on reserved land funds		
1. Plantations . . . . .	23,190	0.3
2. Unorganized townships . .	13,681	0.2
3. Property tax on unorganized territory . . . . .	126,954	1.5
Total . . . . .	\$8,349,033	100.0

Income from permanent school funds--The permanent school fund has as its source the proceeds of the sale of wood, grass, and lumber from state school lands. This fund amounted to \$565,204 in 1952 and its investment earning for 1953-54 was \$16,887.

In addition to this fund the state is the trustee for all unincorporated townships, and the state treasurer maintains separate trust funds on lands reserved for

1/ Pie chart percentages are for year 1952-53. Other data in statement for 1953-54.

2/ Prepared for the Research Division, National Education Association, by Fred L. Kenney, Director of Finance, State Department of Education, Augusta, Maine.

each plantation and unorganized territory. The aggregate total of these funds was \$1,582,550 in 1953. Interest earned was paid annually to plantations and to the fund for the unorganized townships.

The actual interest on lands reserved is paid to treasurer of plantations for school purposes, while the actual interest on unorganized funds is absorbed into the general school fund for the unorganized territory.

Apportionment of State Aid

The total state school appropriation includes sums designated for general and special educational purposes.

General aid--On the basis of information available in the office of the commissioner of education on September first for the two years next preceding the biennial convening of the legislature, as provided in returns of education statistics required by him, the commissioner shall apportion subsidies to the cities, towns, plantations and community school districts of the state according to the following plan:

The several cities, towns and plantations shall be divided into nine classifications according to their valuations per resident school child being educated at public expense. The valuation shall be as determined by the board of equalization in the statement filed by it as provided in section 67 of chapter 16 and effective on September first, and the number of children shall be the average of the last two enrolment reports of pupils being educated at public expense on April first annually.

For each classification the subsidy allocation shall be the same for each of the two years of the biennium and shall be a percentage of the average educational costs of the municipality for the preceding two years, excluding costs of capital outlay, rent, debt service, repairs, and certain equipment, and deducting incidental receipts. The cost of vocational education shall be the average of local appropriations for the two-year period designated in the first paragraph of this section.

The range of classifications and the percentage allocations shall be as follows:

Class	State valuation per resident pupil	Percentage of state support of educational operating expenditures
1	Not over \$1,500	65%
2	\$1,501 2,250	55%
3	2,251 3,000	45%
4	3,001 3,750	35%
5	3,751 4,500	30% of first \$20,000
6	4,501 5,500	25% of the balance
7	5,501 6,500	25% of first \$20,000
8	6,501 7,500	20% of the balance
9	7,501 and over	25% of first \$20,000
		18% of the balance
		16% of the balance
		25% of first \$20,000
		15% of the balance.

That portion of the allocation made under this section to any city, town or plantation which is a member of a community school district, because of its share in the allowable operating costs of the community school, shall be paid to the community school district and shall be credited to the municipality's share of costs for the purposes specified in this section.

Each city, town, plantation and community school district shall employ only certified teachers and shall pay such teachers the minimum salaries as follows:

MAINE (CONT.)

Years of teaching experience	Certified teachers	Teachers with 3 years of profes- sional study be- yond high school	Teachers with 4 years of profes- sional study be- yond high school and with bachelors degree	Teachers with earned master's degree
0	\$1,600	\$2,000	\$2,400	\$2,400
1	1,700	2,100	2,500	2,500
2	1,800	2,200	2,600	2,600
3	1,900	2,300	2,700	2,700
4		2,400	2,800	2,800
5			2,900	2,900
6			3,000	3,000
7			3,100	3,100
8			3,200	3,200
9				3,300
10				3,400
11				3,500
12				3,600

Notwithstanding the provisions of this paragraph, no town shall be required to increase the salary of any teacher more than \$300 in any one school year. Any city, town, plantation or community school district which fails to comply with any of these conditions shall have deducted from its apportionment a sum equal to that by which it is delinquent.

After providing an opportunity for a hearing, the state board of education, on recommendation of the commissioner, may adjust the state subsidy to a municipality or community school district when, in the opinion of the board, the expenditures for education in such municipality or district show evidence of manipulation to gain an unfair advantage or are adjudged excessive.

If the employment of teachers under permits or other special licenses is authorized by the state board of education, the said board shall have the authority to prescribe minimum salaries and other regulations for this class of teachers.

It is the intent of the legislature that the formula contained in this section shall serve as a guide for the allocation of such appropriations as may be made by successive legislatures with respect to this school subsidy payment, and it is not the intent of the legislature to guarantee to the several cities and towns any more or less than the sum total so appropriated.

Subject to the foregoing provisions of this section, the state board of education may make such reasonable regulations as are deemed necessary for carrying out the purposes and provisions of this section.

Special aid--Whenever any certified teacher completes, within any two-year period, six credit hours of additional professional work approved by the commissioner and receives supplemental financial assistance in an amount not less than \$50 from a municipality or community school district, the municipality or community school district shall receive reimbursement of \$50 from the state for such expenditure at the next distribution of state funds; provided further, that the renewal of each teaching certificate shall be conditional on the completion of at least six semester hours of professional study within each period of five years.

Full reimbursement is made to towns for the transportation or board of children of temporary residents when the school attended is two or more miles distant.

The responsibility for the schooling of children in unorganized territory is vested in the state department of education. The allotment for this purpose in 1953-54 was \$244,481.

For the education of children residing on islands and attending high schools on the mainland, the state pays a maximum of \$90 per child per year for board up to \$700 per town. This allotment was \$2,300.

For teaching services to children aged five to twenty-one years who are crippled, partially seeing, hard of hearing, of defective speech, cardiopathic, tubercular, cerebral palsied or otherwise physically handicapped--the excess cost over and above the normal cost in the municipality is reimbursed to the town--\$23,716 was appropriated.

The state pays one-half the salaries of superintendents of school unions (from \$2,300 to \$2,700).

To supplement federal subsidies the state appropriated \$100,838 for 1953-54.

The annual interest on the state's permanent school fund is available for the subsidizing of municipalities for one-half the cost of school plans and surveys to the extent of not over \$1,200 in any one year or \$2,000 in any five-year period. The amount of \$16,175 was expended for this purpose in 1953-54.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

Type and per- cent of aid	Name of fund	Basis of distribution	Amount
1. General aid (89.6%)	a/	Valuation pu- pil	\$6,506,885
2. Special aid (10.4%)			
a. Actual interest earned on land re- served	Interest on lands earned on reserved fund	Paid to treas- urer of plan- tations for school use	23,190
b. Profes- sional credits	a/	\$50 to teachers completing six credit hours	165,900
c. Temporary residents	a/	Full cost of transportation or board	1,034
d. Schools unorgan- ized ter- ritory	a/	Discretion of department of education	244,481
e. Education island children	a/	\$90 each for board of high- school pupils up to \$700 per town	2,300
f. Physical- ly handi- capped	a/	Excess cost	23,716
g. Superin- tendents of school unions	a/	One-half sala- ry \$2,300 to \$2,700	181,182
h. Vocation- al educa- tion	a/	Matching feder- al subsidies	100,838
i. School survey	Perma- nent school fund	One-half cost, maximum of \$2,000 in five- year period	16,175

(Items 1 plus 2 equal 100%.)

Total . . . . .	\$7,265,701 b/
a/ Appropriation to the state department of educa- tion.	
b/ Total excludes \$956,378 contained in figures of Table 1 which have been used for administrative expenses and other expenses for nonelementary and nonsecondary school purposes.	



STATE SUPPORT OF PUBLIC SCHOOLS IN MARYLAND, 1953-54<sup>1/</sup>

The state's responsibility for providing public schools in Maryland is set forth in Article VIII of the constitution. This article provides that the General Assembly of Maryland shall establish thruout the state a thoro and efficient system of free public schools to be maintained by taxation or otherwise.

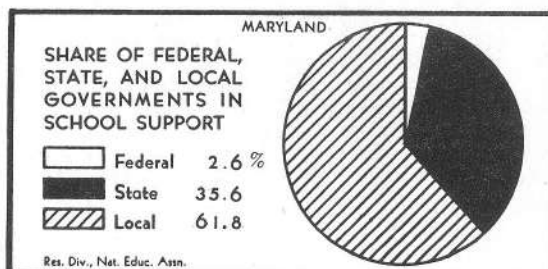
An amendment added to the constitution in 1916 makes mandatory the inclusion of certain funds in the state budget for public schools. These funds, calculated according to the law, are included in the budget without revision by the Governor or the General Assembly.

The present method of financing public elementary and secondary schools in Maryland has its roots in the laws of 1922 which established the equalization plan. The 1922 law originally provided that a county which could not carry the state minimum current expense program on existing state aid plus a tax rate of 6.7 mills should be given the necessary additional aid from the state equalization fund. In 1933-34, during the depression, the tax rate required before a county could receive the state equalization aid was reduced to 4.7 mills, but in 1939-40 the equalization point was increased to 5.1 mills. A single salary schedule for teachers based on preparation and experience was adopted by the 1941 legislature. In 1945-46, when teachers were given permanent increases to replace the state and local temporary bonus paid in 1943-44 and 1944-45, the tax equalization point was increased to 5.6 mills. In 1947-48 the county tax requirement was raised to 6.5 mills to support a new state minimum salary schedule of \$2,200 to \$3,800 for degree teachers. Legislation enacted in 1953 provided for a new state salary scale of \$2,800-\$4,600, effective in 1955-56, to be supported locally by increasing the county tax requirement to 7.5 mills. The 1953 law further provided for a state transition salary scale of \$2,500-\$4,300 during the years 1953-54 and 1954-55. State aid to support this transition scale was paid to the counties in 1953-54 in the form of a salary supplement for teachers.

The 1922 law provided that in the equalization fund counties not less than 24 percent of the minimum current expense budget must be spent for purposes other than teachers' salaries. In 1933-34 this provision was defined more clearly as not including costs of pupil transportation, debt service, and capital outlay, to make it possible to consider pupil transportation costs as a separate additional item in calculating the cost of the minimum program. In 1945-46, altho this percentage was decreased from 24 to 20, because of higher salaries, the amount of aid for purposes other than teachers' salaries was not decreased. Since 1945-46 not less than 20 percent of the minimum current expense budget (excluding costs of pupil transportation) must be spent for purposes other than teachers' salaries. In 1947-48 state aid for debt service and capital outlay, on an equalization basis, became available for the first time.

In 1953-54, the state contributed 35.6 percent of school current expense funds in Maryland. The federal government gave 2.6 percent, and 61.8 percent came from the counties and Baltimore City.

In 1953-54, state aid toward public school current expense was 21.5 percent in Baltimore City and varied from 15.4 percent to 78.7 percent in the 23 counties of Maryland.



Sources of State School Revenue

From 1920 until 1931 a part of the direct state tax on property, and the state tax on value of securities left after payment of principal and interest on the state debt, produced 48 to 100 percent of the legislative appropriations for the state public school budget. Beginning with the budget year 1931-32, these taxes have not been earmarked for school purposes.

Legislative appropriations from the state general fund--Since 1931-32 all the funds for the state public school current expense budget have been appropriated by the General Assembly from general funds in the state treasury.

According to the report of the state comptroller for the year ended June 30, 1954, almost 68 percent of the total receipts in the general fund were from the retail sales and use tax (33.7 percent) and income tax (34.0 percent).

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked taxes . . . . .	...	0.0
2. Legislative appropriations . . \$30,585,984		100.0
3. Income from permanent school funds . . . . .	...	0.0
Total . . . . .	\$30,585,984 a/	100.0

a/ Excludes \$6,571,285 for teachers' retirement.

## Apportionment of State Aid

State school funds are distributed annually to the 23 counties and Baltimore City in the following forms of state aid: basic aid per classroom unit, first available in 1945-46; basic aid per pupil enrolled, first available in 1947-48; equalization aid, which in 1953-54 went to 21 of the 24 local units; aid toward the minimum salaries of administrative and supervisory officials, all units including Baltimore City being treated on the same basis; an incentive fund toward school building construction in all counties and Baltimore City on an equalization plan.

General aid--Aid per classroom unit, first available as \$150 in 1945-46, in 1947-48 was raised to \$400 for each full-time principal and teacher employed. Classroom aid was increased by the 1953 laws to \$440 in 1953-54, \$480 in 1954-55, and \$600 beginning in 1955-56. Aid of \$20 per pupil, given first in 1947-48, is distributed on the basis of the highest average monthly enrolment in each county and Baltimore City.

Equalization aid--The state law contains a ratio for the number of pupils per teacher and also sets up a minimum salary schedule for an allowed number of principals and teachers according to their qualifications and experience. Allowed teachers are determined as follows: (a)

<sup>1/</sup> Prepared for the Research Division, National Education Association, by D. W. Zimmerman, Assistant State Superintendent in Finance and Research, State Department of Education, Baltimore, Maryland.

# MARYLAND (CONT.)

Elementary schools--one teacher allowed for each 30 pupils (average enrolment for the highest month in the current school year)--for handicapped children a different pupil-teacher ratio is used, depending upon the handicap; (b) High schools--one teacher allowed for each 20 pupils up to 310 pupils; one teacher for each 25 pupils from 310 thru 809 pupils; one teacher for each 28 pupils in excess of 809 pupils. Number of pupils in enrolment for the highest month during the current school year.

To carry the state minimum salary schedule for the allowed number of teachers and principals and to provide for salaries of clerical staff, supplies, equipment, other instructional costs, operation, and maintenance, a minimum or foundation program is required. The amount required for these purposes is determined by dividing the minimum salary budget for teachers and principals by .80. To the amount thus calculated is added the approved cost of transporting pupils to public elementary schools and high schools as approved by the state superintendent of schools. This cost is based on an allowance for the following factors: depreciation of equipment, interest on the original investment, salary of bus drivers, and operating costs for gasoline, tires, and maintenance.

The grand total for allowed minimum salaries for teachers and principals and for the 20 percent for other current expense noted above, plus approved cost of transportation, becomes the total state foundation program for school current expense. Whenever the amount available from the prescribed funds (county levy plus state basic aid per teacher and per pupil) does not equal the cost of the state foundation program within a county, the difference is provided from the state equalization fund.

Special aid--The state pays two-thirds of the state minimum salary according to the schedule for each county superintendent and the superintendent of Baltimore City. State aid is also paid on two-thirds of the minimum salaries established for supervisors, the number of allowed supervisors in each county being based on the following state standard: one part-time supervisor for less than 30 teachers employed; one supervisor for 30 to 79 teachers; two supervisors for 80 to 119 teachers; three supervisors for 120 to 185 teachers; four supervisors for 186 to 235 teachers; and one additional supervisor for every 50 teachers employed thereafter. State aid is also paid on two-thirds of the minimum salary for a supervisor of pupil personnel in each county and Baltimore City, and for visiting teacher(s) in the larger counties and Baltimore City, one visiting teacher being available for each 5,000 pupils or fraction thereof in excess of the first 5,000 pupils enrolled.

Beginning in 1947-48, the state provided aid toward the cost of school building construction. The amount is the difference between \$10 per pupil enrolled (counted as for general basic aid per pupil) and the amount raised by a tax of 0.5 mills on each \$1 of assessable property taxable at the full rate for county or Baltimore City purposes.

The state provides a fund to assist with the instruction of physically and/or mentally handicapped children. This program includes provision for the instruction of homebound children, instruction of handicapped children in approved educational institutions if no provision for the instruction of such children has been made by the local board of education, and transportation of handicapped children to regular classes. Effective June 1, 1950, the maximum amount for which reimbursement may be made may not exceed \$600 annually per pupil.

State aid for special classes organized as a part of the regular day school program is provided thru the equalization and general aid funds.

One hundred dollars per year is available for each full-time student who is a resident of Maryland and matriculated for an Associate-in-Arts degree in a Maryland

public junior college. (A full-time student is interpreted to be a student who is carrying at least 12 semester hours of work. Pro rata payments are made on the basis of 16 semester hours.)

Upon receipt and approval of request from local school systems conducting classes in adult education which meet prescribed standards, the state provides certain reimbursement towards the salaries of qualified instructors. This reimbursement is allocated on a population basis. The counties and Baltimore City may also provide funds from local sources for the adult education program.

Under the laws of 1945 the state will pay for the purchase of books a variable per capita amount based on size of county population, to any county or Baltimore City which has established libraries in accordance with standards prescribed by the state and which provides at least 0.2 mills on each \$1 of assessed property valuation for library purposes. The laws of 1953 provided that beginning in 1954-55 additional state aid be distributed to public libraries already meeting the requirements of the laws of 1945. This additional state aid will be distributed on the basis of 10 cents per capita according to the latest regular federal census.

Amounts distributed in the various forms of aid discussed, for the year 1953-54, are shown in Table 2.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

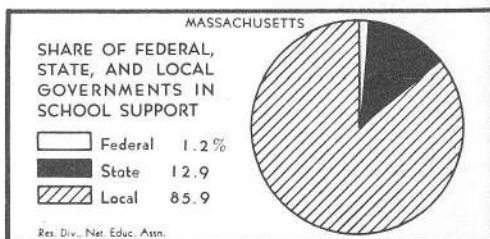
Type and percent of aid	Basis of distribution	Amount
1. General aid (47.9%)		
a. Aid for classroom	\$440 for each teacher employed	\$ 8,139,598
b. Aid per pupil	\$20 for each pupil based on average enrolment in the highest month	6,519,886
2. Equalization aid (41.0%)	Amount needed by county to finance minimum state program in excess of 6.5 mills county tax, plus basic general aid per teacher and per pupil	12,521,206
3. Special aid (11.1%)		
a. Emergency aid--teachers' salary supplement	In effect 2 years only, 1953-54 and 1954-55, to support a state salary scale of \$2,500-\$4,300	714,803
b. Salaries of administrative and supervisory officials	Two-thirds of minimum salaries on state schedule	1,085,870
c. Building incentive fund	Difference between \$10 per pupil and proceeds of 0.5 mills tax on property assessable at full rate for county purposes	1,239,390
d. Handicapped children	Cost of instruction up to \$600 per pupil	183,764
e. Junior colleges	\$100 for each full-time student who is a resident of Maryland	67,700
f. Adult education	Cost of adult education	47,330
g. Public libraries	Variable per capita of county population	66,437
(Items 1 plus 2 plus 3 equal 100%.)		
Total . . . . .		\$30,585,984



STATE SUPPORT OF PUBLIC SCHOOLS IN MASSACHUSETTS, 1953-54<sup>1/</sup>

State financial aid in maintaining public schools in Massachusetts is derived from three sources: income from permanent school fund; such proceeds from the state income tax as are necessary to meet the payments for the school fund; and appropriations from the general fund for special purposes.

In 1953-54 funds from the state for public schools amounted to \$30,921,903, or 12.9 percent, of all school revenues, while \$206,155,852, or 85.9 percent, came from local sources, receipts for tuition, etc. Federal reimbursement on account of school lunches and tuition of children on federal installations (separately administered) was \$2,976,572, or 1.2 percent. The amount of \$499,933 for vocational education is not included in this latter amount.



Sources of State School Revenue

The income tax is the chief source of state aid for public schools since it provides the necessary revenues for the specially created general school fund and under certain conditions for all school transportation. The permanent school fund provides a relatively small amount for the schools, and legal provision was made whereby the income from this fund is supplemented by proceeds from the income tax. Tax receipts in the state treasury and other sources of general state revenues furnish the monies for the special state appropriations.

**Earmarked taxes**--The tax is levied on income of individuals, partnerships, and fiduciaries at rates varying according to kind of income, with additional tax levied on business income and on gains from dealings in intangibles as a temporary measure for taxes of 1952 by the enactment of Chapter 800 of 1951, and extended thru the tax levy for 1955 by the enactment of Chapter 246, 1953. However, since this additional temporary tax of 1 percent extra on business income and the additional temporary tax of 3 percent extra on gains from dealings in intangibles is retained for the commonwealth, it would have no bearing here. Under Chapter 62 of the General Laws, income tax is levied at the following rates: 1½ percent on business income and on annuities, 3 percent on gains from dealings in intangibles, 6 percent on interest and dividends.

The proceeds from the income tax and the interest on the old Massachusetts school fund provide the necessary revenues for the general school fund. An amount of \$21,484,106 was necessary for the payment of reimbursement to the several cities and towns for the year ending June 30, 1954.

The school transportation law also derives its revenue from income tax. For the payment of the school transportation reimbursements for the school year 1953-54, an amount of \$2,921,509 was disbursed from income tax. Fifty-six percent of total distributable income tax receipts in calendar year 1954 was available thru the school aid and transportation laws and special appropriation bills charging certain educational items to receipts under the income tax law for that year.

**Legislative appropriations from the state general fund**--Appropriations for public schools from general revenues amounted to \$1,162,062 in 1953-54.

The financial aid for supervision of public schools is provided by these appropriations in the form of reimbursements, which to the small towns in superintendency unions amounted to \$183,463 for the school year 1953-54.

The state pays the full cost of education of blind children in special schools and classes provided for that purpose. During the school year 1953-54 the state expended an amount of \$255,183 for the education of blind children in boarding school and \$20,000 as reimbursement to towns toward the maintenance of sight-saving classes; also, \$5,692 for the education of blind children in day classes for the blind in public schools.

Funds for the education of deaf children are also provided by the state either thru payments of tuition in private schools or thru day classes for the deaf in public schools. The cost for the school year 1953-54 was \$686,252, of which \$152,140 was expended for day classes. Transportation of deaf and blind children amounted to \$11,472.

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Raymond A. FitzGerald, Deputy Commissioner of Education, Department of Education, Boston, Massachusetts.

The state aids cities and towns in the building of new schools. The amount of aid on this count for the school year 1953-54 was approximately \$4,054,730.

During the year 1952 the general court passed legislation to supplement the federal aid for school lunches for school children. An amount of \$1,299,496 was expended during the school year 1953-54.

**Income from permanent school funds**--The Massachusetts school fund was derived from the sale of state lands in Maine and claims on the national government for military service. Income from this fund in 1954 amounted to \$204,082. This fund is distributed in the form of reimbursement under the School Aid Law.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked taxes		
a. Income tax . . . . .	\$29,555,759	95.6
2. Legislative appropriations . . . . .	1,162,062	3.7
3. Income from permanent school funds		
a. Massachusetts school funds . . . . .	204,082	0.7
Total . . . . .	\$30,921,903	100.0

Apportionment of State Aid

By far the major portion of state aid in Massachusetts is apportioned thru the School Aid Law. This law was enacted "To promote the equalization of educational opportunity in the public schools of the commonwealth and the equalization of the burden of the cost of schools to the respective towns...."

**General aid**--To be eligible to receive school aid from this fund, a town must have expended for school support exclusive of the cost of transportation and of noon lunches and cafeterias during the preceding year, at least \$110 in net average membership in the public day schools, unless the commissioner recommends otherwise. Net average membership is the average membership for the year as is shown by the school registers, increased by the number of pupils resident in the town for whom tuition in the public schools of another town has been paid for at least half a year, and decreased by the number of nonresident pupils attending its schools for at least half a year. The superintendent of each participating town is required to file annually with the commissioner a sworn statement giving the data necessary to determine amounts payable under this program.

The foundation program to be supported from this fund (\$21,484,106 for 1953-54) is defined as a program based on \$130 for each person between 7 and 16 years of age in the town, but this amount is to be increased or decreased by \$1 per child for each increase or decrease of \$100,000,000 or major fraction thereof in the total equalized valuation of the entire commonwealth. However, in any town of less than 5,000 population the foundation program, on the approval of the commissioner, may be based on \$125 multiplied by the number of equivalent full-time teachers, principals, supervisors and guidance directors in day schools multiplied by 23.

The amount of aid to be provided under this fund for a town is 50 percent of the amount by which the foundation program exceeds the product of \$1,000 (each \$1,000) of equalized valuation of the town multiplied by 6. The equalized valuation is the valuation established by the general court. However, no allotment to a town is to be less than the allotment provided under the previous school fund law, and for high-school tuition and high-school grant to towns of fewer than 500 families in 1948.

In 1950 a law was passed, amending the General School Fund Law, which provided for the additional reimbursement by the commonwealth to cities and towns for the payment of differentials up to \$500 to teachers of the mentally retarded, in excess of salaries of regular teachers. Reimbursement on account of this law for the school year ending June 30, 1954, was \$74,251.

Also, in 1950, a second reimbursement law which amends the General Law provided for the payment to towns in regional school districts an additional 15 percent of the total amount due the towns (including amendments). An amount of \$37,195 was paid on this count in 1953-54.

In 1951 a law was passed which also amended the General School Fund Law. This act provided that towns of \$2,000,000 valuation or under which did not profit by either formula set up by the General Law be paid not less than the amount received on account of the General School Fund Law, high-school tuition and high-school grant laws (then extant) increased by 25 percent of itself. Reimbursement on account of this act for the school year ending June 30, 1954, was \$52,181.

**Special aid**--The state reimburses supervisory unions made up of two or more towns for two-thirds of superintendents' salaries up to \$5,000, and two-thirds of cost for travel up to \$600. In 1953-54 the reimbursements amounted to \$183,463.

The state reimburses all cities and towns for all school transportation once daily to and from any school within or without

## MASSACHUSETTS (CONT.)

the town of residence in excess of \$5 per pupil in the net average membership of the town; provided that no reimbursement shall be made on account of any pupil who resides less than 1½ miles from the school which he attends, measured by a commonly traveled route. The total reimbursement on account of public school transportation for the school year 1953-54 was \$2,921,509. An amendment to the transportation law in 1952 provided for state reimbursement for all school transportation once daily to and from regional district schools.

The state pays for the education of blind and deaf children either in private schools or in special classes in public day schools.

During the school year 1953-54, the state expended \$255,184 for the education of blind children in private schools and approximately \$20,000 for sight-saving classes in public day schools. The aid for sight-saving classes is limited to \$500 a class.

A recent law was passed to allow the establishment of day classes for the blind in the public day schools of the commonwealth. The work is in its infancy. One class has been established in Boston and several children in the various other cities are attending regular classes with special daily instruction in Braille. The commonwealth reimburses all of the expenses of a Braille class up to approximately eleven thousand dollars, and also reimburses for the special Braille teacher. During the school year 1953-54, \$5,692 was spent for these classes.

The expenditures for the education of deaf children was \$686,252 for the school year 1953-54. Of this amount, \$534,112 was for the education of children in private schools and \$152,140 for the children attending classes in public day schools; and an amount of \$11,472 was also expended for transportation of the above-mentioned children.

The School Building Assistance Act provides for appropriations until June 30, 1959, except as additional payments are necessary to carry out the commitments provided by the act. The funds are to be used to promote the planning and construction of school buildings. They may be used to reimburse cities, towns, or regional school building committees for all or part of the expenses incurred in the preparation of preliminary studies, plans, drawings and estimates for regional schools, and are also used to assist with the cost of construction. An application to participate in this aid must be filed and approved by a special state commission of 5 members, 3 of whom are to be appointed by the governor, and 2 by the state board of education. The commission was established in the department of education, but is not subject to its control.

The School Building Assistance Act provides that part or all of the expenses incurred in the preparation of preliminary studies, plans, drawings, and estimates for a regional school may be paid to a town or region with the approval of the state commission. For each construction project authorized, the commission is to determine the estimated approved cost, which may be equal to the estimated cost, or may be a lesser amount. The total construction grant for any approved school project in a city or town is one quarter of the product of the approved cost of the project multiplied by the ratio of the equalized valuation per pupil in net average membership in the state to that in the city or town. However, no grant may be approved for an amount less than 20 percent or more than 50 percent of the approved cost. The construction grant for a school project in a regional school district is to be one-third of the product of the final approved cost of the project multiplied by the ratio of the equalized valuation per pupil in net average membership in the state to the equalized valuation per pupil in the total net average membership of the towns comprising the district. However, no such grant is to be approved for less than 35 percent nor more than 65 percent of the approved cost. This fund is distributed in accordance with the approved plan for financing the project. If a project is to be financed from the proceeds of any sale of bonds or notes to the extent of 50 percent or less of the approved cost, the grant is paid in 5 equal annual installments. In the case of other projects, the grant is paid in equal annual installments determined by dividing the total grant by the number of years during which any indebtedness incurred therefor remains outstanding.

In 1948 the legislature passed an act designating the board of education as the state educational agency to represent the commonwealth in dealing with the United States Department of Agriculture in carrying out the provisions of the National School Lunch Act. This act authorized the department of education to administer and supervise the community school lunch program in all cities and towns of the commonwealth and to disburse the federal funds granted to the state in accordance with the terms of the National Act. This act was amended further in 1949 and 1950. However, no provision was contained in the original act or amendments thereto for the state funds to be paid to cities and towns for assistance in providing lunches for school children. The legislature provided only funds for the administrative expenses of the office of school lunch programs in the department of education.

In 1951 the legislature further amended the above-mentioned acts by the passage of an act which provides for partial assistance

by the state to schools in providing school lunches for children. An amount of \$1,299,496 was expended for the school year 1953-54.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54 a/

Type and percent of aid	Name of fund	Basis of distribution	Amount
1. General aid (69.5%)	Income tax and interest on Massachusetts school fund	School census or teacher-pupil allowance adjustment for wealth and effort	\$21,320,479 b/
a. Aid in re salaries of teachers of mentally retarded	Income tax	Reimbursement up to \$500 differential per teacher in excess of regular teachers' salaries	74,251
b. Reimbursement to towns in regional districts (additional)	Income tax	15 percent additional aid based on total aid under this section	37,195
c. Reimbursement to small towns (additional)	Income tax	25 percent additional based on special year	52,181
2. Special aid (30.5%)			
a. Superintendency unions	State general fund	Two-thirds of superintendent's salary and travel up to a certain point	183,463
b. School transportation	Income tax	All in excess of \$5 per pupil per annum for mileage over one and one-half miles once daily to and from school	2,921,509
c. Education of blind and deaf children			
1. Blind--			
Private schools	State general fund	Not to exceed cost per child	255,183
In sight-saving	State general fund	Not to exceed \$500 per class	20,000
a. Day classes for the blind	State general fund	Expenses of classes up to \$11,000 plus reimbursement for Braille teacher	5,692
2. Deaf--			
Private schools	State general fund	Not to exceed cost per child	534,112
In day classes in public schools	State general fund	Not to exceed cost per child	152,140
3. Transportation of deaf and blind	State general fund	Not to exceed cost per child	11,472
d. Financial assistance in construction of new buildings	Income tax	Approved need minus effort	4,054,730
e. School lunch	Income tax	To supplement insufficient federal funds	1,299,496

(Items 1 plus 2 equal 100%.)

Total . . . . . \$30,921,903

a/ The state also expended \$4,078,032 for vocational education which in Massachusetts is not considered a regular public school, and, therefore, is not included in support of public schools.

b/ Includes \$204,032 interest on the Massachusetts school fund.

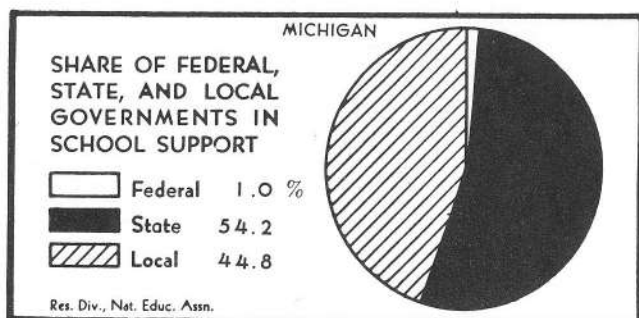


STATE SUPPORT OF PUBLIC SCHOOLS IN MICHIGAN, 1953-54<sup>1/</sup>

Prior to the adoption in 1932 of a 15-mill tax limitation amendment, the problem of school financing in Michigan was to secure an adequate and satisfactory state equalization fund. The functioning of this amendment limits the tax that can be levied on general property by all units of government to 15 mills, exclusive of debts contracted prior to December 8, 1932, and makes it necessary to provide state funds for school districts which previously were well able to support an educational program from local sources.

For purposes of both state aid and equalization, the 1933 session of the legislature provided for the distribution of \$15,000,000 annually and earmarked for this distribution certain liquor and sales tax receipts. Because of the uncertainty of sales and liquor tax collections at that time, districts found it difficult to estimate their budgets for the coming year. These revenues, therefore, were diverted to the state general fund in 1935, and the state aid act was amended, placing the total state appropriations for schools at \$36,040,000 for the year 1935-36, and \$37,400,000 for 1936-37. Since that time the appropriations were increased. The amounts included earmarked revenues in the primary school interest fund with the balance appropriated from the general fund of the state. Prior to 1941 a part of the general fund appropriation was distributed as an equalization fund. Since then it has all been for equalization.

In 1953-54 public school revenues from all sources, exclusive of borrowings, amounted to \$387,644,534, of which the federal government provided 1.0 percent; the state 54.2 percent; and the local government 44.8 percent.



Sources of State School Revenue

Until 1947-48 appropriations of state school revenue assumed a role of increasing importance. Less and less dependence was placed on revenues from earmarked sources. In 1945-46 earmarked taxes produced only 30.8 percent of the total state aid appropriation as compared with 51.4 percent in 1938-39. Because of a constitutional amendment adopted in November of 1946, the emphasis has

changed so that again more importance is now placed upon earmarked revenues for education.

**Earmarked taxes**--All earmarked revenues prior to the adoption of this constitutional amendment were distributed thru the primary school interest fund. The total amount of the primary school interest fund money for the school year 1953-54 was \$39,025,127 and came from taxes on property of certain public utilities, inheritances, and the organization of corporations. Revenues from these taxes, according to the law, are first used to pay the interest on the primary school interest fund and the swamp tax fund. This interest, together with the remainder of the tax revenues, is then placed in the primary school interest fund to be used as state aid.

According to the provisions of the 1946 constitutional amendment, one-half of 1 cent of the collections from the 3-percent state sales tax is now placed in a fund to be distributed to all school districts on the same basis as the primary school interest fund. For the school year 1953-54 this did produce \$46,308,708.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked taxes		
a. Primary school interest fund . . . . .	\$ 39,025,127	20.4
b. $\frac{1}{2}$ cent of state sales tax . . . . .	46,308,708	24.2
2. Legislative appropriations a/ (equal to 44.77 percent of total state sales tax collections)	106,333,876 b/	55.4 b/
3. Income from permanent school funds . . . . .	c/	c/
Total . . . . .	\$191,667,711	100.0

a/ From state general fund.

b/ Approximately \$2,334,500 of this appropriation was used for special educational aids other than for elementary and secondary schools.

c/ Included under 1a above.

**Legislative appropriations from the state general fund**--The total amount of money appropriated for schools for the years up to and including 1946-47 is shown in an earlier paragraph. These appropriations included both the primary school interest fund and the state general fund appropriation.

In addition to the revenues provided from the collections of the one-half of 1 cent of the sales tax, the constitutional amendment of 1946 demands that the legislature appropriate to school districts from the state general fund an amount equal to 44.77 percent of the total state sales tax collections. For the school year 1953-54 this appropriation was \$106,333,876. This, when added to the earmarked funds derived from the primary school interest fund and one-half of 1 cent of the sales tax, produced a total fund for the schools from state sources of \$191,667,711.

<sup>1/</sup> Prepared for the Research Division, National Education Association, by H. R. Brown, Chief, Finance Division, Department of Public Instruction, Lansing, Michigan.

# MICHIGAN (CONT.)

Income from permanent school funds--As already explained, the interest on the permanent funds is first paid from certain earmarked tax proceeds, the balance of which goes to the schools as state aid. Since the interest is also used for state aid and the entire amount of both interest and balance of tax proceeds is distributed thru the primary school interest fund, the payment of the interest on the permanent fund (which exists as a debt) is only a matter of bookkeeping.

As a bookkeeping procedure, interest is paid on three funds. The first is the interest on lands sold by the state, the proceeds of which were used by the state and upon which the state pays 7 percent interest. By constitutional provision the net proceeds from escheated estates also go into the state treasury and the state pays 7 percent on the debt. These two funds together are known as the primary school interest fund of which it becomes a part.

The third fund, upon which the state pays 5 percent interest--the swamp tax fund--is not actually a permanent fund, but exists at the will of the legislature.

The interest on the three funds was approximately \$505,127 in 1953-54, a small amount compared to the total aid distributed thru the primary school interest fund.

## Apportionment of State Aid

Revenues from earmarked taxes in the primary school interest fund are distributed as general aid to the public schools of the state. The remainder of the state school appropriation is used to equalize the cost to school districts of a statewide minimum school program.

General aid--The distribution of general aid from the primary school interest fund must be on a school census basis according to law. The amount distributed in 1953-54 from this fund, \$39,025,127 was enough to provide 24.55 per census child. The distribution of the one-half of 1 cent of the 3-cent sales tax collections amounted to \$46,308,708 in 1953-54, or a per capita rate of 29.14.

Equalization aid--The amount available for the equalization fund in 1953-54 was \$106,333,876.

The state aid act as passed by the 1952 session of the legislature sets up a gross program ranging from \$2,225 for a school of 10 pupils or more and one teacher to \$150 for each elementary child in average membership, plus \$170 for each high-school child in average membership. Districts are allotted the difference between the cost of the minimum program and the revenues available from the distribution of the primary school interest fund and the one-half of 1 cent of the sales tax money and the yield of a 2-mill local tax. Should the formula call for more money than is available, the millage levied on the property of the local districts

may be raised, but not to exceed 2 $\frac{1}{4}$  mills. If at this point there is still a shortage of money to fulfill the requirements of state aid formula, the allowance per membership child would be reduced uniformly. Tuition and transportation allowances are made in the aid of the districts paying for such services.

Special aid--The adoption of the constitutional amendment in the fall of 1946 guaranteed substantially more revenue for the schools than they would otherwise have received. Because of the increased revenue for schools and the correspondingly lesser amount of revenue for the state general fund, the legislature incorporated many educational services, hitherto financed by special legislative appropriations in the state aid act, and these totaled \$5,992,300. Of this total the amounts appropriated for elementary- and secondary-school purposes totaled \$3,657,800 and are itemized in Table 2. The sum of \$2,334,500 was appropriated for other educational purposes.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

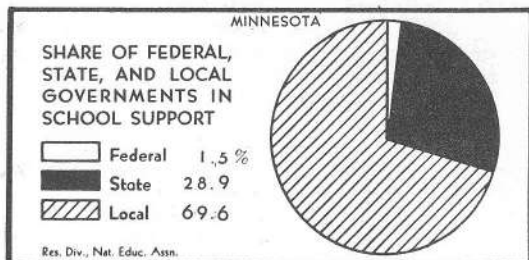
Type and percent of aid	Name of fund	Basis of distribution	Amount
1. General aid (45.1%)	Primary school interest fund	Census basis	\$ 39,025,127
	Sales tax	Census basis	46,308,708
2. Equalization aid (53.0%)	School aid fund	Cost of minimum program in excess of 2-mill tax and general aid	100,341,576
3. Special aid (1.9%)			
a. Rural agricultural schools	State general fund	Based on number transported, minimum \$800--maximum \$5,000	375,000
b. Special education	State general fund	Need	1,990,800
c. Vocational education	State general fund	Need	1,080,000
d. Visiting teacher	State general fund	\$1,500 per teacher	192,000
e. Work camp	State general fund	Number of participants	20,000
(Items 1 plus 2 plus 3 equal 100%.)			
Total . . . . .			\$189,333,211



STATE SUPPORT OF PUBLIC SCHOOLS IN MINNESOTA, 1953-54<sup>1/</sup>

State support for public schools in Minnesota for 1953-54 was provided under legislation enacted by the 1953 legislature. Certain allowances for state aid were changed and the state's contribution to public schools was again increased. The law was further amended by the 1955 state legislature to include revisions in the allowances for some aids, and increased funds for the 1956-57 biennium were appropriated. The method of aid distribution for 1953-54 and for the 1956-57 biennium is outlined in the section, "Apportionment of State Aid."

Revenues of the districts from all sources for 1953-54 were approximately \$230,000,000. Of this amount, the state contributed \$66,500,000, or 28.9 percent. Local sources contributed \$151,750,000, or 66.0 percent; the county \$8,350,000, or 3.5 percent. The contribution of the federal government amounted to about \$3,400,000, or 1.5 percent, of which \$450,000 was for Smith-Hughes and George-Barden vocational aid, \$1,172,000 for the veterans' training program, \$289,000 for the education of Indian children, \$1,070,000 for the school lunch program, \$419,000 for maintenance and operation and schoolhouse construction in federally affected areas under Public Law 815 and 874.



Sources of State School Revenue

The principal source of revenue for state aid to schools is the state income tax. School funds are also derived from the income of the permanent school funds.

**Earmarked taxes**--The net proceeds of the income tax since the tax was enacted in 1933, with the exception of diversions in 1945, 1949, and 1951 for other purposes, have been earmarked for schools. Of the \$66,500,000 distributed as state aid to schools in 1953-54, \$61,590,000, or 93 percent, was paid from this fund.

Forty percent of the occupational taxes on the mining of iron ore or on royalties received on ores mined is added to the principal of the permanent school fund under constitutional provision. This tax amounts to 11 percent. About 80 percent of the permanent school fund has been derived from taxes on the mining industry or from royalties on ore mined on state school lands.

**Legislative appropriations from the state general fund**--The state income tax law provides that any balance in the income tax school fund after requirements have been met shall be transferred to pay state aids. For 1953-54, the proceeds of the income tax were sufficient to pay the amount appropriated by the legislature without further contributions from the general revenue fund.

**Income from permanent school funds**--The permanent school fund and the swamp land fund, both of which were established by constitutional provision, provide funds for the support of public schools in Minnesota. These

funds are derived from the revenue of certain lands reserved for schools since the admission of the state, kept intact and accumulated thru careful management. The permanent school fund has increased from \$242,000 in 1862 to \$191,000,000 in 1954. In 1954, the swamp land fund amounted to \$22,300,000. One-half of the income from this latter fund is added to the income from the permanent school fund and distributed to schools as provided by law. In 1954, the income from these funds was approximately \$4,910,000.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked taxes		
a. State income tax . . . . .	\$61,590,000	92.6
b. Tax on mining ores . . . . .	a/	a/
2. Legislative appropriations . .	...	...
3. Income from permanent school funds . . . . .	4,910,000	7.4
Total . . . . .	\$66,500,000	100.0

a/ Included in item 3.

Apportionment of State Aid

**General aid**--Apportionment was distributed in 1953-54 on the basis of pupils in average daily attendance from the income of the permanent school fund and one-half of the income from the swamp land fund, as provided by law and the state constitution. The distribution per pupil in ADA was \$10.50.

Income tax school aid was paid in 1953-54 to each school district in the state from the proceeds of the state income tax at the rate of \$10 for each child six to 16 years of age in school as shown on the school census.

Basic aid is paid to all school districts which provide for the instruction of their elementary and secondary pupils in classified schools for nine months, furnish free textbooks, and spend the minimum prescribed by law for teachers' salaries. Aid is paid on the basis of an allowance per pupil unit in ADA (kindergarten pupils count as one-half unit, elementary as one unit, secondary and area vocational school pupils as one and one-half units) less apportionment. The allowance for 1953-54 was \$80 per pupil unit. For the 1956-57 biennium the allowance is \$82 per pupil unit. Basic aid is paid currently in September and March on information available, and the balance in August on data for the current year.

To qualify for full payment of aid for 1953-54, a school district must have spent for maintenance exclusive of transportation at least \$140 per pupil unit, of which 65 percent up to \$150 per pupil unit must have been for teachers' salaries, and have been in session 170 days during the year. For the 1956-57 biennium, districts must spend for maintenance and operation \$175 per pupil unit, but the minimum percentage for teachers' salaries is calculated on an expenditure per pupil unit up to \$150. If these conditions are not met or if a district employs teachers without valid certificates, the special state aid is reduced proportionately.

The aid for the nonresident secondary pupils is paid to the county, with the county paying tuition in 1953-54 at the rate of the maintenance cost exclusive of transportation in the school attended not to exceed \$170 per pupil unit, except that when the maintenance cost was more than \$170 per pupil unit the rate was \$170 plus one-half the excess over \$170 up to and including \$210. In addition, up to \$20 per pupil unit was added for capital outlay and

<sup>1/</sup> Prepared for the Research Division, National Education Association, by T. J. Berning, Assistant Commissioner, Department of Education, St. Paul, Minnesota.

MINNESOTA (CONT.)

debt service--\$10 per pupil unit in every district with nonresident pupils and the additional \$10 to be allowed on the basis of the actual expenditures for such purposes. Tuition is paid from funds received from the state on account of the nonresident secondary pupils and the proceeds of a county tax for that purpose levied on the property in districts where no secondary school is maintained. Tuition for the 1956-57 biennium will be the maintenance cost of instruction excluding transportation plus \$10 per pupil unit for capital outlay and debt service, except an additional amount may be charged based on the amount that the average expenditure for capital outlay and debt service exceeds \$10 per pupil unit.

Equalization aid--Equalization aid for 1953-54 was paid to school districts having a valuation of less than \$2300 per pupil unit. The schedule for payment of aid was \$3.65 for each decrease of \$100 up to a maximum of \$83.95. Equalization aid for the nonresident secondary and area vocational school pupils was paid in 1953-54 to the counties for such pupils at the rate in the district where the pupils reside. Additional equalization aid was paid to counties, when the tax rate to raise funds for county tuition was more than one-half the average rate levied in all counties of the state for that purpose, of one-half the amount over one and one-half times the state rate on the property in the county against which such tax was levied. For the 1956-57 biennium, equalization aid will be distributed on the basis of either of the following formulae: Formula 1--When the assessed valuation reported by the county auditor is less than \$2300 per pupil unit at \$3.65 per pupil unit for each decrease of \$100 up to \$83.95. Formula 2--The difference between \$200 per pupil unit and the sum of basic aid plus an amount equal to an 18-mill levy on the valuation determined by the equalization aid review committee. If the amount determined by formula 1 is larger than that under formula 2, then the aid will be formula 1 less 20 percent of the difference between the two formulae for 1955-56. For the year 1956-57, the figure 50 percent is to be substituted for 20 percent.

Emergency aid was granted to districts with low assessed valuation and high tax delinquency and otherwise unable to maintain school, on the basis of applications from local districts, by the state board of education.

Special aid--In 1953-54 aid was paid to districts for the following: (1) pupil transportation at specified allowances not to exceed the cost--\$60 or 80 percent of the cost in consolidated schools, \$72 or 80 percent of cost for isolated pupils, \$225 for crippled children, and \$160 for mentally retarded children, \$48 for nonresident secondary and area vocational school pupils, and \$18 for closed school pupils; (2) special classes for physically and mentally handicapped children or instruction in the home, hospital, or sanitarium including allowances of \$400 for deaf, blind, and crippled children, \$300 for mentally retarded children, and \$2400 for each teacher of children with defective speech; (3) teacher training in secondary schools; (4) vocational education; (5) school lunch--partial reimbursement for school lunches provided to pupils.

For the 1956-57 biennium \$2400 will be paid for each therapist engaged in such work in classes for crippled children.

Distribution of the following as tax replacement to certain school districts is made by the state auditor. Funds are transferred from the income tax school fund to make this distribution.

Gross earnings tax aid was paid to a few school districts in which railroad property is exempt from local taxation because of state taxes on gross earnings paid by the railroad companies. The law provided for the replacement of taxes lost on exempt property at the current tax rate on 30 percent of the full and true value of such property.

Tax exempt land aid--aid in lieu of taxes to districts with 40 percent or more of area exempt from real estate taxes.

Aid to common schools--aid in proportion to acreage of state-owned lands at not more than 5 cents per acre or \$15 per pupil enrolled in Grades I-XII in any one school.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

Type and percent of aid	Name of fund	Basis of distribution	Amount
1. General aid (74.6%)			
a. General apportionment	Income of trust fund	Number of pupils in ADA	\$ 4,917,493
b. Income tax	Income tax school	\$10 per census child six to 16 years of age	5,744,960
c. Basic aid	Special state aid to schools	\$80 per pupil unit in ADA less apportionment	38,955,978
2. Equalization aid (10.1%)			
a. Equalization	Special state aid to schools	\$3.65 each \$100 less than \$2300 valuation per pupil unit	6,595,271
		County Need	80,857
b. Emergency	Special state aid to schools		54,260
3. Special aid (15.3%)			
a. Transportation	Special state aid to schools	Cost, not to exceed fixed amount for each type of transportation	6,469,208
b. Special classes	Special state aid to schools	Fixed amount per child	1,106,002
c. Teacher training	Special state aid to schools	\$4000 per department	31,946
d. Vocational	Special state aid to schools	Percentage of salaries	1,204,025
e. School lunch	Income tax school	Percentage of school lunch cost	250,000
f. Tax replacement			
1. Gross earnings	Income tax school	Replacement of tax collections on exempt property	740,000 a/
2. Tax exempt	Income tax school	Replacement of revenue from tax exempt property	300,000 a/
3. Aid to common schools	Income tax school	Replacement of revenue from state-owned lands	50,000 a/
Total . . . . .			\$66,500,000
a/ Distribution by state auditor.			

(Items 1 plus 2 plus 3 equal 100%.)



STATE SUPPORT OF PUBLIC SCHOOLS IN MISSISSIPPI, 1954-55<sup>1/</sup>

Funds for operating the public schools of the state are derived from four sources: (1) state appropriations; (2) county ad valorem and poll taxes; (3) local district ad valorem taxes; and (4) federal funds for vocational education and assistance under Public Law 874. For the school year 1954-55, out of the total revenues of \$62,953,142, the state appropriated the sum of \$34,519,660, or 54.8 percent; county levies produced \$7,895,949, or 12.6 percent; district levies produced \$19,592,663, or 31.1 percent; the remaining \$944,870, or 1.5 percent, consisted of federal grants for vocational education and assistance under Public Law 874.



Sources of State School Revenue

There are no state taxes earmarked for public school purposes in Mississippi, and no permanent school funds which contribute to public school support on a statewide basis. All state aid for schools is provided by means of appropriation from the general fund of the state.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1954-55

Source	Amount	Percent
1. Earmarked taxes . . . . .	...	...
2. Legislative appropriations . . . . .	\$34,519,660	100.0
3. Income from permanent school funds . . . . .	...	...
Total . . . . .	\$34,519,660	100.0

Legislative appropriations from the state general fund--Each biennium the state legislature makes an appropriation out of the general fund for aid in the maintenance of the public schools. In 1954-55 this appropriation amounted to \$4,852,410, for the per capita fund and \$28,877,718 for the minimum program fund; and \$789,532 per year for vocational education.

<sup>1/</sup> Prepared for the Research Division, National Education Association, by G. J. Cain, Director, Administration and Finance, Department of Education, Jackson, Mississippi.

For the year ending June 30, 1954, the general fund for Mississippi was derived from the following sources: sales tax, 39.7 percent; tobacco tax, 9.8 percent; income tax, 23.3 percent; beer and wine, oil, severance, amusement, privilege, franchise, 15.2 percent. The remainder came from several minor sources.

Apportionment of State Aid

The laws of Mississippi provide for seven types of school districts: common, consolidated, special consolidated, special high school, countywide, municipal separate, and rural separate districts (reduced to three types by July 1, 1957; namely, county unit, consolidated, and municipal separate district). The term "county schools" as used in this article, includes common, consolidated, special high school, countywide, and special consolidated schools. The term "separate school district" includes both municipal and rural separate school districts.

State funds are apportioned to county schools as a unit regardless of the number and kinds of various districts in the county. State funds apportioned to separate school districts are sent directly to the districts. Biennial appropriations made by the legislature for the support of schools are divided between a per capita fund and a minimum program fund and thru these funds are distributed to the counties and to the separate districts.

A biennial appropriation is also made by the legislature from state general revenue for vocational education.

General aid--The per capita fund is disbursed to all counties and separate districts of the state on the basis of the number of educable children between the ages of six and 21. The school census by which the number of educable children is determined is made each two years. This number as shown by the school census made in 1953 was 799,621 and the amount distributed on this basis for the school year 1954-55 was \$4,852,410, or \$6.07 per educable child.

Equalization aid--The amount of state minimum program funds disbursed in 1954-55 was \$28,877,718. The state guarantees to all schools an educational program not less than the standards in the minimum program. Local schools may exceed this "minimum" program if able and willing to do so. The state board of education under legislative provisions sets up rules and regulations for disbursing the money. Briefly, the plan is as follows: On April 15, each year, the counties and separate districts submit to the state board of education a tentative budget. This budget contains information needed in determining the cost of the minimum program including the number of pupils in ADA during the current session, number of pupils transported, the amount of poll taxes collected and the assessed valuation of the county or separate district. The

# MISSISSIPPI (CONT.)

state board of education after receiving the tentative budget, sets up a budget for each county or separate district as the case may be. This budget contains six items; namely, (1) teachers' salaries (one teacher unit for 30 pupils in ADA, salaries based upon training and experience), (2) county administrative expenses (amount fixed by law), (3) local administrative supplement of \$150 per teacher unit, (4) transportation (amount computed on a density formula), (5) an amount for other current operating expenses of \$270 per teacher unit, and (6) the employer's part of social security and retirement.

After determining the total cost of the six items above, the state board deducts the local contribution (consisting of three items: the ad valorem tax determined by an index of financial ability, poll taxes, and one-half of the severance taxes returned to the county by the state). The difference between the cost of the program and the local contribution is the amount of the state's contribution to the county. The state's contribution consists of a fixed amount disbursed thru the per capita fund plus the appropriate amount from the minimum program fund. A school district operating more than eight months or using more than one teacher for 30 pupils in ADA or enriching its program in any other way above the standards fixed in the minimum program pays for such added costs out of local funds.

Special aid--Vocational funds are disbursed thru the state board of education to schools

meeting requirements set up by the state board of education and are used in the promotion of the teaching of vocational subjects (home economics, trades and industries, agriculture, and distributive education). At the present time the amount appropriated by the state is \$789,532 per year and supplements the grant of \$462,277 provided by the federal government.

TABLE 2.--APPORTIONMENT OF STATE AID, 1954-55

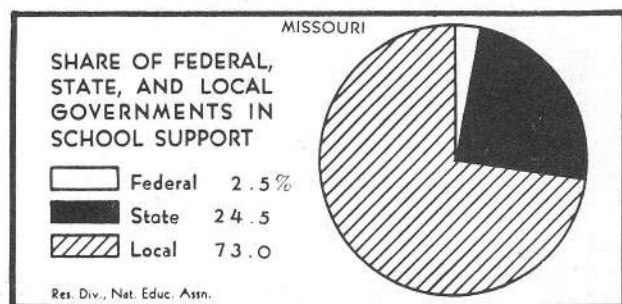
Type and per- cent of aid	Name of fund	Basis of distribution	Amount
1. General aid (14.1%)	Per capita	School cen- sus (chil- dren six to 21 years)	\$ 4,852,410
2. Equaliza- tion aid (83.6%)	Minimum program	Minimum pro- gram plan	28,877,718
3. Special aid (2.3%)	Voca- tional funds	Supplements federal aid to school districts meeting pre- scribed re- quirements	789,532
(Items 1 plus 2 plus 3 equal 100%.)			
Total . . . . .			\$34,519,660



STATE SUPPORT OF PUBLIC SCHOOLS IN MISSOURI, 1953-54<sup>1/</sup>

The amount distributed to schools increased from \$7,238,458 in 1934-35 to \$57,228,358 in 1953-54. The public schools in 1953-54 expended \$188,305,531, which does not include \$5,225,227 tuition and transportation paid from one school district to another school district. Of this \$188,305,531, the amount paid for debt service was \$8,708,781, and the amount paid for capital outlay was \$41,467,488, leaving a current expenditure of \$138,129,262.

Missouri's share of federal, state, and local governments in school support follow: federal \$4,736,019 or 2.5 percent; state \$49,640,900 or 24.5 percent; local \$143,929,064 or 73.0 percent.



Sources of State School Revenue

Earmarked taxes--In addition to the appropriation from general revenue, one-half of the income from the tax on insurance companies operating in the state is distributed to the public schools for the purchase of free textbooks. In 1953-54 this amount was \$4,414,643.

Legislative appropriations from the state general fund--Ninety-nine and two-tenths percent of the general revenue was produced by seven taxes. These taxes with the amount of revenue which they yielded to the public school money in the fiscal year 1953-54 were: sales tax, \$30,226,888; income tax, \$8,476,579; liquor, beer, etc., \$2,449,955; county collectors, \$612,509; county foreign and domestic insurance, \$1,320,841; corporation franchise and registration tax, \$1,197,270; inheritance tax, \$1,437,798; and all other receipts, \$352,696.

After all of the apportionments and the special aids have been paid, any balance remaining in the state school fund is distributed as a third level apportionment to all school districts on a straight unit basis.

During the 1953-54 school year there was distributed \$1,790,278 as building aid to reorganized school districts.

Income from permanent school funds--The income from the permanent school funds, known as the state school fund, amounts to \$212,882 this year. The receipts are as follows: interest on public school fund, \$7,593; interest on certification of indebtedness, \$187,040; refunds \$15,433; and fees, \$2,816.

Federal moneys for school districts--Vocational education, \$695,773; school lunch \$1,535,793; assistance to school districts in federally affected areas, \$2,504,453.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked taxes		
a. County foreign and domestic insurance . . .	\$ 4,414,643	7.7
2. Legislative appropriations		
a. One-third of general revenue . . . . .	46,074,536	80.5
b. Postwar reserve		
1. Building aids . . .	1,790,278	3.1
3. Income from public funds, certificates of indebtedness, refunds and fees .	212,882	0.4
4. Federal moneys		
a. Vocational education .	695,773	8.3
b. School lunch . . . . .	1,535,793	
c. Assistance to school districts in federally affected areas . . . . .	2,504,453	
Total . . . . .	\$57,228,358	100.0

Apportionment of State Aid

State school money in Missouri is apportioned on the basis of first level apportionment, additional second and third level apportionments, and other payments to schools. School districts in receiving the basic or first level apportionment receive either the equalization quota or teacher and attendance quota. The quota which gives the largest payment is the quota used for each district. These payments are briefly summarized below.

Equalization aid--The equalization quota is the sum of \$750 for each elementary teaching unit (Grades I-VIII); \$1,000 for each high-school teaching unit (Grades IX-XII); and \$3 per month for each resident pupil in ADA transported a distance of two miles or more, except in reorganized school districts a distance of more than a mile, less 20 cents on \$100 assessed valuation and current county money.

General aid (teacher and attendance quota)--Only districts which cannot qualify for state school money under the equalization quota receive the teacher and attendance quota. This quota is the sum of the following items: \$50 for each teacher with a salary of less than \$1,000; \$100 for

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Bernard H. Voges, Assistant Director of School Finance, Laws and Statistics, Department of Education, Jefferson City, Missouri.

TABLE 2.--APPORTIONMENT OF STATE SCHOOL REVENUE, 1953-54

each teacher with a salary of \$1,000 or more; and 1.3 cents per day for total days attendance for resident pupils.

(Additional apportionments) All districts that have received an equalization quota or a teacher and attendance quota, and have levied the maximum tax rate allowed by the state constitution without approval of the voters, are entitled to additional or "second-level" apportionments based on the number of elementary teachers, together with type of certificate and the number of high-school teachers and aggregate days of attendance of resident pupils. This additional apportionment is not paid until all of the special aid requirements have been met in full. It consists of the sum of the following items: (1) for each elementary teaching unit, \$200 for each unit with a teacher who holds a state certificate, \$125 for each unit with a teacher who holds a first-grade certificate, \$100 for each unit with a teacher who holds a second-grade certificate, and \$50 for each unit with a teacher who holds a third-grade certificate; (2) for each high-school classroom unit, \$300; (3) 1.6 cents multiplied by the total number of days attendance of all pupils of the district. Districts levying less than the maximum tax rate, allowed by the state constitution for school purposes without approval of the voters, received that percent of the additional apportionments which the tax rate actually levied is of the legal maximum tax rate.

Special aid--These aids are transportation and tuition of nonresident high-school pupils, orphans, exceptional children and aid for abandonment of school buildings. The amounts of these aids are shown in Table 2 with the exception of transportation which includes resident transportation.

Aid for transportation is based on actual cost but not in excess of \$3 per month in ADA (15 cents a day) for pupils transported two miles or more.

High-school tuition is based on cost but not in excess of \$50 a year for each nonresident high-school (Grades IX-XII) pupil in ADA.

Reimbursement for excess cost of educating partially blind, deaf, crippled, or otherwise handicapped pupils are made, varying from \$20 for each speech defective pupil to a maximum of \$300 for each orthopedically handicapped pupil.

Payments are made to consolidated school districts of \$1,000 for each elementary-school building abandoned, when an approved building is provided.

(Other special payments)--Statutes provide that the state shall pay one-fourth the cost of high-school building, but the amount paid by the state shall not exceed \$2,000.

Statutes provide that in reorganized school districts the state shall pay one-half the cost of central school building, but the amount paid by the state shall not exceed \$50,000.

Free textbook money is apportioned to each district on the basis of the number of pupils enumerated, ages over six and under 20 years of age.

Type and percent of aid	Name of fund	Basis of distribution	Amount
1. Equalization aid (6.1%)			
a. First level--Basic apportionment--equalization quota	State school fund	See narrative for explanation	\$ 3,470,229
2. General aid (62.5%)			
a. First level--Basic apportionment--teacher and attendance quota	State school fund	See narrative for explanation	2,155,596
b. Second level--Additional apportionment	State school fund	See narrative for explanation	5,661,225
c. Third level--Additional apportionment	State school money and postwar reserve	Divided according to teaching units	27,970,403
3. Special aid (23.1%)			
a. Transportation	State school money	Cost up to 15 cents a day per pupil	2,942,363
b. Tuition	State school money	Cost up to \$50 annually in ADA	1,262,401
c. Orphans	State school money	\$2.75 per pupil per month	53,053
d. Exceptional	State school money	Excess per pupil cost ranging from \$20 to \$300	917,212
e. Abandonment building aid	State school money	\$1,000 for each elementary building abandoned	61,000
(Other special payments)			
a. Building aids			
1. Central building	State school money	One-fourth cost of building up to \$2,000	6,000
2. Reorganization aid	Postwar reserve	One-half cost of building up to \$50,000	1,790,278
b. Free textbooks	Special tax on insurance companies	School census	4,414,643
c. Vocational aid from state	State school money	Percent of costs of approved program	628,964
d. Schools for blind and deaf	State school money	Percent of costs of approved program	638,159
e. Administrative and supervisory costs			
1. Administration, school lunch, reorganization, and curriculum	State school money		230,116
2. County superintendent salary, transportation, clerical assistance, and county board	State school money		290,697
4. Federal funds (8.3%)			
a. Vocational education	Federal money	See narrative	695,773
b. School lunch	Federal money	See narrative	1,535,793
c. Assistance to school districts in federally affected areas	Federal money	See narrative	2,504,453 a/
(Items 1 plus 2 plus 3 plus 4 equal 100%.)			
Total . . . . .			\$57,228,358
a/ Such money is distributed to school districts direct from federal sources under P.L. 874 and 815.			

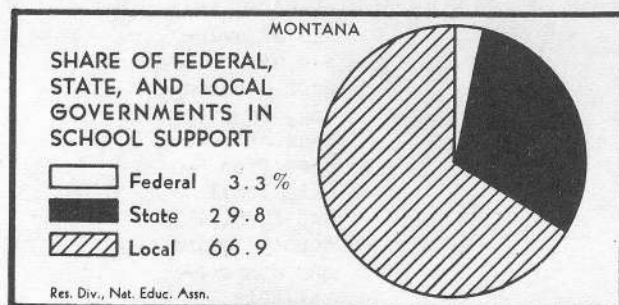


STATE SUPPORT OF PUBLIC SCHOOLS IN MONTANA<sup>1/</sup>

Strictly speaking Montana did not have a state system of public school support until 1935. Montana schools were supported from local district funds with a limited amount of state aid. Legislation passed in 1931 placed the burden of high-school support entirely upon the counties. The state contributed only 9.8 percent of total funds received in the school year 1933-34.

The 1935 legislature passed a bill creating the state public school general fund from which thru 1948-49 was provided a part of the amount required for the support of a standard foundational program for both elementary and secondary education. Since 1935 the amount of money furnished by the state has grown, so that for the year 1953-54 approximately \$10,723,350 was distributed from state funds (excluding U. S. oil and gas royalties).

The total amount of money spent for maintaining the schools of the state was \$34,590,811 in 1953-54, of which the state contributed 29.8 percent, the federal government 3.3 percent, and the counties and districts 66.9 percent. The above amount does not include capital outlay and debts.



Sources of State School Revenue

**Earmarked taxes**--Since by constitutional provision a part of the individual income and corporation license (net income) taxes must be diverted for schools, 25 percent of the revenues from these two sources continues to go to the state public school equalization fund. The income from federal oil and gas royalties also goes to the public school equalization fund.

Individual income and corporation license tax revenues have increased considerably in the past few years. For 1953-54 the combined amount derived from these taxes was \$1,680,769 with a starting balance of \$2,870,700.

**Legislative appropriations from the state general fund**--To meet the state's share of the cost of the school foundation program it is necessary to supplement the income from earmarked sources with an appropriation from the state general fund. The legislature appropriated for this

purpose for school years 1953-54 and 1954-55, \$2,900,000 and \$4,665,000.

**Income from permanent school funds**--The constitution provides for a permanent school fund derived from the proceeds of school lands, interest on school funds, investments, rentals, general educational grants, escheated estates, and other sources. Five percent of the interest and other income from this fund are added to its principal; the remaining 95 percent is apportioned as part of the common school interest and income fund. The income from this fund in 1953 was \$4,379,124. For the year 1952 this fund was increased considerably because of oil and gas leases and development to \$8,291,403.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked taxes		
a. Personal income tax	\$1,680,769	14.2
b. Corporation license tax		
c. Balance income and corporation tax . . . . .	2,870,700	24.3
d. U. S. oil and gas royalties . . . . .	(502,308) a/	(4.2) a/
2. Legislative appropriations	2,900,000	24.5
3. Income from permanent school funds		
a. Common school interest and income fund . . . . .	4,379,124	37.0
Total . . . . .	\$11,830,593	100.0

a/ Not a state fund, but distributed thru state equalization fund.

Apportionment of State Aid

Until 1949 all state revenues for public schools, except those provided by the state constitution and those set aside for equalization were required to be distributed thru the state public school general fund. The legislature of 1949 enacted a new equalization law which abolished the fund and provided for the distribution of all of these revenues on an equalization basis.

**General aid**--The common school interest and income fund is apportioned to school districts as provided in the state constitution on the basis of the school census, that is, according to the number of children between the ages of six and 21 residing in the district. Since July 1, 1949, this fund has provided the only state money distributed to school districts on a general aid basis. General aid for the school year 1953-54 was \$4,379,124.

**Equalization aid**--The 1949 legislative session passed a new school law known as a public elementary- and secondary-school finance and equalization law. This act attempts to provide an equalization of both the effort of the taxpayers and the opportunity of each school to furnish a uniform foundation program. For elementary schools this law guarantees: (1) \$2700 for any school having eight or fewer pupils if it is isolated; (2) \$2700 plus \$100 for each additional pupil above eight and up to 18; (3) if the number of pupils are 19 to 30

<sup>1/</sup> Prepared for the Research Division, National Education Association, by C. R. Anderson, Administrative Assistant, State Department of Public Instruction, Helena, Montana.

MONTANA (CONT.)

inclusive, the school will receive \$3700 if only one teacher is employed and an additional \$2800 for a second teacher; (4) a school with 31 pupils will be guaranteed \$269 for each such pupil. The amount is gradually decreased per pupil until for a school with more than 300 pupils the maximum will be \$185 for each such pupil. The number of pupils to be counted by a school is based upon the average number belonging. This means the total days of attendance plus the total days of absence divided by 180 days. If a child is absent more than three consecutive days he is dropped and the days are not counted until the child re-enrolls. For high-school if the average number belonging is 60 or less the guaranteed budget is \$400 for each such pupil. This is decreased until a school enrolling 650 pupils or more, average number belonging, the maximum is \$227.50. To finance this foundation program elementary-school districts must first levy 5 mills on all the property of its district. In addition it must add all of the income from all other miscellaneous sources, including that from the interest and income fund of the state. Next, the county must levy 10 mills which is distributed to all of the elementary schools of the county on an equalization basis. If the income from these sources is adequate to meet the foundation program no state aid will be granted, but if it is not sufficient the difference between the amount available and the foundation program will be provided from the state funds. If the state fund should be short in the amount for 100 percent equalization the district may levy additionally upon itself without having to call a special election to make up the discrepancy.

For high schools which are financed entirely on a countywide basis a 10-mill levy must first be made. This is distributed to the schools on the equalization basis. If this 10 mills plus miscellaneous incomes equal the foundation financial program no state aid will be given. If the sum is inadequate to meet the foundation program state aid will make up the balance. If the available state funds are not adequate then an extra levy may be made on the county to make up the shortage. This provision is to take care of emergencies since there may be a rapid increase in the number of children attending school which cannot be estimated or in case the incomes from sources for the state should be deficient.

District school trustees can increase the elementary-school foundation budget by 27.9 percent and levy upon the district the number of mills required to raise the extra funds without calling a special election. Beyond that 27.9 percent increase the people of the community can vote any special levy desired. The trustees can increase the high-

school foundation budget by 27.9 percent for high schools having an average number belonging of 100 or less pupils and 23.25 percent for high schools having an average number belonging of more than 100 pupils without a vote of the people. Should more than the foundation program plus the above percents be desired, an election can be held in the high-school district where the school is maintained.

For the year 1953-54 for the foundation financial program the amount of state aid available from all sources was \$11,830,593. The amount of state aid was sufficient to equalize 100 percent and leave a balance. The 1955 legislature will be asked to increase the foundation program by around 10 percent.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

Type and percent of aid	Name of fund	Basis of distribution	Amount
1. General aid (39.01%)	Common school interest and income fund	Number of children six to 21 years of age	\$ 4,379,124
2. Equalization aid (60.99%)	Foundation program aid	Cost of foundation program, determined on basis of average number of pupils belonging, in excess of revenues from 5-mill local and 10-mill county levies and other available state and local sources	6,085,930
a. Transportation	Equalization fund	One-third of cost as set up in a schedule	735,604
b. Vocational	Equalization fund	Need of program	25,000
(Items 1 plus 2 equal 100%).			
Total . . . . .			\$11,225,658

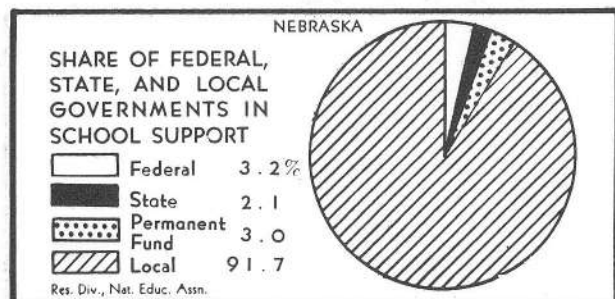


STATE SUPPORT OF PUBLIC SCHOOLS IN NEBRASKA, 1953-54<sup>1/</sup>

In 1953-54 the public schools of Nebraska received a total amount of \$60,926,176.05 in revenue from all sources exclusive of transfers. The accounting system does not include the federal school lunch program or the program for education of war veterans. Sources of money were (1) the temporary school fund; (2) federal funds; (3) state funds; and (4) local revenue. The temporary school fund accumulates each year from leases on the state's remaining 1,628,196.06 acres of school land, interest on the permanent school fund which consists largely of money from sale of and severances from the school lands, certain earmarked licenses, and from escheat estates. In 1954 the public schools received a total of \$1,988,331.55 from the temporary school fund. Of this amount, \$149,791 was the total from earmarked licenses, and, along with a share of tax on insurance premiums, it represents the only state tax revenue in Nebraska which was directly available to the public schools. The balance of the temporary school fund, \$1,838,540.55, was from the school lands and permanent school fund. It is not regarded as state aid in accordance with a U. S. Supreme Court decision.

Public schools which met eligibility requirements and which contained school land were paid amounts from the temporary school fund in lieu of taxes on those lands. In 1954 the total amount was \$139,982.78. One-fourth of the remaining amount, or \$462,087.19, was apportioned equally to eligible school districts. Each of the 5,929 eligible districts received \$77.93. The remaining \$1,386,261.38 was paid to eligible districts on the basis of \$4.15 per school census child.

The state tax on foreign or alien insurance companies results in an income of state money, one-half of which is retained by the state, one-half being allocated to the counties on a population basis. Sixty percent of the money which goes to each county is apportioned to school districts according to average daily attendance of the public schools therein. In 1953-54 the eligible school districts of the state received \$750,548.38 from this source.



Of the total Nebraska school revenue in 1953-54, an amount of \$1,950,571.12, or 3.20 percent, was

derived from federal funds; \$1,287,850, or 2.11 percent, from state funds; \$1,838,540.55, or 3.01 percent, from the school lands endowment, and \$55,849,214.38, or 91.68 percent from local sources.

Sources of State School Revenue

Earmarked taxes--Money from license taxes imposed by the state is distributed to school districts as a part of the temporary school fund. This amounted to \$149,791 in 1954.

Sixty percent of half of the money arising from a state tax on foreign or alien insurance companies transacting business in Nebraska goes to the public school districts of the state on a basis of average daily attendance of pupils. In 1953-54 the total of this amount for the state was \$750,548.38. The state monies from license taxes and the school districts' share of insurance tax totaled \$900,339.38. This constituted 69.91 percent of all school money paid from state tax funds.

Legislative appropriations from the state general funds--All state monies for school districts, excepting those arising from earmarked licenses, and the tax on insurance premiums, are appropriated from the state general fund by the state legislature. They are for specific aids. The 1953-54 payments from appropriations totaled \$387,511.38.

Income from the school lands and permanent school fund--The income from the school lands and permanent school fund in 1954 was \$1,838,540.55.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked taxes		
a. Licenses . . . . .	\$ 149,791.00	11.63
b. Tax on foreign or alien insurance companies . . . . .	750,548.38	58.28
2. Legislative appropriations . . . . .	387,511.38	30.09
Total . . . . .	\$1,287,850.76	a/ 100.00

a/ Excludes income from school lands and permanent school fund which amounted to \$1,838,540.55.

Apportionment of State Aid

Nebraska has no system of general state support for schools. Each biennium the state legislature appropriates money from the state's general fund for specific aids to certain school districts.

General aid--The only general state aid for Nebraska public schools is the money arising from earmarked licenses and from the tax on insurance premiums. In 1954 the amount from earmarked licenses was \$152,670. It was distributed to school districts with the temporary school fund, one-fourth prorated among the districts, three-fourths on a school census basis. The tax on insurance premiums was distributed separately, the districts receiving a total of \$750,548.38 on an average daily attendance basis.

<sup>1/</sup> Prepared for the Research Division, National Education Association, by A. R. Lichtenberger, Director of Research, Department of Public Instruction, Lincoln, Nebraska.

## NEBRASKA (CONT.)

Equalization aid--No money was paid from state funds in 1954 as aid to weak districts.

Special aid--(Mallery Act Aid)--Thru the Mallery Act, \$23,122.15 was paid in 1954 to "former consolidated and former rural high-school districts" for instruction of a vocational nature.

(Army-Navy tuition)--An amount of \$52,623 was paid to certain districts in the state in 1954 as tuition for the children of servicemen in cases where the parents resided on United States property while their children attended Nebraska public schools.

(Normal training aid)--Thirty-nine Nebraska public school districts maintaining high schools qualified for state aid of \$500 each for offering teacher education at the high-school level in 1953-54. The total aid for normal training in 1954 was \$19,500.

(Special education)--The 1954 state aid for education of handicapped children and others included in special education, totaled \$221,941.54.

(Vocational education)--The state supplements federal aid paid to schools which qualify for federal aid in relation to certain types of vocational education. In 1953-54 this state aid amounted to \$70,324.69.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

Type and per- cent of aid	Name of fund	Basis of distribution	Amount
1. General aid (69.91%)			
a. One- fourth appor- tionment	Part of tempo- rary school fund	Prorated to school dis- tricts	\$ 37,447.75
b. Three- fourths appor- tionment	Part of tempo- rary school fund	School census	112,343.25
c. Tax on foreign or alien insur- ance compan- ies	Insur- ance tax fund	Average daily attendance	750,548.38
2. Equaliza- tion aid (No aid to weak districts paid)			
3. Special aid (30.09%)			
a. Normal training	State general fund	\$500 per school	19,500.00
b. Mallery Act	State general fund	Size of school, offering, ex- penses for e- quipment, form- er organization	23,122.15
c. Vocation- al educa- tion	State general fund	Proration to eligible schools accord- ing to salary	70,324.69
d. Army-Navy tuition	State general fund	Number of pu- pils in cate- gory	52,623.00
e. Special education	State general fund	Excess cost	221,941.54
(Items 1 plus 3 equal 100%.)			
Total . . . . .			\$1,287,850.76

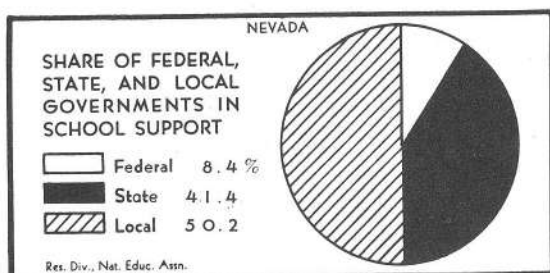


STATE SUPPORT OF PUBLIC SCHOOLS IN NEVADA, 1953-54<sup>1/</sup>

The system of state support of public schools in Nevada was changed materially by enactments of the 1947 and 1949 sessions of the state legislature. The 1951 legislature added a special fund for the relief of needy school districts which was valid for the 1951-1953 biennium only. The 1953 legislature increased the amount of the regular per teacher and per pupil apportionments and added an apportionment for handicapped pupils. The 1954 special session changed the basis of apportionments from the average daily attendance of the previous year to ADA of the current year. It is estimated that the changes in the apportionment formula will increase state support to more than 50 percent.

In 1947 the state legislature passed acts which increased the amount of state support for elementary schools from \$275 to \$1,775 per teacher unit. The 1953 legislature increased the per teacher apportionment for elementary schools to \$2,000. The per pupil apportionment for elementary schools was increased from \$16 to \$40 and a per pupil apportionment of \$200 for handicapped children was added to the apportionment formula by the 1953 legislature. A program of state aid for high schools was instituted in 1947 which, together with local support of 35 cents per \$100 tax at the county level, if needed, would guarantee each high school support from local and state sources of at least \$3,500 per teacher. This amount was increased to \$3,600 by the 1953 legislature. The 1953 legislature also added an apportionment of \$20 per pupil in ADA to the program of high-school support.

Current revenues for the maintenance and operation of public schools totaled \$11,115,660 during the fiscal year ending June 30, 1954. Of this amount, \$940,287, or 8.4 percent, came from the federal government; \$4,598,890, or 41.4 percent, was derived from state sources; and the remainder, \$5,576,483, or 50.2 percent, from local sources. Federal funds granted under Public Law 815 for schoolhouse construction and local taxes earmarked for building funds or bond redemption are excluded from the foregoing amounts.



Sources of State School Revenue

Acts passed by the 1947 and 1949 legislature abolished all earmarked revenues for the public schools excepting the income from the permanent school fund which is earmarked by the constitution. In 1951 a new source of revenue was earmarked for the distributive school fund as explained in the following paragraph. At present, state funds for the support of the public schools are derived from the state general fund by legislative appropriation, from the interest on the permanent school fund, and from federal mineral land leases.

Earmarked revenues--The 1951 legislature passed an act which provides that all receipts from the federal treasury

pursuant to the provisions of section 35 of that certain act of Congress of the United States entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," approved February 25, 1920, and being chapter 85, 41 U. S. Statutes at Large, shall be deposited in the distributive school fund. Funds received from this source are designated as mineral land lease funds.

Legislative appropriations from the state general fund--The 1951 session of the legislature appropriated \$1,982,148 for the distributive school fund for elementary school support, \$325,145 for the support of high schools, and \$3,706 for aid to rural schools. These appropriations are in addition to the balance in the distributive school fund of \$690,563 and income during the year from earmarked revenue (mineral land lease) and interest on permanent school funds of \$487,375.

The biennial appropriations of the 1953 regular session and the 1954 special session made available \$6,231,780 for the distributive school fund for elementary-school support, \$1,137,640 for the support of high schools, \$24,000 for aid to rural schools, and \$1,100,000 for the increased apportionments due to the shift from ADA of the previous year to ADA of the current year. These appropriations are in addition to the balance in the distributive school fund of \$665,000 and estimated income during the biennium of \$600,000.

Income from permanent school funds--The state constitution pledges the principal of the state permanent school fund as a permanent endowment for the public schools and permits only the income received from the investment of this principal to be distributed to the schools. This income, which was \$105,589 in 1953-54, is deposited in the distributive school fund. Sources of increase of the principal of the permanent school fund include justice and district court fines, escheated estates, sale of school lands, and surveyor general fees.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked revenues . . . . .	\$ 155,986	3.6
2. Legislative appropriations . . . .	4,075,126	94.0
3. Income from permanent school funds		
a. Interest on school land con-		
tracts . . . . .	8,662	0.2
b. Interest on bonds . . . . .	96,927	2.2
Total . . . . .	\$4,336,701	100.0

Apportionment of State Aid

Methods of apportioning state aid to public schools are described in the following paragraphs. General aid for elementary schools is paid from the distributive school fund. General aid for high schools is paid from the high school fund. Equalization aid for high schools is paid from the high school fund. Equalization aid for elementary schools is paid from two funds, the emergency school fund and the school reserve fund, both of which are subdivisions of the distributive school fund. Equalization aid for one- and two-teacher rural schools is paid from the aid to rural schools fund. Another form of aid to needy schools is paid from the state school contingent fund.

General aid--The following apportionments are made from the distributive school fund for elementary schools. The amount of \$1,775 is apportioned for each teacher to which a school is entitled and \$16 per pupil in ADA. After July 1, 1953, these amounts will be \$2,000 and \$40 respectively. The apportionment formula allows one teacher for each 20 pupils or major fraction thereof in ADA as determined by the estimated ADA for the best six months of the

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Dwight F. Dilts, Assistant Superintendent of Public Instruction, Department of Education, Carson City, Nevada.

# NEVADA (CONT.)

current year which apportionment is corrected by adding or subtracting the difference between the apportionment based on the estimate and the actual ADA. This correction is made in July of the next year. Schools having an ADA of less than 10 but at least three receive a teacher apportionment. Schools having an ADA between 20 and 30 receive two teacher apportionments if two teachers are employed. Nevada will maintain a school as long as there are three resident pupils in ADA. Each teacher must be paid a minimum salary of \$2,400 per annum if the school is to share in the state distributive school fund apportionments. On July 1, 1953, the minimum salary for teachers who have had four years of college training, or the equivalent in semester hours, was increased to \$3,200. The minimum salary for teachers having less than four years of college training is \$2,400.

High schools receive regular apportionments from the state high school fund of \$700 per teacher. On July 1, 1953, the rate became \$800 per teacher and \$20 per pupil in ADA during the best six months of the current year. The number of teacher units to which any high school is entitled is determined as follows: (1) In each high school for the first 10 pupils in ADA, or major fraction thereof, there shall be allowed one teacher unit. (2) For each 15 pupils, or major fraction thereof, of the next 90 pupils in ADA for the current year, there shall be allowed one teacher unit. (3) In each high school, for each 20 pupils, or major fraction thereof, of the next 200 pupils in ADA for the current year, there shall be allowed one teacher unit. (4) In each high school, for each 25 pupils, or major fraction thereof, in excess of 300 pupils in ADA for the current year, there shall be allowed one teacher unit.

Equalization aid--Elementary equalization aid is paid from the state school reserve fund which consists of \$60,000 or less, as the need may be, set aside from the distributive school fund. Whenever any county shall have levied a tax of 35 cents on the \$100 of assessed valuation for elementary-school purposes, if such levy does not bring in an amount equal to \$625 per teacher and \$2 per pupil per year, the difference between the proceeds of the tax and the required amount is paid from the state school reserve fund.

High-school equalization aid is paid from the state high school fund according to the following formula. Whenever a 35 cents per \$100 tax levy in any county will not provide \$2,800 per teacher unit, the difference is paid from the state high school fund.

Special aid--The 1951 legislature established the state school contingent fund for the purpose of providing additional support for needy school districts and appropriated \$150,000 for the 1951-1953 biennium. The state board of finance, by unanimous vote of its members, and with the approval of the state board of examiners, is empowered, upon application by school districts lacking sufficient funds immediately available for proper maintenance and operation, to pay out as grants-in-aid the funds in the state school contingent fund. No formula has been used for the disbursing of funds from the state school contingent fund. The policy of the state board of finance has been to apportion funds to schools upon application and proof that the school district does not have funds available to pay bills incurred for necessary expenses. The state contingent fund was a departure from established custom in that the state department of education had no official voice in the disbursement of funds and in that the apportionments from the fund were on the basis of deficit financing without a formula. The 1953 legislature did not continue this fund so that it became inoperative after July 1, 1953.

The 1943 legislature established the aid to rural schools fund which is designed to guarantee one- and two-teacher rural schools a minimum support exclusive of transportation costs. The amount of the guarantee was originally \$1,500 per teacher. This amount has been increased from time to time to the current guarantee of \$3,600 per teacher.

Only rural schools having not more than two full-time teachers are eligible to receive help from the aid to rural

schools fund. The act does not apply to districts within a consolidated, joint, or union school district.

To be eligible to receive aid, rural schools must have (1) levied a district tax for the then current school year of not less than 25 cents on the \$100 (25 cents is the maximum local tax for maintenance and operation); (2) maintained a minimum school term of nine months; (3) filed with the superintendent of public instruction a request for aid accompanied by supporting data. The amount of aid given is the difference between \$3,600 per teacher and the total current revenue receipts less transportation costs.

The law provides for the sum of \$10,000 to be set aside annually from the state distributive school fund as an emergency school fund. This fund is used to help finance new school districts established during the current school year. The amount of \$500 is apportioned to each new school district for each teacher to which the school district is entitled. For the purposes of this apportionment one teacher is allowed for each 50 pupils or major fraction thereof. No more than one apportionment may be made in any one school year to a school district. This fund is also used to help districts that are in financial difficulty because of sudden increases in pupil load. Because of the small amount available, the help paid from this fund as special aid due to enrolment increases has been limited to a few rural schools each year.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

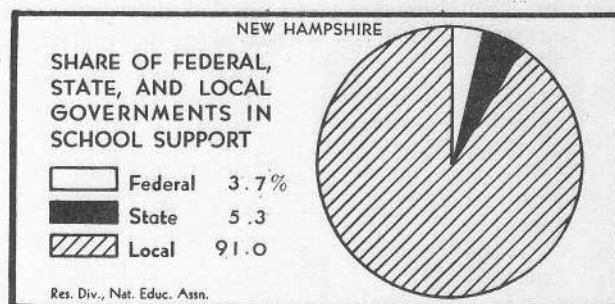
Type and per- cent of aid	Name of fund	Basis of distribution	Amount
1. General aid (93.6%)			
a. Elementary	State distributive school fund	\$2,000 per teacher and \$40 per pupil in ADA	\$3,830,510
b. High school	State high school fund	\$800 per teacher and \$20 per pupil in ADA	471,970
2. Equalization aid (5.8%)			
a. Elementary	School reserve fund	Excess of \$625 per teacher and \$2 per pupil in ADA over 35-cent county tax	99,241
b. High school	State high school fund	\$2,800 per teacher minus proceeds of 35-cent county tax	165,837
3. Special aid (0.6%)			
a. Aid to rural schools	Aid to rural schools fund	\$3,600 per teacher minus available funds other than transportation	1,647
b. New schools and needy schools	Emergency school fund	\$500 per teacher in new schools, deficit financing in other	5,500
c. Physically handicapped	Distributive school fund	\$200 per pupil in ADA	3,000
d. Tuition for children in state orphanage	State general fund	Legislative appropriation	19,774
(Items 1 plus 2 plus 3 equal 100%.)			
Total . . . . .			\$4,597,479



STATE SUPPORT OF PUBLIC SCHOOLS IN NEW HAMPSHIRE <sup>1/</sup>

All state aid for public elementary and secondary schools in New Hampshire is provided thru a legislative appropriation to the State Board of Education. The administration and distribution of this appropriation are handled for the State Board of Education by the State Department of Education. The total amount of revenue, including earmarked funds, that will be distributed by the state to local school districts for the 1953-54 school year will be approximately \$1,092,170. Of this amount, approximately 13 percent will be derived from earmarked taxes and approximately 87 percent will be derived from general revenue sources. In addition to this program, the legislative appropriation for education also provides for the support of projects not directly connected with public elementary and secondary schools, such as the operation of the Manchester and Portsmouth Technical Institutes, the Keene and Plymouth Teachers Colleges, and the University of New Hampshire.

Total revenue receipts in public elementary and secondary schools in New Hampshire during the 1953-54 school year will amount to approximately \$20,827,445. This amount does not include nonrevenue receipts from capital reserve funds and income from the sale of bonds. Of this sum, approximately \$775,627 will be received from federal sources. The distribution between local, state, and federal revenues will be, therefore, as follows: from local funds, 91.0 percent; from state funds, 5.3 percent; and from federal funds, 3.7 percent.



Sources of State School Revenue

Earmarked taxes--Tax proceeds earmarked for public education and distributed to local school districts will amount to \$138,500 during 1953-54. By statute every school district is required to pay annually into the state treasury a per capita tax of \$2 for each pupil resident within the district and enrolled in a New Hampshire public school during the preceding school year. The money must be raised by a tax levied on the real estate property of the district, and is raised as an integral part of the annual tax assessment for schools. The purpose of the tax is to provide statewide supervision. To accomplish this, the

State Board of Education, in conformity with state law, organizes the school districts into supervisory unions. Each union has a superintendent of schools selected by the local supervisory union board and appointed by the State Board. In 1953-54 the 235 districts of the state are organized into 48 unions. Each union consists of from one to nine districts. Four unions have assistant superintendents and two unions have helping teachers. The State Board of Education uses the income from the per capita tax to pay a part of the salary of these persons, all of whom are considered employees of the State Board. The state share of the salary of the 48 superintendents ranges this year from \$2,500 to \$3,250 per person, the amount in each case being determined by the total adjusted valuation of the districts comprising the supervisory union. The state share of the salary of assistant superintendents and helping teachers is \$2,500 per person.

Legislative appropriations from the state general fund--Of the \$1,092,170 which will be distributed by the state to local school districts during 1953-54, \$953,670 was appropriated by the legislature from general revenue sources. This amount consists of an appropriation of \$900,000 for the support of schools under the foundation aid law, an appropriation of \$7,000 for the education of children in unorganized territories, and an appropriation of \$46,670 to aid the area vocational schools.

Income from permanent school funds--The only state permanent fund for education in New Hampshire is the institute fund. This fund exists as a trust obligation of the state amounting to \$59,723. The state has invested in \$60,000 of United States Savings Bonds, Series G. The income from these bonds, \$1,500 per year, is not distributed to local school districts, but is placed in a teachers' institute fund and used by the State Department of Education to meet the expenses of conducting institutes for teachers.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked taxes		
a. Tax for statewide distribution . . . . .	\$ 138,500	12.7
2. Legislative appropriations		
a. Foundation aid . . . . .	900,000	82.4
b. Education in unorganized territories . . . . .	7,000	0.6
c. Aid to area vocational schools . . . . .	46,670	4.3
Total . . . . .	\$1,092,170	100.0

Apportionment of State Aid

The 1951 state aid law declares that it is "the policy of the state to share the costs of public elementary and secondary schools with local school districts in such manner that the application of the awards to the several districts shall be made on the basis of need to the end that educational facilities for all children of New Hampshire shall be on a more equitable foundation."

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Paul R. Fillion, Director of Educational Finance, New Hampshire State Department of Education, Concord, New Hampshire.

# NEW HAMPSHIRE (CONT.)

Foundation aid--The state aid law stipulates that each school district shall be eligible for a payment equal to the difference between the cost of the local foundation program and the amount of revenue which the district can raise as its local fair share of the burden. This eligibility is dependent, however, upon the district receiving from local tax sources during the preceding year an amount at least equal to its local fair share. The cost of the foundation program for a district has been set in the law as the sum of \$175 for each resident elementary pupil (K-8) and \$225 for each resident high-school pupil (9-12) in average daily membership in approved public schools. A 1953 amendment to this law specifies that membership statistics shall be those of the year preceding the year in which the computations are made which in turn is the year preceding the one in which actual payment is made. The local fair share, or "local effort," has been set in the law as the amount of school support which can be provided in a district by a tax of \$17 per \$1,000 of "adjusted valuation" of local taxable estate. The adjusted valuation of a district consists of its locally-determined assessed valuation, plus a correction factor supplied by the State Tax Commission to bring local assessment levels to approximately 1945 market values, plus a property valuation equivalent of all other sources of local municipal income.

In 1953-54, 111 of the 235 school districts were eligible for a total of \$978,031.88. The state aid law further provides that, should the appropriation for any year be less than the amount to which the districts are eligible, a constant proration factor is to be applied for all districts. Since the state appropriation for 1953-54 was \$900,000 each of the 111 districts received approximately 92 percent of the foundation aid for which they were eligible. No part of the \$900,000 appropriation was withheld for distribution as special or emergency aid.

Special aid--For 1953-54 the New Hampshire legislature appropriated \$7,000 for the education of children living in unorganized sections of the state where no schools are maintained. A tax for school purposes of \$3.50 per \$1,000 of equalized valuation is assessed and collected by the state on property located in these areas. The \$7,000 appropriation is used to pay the costs of tuition and board or transportation to schools in nearby districts, to the extent that they exceed the yield of the 35-mill levy.

The New Hampshire legislature appropriated \$46,670 for the school year 1953-54 for aid to six area vocational schools (high schools designated to offer comprehensive vocational training programs) and two extensions (high schools offering work only in vocational agriculture). The fund is used in part to pay all or a large part of the cost of tuition and transportation for pupils who reside in other districts and who wish to enrol in one of the vocational programs. The remainder of the fund is used for reimbursement for salaries of the vocational teachers.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

Type and percent of aid	Name of fund	Basis of distribution	Amount
1. Foundation aid (82.4%)	State general fund	Foundation program of \$175 for each elementary child and \$225 for each high-school child minus local share computed at tax rate of \$17 per \$1,000	\$ 900,000
2. Special aid (17.6%)			
a. Education in unorganized territories	State general fund	Costs of tuition and transportation of children in unorganized sections	7,000
b. Aid to area vocational schools	State general fund	General aid to six area vocational schools	46,670
c. Partial salaries of superintendents of supervisory unions	State general fund		138,500

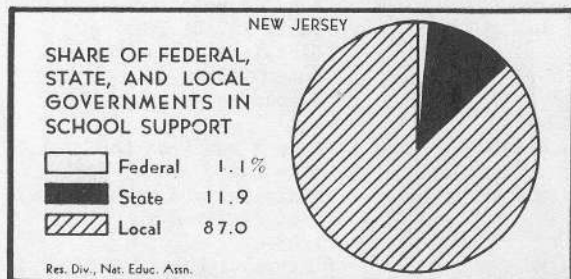
(Items 1 plus 2 equal 100%.)

Total . . . . . \$1,092,170



STATE SUPPORT OF PUBLIC SCHOOLS IN NEW JERSEY <sup>1/</sup>

The general property tax raised in the local district is still the major source of school revenue in New Jersey. For the calendar year 1953 the local districts raised \$204,362,000 from general property taxes for public school purposes. This represented 87.0 percent of total school revenues. In 1953-54 the state supplied \$28,016,032, or 11.9 percent, of total school revenues. The federal government supplied \$2,700,805, or 1.1 percent.



Sources of State School Revenue

Since the adoption in 1946 of the Pascoe state aid law, state school support in New Jersey has been obtained from general legislative appropriations. The old state school tax (on property), which had been earmarked for school purposes, was abolished in 1946.

Under the Pascoe Act a state public school account was created. To this account is credited certain receipts from the state school fund and the 1837 surplus revenue fund. A portion of the business corporation tax is also credited to the state school account. However, the monies from these sources actually become a part of the general state revenues.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked taxes . . . . .	None	...
2. Legislative appropriations . . .	\$27,575,184	98.4
3. Income from permanent school funds		
a. State school fund . . . . .	424,848	1.5
b. 1837 surplus revenue fund . .	16,000	0.1
Total . . . . .	\$28,016,032	100.0

Legislative appropriations from the state general fund--For all practical purposes, therefore, the Pascoe Act is financed entirely by general state appropriations. This is in accord with Article VIII, Section II, of the new state constitution which states that "all money for the support of state government and other state purposes ... shall be provided for in one general appropriation law." In 1953-54 Pascoe Act state aid amounted to \$16,475,600.

In 1948 the Armstrong state aid law was passed. A total of \$7,894,728 was appropriated from general state revenues to finance this law for 1953-54.

An additional \$2,616,566 was appropriated in 1953-54 from general legislative revenues to support additional school functions not included in the Pascoe and

<sup>1/</sup> Prepared for the Research Division, National Education Association, by S. Herbert Starkey, Jr., Director of Research, New Jersey Education Association, Trenton, New Jersey.

Armstrong Acts. These functions are manual training, vocational education, industrial education, aid for crippled children, and county superintendents' salaries.

The amount of \$1,029,138 was also appropriated in 1953-54 in order to make aid in each school district at least equal to 1952-53 state aid.

Income from permanent school funds--The income from permanent school funds (the state school fund and the 1837 surplus revenue fund) have already been mentioned in the foregoing paragraph. Actually, as stated, this income also becomes a part of general state revenues and is appropriated by the legislature to the public schools.

Apportionment of State Aid

There are three general methods employed by New Jersey for distributing state aid to local school districts: (1) as provided by Chapter 63, Laws of 1946 (Pascoe state aid law); (2) as provided by Chapter 66, Laws of 1948 (Armstrong Act); (3) by means of special aids.

Equalization aid--By the Pascoe state aid law the state established a foundation program of \$94 per weighted pupil, giving each elementary pupil a weight of 1, and each secondary pupil a weight of 1.25. An elementary pupil is any child enrolled in kindergarten thru Grade VI. A secondary pupil is any child enrolled in Grades VII to XII inclusive. This represents a minimum program which every district must provide by its own efforts and with state help as needed. The foundation program for each school district is the sum of the amounts obtained by: (1) multiplying \$94 by each elementary pupil in average daily attendance; (2) multiplying \$117.50 by each secondary pupil in ADA; (3) multiplying \$117.50 by each evening school pupil in ADA; (4) multiplying \$94 by 25 pupils for each special class. (Each special class is credited with an enrolment of 25 pupils in ADA.)

What is known as the "local fair share" of revenue constitutes the district's contribution to the cost of the foundation program. The "local fair share" of revenue is an amount equal to a 10-mill tax on the district's ratables or \$10 per capita of population, whatever is the greater. The "local fair share," however, must not exceed an amount equal to 30 mills on the district's ratables. For all districts with ratables of less than \$1,500 per pupil in ADA, the "local fair share" is determined by a 10-mill tax on district ratables.

To determine the amount of the state equalization contribution, the "local fair share" is subtracted from the cost of the foundation program. The difference obtained represents the equalization aid the state will supply. If the state's equalization aid under the Pascoe law is less than the 1943-44 state aid, the municipality must make up the difference. However, in no case is this municipal aid to exceed 74.14 percent of the state school tax raised by each district in 1943-44. Finally, if the combined state equalization aid and the municipal aid are still less than the 1943-44 state aid received by each district, the state will supply the difference in the form of deficiency aid. It is, therefore, possible for a district under the Pascoe law formula to receive three types of aid: equalization, municipal, and deficiency.

The use of 1950 census figures caused the "local fair share" to increase in most of those districts where the \$10 per capita of population determines the "local fair share." By concurrent resolution, the 1952

## NEW JERSEY (CONT.)

legislature provided that no district should receive less state aid in 1953-54 than was received for the 1952-53 school year.

If a district's "local fair share" is greater than the foundation program, the state grants this district minimum aid. Such a school district will receive \$3 per elementary pupil in ADA; \$3.75 per high-school pupil in ADA; \$3.75 for each evening school pupil in ADA, and \$75 for each special class. The aid granted such a district under the Pascoe Act must also equal or be greater than the state aid received in 1943. Municipal and deficiency aid must be forthcoming if needed to make this possible.

Pascoe emergency aid consists of money appropriated under the Pascoe law and distributed by the commissioner of education to very needy school districts which receive this aid over and above the aid granted under the formula terms of the Pascoe law.

General aid--The Armstrong law, Chapter 66, Laws 1948, grants additional state aid over and above that allowed under the Pascoe law. The aid is distributed among the school districts, including regional school districts, in the proportion which the ADA of pupils in the districts bears to the total ADA of the school districts of the state.

Each regional high-school district is entitled to receive under the Pascoe Act (1) \$400 for each full-time teacher and for its principal; (2) \$300 for each full-time nurse; (3) \$100 for each part-time nurse; (4) 75 percent of the cost of transportation of pupils; (5) 3 cents a day for the attendance of each pupil within the regional school district; (6) \$60 for each of its pupils in any district within the regional high-school district.

Special aid--Under the Pascoe Act the state supplies 75 percent of the cost of transporting pupils to school, providing such transportation has been approved by the county superintendent of schools.

Beginning in 1952-53 the state paid under the Pascoe Act \$75 for each dependent child residing in a school district on property belonging to the state or county which is not taxable. The state also paid \$75 to the school district for each indigent, neglected or abandoned child whose care is assumed by a society incorporated and located within New Jersey. The state pays \$45 to the school district for each child residing on a United States government reservation (includes housing projects).

Each county receives from Pascoe Act revenues an amount of money needed to pay the salaries and expenses of its helping teachers, its county supervisor of child study, and its county attendance officer.

In addition to Pascoe Act aids other special aids are available to local school districts, as follows:

The state will match local appropriations for approved courses of study in manual training. No district will receive less than \$250 annually and no district will receive more than \$5,000 annually from the state for this purpose.

The state will match local appropriations for approved vocational education courses of study. In no case will the state's contribution exceed \$10,000 per vocational school.

The state contributes one-half the excess cost of educating crippled children. The excess amount must be approved by the commissioner of education.

The state pays each public school \$20 for the establishment of a library. The school must contribute an equal amount. An additional sum of \$10 annually will be granted the school provided the school contributes an equal amount.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

Type and percent of aid	Name of fund	Basis of distribution	Amount
1. General aid (29.8%)			
a. Arm-strong aid	a/	Per weighted pupil in ADA	\$ 7,894,728
b. Regional high schools	a/	Proportional distribution based on ADA	456,260
2. Equalization aid (44.5%)			
a. Pascoe basic	a/	\$94 per weighted pupil in ADA less "local fair share" but not less than \$3 per weighted pupil	10,325,956
b. Pascoe deficiency aid	a/	Amount required to make basic aid with municipal aid equal that received in 1943-44	1,001,278
c. Pascoe emergency aid	a/	Distributed by commissioner of education to needy school districts	100,000
d. 1952 concurrent resolution	a/	Amount required to make 1953-54 state aid at least equal to 1952-53 state aid	1,029,138
3. Special aid (25.7%)			
a. Transportation	a/	State pays 75 percent of cost	3,725,656
b. Dependent children	a/	State pays \$75 per dependent child	520,740
c. Helping teacher, county attendance officer	a/	State pays salaries and expenses	345,710
d. County superintendents	a/	Salaries	173,925
e. Manual training	a/	State pays \$250 to \$5,000 to match funds raised by district	1,203,302
f. Vocational schools	a/	State pays not more than \$10,000 for each school to match local appropriation	663,260
g. Crippled children	a/	State pays one-half excess cost of education	406,079
h. Miscellaneous special aid b/	a/	Varies	170,000

(Items 1 plus 2 plus 3 equal 100%.)

Total . . . . . \$28,016,032

a/ General legislative appropriations.  
b/ Includes aid to industrial education, visual education, school libraries, and aid for purchasing school district forms and supplies.



STATE SUPPORT OF PUBLIC SCHOOLS IN NEW MEXICO<sup>1/</sup>

In New Mexico all monies that are used for the support of public elementary and secondary schools, with the exception of a small countywide levy and a small district tax levy on real and personal property, are derived from earmarked sources. That is, they are derived from sources which are dedicated by statute to the operation costs of public schools. No appropriations are made from the state general fund for the support of schools. These funds are classed under two classifications, namely, "Maintenance" and "Direct Charge."

The monies accruing for the support of operation of public schools originate for these purposes at two different levels in the state. Those having federal or state origin are deposited with the state treasurer in four depository funds: federal forest fees; motor vehicle licenses; the state public school equalization fund; and the state current school fund. These depositories do not indicate the source or origin of funds. These funds are distributed by formulae to the various county treasuries, who deposit them in what is known as the county school maintenance fund. Those having county origin are the county school maintenance monies derived from a countywide 5-mill property tax levy and the merchandise license fees. These two funds are collected by the county treasuries and are also deposited to the county school maintenance fund.

New Mexico has a constitutional limitation of 20 mills on real and personal property assessments. In this 20-mill limitation the schools are allotted at state level for the state current school fund one-half mill; 5 mills at the county level which is credited to the county school maintenance fund; and 4.45 mills for the direct charge fund in districts where there is no incorporated town. In districts where there is an incorporated town the levy must be split between the school district and the municipality, and is usually split equally between the school district and the municipality.

The following chart shows the income for secondary- and elementary-school support for the fiscal year 1952-53 by sources: the federal government, state support, and county and district support.

Of the income for school support, 7.2 percent came from federal sources; 75.5 percent came from state sources, and 17.3 percent came from county and district sources, representing a total of \$43,135,796.35 and is considerably in excess of amounts budgeted.



<sup>1/</sup> Prepared for the Research Division, National Education Association, by Charles H. Wood, Field Service Secretary, New Mexico Education Association, Santa Fe, New Mexico.

Sources of State School Revenue

Earmarked revenues--The federal forest fees represent the refunds by the United States government to the state of a part of the monies received from rentals and leasing of federally owned forest lands in New Mexico. These refunds have been considered in lieu of tax payment by the federal government. The refunds are paid to the state treasurer who, in turn, distributes them to the counties in which federal forests are located, on the basis of origin. Twenty counties in New Mexico participate in these funds. Twelve counties have no federal forests and hence do not participate in the distribution of the funds.

The merchants license is a county occupational tax on dealers in merchandise doing business (except liquor) outside of incorporated towns. One-half of the receipts from this source is credited to the county school maintenance fund. The other half to the general county fund. Credits to the county school maintenance funds from this source were \$18,321.

The state public school equalization fund is the largest depository fund from which school monies are distributed for the operation of public schools. This fund originates from the following sources: (1) 95 percent (percentage changed by 1953 legislature to 94 percent) of the state 8 percent sales tax from which the schools received during 1952-53 a total of \$22,223,434.38; (2) 67½ (percentage changed by 1953 legislature to 70½ percent) percent of the state income tax which ranges from 1 to 4 percent on individual incomes. From this source the equalization fund received \$2,184,964.54 during 1952-53; and (3) refunds to the state by the federal government of 37½ percent of the federal mineral leasing receipts on federally owned mineral lands in New Mexico. The refunds are based on the Federal Mineral Leasing Act of 1920 and were dedicated to educational purposes by state legislation passed in 1943. From this source the receipts to the equalization fund were \$3,043,349 in 1952-53 less appropriations to the New Mexico School of Mining and Technology in the amount of \$72,600.

The state school equalization fund was set up to provide equal educational opportunities for all children in New Mexico. The distribution of these funds is based on three formulae. First, the deductions are made from the funds at state level for transportation in every county and are allocated as a part of the budget for each local administrative unit rather than credited to the county school maintenance fund. Its allocation to the various districts is made on a formula based on number of pupils transported, miles traveled and condition of roads, etc. The portion remaining for distribution is allocated to the various counties on two formulae; the primary distribution is a portion of the monies which is set aside to adjust to an attendance basis, the current school fund which is distributed to each county on a census basis and the secondary distribution which is made to the counties on a weighted average daily attendance basis of the preceding year, in the ratio of pupils in Grades I to VIII, to those in Grades IX to XII being four to seven.

The motor vehicle license fees are collected by agents within each county and sent in to the state treasurer. Fifteen percent of the monies collected in each county is refunded by the state treasurer to the county treasurers. Within the counties these refunds from the state treasurer are distributed in proportion to the tax levies of each of all county divisions of government. From this source the counties received, during the year

NEW MEXICO (CONT.)

1952-53, for their county school maintenance budgets, \$168,231.

There is no statutory provision for producing revenues in local school units for operating expenditures. Local units do, however, levy a tax on assessed real and personal property within the district and it is called the "Direct Charge." It is used principally for capital outlay, maintenance and upkeep of buildings and equipment. For this purpose a levy of 4.45 mills is allowed under the 20-mill limitation for districts where there is no incorporated town. In districts where there is an incorporated town the 4.45-mill levy must be divided and is usually, tho not always, split equally. Last year the revenue for these purposes aggregated \$4,104,752 (this is the amount used for budgetary purposes and is based on 95 percent of tax collections). The New Mexico school statutes provide that 5 percent of total individual maintenance fund budgets may be transferred to the direct charge fund where necessary, and approved by the educational budget auditor. To the direct charge fund was added in transfers (these funds were included in items 1 thru 6 below) from the maintenance fund, and other sources, the amount of \$691,170, making a total of \$4,795,922 used for such purposes during the school year 1952-53.

For the maintenance and upkeep of school plants and the purchase of new equipment there is a fund known as the direct charge fund which is derived from a district-wide levy, collected by the county treasurer and is deposited to the direct charge fund of the district from which it originated.

Revenue from the direct charge levy is usually very limited; therefore, capital outlay for buildings and fixtures are generally provided by issuing general obligation bonds against the district thru local administrative school units by vote of the people living within the district. Bonds must be serial and are limited to 6 percent of the total property assessment. During the fiscal year 1952-53 there were levies for retirement of bonds in the amount of \$2,305,102 and for interest on outstanding bonds, \$468,379.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1952-53

Source	Amount	Percent
1. Federal forest fees . . . . .	\$ 83,468.00 a/	0.2
2. State public school equalization fund . . . . .	27,451,747.92	63.6
3. Motor vehicle licenses . . . . .	168,231.00 a/	0.4
4. State current school fund . . . . .	7,972,346.43 b/	18.5
5. County tax levy . . . . .	3,336,930.00	7.7
6. Merchants license . . . . .	18,321.00	0.1
7. District property tax levy. . . . .	4,104,752.00 c/	9.5
Total . . . . .	\$43,135,796.35	100.0

a/ Figures based on budget estimate not actual collections.

b/ Receipts collected during school year 1953-54 but distributed subsequent to June 30, 1953.

c/ Includes cash balances carried over from previous year.

Income from permanent school funds--New Mexico has a permanent school fund set up by the Organic Act of 1850 and the Enabling Act of 1910, which provides that a total of four sections of land from each township be used for public schools. Proceeds from the sale and depletion of the land goes into the permanent school fund. Income from investments of permanent funds, leases, rentals, etc., goes into the current school fund which is a part of the public school maintenance fund.

Total amount of permanent school funds on June 30, 1953, amounted to \$53,774,379.70, of which \$7,773,391.93

was added to the fund during the preceding year. Income from investments on this fund was \$1,059,771.05. The income from leases, rentals, etc., of public school lands, was \$6,284,781.04, derived mostly from mineral leases.

The county tax levy for the school maintenance fund is 5 mills and is the schools' portion for operation purposes of the 20-mill limitation ratified by constitutional amendment in 1934. From this source the receipts to all counties aggregated \$3,336,930 during 1952-53.

Apportionment of State Aid

General aid--The current school fund set up by constitutional provision is derived from the income received from the rental and leases of some 7,000,000 acres of public school lands, interest on the permanent school fund investment, a 1/2-mill state tax levy, fines, forfeitures, escheats, etc. The school income from these sources last year totaled \$7,972,325.48. Distribution of these funds are made to the county treasurers after July 1 of each fiscal year on the preceding year's income and on a school census basis. Therefore, the collections for the year 1952-53 were \$15,704.06 more than the distributions during the same period.

Special aid--Monies accruing to the state school equalization fund during 1952-53 totaled \$27,451,747.92. Before distribution was made to various counties, certain deductions were made totaling \$4,695,051 base on appropriations and formulae for central administration and related purposes. These included \$450,000 for free textbooks which were distributed in the form of books to local administrative units on an average daily attendance basis from a privately owned book depository; \$2,700,000 for transportation and \$81,482 for special state aid to certain counties whose income did not reach budget requirements. (The finance system has a \$500,000 state aid fund for supplementing budgets when income does not meet budgetary requirements. Since only \$81,482 of this fund was used the previous year, only that amount was needed to bring the state aid fund up to the statutory limit of the fund.)

TABLE 2.--APPORTIONMENT OF STATE AID, 1952-53

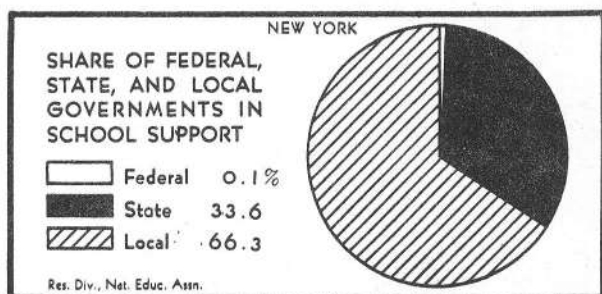
Type and percent of aid	Name of fund	Basis of distribution	Amount
1. General aid (23.1%)			
a. General apportionment	Current school fund	Census	\$ 7,972,346.43
b. County school maintenance	Automobile licenses	To county on basis of origin	168,231.00
c. Forest fees	Forest fees	To county on basis of origin	83,468.00
2. Special aid (76.9%)			
a. Attendance aid	Equalization fund	ADA	27,451,747.92
(Items 1 plus 2 equal 100%.)			
Total . . . . .			\$35,675,793.35

Federal assistance of \$4,566,937.89 consisted of \$3,068,721.40 and \$849,693.20, respectively, for buildings and operational costs in impacted areas; AEC (Los Alamos) \$38,438; \$116,234.84 for vocational education in secondary schools, \$441,940; and \$51,910.45 federal trades and industry.



STATE SUPPORT OF PUBLIC SCHOOLS IN NEW YORK, 1953-54<sup>1/</sup>

During the school year 1953-54 the school districts of the state spent \$882,371,413 (inclusive of retirement contributions, which are charged against the individual districts, but exclusive of payments from bond moneys). Of this amount the federal government provided \$1,183,129, or 0.1 percent. State support amounted to \$296,182,392, or 33.6 percent. Local revenues amounted to \$585,005,892, or 66.3 percent.



Sources of State School Revenue

Provisions for the state's support of schools are definitely set forth in the education law. The amount required in any year is appropriated annually by the legislature from the state general fund (totalled approximately \$336,309,000 for the school year 1954-55). No taxes, fines, or fees are specifically allocated for schools.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54  
(For state fiscal year ending March 31, 1954) a/

Source	Amount	Percent
1. Earmarked taxes . . .	None	...
2. Legislative appropriations		
a. For common schools	\$287,300,000	99.96
b. Education of physically handicapped	110,000	0.04
3. Income from permanent school funds		
a. Literature funds .	355,000 b/	0.12 b/
b. Common school fund		
c. U. S. deposit fund		
Total . . . . .	\$287,410,000	100.00

a/ Includes approximately half of aid paid in school year 1952-53 and half of aid paid in school year 1953-54.

b/ Estimated--included in the general fund appropriations.

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Blanche Waterman, Research Assistant, New York State Teachers Association, 152 Washington Avenue, Albany 10, New York.

Legislative appropriations from the state general fund--The state general fund is principally derived from corporation, motor fuel, inheritance and estate, stock transfer, motor vehicle, and personal income taxes.

Income from permanent school funds--Revenues from three permanent funds are included in the general fund appropriations and amounted to only about \$355,000 in 1953-54. The literature fund, first established out of revenues derived from sales or leases of "school lands" in 1790, is valued at \$288,200. The common school fund, which originated in the sale of 500,000 acres of public lands authorized in 1805, amounts to \$5,565,270. The United States deposit fund has a value of \$4,005,622.

Apportionment of State Aid

Equalization aid--Subject to certain conditions, state aid for cities, union free school districts and common school districts, employing three or more teachers, is equal to the sum of the following allowances less the equivalent of a tax of \$6.20 on each \$1,000 of equalized valuation in the district: (1) \$220 per pupil in average daily attendance in Grades I-VI inclusive, and \$274 per pupil in ADA in Grades VII-XII in regular sessions; (2) \$110 per pupil in ADA in half-day kindergartens, and \$220 per pupil in ADA in full-day kindergartens; (3) \$800 plus the allowances for ADA for each approved special class; (4) \$13 per pupil in ADA in approved summer schools; (5) 14 cents per pupil in attendance for each period at night schools and part-time continuation schools; (6) \$2.50 for each period in which each approved adult education class was in session during the school year.

Each district included above is guaranteed a minimum amount of state aid--\$96 a pupil in K-VI (\$48 for half-day kindergarten) and \$129 a pupil in Grades VII-XII (based upon ADA).

One-teacher and two-teacher districts receive \$3,000 and \$6,000, respectively, plus \$10 a pupil in ADA, less the equivalent of a tax of \$6.20 on each \$1,000 of full valuation.

The attendance of central districts is weighted to allow for sparsity and other factors affecting costs in reorganized districts. For Grades K-VI the weighting amounts to 10 percent of the difference between 316 and the actual ADA (if below 316). For Grades VII-XII any attendance below 393 is increased by 60 ADA; attendance between 392 and 692 is increased by 20 percent of the difference between 692 and the actual attendance. After these weightings are applied, total elementary and secondary attendance is increased by 12 percent. There is also an allowance for transportation as part of the foundation program for central districts.

Districts, in order to receive their full apportionments of state aid, must spend for general school purposes, as approved by the commissioner of education, an amount equal to a tax of not less

NEW YORK (CONT.)

than \$6.20 on each \$1,000 of full valuation plus state aid.

A district also must spend the equivalent of a tax of \$1.33 on each \$1,000 of full valuation or \$25 a pupil in ADA, whichever is the lesser, for capital purposes. If not, the difference between the amount spent and the foregoing minimums are withheld. However, the amounts withheld will be paid whenever expenditures for capital purposes entitle a district to receive them. Where there is a local reserve fund for buildings, the amounts withheld will be deposited in the fund.

The amount of state aid due each district is computed on the basis of the mean of the ADA of the three preceding years. Where the latest ADA is at least 10 percent greater than the three-year average, a district may substitute the attendance of the latest year with the local contribution increased to \$7.20 per \$1,000. Certain very rapidly growing districts also may qualify for emergency assistance.

Temporary aid in the amount of \$13 per pupil was apportioned to all operating districts in the school year 1954-55 (and has been continued for the school year 1955-56) on the basis of the same ADA as used for equalization aid purposes (approximately \$22 million of this aid was paid during 1954-55).

Special aid--Union free school and common school districts and certain other districts receive transportation aid based on allowances for amortization of equipment, insurance, salaries, fuel oil, maintenance and repairs, tires, and storage, less the equivalent of a tax of \$1 on each \$1,000 of full valuation.

Central districts receive building aid based upon an allowance of \$450 a pupil, adjusted upward or downward according to changes in costs of labor and material since October 1, 1940, less an amount equivalent to 6 percent of the full valuation of the district. Central districts organized prior to 1941 receive one-fourth of the approved cost of buildings.

Emergency school building advances are provided for districts which cannot pay debt service on buildings costing \$1,100 a pupil in Grades K-VI, \$1,500 in Grades VII-IX, and \$1,600 in Grades VII-XII corrected for changes in costs since December 1, 1950, plus certain allowances for sites, site development, furniture, equipment, and other costs with a tax rate of over \$7 per \$1,000 on full valuation. Any part of such advances which cannot be repaid after certain periods of time become grants-in-aid. The appropriation for such advances amounts to about \$2,000,000. As in the case of aid for central school buildings it is aid toward paying debt service.

Districts contracting for the education of all or part of the pupils in a district receive assistance toward paying for the tuition and transportation for the pupils sent to other districts under special formulas.

Nonresident tuition quotas now are limited to certain districts receiving aid under laws in effect prior to the enactment of present statutes.

Aid for boards of cooperative services is paid to school districts under a special formula based upon approved budgeting allowances allocated to the district and a local contribution from the district based upon valuation.

Special aid is provided for intermediate districts but to date none have been formed.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

Type and percent of aid	Name of fund	Basis of distribution	Amount
1. Equalization aid (93.0%)			
a. Cities, union free, or common school districts	Appropriation for common schools	\$220 times elementary and \$274 times secondary attendance, less \$6.20 per M tax	\$191,729,477
b. Central districts	Appropriation for common schools	Special formula	81,815,559
c. Rapidly growing districts	Appropriation for common schools	Special formula	1,437,618
2. Special aid (7.0%)			
a. Transportation	Appropriation for common schools	Allowance based on costs less 1-mill tax except in central districts a/	11,198,358
b. Buildings, central districts	Appropriation for common schools	\$450 per pupil adjusted to changes in costs, less 6 percent of full valuation b/	5,393,810
		Debt service--former districts	282,997
c. Emergency building	Special appropriation	Special formula	766,224
d. Contract districts	Appropriation for common schools	Tuition and transportation costs less 4-mill tax	969,666
e. Boards of cooperative services	Appropriation for common schools	Approved budgetary allowances and a local contribution	779,960
f. County vocational boards	Special appropriation	One-half the cost of salaries up to specified maximum	323,693
g. Handicapped children	Special appropriation	One-half approved costs	651,735
h. Aid for teachers salaries	Special appropriation		145,431
i. Miscellaneous	Common school appropriation		107,334

(Items 1 plus 2 equal 100%.)

Total . . . . . \$295,601,862

a/ Includes central districts where aid is part of foundation program.

b/ Except for buildings erected prior to 1941.



STATE SUPPORT OF PUBLIC SCHOOLS IN NORTH CAROLINA, 1953-54<sup>1/</sup>

That the method of financing public schools in North Carolina has undergone substantial change within the past few decades is indicated by the percentages in table just below. The trend has been toward larger contributions by the state accompanied by increased state control.

SOURCES OF TOTAL SCHOOL SUPPORT--IN PERCENTAGES

Years	State including loans	Federal, philanthropic	Local bonds	Ad valorem taxes: county, city	Fines, balances, pupils, donations
1929-30	16.7	0.6	8.2	63.4	11.1
1933-34	60.2	2.6	0.7	31.5	5.0
1937-38	59.0	2.2	2.8	23.1	12.9
1941-42	57.3	4.5	2.7	23.4	12.1
1945-46	60.6	4.9	1.5	17.5	15.5
1949-50	53.3	7.1	11.4	14.5	13.7
1952-53	56.9	4.9	5.8	15.9	16.5
1953-54	52.8	3.7	13.3	15.7	14.5

Formerly there were two distinct terms: (1) the six months' term required by the constitution, and (2) the extended term financed largely by local (city, district) taxation. The state aided the current expense portion of the former with an equalization fund and the latter (entirely current expense) with a tax-reduction fund. Nearly 90 percent of the taxable property of the state was taxed for the extended term but about 28 percent of the children had terms of less than 160 days. Neither tax-rates nor school-terms were uniform. Average term in 1929-30 was 154 days (145.6 in counties, 177.1 in cities). Length of term had not been equalized.

Due to the difficulties of devising an equitable formula for the distribution of equalizing funds, North Carolina in 1931 abandoned equalization and provided that the state would pay the cost in all schools--upon state standards of support--of four of the six objects of expenditures in current expense: general control, instructional service, operation of plant and auxiliary services (largely transportation of pupils). The other two objects of expenditure were to be supported entirely from local funds. The equalization fund became the six months' school fund and was considerably increased; the tax-reduction fund for extended term was continued. In 1931-32 the aid provided by the state amounted to 39.8 percent of total school support. Equalization of school terms between counties and cities, however, was not attained (147.2 days for counties, 174.4 days for cities).

Partly because of this continuing disparity in length of school term, the General Assembly in 1933 consolidated its two aids into the eight months' school fund and appropriated \$16,000,000--to come from sources other than ad valorem taxes--to support that portion of the educational program aided by the state. Ad valorem taxes were left to local units to assist in the support of two objects of expenditure: maintenance of plant and fixed charges.

An imposed disadvantage of this consolidation of aids--in spite of an increase in state funds--was the requirement that all special, local taxes for the

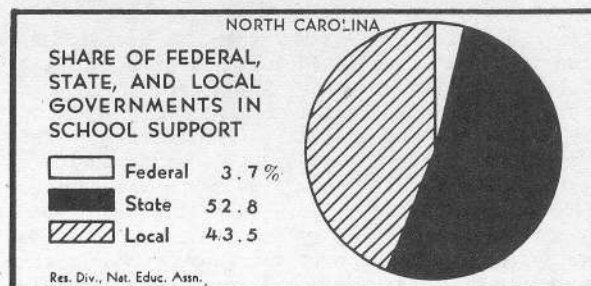
extended term be abolished. There had to be new elections; only seven cities were able to revote special taxes for use in 1933-34. An advantage of consolidation was the almost complete equalization of term: 158.6 days for counties, 161.3 days for cities.

The principle of state support for a portion of the educational program for a uniform term of 160 days was accepted by succeeding legislatures which gradually increased appropriations. An extension of term to 180 days was made possible for counties and cities operating as administrative units and for larger districts within counties--after a vote of the people. In 1942-43 there were 2 counties, 51 cities and 8 districts which had these special taxes; their effect was to revive the disparity in length of term between counties and cities: 161 days for counties, 176.6 days for cities.

The 1943 General Assembly raised the standard of state support to 180 days--still for a portion of the public school program. Special taxes could now be used for supplementary purposes rather than for extension of term; in 1953-54 these taxes were levied by 4 counties, 59 cities and 42 districts. State appropriations have increased from \$37,000,000 in 1943 to \$101,000,000 in 1951, to \$120,000,000 in 1953, to \$128,000,000 in 1955. Funds for buildings are not included.

In 1949 the state began aiding capital outlays; there was a grant of \$50,000,000 (half from surplus, half from sale of bonds after a vote of the people) to be expended over a period of years. The 1953 legislature authorized another \$50,000,000 from bonds after a favorable vote by the people. Both funds are administered by state board of education. The first is almost expended; about \$2,000,000 of the second was made available in 1953-54.

For 1953-54 the main sources of total funds (current expense, capital outlay and debt service) for schools and the proportion derived from each source may be seen on table in upper left of first column.



Sources of State School Revenue

North Carolina does not earmark taxes collected by the state for support of schools. Legislative appropriations are paid from the general fund.

Legislative appropriations--The amount made available by state in 1953-54 for current expense was \$118,329,136 including \$486,784 (not shown in table) as tax on intangibles collected by the state and returned to local units; other amounts are in Table 1. In addition to current expense there became available in 1953-54 for capital outlay \$2,007,537 from C. I. R. Funds and \$179,436 from loans (State Literary Fund). The state also paid the debt service (not shown in table) on \$50,000,000 of bonds from the 1949 and 1953 authorizations.

<sup>1/</sup> Prepared for the Research Division, National Education Association, by H. C. West, Statistician, State Department of Public Instruction, Raleigh, North Carolina.

# NORTH CAROLINA (CONT.)

The bulk of the state's income for the general fund comes from: (1) income taxes on corporations and individuals, (2) a 3 percent general sales tax with a few exemptions and (3) fees for professional licenses and corporate franchises.

Income from permanent school funds--The only permanent school fund is the state literary fund. From it loans are made to counties for erection or improvement of school buildings. Old, unpaid loans from four special building funds (about \$260,000) have been transferred to the literary fund. The greater portion of the fund (\$2,000,000) is being used as a reserve by insurance division (state board of education) to sell fire insurance on school buildings to the local units--a new state venture. Total value of the fund at June 1954 was slightly more than \$3,000,000.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked taxes . . . . .	...	...
2. Legislative appropriations (amount used)		
a. Nine months' school fund . . . . .	\$114,459,146	95.48
b. Vocational education a/. . . . .	2,579,369	2.15
c. Free textbooks . . . . .	803,837	0.67
d. C. I. R. Funds . . . . .	2,007,537	1.67
3. Income from permanent school funds		
a. Interest . . . . .	28,452	.03
b. Land sales, gifts . . . . .	5,368	
Total . . . . .	\$119,883,709	100.00
a/ Not including \$918,176 of federal funds.		

## Apportionment of State Aid

State funds for school support are distributed as general or special aids; even the general are for specific purposes, as budgeted.

General aid--The largest of the state's contributions--nine months' school fund--is for general control, instructional service, operation of plant and auxiliary services in all schools--upon state standards of support--for a term of 180 days. This money is allotted to county and city administrative units (100 counties, 74 cities in 1953-54) upon the basis of need as shown in budgets submitted to controller's office of the state board of education. The board consists of 13 members: 10 appointed by the governor with legislative approval and 3 elected officials (lieutenant-governor, state treasurer and state superintendent of public instruction). Fiscal affairs of the board are administered by the controller, appointed by the board; educational matters are handled by the state superintendent--elected by the people--who is secretary of the board. To obtain funds, local superintendents draw vouchers upon the state treasurer up to the amount of their approved budgets.

The state board of education has wide discretion in allocating funds to utilize all modern school plants without regard to district or even county lines; it advises as to bus routes, determines where high-school instruction may be offered and may abolish small schools (by declining to allot state-paid teachers).

Standard salary schedules--with no distinction as to race, sex or levels of instruction--are adopted by the state board of education separately for teachers and principals. Supervisors are paid on same schedule as teachers but for 10 months instead of 9.

Basis for the teachers' schedule are amount of college training and years of teaching experience. A college graduate (class A certificate) has in 1955-56 a beginning salary of \$270 monthly; with 11 years of teaching experience, the holder of class A certificate receives

\$380 each month. For teachers with a master's degree, there is a graduate certificate which pays from \$308 (G-2) to \$423 (G-12) monthly. Teachers are paid for 9 months; the class A schedule ranges from \$2,430 to \$3,420 annually while the graduate schedule permits a top of \$3,807 for the year. In addition some administrative units have local supplements, increasing the average.

The salary schedule for principals is based upon years of experience as principal and size of the school supervised. No principal is now issued a certificate without master's degree; some older certificates not based upon this degree are still valid but have a lower maximum. No one is rated as principal without 7 teachers in his school. Payment is for 10 months, as for supervisors. A principal's beginning salary with no experience (P-o) and only 7 teachers for 1955-56 is \$335.50 monthly; after 8 years the maximum for this small school of \$423.50 monthly (P-8) may be reached--provided the master's degree has been secured. Without a master's degree the highest rating for schools of any size is P-5. In a school with 18 teachers, the range is from \$440 to \$495 monthly without master's degree; with this degree a top of \$528 monthly may be secured. From \$572 to \$627 monthly is paid in schools of the largest classification (48 or more teachers) if principal does not hold master's degree; with this degree \$643.50 per month is possible. Thus the salaries of principals may range from \$3,355 to \$6,435 for the year. These salaries also may be supplemented by local units.

Superintendents have a state salary schedule likewise based upon experience as superintendent and size (membership) of unit administered. The range in 1955-56 in the smallest unit is from \$5,172 to \$5,748 for 12 months; in the largest system (15,000 pupils or more) from \$7,428 to \$8,256 is paid. Local supplements are again possible.

Special aids--Other state distributions are for vocational education, free textbooks (a) in elementary schools and capital outlay. Vocational money is allotted by the state board of education to schools meeting the requirements. Funds for textbooks are used by the state in purchasing texts; the books are distributed to schools for all elementary pupils (Grades I-VIII) without cost to local units except damage fees. Grants are made from C. I. R. Funds by state board of education, after approving the site and building plans, to counties and cities for the construction, improvement and repair of school buildings. In this instance also, local superintendents draw vouchers upon the state treasurer.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

Type and percent of aid	Name of fund	Basis of distribution	Amount
1. General aid (95.5%)	Nine months' school fund	Approval state board of education	\$114,459,146
2. Special aids (4.5%)			
a. Vocational	Vocational education	Requirements state board	2,579,369
b. Free textbooks	Free textbook fund	Elementary pupils	803,837 a/
c. Buildings	C. I. R. Funds	Approval state board	2,007,537
(Items 1 plus 2 equal 100%.)			
Total . . . . .			\$119,849,889
a/ Distributed in books rather than money.			



STATE SUPPORT OF PUBLIC SCHOOLS IN NORTH DAKOTA, 1953-54<sup>1/</sup>

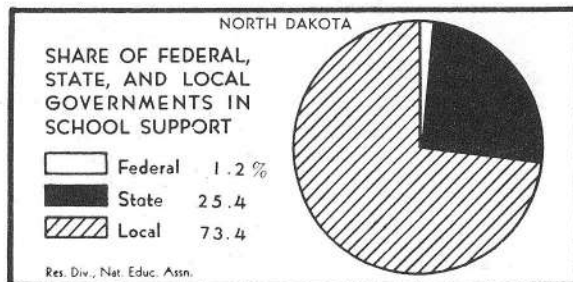
The chief source of school support in North Dakota is the local property tax, supplemented by the interest on the money derived from the sale of school lands, land rentals, the \$1 per capita school tax, fines and penalties, legislative appropriations, county tax levies, and federal aid. Total receipts from all sources in school district general funds rose from \$12,721,515 in 1944 to \$31,749,221 as of June 30, 1954.

The amount of taxes levied for public schools by the local school district boards was \$12,257,456 in 1954, or 38.61 percent of the total receipts in the school district general fund. Other local sources provided \$950,215, or 2.99 percent.

The county tuition fund, derived from a 10-mill levy on property and a \$1 per capita tax, is disbursed to the school districts on a per pupil basis. This fund furnished 18.76 percent of the total revenue, or \$5,958,337. The income from this source caused a drop in local taxes which is reflected in a lessened percentage of local taxes, from 58.8 percent in 1949 to 38.61 percent in 1954. Combined state and county sources provided 47.11 percent of all school revenue.

The county 2-mill levy for high-school aid provides for a per pupil payment of \$2 for each week of attendance. School districts received \$944,581 during the school year. Effective July 1, 1955, the county levy for high-school aid has been increased to 3 mills and the payment to \$3 for each week of attendance. The county tuition and county high-school equalization are supplemented by the state equalization fund.

Certain schools receive aid from the federal government under the Smith-Hughes and George-Barden Acts. That aid amounted to \$371,113 in 1954, or 1.17 percent of the total school district receipts. The amount which came from the state was \$8,054,877, or 25.37 percent of the receipts. Local revenues total \$23,323,232, or 73.46 percent; county money \$6,902,919; local taxes \$12,257,456; local revenue receipts \$950,215; nonrevenue receipts from the sale of bonds \$3,212,642.



Sources of State School Revenue

Substantial school support in the earliest years of statehood was received from the state tuition fund, otherwise called state apportionment. Revenues to this fund are derived from fines and penalties, but chiefly from the income of the permanent school fund. In 1892 the state apportionment amounted to 28.4 percent of the total amount spent for operating the public schools, but it was a much smaller proportion in later years because of the demand for enlarged school services. The discovery of oil in North Dakota has increased payments from the state

<sup>1/</sup> Prepared for the Research Division, National Education Association, by H. J. Snortland, Director, State Equalization Fund, Department of Public Instruction, Bismarck, North Dakota.

tuition fund. Oil leases and bonuses have increased the per capita payment per enumerated child to \$15.33 for the year ending June 1954.

State support of public education was reduced in 1933 by the discontinuance of aid amounting to \$300,000 per year that had been appropriated for conducting schools of recognized qualifications; but the state equalization fund law, financed by newly earmarked school revenues, became operative in 1935 and has been amended from time to time subsequently. The money is appropriated out of the equalization fund. In 1954 the amount received from that fund was 18.06 percent of all the general fund receipts of the school districts, or \$5,733,662.

**Earmarked taxes**--The retail sales tax law, passed first in 1933 without appropriation but made operative in 1935, taxes at 2 percent the retail sales of tangible personal property, services, and admissions. Since 1941 seven-twelfths of the revenue from the retail sales tax has been earmarked for the equalization fund, altho it must be appropriated out of the fund by the legislature. The schools' share of the sales tax proceeds provided \$6,790,000 for the equalization fund in 1954, which left a surplus after the appropriations. The net proceeds of all fines and penalties are distributed with the state apportionment. The fines amounted to \$100,554 in the year ending June 30, 1954.

**Income from permanent school funds**--The state permanent school fund, known as the land endowment fund, owes its origin to congressional grants of sections 16 and 36 of each township, whereby North Dakota received 2,500,000 acres of land for the support of the common schools. The income from this fund, which becomes a part of the state tuition fund, or the distribution known as the state apportionment, is derived from the rental of the school lands and the interest on the invested proceeds from the sale of such lands. The income received by school districts was \$2,321,215 in 1954.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked taxes		
a. Seven-twelfths of sales tax . . .	\$6,790,000	73.5
b. Fines and penalties . . . . .	100,554	1.1
2. Income from permanent school funds		
a. Land endowment fund . . . . .	2,346,282	25.4
Total . . . . .	\$9,236,836	100.0

Apportionment of State Aid

All payments of state aid to schools are made from the state apportionments and from the state equalization funds. These aids are distributed on the bases of the census (for the apportionment), and the enrolment in various classes of schools, or on basis of need (for the equalization aid).

**General aid**--The revenue from the state apportionment received by the school districts during the year ending June 30, 1954, amounted to \$2,321,215 and was distributed to the counties and thence to the school districts on the basis of the school census.

The equalization fund is used also to pay to each school district, county agricultural and training school in the state the sum of \$3 for each week of regular enrolment during the preceding year by a high-school student resident of North Dakota. Payment is made only if four or more units of standard high-school work, approved by the superintendent of public instruction, are offered during the current year by the school, if only certificated

# NORTH DAKOTA (CONT.)

teachers have been employed, if the teachers have been paid not less than the minimum legal salaries, and if the other legal standards have been met. A student who lives within 20 miles of another state or in a county bordering another state and in a district without a high school may, with approval of the county superintendent, attend a four-year public high school in the adjoining state; and high-school tuition shall be paid from the fund to the district of high-school attendance in the amount of \$3 for each week of attendance. The pupil must have completed all work of the first eight grades, be a resident of North Dakota, and not already have attended high school for four years or completed 15 or more units of high-school work. The appropriation for resident, non-resident, and out-of-state tuition for high-school students for the biennium 1953-1955 was \$6,150,000.

**Equalization aid**--A part of the equalization fund is paid to the counties whose county tuition fund is insufficient to provide the amount of money per pupil and per school district that is stipulated in the 1953 law. The law stipulates five qualifications of schools for participation in the county tuition fund for aid to their elementary-school pupils, as follows: (1) To districts maintaining one-room rural schools, if the district has 18 sections or less of land, \$800 for 4 to 10 pupils in a school will be paid; (2) if composed of more than 18 sections of land, \$1,200 for 4 to 10 pupils in a school; (3) in cases (1) and (2) \$70 for each pupil in excess of 10 in a school and payment is reduced one-fourth for each pupil less than 4 pupils; (4) districts maintaining two-, three-, or four-room elementary schools receive \$100 per pupil for 18 pupils or less average enrolment per room or \$70 per pupil for more than 18 pupils per room, whichever is greater, but not in excess of \$2,500 per room; (5) for elementary-school pupils in all other districts in the county, \$70 per pupil; (6) to rural districts with closed rural schools the same payment as (1) and (2) if vehicular transportation is provided and a written agreement is made between districts for the admittance of the pupils.

Surplus money in the county tuition fund is divided according to all elementary-school pupils enrolled in all districts of the county. Schools having terms of less than nine months will share the money in the proportion that their terms bear to nine months. When there is less than the specified amount for each pupil, the state equalization fund will be used as needed to make up the deficit for the county tuition fund.

The home county pays \$70 per pupil for those who find it convenient to attend school in a bordering state. The county will pay \$70 toward the tuition in the foreign state, and will collect that amount from the county tuition fund for that purpose. The pupil must have the permission of the county superintendent. The appropriation for resident elementary-school-pupil aid for the biennium 1953-1955 was \$4,500,000.

A new county 2-mill levy, effective July 1, 1953, (explanation in paragraph 4, page 1) appropriated \$1,800,000 for high-school aid.

A part of the equalization fund is appropriated as an emergency fund. To receive aid from this fund a school district must demonstrate that it has made the maximum financial effort to pay for the operation of its schools by providing the normal maximum mill levy permitted by law in its class of school districts. It must also have its budget approved by the state superintendent of public instruction as to size and type of school, proximity to adjacent schools, and transportation facilities. Schools with seven or more teachers shall maintain a pupil-teacher ratio of at least 22. The appropriation for emergency aid for the biennium 1953-1955 was \$650,000.

If there is not enough money in the equalization fund to meet all the specifications of the act, the emergency fund shall be paid in full if required, and the rest of the money shall be prorated.

**Special aid**--A distribution of \$200,000 was appropriated from the equalization fund for the biennium 1953-1955 for high-school correspondence study, to be administered by the state board of higher education.

The state board of higher education, thru the state director of vocational education, is authorized to spend out of the state equalization fund \$172,000 for the biennium 1953-1955 for state aid to vocational agriculture, home economics, occupational information and guidance, and business education.

The 1953 legislature appropriated \$150,000 for the special education of exceptional children. The law provides for payments to districts that have exceptional children enrolled in an approved program of special education and may receive payments not to exceed \$300 for instruction and \$500 for transportation, equipment, and residential care. The districts may also include approved children for payment of elementary and high-school tuition.

TABLE 2.--APPORTIONMENT OF STATE AID  
(Annual appropriations, year ending June 30, 1954) a/

Type and percent of aid	Name of fund	Basis of distribution	Amount
1. General aid (59.1%)			
a. Basic apportionment	State tuition fund	School census	\$2,321,215 b/
b. High school	State equalization fund	Per pupil per week enrolled for resident, nonresident, and out-of-state attendance	3,075,000
2. Equalization aid (38.0%)			
a. Basis of need	State equalization fund	Needy districts that have fulfilled requirements	325,000
b. Per pupil aid--resident	State equalization fund	Per pupil per year; adjusted for small enrolments in one-room schools, and two-, three-, four-room elementary schools	2,250,000
c. High-school aid	State equalization fund	Per pupil per week enrolled for resident, nonresident, and out-of-state attendance	900,000
3. Special aid (2.9%)			
a. High-school correspondence study	State equalization fund	Lump sum appropriation	100,000
b. Vocational aid	State equalization fund	Lump sum appropriation	86,000
c. Special education	State equalization fund	Per pupil	75,000

(Items 1 plus 2 plus 3 equal 100%.)

Total . . . . . \$9,132,215  
a/ One-half of amount appropriated for the biennium 1953-1955.

b/ Amount distributed to school districts for school year ending June 30, 1954.



STATE SUPPORT OF PUBLIC SCHOOLS IN OHIO <sup>1/</sup>

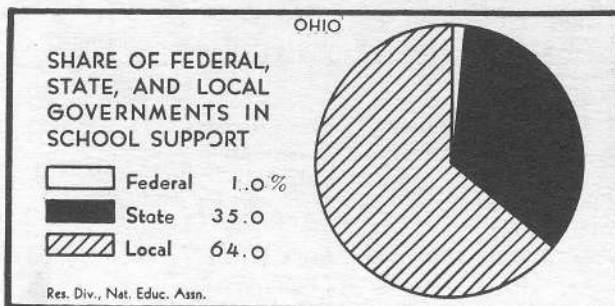
The Ohio Foundation Program Law for state support of public schools was enacted in 1935.

The provisions of this act prescribe the method for computing a foundation program for each school district in the state, and the law so operates that each district has a guarantee that it will receive, from local taxes and from the state, total revenue not less than the amount of its foundation program.

The Foundation Program Law as enacted in 1935 created a state public school fund, from which fund payments to school districts were made until 1939. Revenues constituting the public school fund were derived from the proceeds of certain taxes that were earmarked by statute for such purpose.

In 1939 Ohio abandoned altogether the practice of earmarking taxes for the support of schools. Legislation enacted in 1939 made provision for all of the revenues previously earmarked for the public school fund to go into the state's general revenue fund.

For the 1953-54 school year total expenditures for current operation will be approximately \$332,000,000. State appropriations will provide approximately \$116,000,000, or 35 percent, of that amount. Income from state permanent school funds will provide \$270,000; approximately \$212,000,000, or 64 percent, will be derived from local taxation and other local revenue sources; and about \$3,250,000, or 1 percent, will come from the federal government.



## Sources of State School Revenue

Legislative appropriations from the state general fund--The General Assembly, at each biennial session, appropriates from the general revenue fund the amount required for the two years of the biennium to meet the state's obligations under the provisions of the Foundation Program Act. The cost to the state for the 1953-54 school year will be approximately \$116,000,000.

In addition to appropriations to meet the state's obligations under the provisions of the Foundation Program Law, the General Assembly appropriates money from the state's general revenue fund for distribution to school districts for certain other purposes.

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Robert L. Rohe, Director of School Finance, Ohio State Department of Education, Columbus, Ohio.

The state department of education is authorized by statute to provide financial assistance to school districts with low tax valuations for repairs and improvements to existing school plants and for equipment. For the two years of the current biennium, \$3,000,000 has been appropriated for this purpose.

To provide financial assistance to school districts in the purchase of school buses the General Assembly has appropriated \$2,500,000 for distribution during the current biennium.

To provide financial assistance to school districts for emergency building needs, the General Assembly in 1953 appropriated \$3,000,000. Only those districts with a tax valuation of less than \$6,000 for each pupil in average daily membership are eligible for assistance from this appropriation.

For many years there has been in operation in Ohio a program under which the state has aided school districts in supporting special classes for deaf, blind, and crippled children. Legislation enacted in 1945 provided for the expansion of this program so as to include state support for classes for slow learners and for mentally handicapped children. The appropriation for the 1953-54 school year is \$1,782,400.

Funds are appropriated by the legislature for vocational education for use in conjunction with federal funds under the provisions of the Smith-Hughes and George-Barden laws. For each of the two years of the current biennium, \$700,000 was appropriated for this purpose.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Legislative appropriations		
a. Foundation program subsidy . . . . .	\$113,500,000	97.7
b. Subsidy for handicapped children . . . . .	1,782,400	1.5
c. Vocational education . . . . .	700,000	0.6
2. Income from permanent school funds		
a. Interest on irreducible debt and school trust, and income, land rental. . . . .	270,000	0.2
Total . . . . .	\$116,252,400	100.0

Income from permanent school funds--A small amount of revenue accrues to school districts from the interest on the irreducible debt, resulting from sales prior to 1917 of lands originally reserved for the benefit of schools. The state borrowed the proceeds of these sales, agreeing to pay the schools 6 percent interest annually forever. The amount distributed is \$270,000 per year. The proceeds of sales since 1917 of original school lands go into a school land trust which also receives the income from royalties on minerals. The interest arising from this trust and the income from lands under lease, amounting to approximately \$25,000 per year, are distributed to school districts.

## Apportionment of State Aid

State funds distributed to school districts under the provisions of the Foundation Program Law come within two classifications, general support and equalization support, as explained below.

**General aid**--The Foundation Program Law first makes provision for the payment of a specific amount for each pupil in average daily membership. Such payments are commonly referred to as the flat distribution payments.

Under the law, as amended in 1953, the flat distribution is \$30 for each pupil 5 years of age or over in average daily membership in kindergarten classes; \$60 for each pupil in average daily membership in Grades I to VIII; \$70 for each pupil in average daily membership in Grades IX to XII; and \$45 for each pupil of school age in average daily membership in part-time, continuation, and evening schools.

The flat distribution payments are made for all schools with the exception of one-teacher and two-teacher elementary schools maintained in local school districts. As defined by Ohio law, a local school district is a district under the supervision of a county board of education. Payments arising under the flat distribution are made to a school district without regard to the district's ability to support schools from local taxation. The rates of the flat distribution are the same without regard to the size of the school.

**Equalization aid**--The equalization feature of the Ohio Foundation Program Law arises from those provisions in the law which authorize the payment to qualifying school districts of what is defined by statute as "additional aid." To determine the amount of additional aid, if any, to which a district is entitled, a foundation program for the district is computed pursuant to the provisions of the law.

Where the total foundation program amount for a district is less than the sum of the flat distribution and the computed yield of  $5\frac{1}{2}$  mills on the district's tax valuation, the district is not entitled to additional aid and receives only the amount of the flat distribution. If, however, the foundation program amount is in excess of the sum of the flat distribution and the computed yield of  $5\frac{1}{2}$  mills on the district's tax valuation, the district receives, as additional aid, the amount of such excess. Under such circumstances the amount of state support is the sum of the flat distribution and the additional aid. It will be noted that this sum is equivalent to the difference between the total amount of the district's foundation program and the computed yield of  $5\frac{1}{2}$  mills on its tax valuation.

The foundation program for a district includes (1) an amount for each school maintained in the district; (2) an amount which represents that part of the cost of pupil transportation that is approved by the state department of education; and (3) an amount representing a portion of the cost of tuition for any pupils who are in approved attendance in the schools of another district.

Under the law as amended in 1953 the rates used in computing the foundation program amounts are: \$68.75 for each pupil 5 years of age or over in average daily membership in kindergarten classes; \$137.50 for each pupil in average daily membership

in Grades I to VIII; and \$160 for each pupil in average daily membership in Grades IX to XII. These rates, established by statute, are used where the average daily membership of a school is 180 or more. The law provides that for schools with an average daily membership of less than 180, foundation program schedules shall be established by the superintendent of public instruction.

To be eligible for additional aid in 1954 a school district must have a tax levy of not less than 8 mills for current operating expense. To qualify for additional aid in 1955 and thereafter a levy of not less than 10 mills for current operation will be required.

**Special aid**--Districts eligible for financial assistance for repairs, improvements and equipment are those with a tax valuation of less than \$8,000 per pupil in average daily membership in Grades I to XII, provided tax levies meet statutory requirements. For the two years of the current biennium, \$3,000,000 has been appropriated for this purpose.

To districts that maintain classes for the education of deaf, blind, and crippled children, the state pays the excess cost (within statutory maximums) over the normal per capita cost of educating pupils in the schools of the district. For classes for slow learners the basis of state support is the teaching unit and the amount for each such unit is prescribed by statute.

State funds appropriated for use in conjunction with federal funds for vocational education are apportioned to school districts on the basis of teachers' salaries.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

Type and per- cent of aid	Name of fund	Basis of distribution	Amount
1. General aid (66.8%)			
a. Flat distribu- tion	General revenue	Average dai- ly member- ship	\$77,500,000
2. Equalization aid (31.0%)			
a. Addition- al aid	General revenue	Amount of foundation program in excess of sum of flat dis- tribution and $5\frac{1}{2}$ -mill tax yield	36,000,000
3. Special aid (2.2%)			
a. Handi- capped children	General revenue	Excess cost of special classes	1,782,400
b. Vocation- al educa- tion	General revenue	Salaries of teachers	700,000
(Items 1 plus 2 plus 3 equal 100%.)			
Total . . . . .			\$115,982,400 a/
a/ Excludes income from the permanent school fund distributed to eligible counties by auditor of state.			



STATE SUPPORT OF PUBLIC SCHOOLS IN OKLAHOMA, 1953-54<sup>1/</sup>

The Oklahoma legislature provided for the school years 1953-54 and 1954-55 the largest appropriation of state aid money and authorized its expenditure under the most liberal terms in the history of the state. A minimum of \$2,400 salary for teachers with the bachelors degree and no experience was legalized, plus increments of \$100 per year of teaching experience. The maximum of such increments is to be increased each year until 1957-58 when the number will be fifteen. This act of the legislature increased the minimum salary in all qualification brackets \$400 annually.

Another factor has been instrumental in making a gradual increase in teachers salaries. The law prohibits the expenditure of state aid money to pay salaries of teachers whose technical qualifications are lower than the minimum prescribed in the law. Each year the minimum requirements are increased by eight semester hours of college training. Teachers having only the minimum qualifications must acquire additional training, leave the profession, or go outside the state to teach. If this policy is continued until 1956-57, no teacher in a state aid school will have qualifications lower than the bachelors degree. At present, only 759 teachers in the public schools of Oklahoma have less than this degree.

An outstanding feature of the school improvement campaign has been a decrease in the number of organized school districts from 4,500 six years ago to 1,799 at the present time. This was accomplished, in part, by an act of the legislature requiring the state board of education to abolish all school districts whose average daily attendance for the previous year failed to meet certain minimum requirements, and annex same to an adjoining high-school district. In addition to these districts annexed by mandatory action, several hundred have been reorganized voluntarily by the vote of the people living therein.

In 1949, the Oklahoma legislature codified the school laws which had become an accumulation of statutes during the years since statehood. This revision eliminated obsolete material, added new and progressive legislation, and generally streamlined the school laws of the state. The two sessions of the legislature since that date have made minor revisions and adjustments in the school code but its fundamental provisions remain in force at this time.

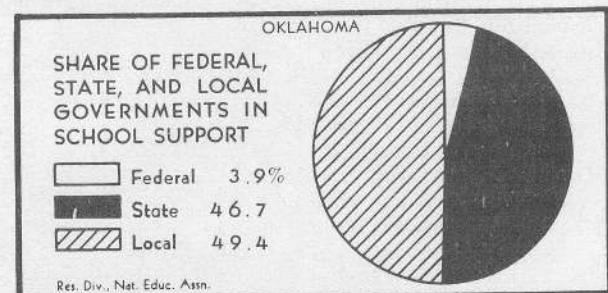
The legislature has been more generous than in previous years and has made appropriations in keeping with educational needs and with the best ideas in administration. For example, lump sum appropriations were made for the administration of the state department of education and of the State Aid Act. This permits an increase in the personnel needed for efficiency and makes possible better salaries.

The state guarantees for maintenance purposes 12 cents per pupil per day for attendance in all grades, with a minimum of \$200 per teacher per school term, in districts meeting legal requirements. For transportation of pupils the maximum allowance was increased from \$66 to \$76 per pupil per school year.

In 1953-54, the total expenditures from current budgets was \$97,416,867 compared with \$90,274,234 the

preceding year. There was spent for administration \$4,660,621; instruction \$68,051,436; plant operation \$7,568,424; plant maintenance \$5,067,821; auxiliary services \$6,680,008; fixed charges \$1,189,698; and capital outlay \$3,308,857. The last mentioned item included no money from bond issues or special building funds. In defense areas, 160 school districts received \$2,601,438 from federal funds.

Total money available for expenditure by the public schools of Oklahoma in 1953-54, inclusive of sinking funds and special building funds but exclusive of new bond issues, was: federal \$4,368,116; state \$52,898,822 and local \$56,012,539. Total \$113,279,477.



Sources of State School Revenue

Earmarked taxes--In 1953-54, the amount of \$18,471,428 was collected and returned to the county where produced. These revenues came from REA tax, auto license fees and gross production (severance) tax.

Legislative appropriations from the state general fund--Beginning in 1919, each session of the legislature has appropriated some school money from the state general fund and every appropriation has been larger than the one immediately preceding it. Some figures will indicate the growth of this source of revenue. The appropriation was \$100,000 in 1919; \$500,000 in 1925; \$1,500,000 in 1927; \$8,600,000 in 1943; \$15,600,000 in 1945; \$18,250,000 in 1949; \$30,100,000 for 1951-52, and \$30,571,060 for 1953-54.

In financing public schools, Oklahoma has made appreciable progress during the past biennium. The legislature appropriated from the general fund \$30,571,060 for equalization and basic aid for the school year 1953-54. This amount is for general current expenses but includes \$185,000 for one year for administration of the State Aid Act. For salaries and other expenses of the state department of education, the legislature appropriated \$241,900 for each year of the biennium ending June 30, 1955. In addition, appropriations for a total of \$2,126,804 were made for orphan tuition, vocational education, special education, free textbooks, and administration of the school lunch program.

Income from permanent school funds--At statehood in 1907, certain lands in the Oklahoma territory side of the state were set aside for school purposes. These lands amounted in the aggregate to approximately 3,132,000 acres valued at \$30,000,000. They were divided into eight different classifications for school purposes and, in addition, one for public building purposes. Much of this "school land" has been sold in the meantime until now there remains only 810,759

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Clay W. Kerr, Director, Division of Research, State Department of Education, Oklahoma City, Oklahoma.

acres. Of this area, the common school fund owns 399,247 acres valued at \$15,298,661. Because there was no public land available for school purposes in the Indian Territory, Congress appropriated \$5,000,000 in lieu thereof. This money was put into the common school fund of the new state and invested in the same manner as other cash accruing to the fund.

As land has been sold, the money has been invested in bonds, real estate loans and other types of high-class securities. Only the revenue therefrom may be used for current purposes. The total value of all such investments now is \$70,391,506 (1952). It produced, in 1953-54, \$1,729,530 which was distributed on an enumeration basis to all the public schools in Oklahoma, as required by the state constitution.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
I. Earmarked taxes		
a. Auto and farm truck licenses . . . . .	\$15,269,867 a/	28.9 a/
b. Gross production tax . . . . .	3,020,392 a/	5.7 a/
c. Rural electric and cooperative tax . . . . .	181,169 a/	0.3 a/
2. Legislative appropriations		
a. Aid for support and maintenance of public schools . . . . .	30,571,060	57.8
b. Tuition for orphan children and out-of-state . . . . .	91,240	0.2
c. Special education . . . . .	164,139	0.3
d. Vocational education . . . . .	589,407	1.1
e. Purchase of free textbooks . . . . .	1,149,490	2.2
f. School lunch program . . . . .	132,528	0.2
3. Income from permanent school funds . . . . .	1,729,530	3.3
Total . . . . .	\$52,898,822	100.0

a/ Collected by the state and returned to the county where produced.

## Apportionment of State Aid

Under the law most state aid money is paid to districts on an equalization basis. However, the law provides for an apportionment of general aid designated as "basic aid" for the partial support of the minimum school program. The permanent school fund income is also apportioned on a general aid basis. Receipts from both apportionments are included in the calculation of the minimum program income of a school district for purposes of determining the amount of equalization aid to which the district is entitled.

General aid--"Basic aid" in the amount of \$12.50 per child in ADA is paid to all school districts which make a levy of 20 mills on the assessed value of their taxable property; maintain twelve (12) years of school; and have an ADA of not less than a required minimum. The income from the permanent school fund is distributed to all school districts in the state on the basis of scholastic enumeration of children six to eighteen years of age.

Equalization aid--In order to qualify for "equalization money" a district must make a local levy of at least 15 mills on each dollar of assessed valuation of all taxable property within its borders. The yield of this tax, together with certain other funds with which the district is charged, constitutes the minimum program income.

Funds other than the 15-mill tax which make the minimum program income include state basic aid; apportionment of the permanent school fund income; apportionment of county school funds; the schools' share of the county receipts from gross production, intangibles, auto and farm truck license taxes collected within the county; tuition receivable; and certain other amounts which can legally be estimated by the county excise boards. The difference between such income and the minimum program costs is calculated from a formula set up in the state aid law and represents the amount of equalization money which a district may receive.

Special aid--In 1947, an appropriation of \$200,000 was made for the purpose of creating a revolving fund out of which school districts might purchase school buses when local funds are not adequate for this purpose. The contract with a district is in the form of a lease which amounts each year to one-fifth of the purchase price of the bus. When the money loaned has been fully repaid, the bus becomes the property of the district.

Each year \$60,000 is made available to pay the tuition fees of children who reside in orphanages and who attend the public schools in the districts where the orphanages are located. This amount was increased in 1953-54 to \$91,240.

## APPORTIONMENT OF STATE AID, 1953-54

Type and percent of aid	Name of fund	Basis of distribution	Amount
I. General aid (18.6%)			
a. General apportionment	Permanent school fund	School census	\$ 1,729,530
b. Basic aid	Equalization aid	\$12.50 per pupil in ADA	4,642,721
2. Equalization aid (74.6%)	Equalization fund	Cost of minimum program in excess of minimum program income	25,471,530
3. Special aid (6.8%)			
a. Tuition for orphans	State general fund	Number of orphans and per capita cost	91,240
b. School lunch program	State general fund	Administration only	132,528
c. Transportation revolving fund	State general fund and accretions	Local needs	230,908 a/
d. Text-books	State general fund	Enrolment	1,149,490
e. Vocational education	State general fund	Reimbursement	545,295
f. Special education	State general fund	Local needs	164,139
(Items 1 plus 2 plus 3 equal 100%)			
Total . . . . .			\$34,157,381 b/

a/ \$200,000 appropriated in 1947. Profits have accrued in the amount of \$30,908.

b/ Exclusive of \$18,471,428 earmarked funds.



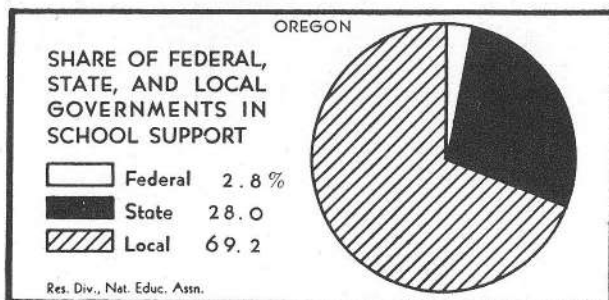
STATE SUPPORT OF PUBLIC SCHOOLS IN OREGON, 1953-54<sup>1/</sup>

The basic school support fund was created by an act proposed by initiative petition and approved by the voters of the state in November 1946. Provisions for the apportionment and distribution of the fund were made by an act of the forty-fourth session of the Oregon legislature and approved by the Governor April 4, 1947. During the forty-fifth, forty-sixth, and forty-seventh sessions of the legislature some amendments affecting distribution of this fund were made. In the general election of November 7, 1950, the people voted their approval of a measure submitted by the legislature increasing the basic school support fund from \$50 per census child to \$80 per census child.

State tax levies in the state of Oregon are offset by state income taxes to the extent of available income tax receipts so that at present and for some time in the past no state levy has been extended as an ad valorem tax against property. There were sufficient income tax revenues available in 1953-54 to offset the state tax levy for the basic school support fund.

By legislative act of 1953 all revenue from state sources excepting that derived from the common school fund are appropriated from the general fund provided that each annual appropriation shall be reduced by the amount produced with respect to that year by the property tax levies provided in the Basic School Support Act, whether by apportionment and collection or by offset thru the application of other revenues.

For the fiscal year 1953-54 revenues of public elementary and secondary schools in Oregon, including those for debt service and capital outlay, approximated \$116,000,000, of which 2.8 percent was derived from federal sources, 69.2 percent from local sources, and 28.0 percent from state sources.



Sources of State School Revenue

Legislative appropriations from the state general fund--For the fiscal year 1953-54, the legislature appropriated \$32,370,400 (\$80 per census child) for the basic school support fund, including

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Rex Putnam, Superintendent of Public Instruction, and L. E. Marschat, Director, Research and Apportionment, Department of Education, Salem, Oregon.

\$138,126 for administration and research and \$98,337.84 for the use of state institutions.

With reversions from previous appropriations \$32,461,496 was available for distribution to public school districts. Of this amount \$450,000 was available for the handicapped children's program and \$250,000 for emergency needs of districts.

In addition to the above, a legislative appropriation was made for use as matching funds for the division of vocational education. This amounted to approximately \$76,633 for 1953-54.

Income from permanent school funds--The common school fund, also known as the irreducible school fund, is a state permanent endowment fund, the principal of which must be inviolably preserved and the income of which must be used for the support and maintenance of common schools. The income derived from the investment of this fund and the rent of school lands made possible an apportionment of \$289,310 for the fiscal year 1953-54.

The laws of Oregon specify 10 sources, the moneys derived from which shall constitute the principal of this fund. These are: (1) the proceeds of the sales of the sixteenth and thirty-sixth sections of every township of this state, or any lands selected in lieu thereof; (2) the proceeds of all gifts, devises and bequests, made by any person to the state for common school fund purposes; (3) the proceeds of all property granted to the state when the purpose of such grant shall not be stated; (4) all proceeds of the sales of tide and overflow land; (5) all the moneys and clear proceeds of all property which may accrue to the state by escheat or forfeiture; (6) unclaimed bank deposits escheated to the state; (7) all moneys received from the rental, sale, disposition, or use of lands belonging to the state; (8) all moneys received by the state under contracts made in pursuance of the provisions of Chapter 4, Title 106, Oregon Compiled Laws, Annotated, pertaining to confirmation of state land titles; (9) royalties from leases of sand and gravel beds of navigable portions of navigable streams within the state; (10) the proceeds of sales of timber on state lands.

The principal in 1954 totaled approximately \$10,994,000, most of which was invested in bonds and farm and home mortgages. Remaining school lands equaled some seven hundred and sixty thousand acres rented out mainly for grazing purposes.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Legislative appropriations		
a. General fund		
1. Basic school support fund . . . . .	\$32,461,496	98.9
2. Vocational education . . . . .	76,633	0.2
2. Income from permanent school funds		
a. Common school fund . . . . .	289,310	0.9
Total . . . . .	\$32,827,439	100.0

## Apportionment of State Aid

General aid--The Oregon constitution prescribes that the income from the common school fund shall be apportioned to the several counties on the basis of the number of children enrolled in the annual school census in each county between the ages of 4 and 20. The county superintendents in turn apportion the fund on the same basis to the several school districts. The income from the common school fund for 1953-54 was \$289,310.

The act establishing the basic school support fund provides for flat grants to all school districts maintaining standard schools. These grants as computed for 1953-54 amounted to: (1) \$22,501,054 on basis of aggregate days membership; (2) \$5,733,400 on basis of number of teacher units allowed and (3) \$1,767,639 for transportation based either on (a) 60 percent of cost or (b) an amount based on distance from home to school and days membership of each transported pupil, whichever is the lesser.

Equalization aid--The cost of the basic educational program is either (1) \$1.15 for each day's membership of resident pupils, or (2) the amount expended by the district for operating purposes, exclusive of (a) expenditures for debt service, (b) capital outlay, (c) building reserves, (d) transportation and (e) other auxiliary agencies exclusive of transportation and health services, whichever is the lesser, but in no case can the foundation program be less than \$3,000 times the number of teacher units allowed (this is either (a) actual number of teachers employed or (b) one teacher for each 4,200 days of aggregate membership or fraction thereof, whichever is the lesser). In 1953-54 equalization aid amounted to \$1,757,049.

Equalization aid is determined by deducting from the basic program as defined above (1) grant in aid for pupil days membership; (2) grant in aid for teachers; (3) receipts from the county school fund; (4) the proceeds of a required district tax in such amount that when combined with the tax levied for the county school fund the sum of the two levies will be the equivalent of 12 mills on full cash value of property within the district.

Special aid--Certain special aids to school districts are paid from the basic school support fund and the vocational education fund. These amounting to \$776,633 for 1953-54 are provided for the following purposes: (1) to assist districts in educating handicapped children where such cost is above the average cost in the district; (2) to assist districts in educating children coming from areas not in any school district; (3) to assist certain districts having little or no assessed valuation where such districts have demonstrated needs above that provided by the basic program; (4) to assist districts which have sudden increases in school attendance exceeding 25 percent of that of the previous year or other emergency needs that could not be anticipated when the district made its budget; (5) to assist districts in carrying on vocational education under the Smith-Hughes and George-Barden Acts.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

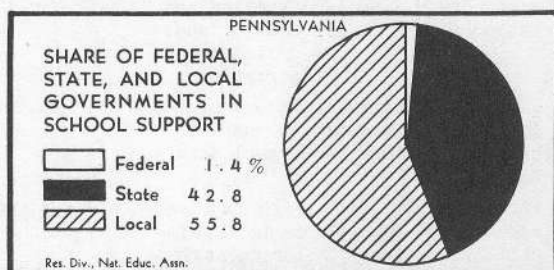
Type and percent of aid	Name of fund	Basis of distribution	Amount
1. General aid (92.3%)			
a. To districts operating elementary schools	Common school fund	School census	\$ 289,310
b. To all school districts, elementary and high school	Basic school support fund	Aggregate days membership Teacher units allowed Pupil miles or 60 percent of net cost	22,501,054 5,733,400 1,767,639
2. Equalization aid (5.3%)			
a. Basis of need	Basic school support fund	Formula established by law	1,757,049
3. Special aid (2.4%)			
a. Handicapped children	Basic school support fund	Excess costs	450,000 <sup>a/</sup>
b. Tuition for children from areas not in any school district	Basic school support fund	Tuition costs	} 250,000 <sup>a/</sup>
c. District with less than \$10,000 assessed valuation	Basic school support fund	Need as determined by superintendent of public instruction	
d. District with 25 percent increase in school population or other financial emergency	Basic school support fund	Need as determined by superintendent of public instruction	
e. District offering vocational education under Smith-Hughes and George-Barden Acts	Vocational education under Smith-Hughes and George-Barden Acts	Percent of allowed cost and need	
(Items 1 plus 2 plus 3 equal 100%.)			76,633
Total . . . . .			\$32,825,085
<sup>a/</sup> Allocated to pay 1953-54 claims.			



STATE SUPPORT OF PUBLIC SCHOOLS IN PENNSYLVANIA <sup>1/</sup>

Over a century ago the Commonwealth of Pennsylvania began to finance a program for the support of free public schools. The state constitution charges the General Assembly with the duties of maintaining "a thorough and efficient system of public schools." It also provides that there shall be appropriated "at least one million dollars each year for that purpose."

During the school year ending July 6, 1952, state and federal appropriations to local school districts totaled \$156,139,930. The expenditures reported by school districts for current expenses, not including debt service, capital outlay, and tuition, amounted to \$345,598,280. Thus it is seen that the state and federal appropriations equaled 44.2 percent of the net current expense, while the local income for current expense was \$192,759,538, or 55.8 percent.



Sources of State School Revenue

State school revenue for the public schools of Pennsylvania is provided by the general fund and by the state (permanent) school fund. No state tax proceeds are earmarked for school purposes.

**Earmarked revenues**--Fines and escheats are added to the principal of the state school fund and constitute the only specifically earmarked revenues for state public school support. Also, fines such as those imposed for violation of the school laws and payable to the treasurer of the proper school district are paid into the state school fund if the proper school district cannot be determined.

**Legislative appropriations from the state general fund**--All state school aid with the exception of the income from the state school fund is in the form of appropriations from the general fund. Chief sources of revenue for the general fund are taxes assessed on: capital stock shares and loans, corporate net income, receipts, premiums and commodities produced, sales of most items except food and clothing, admissions to amusements, inheritances, gross receipts of public utilities, gross premiums of insurance companies, and real estate transfers.

The General Assembly appropriates money for the public schools for a two-year period. Amounts appropriated by the 1953 session for the public schools for the biennium 1953-1955 were as follows: salaries and expenses of county superintendents, assistant county superintendents, supervisors of special education, and county boards, \$3,008,200; reimbursement to school districts on the basis of approved reimbursable teaching units, high-school tuition, extension education, special education, and closed schools, \$348,000,000; transportation, \$23,230,814; special aid to financially handicapped school districts,

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Carl D. Morneweck, Chief, Child Accounting and Research Division, with the assistance of J. Mahon Bonebrake, Adviser in Research and Statistics, Department of Public Instruction, Harrisburg, Pennsylvania.

\$400,000; vocational education, \$2,628,000; rentals to Public School Building Authority and municipality authorities, \$7,250,000; and other miscellaneous subsidies, \$799,891. The sources of the estimated 1953-54 disbursement from the above funds as the state's share for education are shown in Table 1.

**Income from permanent school funds**--The State Council of Education is required by law to invest all proceeds derived from sales of state lands and escheats to hold inviolate the principal of the state (permanent) school fund. The income from this fund for the 1951-1953 biennium was \$233,849. Additions to the principal from the sale of state lands and escheats amounted to \$236,463.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked revenues		
a. Fines and escheats . . . .	a/	a/
2. Legislative appropriations		
a. Reimbursement for teaching units, special education, extension education, high-school tuition, and payments for closed schools .	\$174,000,000 b/	90.1
b. Salaries and expenses of county superintendents . .	1,504,100	0.8
c. Transportation . . . . .	11,615,407	6.0
d. Vocational education . . .	1,314,000	0.7
e. Special aid to financially handicapped . . . . .	200,000	0.1
f. Public school building authorities . . . . .	3,625,000	1.9
g. Miscellaneous subsidies .	799,891	0.4
3. Income from permanent school funds . . . . .	31,831 c/	...
Total . . . . .	\$193,090,229 c/ d/	100.0

a/ Added to principal of state school fund.

b/ Average for each year of biennium.

c/ Approximate.

d/ The Pennsylvania Department of Health will spend in addition \$4,920,000 (estimated) for physical and dental examinations of school children, and for school nurses.

Apportionment of State Aid

**Equalization aid**--The state supplies the difference between the yield of a four-mill tax upon the market value per district teaching unit and the maximum subsidy. The maximum subsidy for the school year 1953-54 is \$4,500. It will increase \$200 annually thereafter to a maximum of \$5,500. A minimum state subsidy of \$1,000 per teaching unit was guaranteed.

This distribution of state funds requires two important computations. The one involves the determination of the number of teaching units for which a district will be reimbursed based on the average daily membership of resident pupils attending school within the district; the other is the determination of the "standard reimbursement fraction" for each school district. In computing the number of district teaching units for determination of the standard reimbursement fraction, the average daily membership of resident pupils attending public school within and outside the district is ascertained.

In the elementary division a school district is entitled by law to one teaching unit for every 30 pupils in average daily membership; and in the secondary division to one teaching unit for every 22 pupils in average daily

# PENNSYLVANIA (CONT.)

membership. The standard reimbursement fraction is computed by subtracting from the maximum subsidy the amount obtained by multiplying the school district's market valuation per district teaching unit by four mills and dividing the difference by the maximum state subsidy.

The amount of state reimbursement for the operation of the schools is determined by multiplying the maximum state subsidy by the standard reimbursement fraction times the number of resident teaching units to which the local district is entitled.

In order to discourage excessive pupil-teacher ratios, the law provides a penalty factor. If the pupil-teacher ratio exceeds 33, the number of teaching units must be multiplied by 33 and the product so obtained must be divided by the actual pupil-teacher ratio of the district. There is another condition which provides that a district operating a one-room school shall be credited with at least one teaching unit only if its operation is approved by the State Council of Education. The law provides further that when the State Council of Education has approved the continued operation of a small high school because of sparsity of population, road, or climatic conditions, or lack of other available high-school facilities, the district shall receive an amount based on a number of teaching units equal to the number of teachers approved by the State Council of Education as being required to provide a satisfactory educational program in such school provided the number of teachers employed is not less than the number of units approved.

The amount of state aid which a local school district will receive for school transportation reimbursable by law is determined by multiplying the cost of such approved transportation by the school district's standard reimbursement fraction.

The amount of aid which the state will pay toward the tuition of a pupil attending school in another district is the sum of the overhead cost per pupil and the instructional cost per pupil times the product of the sending district's standard reimbursement fraction and 0.85.

Aid for special services--The Commonwealth of Pennsylvania pays the following additional amounts per pupil in average daily membership: \$35 in vocational agriculture and vocational industrial education; \$20 in vocational home economics education; and \$50 in vocational distributive education. The state also pays \$20 and \$30, respectively, for each pupil in average daily membership in approved courses for the mentally or physically handicapped. In addition to the above, school districts are reimbursed for special instruction for home-bound children on the basis of the mandated minimum rate, \$2.50 per hour, times the number of hours times the reimbursement fraction. The Commonwealth, by special appropriation in the amounts of \$311,200 and \$209,600, provides for speech and hearing rehabilitation centers, and day-care training centers, respectively. The Department of Public Instruction operates the former for training the acoustically handicapped and the latter for training the severely mentally retarded child.

The state pays the legal minimum salaries of county superintendents, assistant county superintendents, and supervisors of special education. These minimum salaries for county superintendents are based on the population of the county in which the superintendent has jurisdiction. In addition, provisions are made in the budget that an average of \$700 shall be used in estimating the travel costs of county superintendents, assistant county superintendents, and supervisors of special education. Travel funds shall be allocated to the several counties in accordance with regulations to be determined by the Department of Public Instruction.

Each member of the county board receives from the state \$5 for each meeting attended, but not more than \$60 per annum. Compensation not to exceed \$100 per annum will be paid by the state for the employment of an attorney by the county board, except when the local court of common pleas approves a greater amount.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

Type and percent of aid	Name of fund	Basis of distribution	Amount
1. Equalization aid (98.1%)			
a. Reimbursement for cost of minimum program	State general fund	Local reimbursement fraction and \$4,300 b/ per teaching unit	\$174,000,000 a/
b. Reimbursement for transportation	State general fund	Local reimbursement fraction and cost of approved transportation	11,615,407
c. Financially handicapped districts	State general fund	Amount needed to complete school term	200,000
d. Public school building authorities	State general fund	Formula based on local reimbursement fraction and approved application	3,625,000
2. Aid for special services (1.9%)			
a. Vocational education	State general fund	\$20 to \$50 per pupil in average daily membership	1,314,000
b. County supervision	State general fund	Minimum salary and up to \$700 expenses	1,504,100
c. Capital outlays	State school fund	Need in financially handicapped districts	31,831 c/
d. Miscellaneous subsidies	State general fund	Varied d/	799,891

(Items 1 plus 2 equal 100%.)

Total . . . . . \$193,090,229 e/ f/

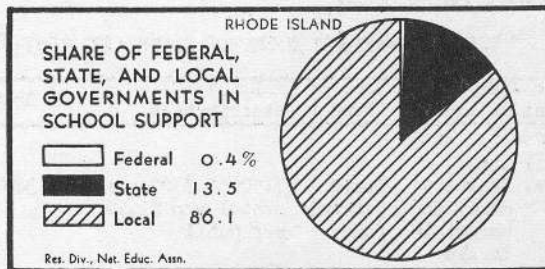
- a/ Average for each year of biennium.
- b/ For payments in 1954-55 the base will be \$4,500 per teaching unit, and thereafter an annual increase of \$200 to a maximum of \$5,500.
- c/ Data are for 1952-53; 1953-54 figures not available.
- d/ Includes principally sums for the education of physically and mentally handicapped pupils distributed on the basis of average daily membership.
- e/ Approximate.
- f/ The Pennsylvania Department of Health will spend in addition \$4,920,000 (estimated) for physical and dental examinations of school children, and for school nurses.



STATE SUPPORT OF PUBLIC SCHOOLS IN RHODE ISLAND, 1953-54<sup>1/</sup>

State money expended for support of public elementary and secondary schools is derived principally from general taxation, only two revenue sources being earmarked for schools. These are (1) the income of the permanent school fund, and (2) the excise tax on sales at auction designated as a source of increase of the permanent school fund. Until 1936, when a new equalization law was passed, apportionments to towns consisted principally of grants of fixed amounts for definite school purposes.

In 1953-54 state aid constituted about 13.5 percent of total school receipts from all sources. The towns contributed approximately 86.1 percent mostly from local taxation, while approximately 0.4 percent was in the form of federal aid. (The 0.4 percent does not include P.L. 874 and 815 funds.)



Sources of State School Revenue

About 99 percent of the annual receipts of public elementary and secondary schools from state sources consists of appropriations made by the legislature from the general revenues of the state. The remainder is from the income of the permanent school fund.

**Earmarked taxes**--The law provides that the proceeds of a tax on sales at auction shall annually be added to the principal of the permanent school fund. Aside from the income of the permanent school fund itself, this is the only revenue source definitely allocated for the support of the public schools.

**Legislative appropriations from the state general fund**--The legislative appropriation for public elementary and secondary schools from state general revenues totaled \$723,194.95 in 1953-54. In addition in 1953-54 the legislature appropriated \$2,651,261.05. This sum is known as the annual permanent state salary grant for teachers. It provides an annual grant out of the state funds at the rate of \$600 per year to every regularly employed teacher in the state.

General revenues of the state are made up principally of the proceeds of state taxes, including corporation taxes, bank taxes, estate and inheritance taxes, motor vehicle registration and license taxes, leases on oyster grounds, and taxes on the manufacture and sale of alcoholic beverages.

**Income from permanent school funds**--An act of 1828, carrying an appropriation of \$5,000, created the permanent school fund of Rhode Island. Three sources of increase are provided for the principal of this fund: (1) the proceeds of the excise tax on sales of auctioneers; (2) state appropriations for the support of public schools forfeited by the towns; (3) any unexpended balance of the income from the permanent school fund. The principal of the permanent school fund now amounts to \$395,441.30. The income from this fund in 1953-54 was \$10,900.94.

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Michael F. Walsh, State Commissioner of Education, Department of Education, Providence, Rhode Island.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked taxes		
a. Excise tax on sales at auction	a/	a/
2. Legislative appropriations		
a. Support of elementary and secondary schools . . . . .	\$ 723,194.95	21.4
b. Teachers' salary grant . . . . .	2,651,261.05	78.3
3. Income from permanent school funds		
a. Permanent school fund . . . . .	10,900.94	0.3
Total . . . . .	\$3,385,356.94	100.0

a/ The income from this tax is added to the principal of the permanent school fund and is, therefore, omitted from the total, since it is not available for current school revenue.

Apportionment of State Aid

The maintenance of elementary schools and the provision of high-school education are mandatory upon the towns of Rhode Island. Before 1936 a large part of the state money apportioned to towns was paid in the form of 50 percent reimbursements for expenditures incurred in carrying out this mandate. Exceptions to this were the appropriation for the support of public schools, the aid for high schools, and the bonus for consolidating schools and substituting graded for ungraded schools. The legislature of 1936 passed a law requiring the distribution of aid to towns of relatively low financial ability on an equalization basis.

**General aid**--The appropriation for the support of public schools includes two allotments, one to be used only for teachers' salaries, based on the number of schools up to 20, and one based on average attendance. The "teachers' money" is distributed to towns as follows: \$300 for each of the first five schools; \$250 for each of the next five schools; \$200 for each of the next five; and \$150 for each of the next five. The gross amount per town is \$4,500. Where schools are consolidated, the count is not reduced. For purposes of this apportionment "school" does not mean "schoolhouse." The number of schools is computed on a teacher-class-register basis. In addition to the apportionment on the basis of the number of schools a town receives \$2.50 per capita of average attendance in the preceding year with a minimum allotment of \$1,000.

The total reimbursement covering the above two forms of aid amounted to \$383,654 in 1953-54. To participate in such aid towns must raise and spend annually for schools an amount equivalent to a 3-mill tax and not less than the average amount raised by taxation and spent for the maintenance of schools in the three preceding years. Any town that refuses or neglects to raise such an amount thereby forfeits its share in the appropriation. The money forfeited is added to the principal of the permanent school fund.

Aid is granted for high schools equal to \$35 for each of the first 25 pupils, and \$25 for each of the next 25. A town maintaining a high school or sending pupils to high schools in neighboring towns may thus receive up to \$1,500. High-school aid, including aid for consolidated schools, in 1953-54 amounted to \$69,565.

**Equalization aid**--The equalization law passed in 1936 was amended in 1944. To towns which are unable with an 80-cent tax on each \$100 of equalized weighted assessed valuation of taxable property, prior year balances, and other state aid, to raise the sum of \$1,800 per elementary school and \$120 per resident high-school pupil, the state will give aid under this law sufficient to produce that sum. High-school pupils are counted in computing this aid whether they attend a high school in the town in which they reside or in another town on "free tuition" paid by the town in which they reside.

# RHODE ISLAND (CONT.)

In computing the number of elementary schools in a town, the average attendance of all elementary-school pupils in other than one-room schoolhouses is divided by 30, and to the number thus obtained is added one school for each group of pupils attending a one-room school. For purposes of this aid the term "elementary school" includes kindergarten and other preprimary classes. No town is allowed equalization aid for a number of elementary schools in excess of the number of elementary-school teachers employed.

The law defines "weighted assessed valuation" as the "total assessed valuation of real property and tangible personal property, plus one-fifth of the assessed valuation of intangible personal property." No school is entitled to equalization aid greater than the amount by which its current school expenditure for the preceding year exceeds the yield of an 80-cent tax on weighted assessed valuation and other funds available for school purposes. Equalization aid in 1953-54 was \$119,975.50.

**Special aid**--Any town in Rhode Island which does not participate in equalization aid and which has an assessed valuation per pupil in average membership smaller than that of any town which does receive equalization aid is entitled to aid for pupil transportation. This aid is in the form of a reimbursement for one-half of the expenditures of the town for transportation during the preceding school year and is paid from equalization aid funds.

Towns not maintaining high schools of their own are reimbursed by the state for one-half of the cost of transporting resident high-school pupils to high schools of neighboring towns. This 50 percent reimbursement totaled \$53,691 in 1953-54.

Towns are also reimbursed annually for costs of school supervision. The state pays to each town up to 50 percent of the salary of the superintendent of schools not exceeding \$1,000. To be eligible for this aid towns must employ superintendents with qualifications approved by the state department of education. This aid amounted to \$39,479.15 in 1953-54.

A reimbursement is provided for the cost of medical inspection in the schools not exceeding \$250 per town. This aid amounted to \$8,425 in 1953-54.

When a town consolidates an ungraded school with a graded school the state reimburses the town \$100 for each closed school. In the event three or more ungraded schools are closed to form a new school, the state reimburses the town \$100 for each new department formed by such consolidation.

Special assistance is given to towns in constructing schoolhouses. This aid is provided thru an emergency fund derived from the income of the permanent school fund, and is apportioned at the discretion of the state director of education.

An act of 1947 provided for a permanent annual salary grant of \$600 for every teacher who is regularly employed in the public schools of any city or town in the state. The General Assembly must make this amount available by an annual appropriation from the state general fund.

This grant is in addition to all other state aid and in no way affects the amount of equalization funds paid by the state or the apportionment of teachers' salary money, described under "General aid." The appropriation for the teachers' salary grant in 1953-54 was \$2,651,261.05, of which \$2,651,261.05 was distributed to local school systems.

Any town that shall establish and maintain day or evening courses for vocational industrial education, including instruction in the principles and practice of agriculture, and training in the mechanic and other industrial arts, which courses are approved as to equipment, instruction, expenditure, supervision and conditions of attendance by the director of education, shall be entitled to receive aid from the state in support of instruction in such

courses to an amount not exceeding one-half of the entire expenditure for the same. The 1953-54 amount for this purpose was \$37,619.15.

In any city or town where there is an educable child of school age resident therein who is physically, mentally, or emotionally handicapped to such an extent that normal educational growth and development is prevented, the school committee of such city or town shall provide such type of training or instruction as recommended by the state department of education that will best satisfy the needs of the handicapped child.

The state shall partially reimburse each city and town in a manner determined by the department of education and in any amount not exceeding 50 percent of the money expended by such cities or towns for providing educational opportunities for handicapped children. This aid amounted to \$8,824.80 for 1953-54.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

Type and percent of aid	Name of fund	Basis of distribution	Amount
1. General aid (13.4%)			
a. Teachers' money and per capita aid	State general fund	\$150 to \$300 per school and \$2.50 per pupil	\$ 383,654.00
b. High-school aid and for consolidated schools a/	State general fund	\$35 for first 25 pupils; \$25 for next 25; \$100 per school closed or new department	69,565.00
2. Equalization aid (3.6%)	State general fund	Cost of minimum program in excess of 80-cent tax and other aid	119,975.50
3. Special aid (83.0%)			
a. Supervision	State general fund	Half of salary up to \$1,000 per town	39,479.15
b. Transportation	State general fund	50 percent reimbursement	b/
c. Transporting high-school pupils to other towns	State general fund	50 percent reimbursement	53,691.00
d. Medical inspection	State general fund	50 percent of cost up to \$250 per town	8,425.00
e. Teachers' salary grant			2,651,261.05
f. Vocational education	State general fund	Up to 50 percent reimbursement	37,619.15
g. Education of handicapped	State general fund	Up to 50 percent reimbursement	8,824.80

(Items 1 plus 2 plus 3 equal 100%.)

Total . . . . . \$3,372,494.65

a/ Aid for consolidated schools is "Special aid" but not reported separately from high-school aid.

b/ Included with item 2, "Equalization aid."

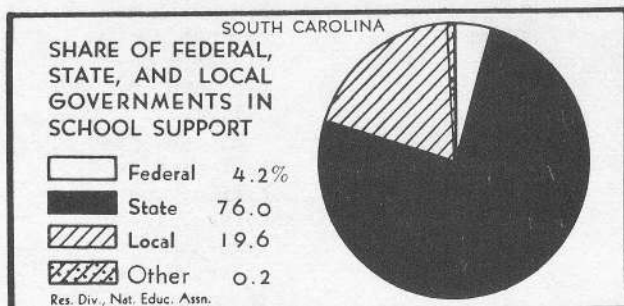


STATE SUPPORT OF PUBLIC SCHOOLS IN SOUTH CAROLINA, 1953-54<sup>1/</sup>

During the school year 1953-54 South Carolina expended for public schools \$127,819,132 and for various adult programs \$1,970,988. In addition the state contributed to the state retirement system for educational personnel \$4,475,038, making a total expenditure of \$134,265,158 for public education. Of this total expenditure, \$52,184,391 was expended for capital outlay and \$2,357,212 for debt service.

Expenditures for current operations of the public schools amounted to \$72,349,613 including the cost of operating the state-owned transportation system. This amounted to \$158.43 expenditure per pupil in average daily attendance. Total cost distributed to instruction was \$54,196,626, of which \$52,933,606 was paid for teachers' salaries. The average state aid teaching position salary was \$2,313 but the local supplements to salaries of teachers increased this to a state average of \$2,815 per state aid teaching position.

Funds for 1953-54 expenditures were received from the following sources: federal \$5,946,597 (4.15 percent), state \$108,970,605 (76.04 percent), local \$28,070,489 (19.59 percent), and other \$314,371 (0.22 percent). (Federal funds in the amount of approximately \$3,300,000 for impacted areas are included in the federal funds listed above.)



Sources of State School Revenue

A 1948 publication gave the findings of a South Carolina school survey which was authorized and supported by the legislature. This survey recommended rather drastic changes in school organization and administration which were never enacted into law. However, the 1949 legislature by joint resolution directed the appointment of committees by county boards of education to study the subject of school district reorganization in a majority of the counties. As a result of this study and of other legislation, the number of school districts was reduced from 1,648 to 103.

Partly as a result of this new interest in education and the necessity for providing adequate

facilities for all children, the 1951 General Assembly created a new commission to be known as the State Educational Finance Commission. It is composed of five members and two ex officio members, the governor and the state superintendent of education. Primary duties of the commission are the administration of the state supported school building program and the state-owned pupil transportation system. It is also charged with approving the reorganization of school administrative units, the disbursement of such funds as are provided for school construction and transportation, and such further powers and duties as are committed to it by this act and further enactments.

The General Assembly of 1951 enacted an increased state aid teachers salary schedule which was further increased 10 percent by the General Assembly of 1953. In addition to state aid for teachers' salaries each school district or operating unit is allowed for supervision and overhead \$5 a school year for each pupil, which allowance is based on enrolment. The 1953 General Assembly amended the Code of Laws of South Carolina of 1952 so as to make an annual contribution or grant of \$20 for each pupil which shall be based on pupil enrolment during the school year next preceding the year in which the grant is made. Such monies must be applied for the purpose of establishing and maintaining adequate physical facilities for the public school system or the payment of existing debts therefor, and for no other purpose.

Earmarked taxes--The only taxes earmarked for public education are the retail sales tax and a portion of the alcoholic liquor taxes. The retail sales tax amounted to \$45,661,537 and the alcoholic beverage tax amounted to \$5,130,978 during the year 1953-54.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked taxes		
a. Percentage of liquor tax	a/	a/
b. Three percent retail sales tax . . . . .	a/	a/
2. Legislative appropriations		
a. Annual school appropriations . . . . .	\$61,136,200	56.1
b. Educational Finance Commission for buildings--funded . . . . .	47,520,034	43.6
3. Other (institutional revenue) . . . . .	314,371	0.3
Total . . . . .	\$108,970,605	100.0
a/ Included as part of item 2.		

Legislative appropriations from the state general fund--The annual appropriation from the general fund exceeds the earmarked taxes, therefore the earmarked taxes can be disregarded and all funds for school purposes can be considered as appropriations from the general fund. This general fund appropriation included approximately \$10,245,000 appropriated to the Educational Finance Commission

<sup>1/</sup> Prepared for the Research Division, National Education Association, by David S. Matthews, Superintendent of Statistical Reports, Department of Education, Columbia, South Carolina.

for allocation to the schools for debt retirement purposes. These funds are not included in expenditures reported above but are included in Tables 1 and 2.

#### Apportionment of State Aid

**General aid**--The amount paid to local districts for teachers' salaries is determined by the number of teachers employed, the type of certificate held by these employees, and a corresponding state salary schedule. The number of teachers permitted for state aid is determined by a fixed pupil-teacher ratio based on enrolment and average attendance. During 1953-54 the state distributed to the districts \$40,746,918 in state aid for teachers' salaries and supervision and overhead. The supervision and overhead included in this figure was \$2,649,880 which was distributed on the basis of \$5 per pupil enrolled in a school district after 35 days in attendance.

**Special aid**--Salaries of county superintendents of education in the amount of \$172,500 were paid by the state treasurer. This figure is included in Other Special Aid in Table 2 (\$6,066,230). Teacher retirement and the administration of the rental textbook system are under separate appropriations but are included in Tables 1 and 2.

The 1953 General Assembly provided \$4,593,838 and the 1954 General Assembly provided \$4,550,000 both from surplus funds, which were distributed to the counties on a per pupil basis during the 1953-54 school year. The 1954 General Assembly also enacted, into permanent law, a provision that any surplus funds in future years should be distributed to the counties prorated on the basis of enrolment.

Counties reported \$47,520,034 as received from the Educational Finance Commission for building aid during 1953-54. These funds were for projects approved by the Educational Finance Commission and were received for contracts let and construction begun. Counties also reported \$1,192,263 received from the Educational Finance Commission for transportation, which is included as a part of the figure shown in Table 2 as the total cost of transportation (\$4,116,164). Transportation funds received were largely for drivers' salaries. State funds in the amount of \$1,092,195 were distributed to the districts for vocational education. The amount of \$285,226 was distributed to the counties and districts for supervision and promotion of the school lunch program.

Additional state appropriations are for administration and operation of the state and county departments of education, adult schools, regular school attendance, schools operated directly by the state department of education, teacher retirement, and administration of a state textbook rental system.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

Type and per- cent of aid	Name of fund	Basis of distribution	Amount
1. General aid (37.4%)			
a. Teachers' salaries; supervision and overhead	General	Number of teachers employed and type of certificate held; \$5 per pupil according to enrolment	\$40,746,918
2. Special aid (62.6%)			
a. Pupil transportation actual expenditures	General	Cost of operation	4,116,164
b. School lunch program	General	Number of schools participating in each county and salary of school lunch supervisor	285,226
c. Vocational education	General	Contracts with individual teachers	1,092,195
d. Building program	General	\$20 per pupil according to 35-day enrolment	47,520,034
e. Surplus funds	General	Per pupil enrolled; use of funds determined locally	9,143,838
f. Other	General	State department of education; county superintendents' salaries; attendance teachers; retirement system; school book commission; Indian school	6,066,230

(Items 1 plus 2 equal 100%.)

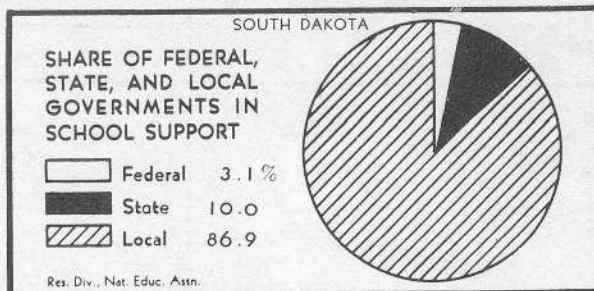
Total . . . . . \$108,970,605



STATE SUPPORT OF PUBLIC SCHOOLS IN SOUTH DAKOTA, 1953-54<sup>1/</sup>

In 1933 South Dakota took definite steps toward the assumption of state responsibility for the general support of education. Prior to that time aid had been granted for some special educational purposes and as reimbursements for taxes lost on nontaxable Indian and school lands. In 1930-31 state support, exclusive of the permanent school fund income, was only 0.6 percent of total school receipts. The passage of the gross income tax law in 1933 and the allocation of gross income tax receipts marked the first effort on the part of the state to provide financial assistance to all school districts.

In 1935 the legislature substituted a net income tax and a 2 percent retail sales tax for the gross income tax, with 32 (later raised to 35) percent of the net receipts set aside for schools under the terms of the Property Tax Relief Act. Allocation of tax receipts under the Property Tax Relief Act was discontinued in 1939. In lieu of these earmarked tax proceeds, specific amounts were appropriated by the legislature from the state general revenues. These appropriations with the income from the permanent school fund brought state funds to 10.04 percent of total school funds in 1953-54. The federal government provided 3.04 percent, and 86.92 percent came from the local districts.



Sources of State School Revenue

With the discontinuance of the practice of earmarking taxes for school purposes, in 1939, appropriations of specific amounts were made available by the legislature in lieu thereof. The balance of income and sales tax proceeds in the property tax replacement fund was transferred to the state general fund but income and sales tax balances in the distressed district aid fund were not transferred.

Legislative appropriations from the state general fund--An appropriation of \$1,250,000, which provided aid for general school purposes and payments of high-school tuition, was available for each year of the biennium 1945-1947. This appropriation was discontinued by a 1947 law. In its stead a new appropriation of \$3,000,000 provided

aid to public schools on the teacher and attendance basis in the biennium 1947-1949, which was continued for the biennium 1949-1951. The 1951 legislature appropriated \$3,500,000 for the biennium 1951-1953 on the teacher-pupil basis. The 1953 legislature raised the appropriation to \$4,000,000 for the 1953-1955 biennium.

For a number of years the legislature has followed the practice of appropriating money to aid school districts which are deprived of income due to existence of nontaxable Indian lands within their boundaries. This appropriation is \$25,000 for each year of the 1953-1955 biennium.

For the year 1953-54 an appropriation of \$96,066.24 was also distributed to school districts to reimburse these units for amounts which would have been realized from taxes on school and endowment lands and on lands acquired by counties thru the foreclosure of school fund loans, if these lands had been taxable. These lands are commonly referred to as the "tax base depleting acres" and the money appropriated is known as the "tax base depleting equalization appropriation."

Income from permanent school funds--The permanent school fund is derived from (1) all proceeds of the sales of public lands granted to the state by the United States government; (2) the state's share of the proceeds of the sales of federal land within the state; (3) escheats; (4) proceeds of gifts to the state for maintenance of the public schools; (5) all property acquired by the state for the maintenance of the public schools.

The lands granted South Dakota by the federal government for common school purposes are safeguarded by constitutional provision as to their sale. A part of the principal is given in trust to the counties and they are held responsible for it as well as the interest. The greater part of the principal is invested in long-term 2.5 percent United States government bonds. The income from these lands and investments is credited to and apportioned as the state common school interest and income fund.

To this fund is added the income from leases on state school, grazing and agricultural lands, and on mineral, oil and gas lands. The income from common school and indemnity lands is also added to this fund which totaled \$1,459,054 in 1953-54.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Legislative appropriations		
a. General aid on teacher and attendance basis .	\$2,000,000	55.8
b. Nontaxable Indian lands	25,000	0.7
c. Tax base depleting acres . . . . .	96,066	2.7
2. Income from permanent school funds		
a. Common school interest and income fund . . .	1,459,054	40.8
Total . . . . .	\$3,580,120	100.0

<sup>1/</sup> Prepared for the Research Division, National Education Association, by R. H. Noll, Director of Research, Department of Public Instruction, Pierre, South Dakota.

## SOUTH DAKOTA (CONT.)

## Apportionment of State Aid

The greater part of state funds, shown in Table 1, is distributed as general aid. The remainder is used to provide reimbursements or aid for special purposes. The distribution for 1953-54 is shown in Table 2.

**General aid**--The state common school interest and income fund is apportioned annually to counties by the commissioner of school and public lands on the basis of the school census. A census is taken annually of all children over six and under 21 years of age. Counties, in turn, after adding certain minor county revenues distribute the money to school districts on the basis of the census.

The general public school aid appropriation of \$4,000,000 on the teacher-attendance basis covers the biennium for 1953-1955. The state paid the school district \$8.73 per pupil and \$100 for each teacher holding a permit, \$125 for each teacher with a one-year first-grade certificate or a two-year state general; and \$150 for each teacher holding a high-school certificate for 1953-54.

**Special aid**--From the reimbursement for lost taxes on nontaxable Indian lands, districts may receive no more than 3 cents per acre of such lands located within their territory. In order to participate in this fund a district must contain at least 1,500 acres of such land and must have levied, in the previous year, a school tax of 10 mills, exclusive of levies for sinking fund or capital outlays. In practice the fund is prorated at less than 3 cents per acre.

Lands known as "tax base depletion acres" are valued on the basis of the average per acre assessed value of taxable agricultural lands within the taxing areas (counties and school districts) in

which the depletion acres are located. In 1953-54 school districts were reimbursed the amount of \$90,066 appropriated for this purpose in the amounts that would be on these valuations by the rates actually levied by them on taxable lands.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

Type and per- cent of aid	Name of fund	Basis of distribution	Amount
1. General aid (96.6%)			
a. General apportionment	Interest and income fund	School census	\$1,459,054
b. General state aid	State aid	Teacher-pupil	2,000,000
2. Special aid (3.4%)			
a. Reimbursement for nontaxable lands	Indian lands aid	Prorated at less than 3 cents per acre	25,000
b. Reimbursement for nontaxable lands	Tax base depletion aid	Reimbursement for loss of tax revenue	96,066

(Items 1 plus 2 equal 100%.)

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Total . . . . . \$3,580,120

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STATE SUPPORT OF PUBLIC SCHOOLS IN TENNESSEE <sup>1/</sup>

The state aid appropriation for the minimum school program in Tennessee public schools, Grades I thru XII, for 1953-54 is more than eleven times what it was for 1933-34. In fact the annual increase in this appropriation since 1952-53 is more than the entire state appropriation for this purpose in 1933-34. In addition to this increase, Tennessee has authorized a bond issue of \$5,000,000 as the initial capital outlay to set up a free textbook inventory in each local school system in the state. Also, the state appropriation for vocational education has been increased by the amount of \$100,000 per annum, while the state appropriation for the Tennessee Teachers' Retirement System has been increased by the amount of \$1,000,000 per annum for the biennium 1953-1955.

In addition to these increases, Tennessee has appropriated from current revenues the amount of \$6,300,000 for each year of the biennium 1953-1955 for capital outlay purposes, Grades I thru XII, to be distributed to local school systems on a nonloan, nonmatching, outright-grant basis for school capital outlay purposes.

For 1953-54, state appropriations for all purposes of the public schools, Grades I thru XII, amount to \$64,520,433, or 63.8 percent. It is estimated that the counties, cities, and special school districts will raise in local funds for Grades I thru XII in 1953-54 approximately \$34,000,000, or 33.6 percent, while it is estimated that the federal government will provide approximately \$2,625,000, or 2.6 percent. This makes an estimated grand total of approximately \$101,145,433 available for the public schools, Grades I thru XII, in 1953-54.



Sources of State School Revenue

The Tennessee General Education Act of 1953 provides for an equalization program for all Grades, I thru XII, for a term of not less than 175 days of class instruction, and has added the guarantee of a tenth-month salary on the present salary schedule for all the teachers of the state, with not less than ten days of vacation with pay. It also provides that the proceeds of tax levies earmarked for educational purposes shall be applied first to the payment of the sums appropriated in the act before any amounts be withdrawn from the state general fund for these purposes.

**Earmarked taxes**--The 2 percent retail sales tax provides that 80 percent of the proceeds thereof shall be used for education and shall be subject to appropriation, allocation and allotment for that purpose.

The State Tobacco Tax Act provides that, after 4 percent of the proceeds is set aside to administer the collection of the tax, an amount of \$307,500 shall be used to provide sinking funds for the payment of the principal and interest on certain bond issues for school purposes. The remainder of tobacco tax collections becomes a part of the general state school fund.

**Legislative appropriations from the state general fund**--Actually all of the state aid for public schools, Grades I thru XII, comes under this heading by virtue of the fact that all of the above earmarked school revenues are placed in the general fund of the state, and the appropriations for the

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Clarence A. McCannless, Director, Division of Finance, State Department of Education, Nashville, Tennessee.

various school purposes are then made out of the general fund. This is a matter of convenience, as the earmarked school taxes produce less than the amount appropriated for Grades I thru XII.

**Income from permanent school funds**--The state permanent school fund amounts to \$2,512,500 and exists only as a debt upon which the state pays 6 percent interest semiannually. The amount of this interest per annum is, therefore, \$150,750.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54  
(Estimated)

Source	Amount	Percent
1. Earmarked taxes		
a. Tobacco tax . . . . .	\$12,844,500	19.9
b. Sales tax . . . . .	30,596,000 a/	47.4
2. Legislative appropriations . . . . .	20,929,183	32.5
3. Income from permanent school funds . . . . .	150,750	0.2
Total . . . . .	\$64,520,433	100.0

a/ Represents only that percent (78.03) of the 80 percent of sales tax collections corresponding to the percent that the total state appropriations for Grades I thru XII is of the grand total of state appropriations for all educational purposes.

Apportionment of State Aid

For the distribution of state minimum school program funds, the 95 counties are divided into two classes: (1) equalizing counties, of which there are 90, and (2) nonequalizing counties, of which there are 5.

Approximately one-third of the estimated total amount of state funds for each equalizing and nonequalizing school system for the fiscal school year is distributed on or about August 15; an additional one-third is distributed on or before November 15; approximately two-ninths is distributed on or before February 15; and the balance is distributed when the amount thereof is determined at the close of the school term.

**General aid**--Nonequalizing counties, cities, and special school districts receive the following per capita amounts, for Grades I thru XII; \$17 per pupil in average daily attendance; \$500 per teaching position allowed and maintained; \$500 on the salary of the superintendent; \$800 per supervising teaching position allowed and maintained; and salary-increase funds based on increases in the 1953-54 state salary schedule over the 1948-49 state salary schedule. Nonequalizing counties receive an additional amount not to exceed \$8 per pupil transported, who lives not less than one and one-half miles from the nearest school, including all crippled children transported in accordance with the rules and regulations of the state board of education.

As a prerequisite to receiving these funds, a nonequalizing county, city, or special school district must pay its principals, teachers, and superintendent at least as much as is provided by the state salary schedule on the basis of at least ten months during each school year for a term of not less than 175 days of class instruction. Only approved schools can be considered in determining state school aid.

**Equalization aid**--The equalizing counties, cities, and special school districts receive their funds on the basis of the amount of state aid necessary to complete the payment of the cost of a minimum school program after the required local funds are first applied. The annual minimum school program for a county school system includes the following services: (1) salary of the county superintendent based on a state salary schedule; (2) salary of one clerical employee for the county superintendent, based on a state salary schedule; (3) travel expenses of the county superintendent and members of the county board of education not to exceed \$500 per county per annum; (4) salaries of teachers and principals, supervising teachers, and attendance teachers, including teachers for exceptional children in special education, on the basis of a

# TENNESSEE (CONT.)

uniform state salary schedule which includes as a base a salary of at least \$2,230 per school year of ten months for the beginning certificated teacher with a bachelor's degree from an approved college, with teachers having more training and experience receiving more than \$2,230 per school year of ten months, and teachers having less training and experience receiving less than \$2,230 per school year of ten months, the number of teaching positions to be determined by a teacher-pupil ratio established by the state board of education; (5) travel expenses for teachers rendering service on a countywide basis and for teachers of homebound children in an amount not to exceed \$450 per position per annum; (6) an amount per child in average daily attendance during the preceding school year for learning and instructional materials; (7) an amount per child in average daily attendance during the preceding school year for school plant operation, maintenance service, fixed charges, and other expenses of general control; and (8) per capita amounts for pupil transportation based on the number of pupils transported more than one and one-half miles in approved equipment, and the ratio of the average rural population per square mile in the state to the average rural population per square mile in the county.

The minimum school program for an equalizing city or special school district is the same as for an equalizing county, except that transportation costs, the cost of one clerical employee for the superintendent, and the travel expenses of the superintendent, the members of the board of education, and teachers rendering service on a citywide basis are not included; while, if not otherwise provided, the salary of the superintendent is included to the extent of \$300, plus any increase paid to him under the provisions of Section 9 of the General Education Act of 1953.

In order to share in the state equalization funds, a local school unit must meet the following requirements: (1) comply with the state salary schedules; (2) meet the state board of education standards for each school included in the minimum school program; (3) maintain a term of not less than 175 days class instruction and pay its teachers, principals, and superintendent a monthly salary for not less than ten months including ten days of vacation with pay; (4) levy not more than one school tax for current expenses for all grades, I thru XII, and place in one fund all current school revenues received from county and state sources for school purposes; the amount of local funds required to be raised to share in the state equalization funds to be determined by the application of the county's index of relative financial ability to the aggregate amount of \$19,500,000, such aggregate representing the approximate amount of local school funds raised by all counties in 1945-46; and such index to be based on the average of two factors: (a) the percent that the assessed valuation of a county is of the total assessed valuation of the state, and (b) the percent that the estimated true value of property of the county is of the estimated true value of property in the state; (5) apportion between the county, cities, and special school districts therein on the basis of the average daily attendance maintained in Grades I thru XII during the preceding school year, all local school funds raised or collected by the county; (6) comply with laws of state and all authorized rules and regulations of the state board of education concerning each item within the minimum school program; and (7) raise and spend (if a city or special school district) for the current school operation an amount equal to a 15-cent levy on each \$100 of assessed valuation.

**Special aid**—The amount of \$6,300,000 per annum in capital outlay funds is distributed to the counties on the basis of the same amounts, county by county, which were distributed to the several counties during 1951-52.

These funds are apportioned by the county trustee of a county between the county and any cities and special school districts therein operating a system of public schools on the basis of the number of teaching positions allowed and maintained in Grades I thru XII during the preceding school year.

These funds may be used for the purchase and improvement of sites, the construction of buildings, the major repairs of buildings of a capital outlay nature, the purchase of equipment

for buildings, and the purchase of pupil transportation equipment for the public schools, Grades I thru XII. The capital outlay funds may also be used in the discretion of the local board of education for the payment of principal and interest on bonds or other indebtedness issued by the county, city, or special school district for school capital outlay purposes since July 1, 1947; while, an amount not to exceed 15 percent of the county's share of these funds may, in the discretion of the quarterly county court, be used for the operation of privately-owned pupil transportation equipment on a contract basis.

The capital outlay funds are distributed to county trustees in two installments: one-half on or before January 15, and one-half on or before April 15.

State textbook funds distributed to counties, cities, and special school districts are to be used as the initial capital outlay to set up a textbook inventory in each local school system. The new law provides that \$3,900,000 out of the \$5,000,000 bond issue for this purpose shall be distributed on or about July 10, 1953, among the local school systems of the state on the basis of average daily attendance during 1952-53. It further provides that after this initial distribution is made, the State Commissioner of Education with the approval of the Governor is authorized to make another distribution or distributions during the biennium 1953-1955 among the local school systems of the state on the basis of the average daily attendance in Grades I thru XII during the preceding school year.

State funds for vocational education are used to match federal funds for this purpose.

Funds for exceptional children may be used to provide special services for exceptional children in special education.

State sick leave funds in the amount of \$300,000 per annum are used to reimburse counties, cities, and special school districts which elect to participate in the state sick leave program for teachers on the basis of one-half of the amount paid to the substitute teacher (not to exceed a total of \$6 per day per substitute) who relieves a regular teacher who is sick and has accumulated sick leave to cover the days which he is absent on account of sickness. Each regular teacher is allowed one day of sick leave for each month taught, and may accumulate sick leave not to exceed 36 days.

TABLE 2.—APPORTIONMENT OF STATE AID, 1953-54  
(Estimated)

Type and percent of aid	Name of fund	Basis of distribution	Amount
<b>1. General aid (22.0%)</b>			
a. Grades I thru XII	Minimum program	Per pupil and per teacher	\$14,200,000
<b>2. Equalization aid (59.5%)</b>			
a. Grades I thru XII	Minimum program	Cost of minimum program in excess of county required funds	38,410,433
<b>3. Special aid (18.5%)</b>			
a. Capital outlay	Capital outlay	Estimated true value and ADA	6,300,000
b. Textbooks	Textbook	Per pupil	3,900,000
c. Vocational education	Vocational education	Approved applications	1,300,000
d. Services for exceptional children	Services for exceptional children	Approved applications	110,000
e. Sick leave	Sick leave	Reimbursement of payments to substitute teachers	300,000
(Items 1 plus 2 plus 3 equal 100%.)			
Total . . . . .			\$64,520,433



STATE SUPPORT OF PUBLIC SCHOOLS IN UTAH, 1953-54<sup>1/</sup>

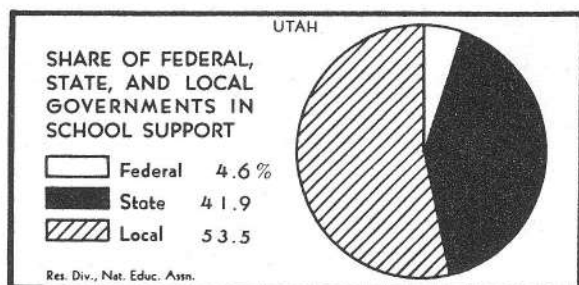
Prior to the 1947-48 school year, state school funds were made available to school districts by means of four major funds: the district school fund, high school fund, equalization fund and uniform school fund. Even tho these funds helped to equalize educational opportunities thruout the state by supplementing and building upon local funds, many school districts were unable to support recognized minimum educational programs.

The 1947 legislature, in response to public interest, reorganized the entire school finance system by establishing a single statewide minimum school program.

For programs above the basic minimum program, school districts may enrich the program by levying an extra tax up to 7 mills or up to 40 percent of their basic program, whichever the board chooses. Money from this tax may be used for operation and maintenance only. An extra tax may also be levied up to 10 percent of the district's basic program for sites, construction, and furnishings of school buildings. An additional 10 percent of the program for emergency purposes may be approved by the electors. A tax up to 1 percent of the district's assessed valuation may be voted for one or more years to buy sites, build and furnish schoolhouses, or improve school property.

In 1951, the legislature enacted a law granting state aid for building construction. The aid was distributed only to those districts that could not meet their own building needs thru use of local resources. In addition to those districts receiving state aid, permissive authority was granted to all districts to levy up to 12 mills for capital outlay and debt service. This program was continued by the 1953 and 1955 legislatures.

Total school revenue receipts in Utah for the 1953-54 school year were \$51,449,441. Of this amount, 4.6 percent was federal money, 41.9 percent came from state sources, and 53.5 percent was from local sources. Included in this total was \$2,810,889 for the school lunch program (including over \$1,750,000 paid by children for the purchase of school lunches). Also included was a special appropriation of \$1,525,000 made during the school year at a special legislative session. This appropriation was for the 1953-54 school year only. Beginning with the 1953-54 school year, the state's or employer's share of school employee retirement was included with the revenue receipts. Nonrevenue receipts for the 1953-54 school year were \$9,381,574, giving a total district revenue for the 1953-54 school year of \$60,831,015.



Sources of State School Revenue

During the period from statehood until 1949, school finance trends in Utah were in the direction of greater responsibility being assumed on a state level. Between 1949 and 1953, this trend was reversed in the direction of greater local responsibility. Only after we are able to examine the new finance law enacted during December 1953 will we be able to determine our future direction in Utah. In any event, the question of state aid for the operation of schools

is a very live one and will continue to be so during the next few years.

**Earmarked revenues**--Over one-half of the state funds used to support education in Utah are revenues that come from earmarked tax sources. All of the proceeds from the individual income tax and corporation franchise tax; one-half of the cigarette tax revenues; and one-half of the funds from mineral leases automatically go into the uniform school fund for the general operation of the public elementary and secondary schools. In addition, there is an earmarked 4 percent retail sales tax on the sale of liquor and wines that is earmarked as "state aid for the school lunch program."

After determining the amount of revenue to be collected from earmarked state and local sources for the support of the minimum program, the state tax commission levies a statewide property tax sufficient to provide the additional monies needed for the complete financing of this program. Because the state property tax is not determined until after other state and local revenues have been estimated, it is flexible and compensates for increases and decreases in the other revenues. Proceeds of this tax go into the uniform school fund. The state property tax for maintenance and operation of schools for the 1953-54 school year was 3.6 mills.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked revenues		
a. Individual income . . . . .	\$ 5,656,418	23.1
b. Corporation franchise (income). . . . .	3,983,835	16.3
c. General property a/ . . . . .	3,640,758	14.8
d. Mineral leases . . . . .	912,461	3.7
e. 4 percent liquor sales b/ . . . . .	530,902	2.2
f. Cigarette . . . . .	290,912	1.2
g. Miscellaneous c/ . . . . .	101,780	0.4
2. Legislative appropriations d/ . . . . .	8,075,000	32.9
3. Income from permanent school funds . . . . .	823,238	3.4
4. Balance from previous school year. . . . .	501,896	2.0
Total . . . . .	\$24,517,200	100.0

a/ 3.6 mills for the 1953-54 school year. This is a flexible tax and fluctuates inversely with the supply of nonproperty revenues.

b/ State aid for the school lunch program referred to above.

c/ School land rentals, escheats, unclaimed corporation dividends, and other miscellaneous receipts which go into the uniform school fund under Utah law.

d/ Includes the special appropriation made during December 1953.

The Utah constitution earmarks 100 percent of the revenues from the individual and corporate income taxes for the operation of the public school system. Because revenues from income taxes are allocated to the uniform school fund for the purpose of reducing the state school property tax, income taxes are not sources of additional school revenue but rather a means of relieving the property tax. Prior to 1931, practically all of the revenue for the state school aid was dependent upon a property tax.

The 4 percent sales tax on the purchase price of liquors and wines is used for both the administration and aid for school lunch program.

**Legislative appropriations from the state fund**--Prior to the adoption of the 1947 equalization school program, legislative appropriations were an important source of funds for state school aid. Because many of the most productive tax sources in Utah (sales tax, income tax) are earmarked, the legislature has adopted the practice of appropriating to services normally supported by the general fund, from sales tax revenues. Most of the \$8,000,000 appropriation to the schools for 1953-54 was from sales tax.

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Howard R. Hardy, Director of Research, Utah Education Association, 312 East South Temple, Salt Lake City, Utah.

Income from permanent school funds--Utah has one permanent school fund. This is known as the state school fund and consists of the proceeds of land granted by the United States to the state for the support of the common schools and 5 percent of the net proceeds of the sale of United States public lands within the state. The state school fund exists in fact, and only the interest and rental lease income from unsold school lands are distributed annually to the schools. Since 1939, these revenues have been distributed thru the uniform school fund. Disbursements of these revenues amounted to approximately \$800,000 in 1953-54.

#### Apportionment of State Aid

The method of public school financing provides not only for equalization of property tax levies and available revenues for the support of the minimum program, but also provides, somewhat, for uniformity in quality and quantity of education that can be offered in the 40 school districts of Utah.

Equalization aid--Minimum standards in the districts include: (1) a school term of nine months; (2) employment of legally certificated teachers; (3) transportation to and from school of all pupils living more than 1.5 miles (2 miles for secondary) from the school, or a reasonable provision toward such transportation; (4) general supervision to assist the superintendent and as many supervising principals as the state board of education may approve; (5) expenditures for educational supplies and equipment in such proportionate amounts as will provide for efficient instruction, as determined by studies conducted by the state board of education; (6) provisions for health inspection and instruction; (7) high-school standards and length of high-school term fixed by the state board of education; (8) annual inspection of high schools; (9) such other regulations as may be promulgated by the state board of education.

Programs must be approved by the state board of education, in accordance with these provisions for districts to participate in state funds. In order to receive state money, each local board of education must prepare, adopt, and comply with a salary schedule for all employees required to hold certificates issued by the state board.

The cost of the minimum program is determined by a definite statutory formula which operates as follows:

(1) At the end of the school year, each of the 40 local district superintendents determines the number of children in average daily attendance for the year. Each 30 elementary pupils make up one classroom unit; each 30 secondary pupils count as 1.5 classroom units; 50 kindergarten pupils attending half-day sessions count as 0.6 classroom units; special allowances are made for one- and two-room schools, short-term kindergartens, certificated nonteaching personnel, and vocational courses beyond the regular school term. Based on these allowances, the superintendent determines the total number of classroom units as the basis for his next year's minimum program. The statute provides that the minimum program shall equal \$3300 per classroom unit.

(2) Added to this basic program is a sum which will partially reimburse the district for pupil transportation cost during the year. The legislature allotted \$675,000 for this purpose to be distributed to districts on the basis of the average daily number of pupil-miles that pupils were transported over approved routes according to certain rules and limitations.

(3) The basic minimum program for the state is the total of the 40 individual district programs.

Once the total minimum program has been determined, the amount of the state's contribution is computed as follows:

(1) Using figures certified by the state superintendent and by the county assessors, the state tax commission determines which school district in the state has the highest assessed value per pupil in ADA. Then, the commission figures what mill levy applied to that district's assessed value will support that district's minimum program. The levy is not determined on the basis of 100 percent collection

expectancy but upon the collection rate anticipated by the state tax commission. For the last three years this has been approximately 98 percent. The mill levy, thus determined, becomes the required local levy in every district for participation in state funds. Monies from this levy are kept locally for the local schools. If a district were to refuse to make the uniform local levy then the state would refuse all state aid.

(2) All the money that will be produced by the uniform local levy in all districts is added, and the total subtracted from the total cost of the minimum program in the state. The difference then becomes the amount of the state's contribution to the minimum program.

(3) Receipts from the state earmarked revenues are estimated. This estimated revenue is deducted from the amount of the state's contribution. The difference must be produced by a statewide levy on property known as the state equalization levy. Money from this levy also goes to the uniform school fund for distribution.

The total amount of equalization aid to support the minimum program from the state uniform school fund was \$19,080,701 in 1953-54. The revenue produced by the state equalization levy may not, by constitutional limitation, be more than 75 percent of the total state's contribution to the minimum program. To date, the percent has not exceeded 45.

Special aid--Aid for special programs such as adult education, vocational education, etc., is distributed independent of the general minimum school program, but have been supported from both the general fund and the uniform school fund. During the 1953-54 school year, \$468,598 was distributed to districts as an offset against the cost of school lunches.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

Type and percent of aid	Name of fund	Basis of distribution	Amount
1. Equalization aid (97.2%)			
a. Regular program	Uniform school fund	Cost of minimum program figured at \$3300 per classroom unit plus extra allowance for transportation	\$19,187,576 a/
b. Special midyear legislative appropriation	Mine occupation Tax reserve fund	Distributed on the same basis as the regular equalization funds	1,525,000
2. Special aid (2.8%)			
a. Vocational education	Uniform school fund	Partial reimbursement for approved program	125,000
b. School lunches	School lunch fund	Number and type of lunches served children	468,598 b/

(Items 1 plus 2 equal 100%.)

Total . . . . . \$21,306,174 c/

a/ This is the amount distributed to the local school districts to support their regular equalization program for 1953-54. Since apportionments are distributed on a formula basis, they will not correspond exactly with revenues which must be partly estimated when levies are set. The balance will act as an offset and act to reduce the school property tax for the 1954-55 school year.

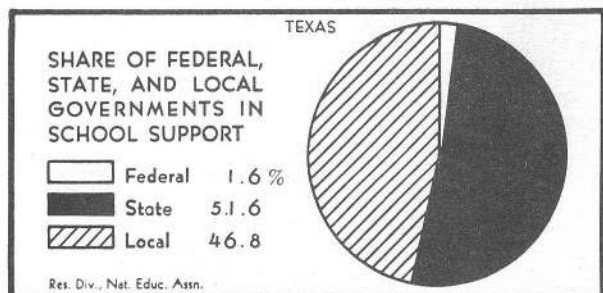
b/ The distribution of the state school lunch. This represents approximately 16.6 percent of the total local, state, and federal funds spent for this program.

c/ Total apportionment will be different than the revenue available. The balance will act to reduce the state school property tax for 1954-55. In addition to the funds sent to the districts, some of the revenue reported in Table 1 is used to operate the state school office.



STATE SUPPORT OF PUBLIC SCHOOLS IN TEXAS, 1953-54<sup>1/</sup>

Public elementary and secondary schools of Texas are supported by funds derived from four sources as follows: (1) the federal government; (2) the state government; (3) the county; and (4) the local district. In 1953-54 the federal government spent \$5,969,468, or 1.6 percent, for educational purposes in Texas, including \$3,634,081 for the school lunch program, \$1,202,204 for veteran's education, \$387,004 for rehabilitation; and \$746,179 for vocational education. For the same year the state contributed \$194,280,747, or 51.6 percent. Counties and local districts combined provided about \$176,348,940, or 46.8 percent, exclusive of capital outlay and debt service. The state provided support thru three funds: (1) the available school fund; (2) the foundation school fund; and (3) general revenue fund appropriations for rehabilitation and vocational aid.



Sources of State School Revenue

The available school fund is made up of the proceeds of earmarked taxes and the income from the permanent school fund, while the vocational aid funds receive legislative appropriations from the general fund of the state. The foundation school fund receives funds as required to finance a minimum foundation school program.

**Earmarked taxes**--The state constitution dedicates to the available school fund \$1 of the \$1.50 tax on each taxable poll, and an ad valorem tax of 7 cents to 35 cents on the \$100, according to the amount needed to produce the per capita school apportionment fixed by the state board of education. One-fourth of the taxes on the gross receipts of oil and sulphur producers and on cigarette sales and permits are also dedicated to the available school fund by constitutional provision. The constitution further provides that revenues in the available school fund must be used to provide free schools and free textbooks during a school term of at least six months.

In order to guarantee the support of the constitutional minimum six months' term, the statutes now earmark for the available school fund certain other tax proceeds in addition to those named above. These earmarked revenues include: one-

fourth of a 4-cent per gallon state tax on highway motor fuel; one-fourth of the taxes levied on the gross receipts of telegraph, telephone, gas, electric power, transportation, and water companies, producers of natural gas, cement, carbon black, marble, and on the gross premiums of insurance companies; one-fourth of chain store license, and documentary stamp taxes, admissions, and license tax on the operation of vending machines; and one-fourth of beer, wine, and liquor stamp taxes. According to the statutes, the portion of the tax on sulphur production dedicated to the available school fund is 55 cents out of a total tax of \$1.27 per ton. The taxes named in this paragraph, with the exception of the highway motor fuel tax, are transferred to the available school fund from two accounts in the state treasury known as the omnibus tax clearance account and the comptroller's tax clearance account. The total amount to the credit of the available school fund for the school year September 1, 1953, to August 31, 1954, was \$123,101,934, including receipts from the permanent school fund. Out of this amount \$122,873,846 was spent for the schools in 1953-54.

**Legislative appropriations from the state general fund**--The money needed each year to finance the foundation school program is automatically transferred from the omnibus tax clearance account. A budget committee, created by the legislature, is responsible for estimating the needs of the school program and may revise their estimates at any time to guarantee 100 percent payments of school financial needs. The amount of money which this committee requests be spent for education is controlled by the minimum program formula for allotting funds and by the state minimum salary schedule.

State vocational funds are also appropriated from the state general fund.

**Income from permanent school funds**--The constitution provides for a perpetual public school fund to be derived from all lands and sales of lands granted by the federal government and reserved by the state. The income from this fund is paid into the available school fund.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked taxes		
a. Ad valorem . . . . .	\$ 22,718,429	11.7
b. Poll tax . . . . .	1,391,898	0.7
c. Highway motor fuel tax	27,781,995	14.3
d. Omnibus tax clearance account No. 120 . . .	64,513,183	33.2
e. Comptroller's tax clearance account No. 127 . . . . .	172,158	0.1
2. Legislative appropriations		
a. Foundation school fund	70,080,618	36.1
b. Vocational education	1,326,283	0.7
3. Income from permanent school funds . . . . .	6,296,183	3.2
Total . . . . .	\$194,280,747	100.0

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Guy C. West, Supervisor, Research and Statistics, Texas Education Agency, Austin, Texas.

## Apportionment of State Aid

The first state apportionment for the support of schools was made in 1854 and amounted to 69 cents per scholastic. The state constitution provides that such payments shall be made annually. In addition, aid is given for the support of a comprehensive minimum foundation school program established by act of the Fifty-first Legislature (S. B. 116) in 1949, and for special school purposes such as special education.

**General aid**--These funds are distributed to counties and independent school districts on the basis of the number of scholastics aged six to seventeen inclusive. The state apportionment in 1953-54, amounting to \$116,073,592 or \$69 per scholastic, was paid from the available school fund.

**Equalization aid**--Aid is distributed for the support of the minimum foundation school program on an equalization basis. Under the minimum foundation school program act independent or county school districts and common or rural high schools may participate in state financial assistance for operating costs, salary aid, and transportation aid.

In order for a school district to participate in the minimum foundation school program fund it must have at least 15 pupils, ("School districts having fewer than 15 pupils in average daily attendance shall not be eligible for any classroom teacher units except in cases of extreme hardship.") must comply with the minimum salary schedule of the minimum foundation school program act, and must raise its pro rata part of the annual \$45,000,000 local fund assignment. An economic index gives the percentage of the \$45,000,000 that each county is required to pay.

Local school budgets showing the total cost of the local school foundation program are computed on the basis of the minimum state salary schedule which was written into law, and the amount of transportation aid and operational aid the district will receive.

The schools are allowed classroom teachers, principals, superintendents, and special personnel according to their number of students in average daily attendance.

Transportation aid is paid on the basis of the number and size of buses operated and the length and type of routes traveled by those buses. School operational expenses are paid on the basis of average daily attendance of schools for the previous year.

The state per capita apportionment from the available school fund is added to the school district's local fund assignment and county available funds. The difference between this total and the cost of the district's public school foundation program is paid from the minimum foundation school program fund of the state. The sum of \$70,080,618 (salary and operation, \$56,329,661; transportation \$13,750,957) was paid to districts from the minimum foundation school fund in 1953-54.

**Special aid**--The state free textbook fund is set aside annually by the state board of education from the available school fund in order to purchase and distribute textbooks used in the public schools. In 1953-54 the amount thus set aside was \$6,800,254.

The state funds appropriated for vocational education, together with federal funds similarly appropriated, are distributed thru the state board of vocational education. A total of \$1,326,283 was paid in 1953-54, including \$438,363 for rehabilitation, and \$887,920 for regular vocational education.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

Type and per- cent of aid	Name of fund	Basis of distribution	Amount
1. General aid (59.7%)	Available school fund	Number of scholastics	\$116,073,592
2. Equaliza- tion aid (36.1%)			
a. Salary and op- eration	Foundation school fund	Costs based on salary schedule	56,329,661
b. Trans- porta- tion	Foundation school fund	Number and size of bus and length and type of approved route	13,750,957
3. Special aid (4.2%)			
a. Free text- books	Available school fund	Need for books by pu- pils in at- tendance	6,800,254
b. Voca- tional educa- tion	Vocation- al funds	Discretion of state boards	1,326,283
(Items 1 plus 2 plus 3 equal 100%.)			
Total . . . . .			\$194,280,747



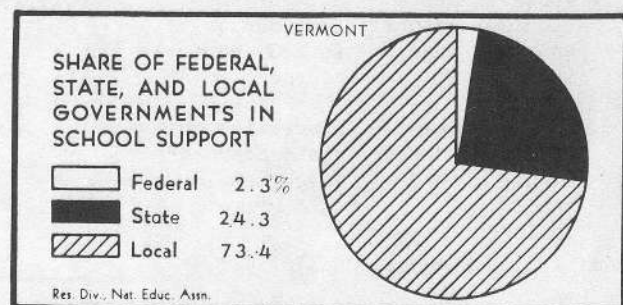
STATE SUPPORT OF PUBLIC SCHOOLS IN VERMONT, 1953-54<sup>1/</sup>

The present system by which the state aids in the financing of the public elementary and secondary schools in Vermont was established in 1949. The formula by which the aid is distributed is simple and clearly defined. The formula tends to equalize the cost of public school operation altho it was not scientifically developed for that purpose.

The application of this formula resulted in the distribution of \$3,386,500, which was 23.3 percent of the total expenditures in 1953-54 for current expense of operation of the local public school systems.

Two small special aid funds are provided by the state, namely, \$4,000 as community fund and \$8,000 as a standardization fund, which are used to encourage one- and two-room rural schools to provide repairs and renovation. These amount to 0.08 percent of the total current expense, which was \$14,518,536 in 1953-54.

Receipts from the federal government for 1953-54 were \$339,248, or 2.3 percent, of the current expense. Local funds furnished \$10,649,929 of the total, or 73.4 percent. The percentages given in the pie chart are for 1953-54.



Sources of State School Revenue

The need for increasing amounts of aid from the state brought changes in the methods by which state school revenues are obtained. Since 1931 Vermont has shifted from a main reliance upon the general property tax, first, to the use of earmarked income tax proceeds, and more recently to an almost total reliance upon appropriations made by the legislature from the general revenues of the state.

Vermont's state school revenue is derived from the income from permanent school funds, and appropriations from the general revenues of the state.

There is no state tax on general property for schools. The law enacted in 1931, imposing a tax on individual and corporate incomes, repealed the property tax of approximately 1 mill (10 cents for each \$1 of the grand list) which had been

levied for school purposes up to that time. Income tax proceeds, in the amount of \$300,000, and license fees required of peddlers, auctioneers, circuses, and menageries, formerly allocated for school purposes, are now placed in the state general fund.

Legislative appropriations from the state general fund--The legislature makes biennial appropriations for public education from the state general fund. Income, inheritance, corporation, and power taxes form the principal sources of this fund.

The 1953 session of the legislature increased its appropriation for general aid to the local school districts to \$3,320,000, which amount was insufficient to satisfy the new formula. The excess amount was distributed from the emergency fund of the state treasury. At the same time the legislature made \$550,925 available for the preparation of teachers and \$315,357 for operating expenses of the state department of education and miscellaneous additional aid projects, and an appropriation of \$150,000 for education of handicapped children. Only \$39,367 of the total appropriation represents income from the permanent school fund.

Income from permanent school funds--An act passed in 1906 combined into one permanent fund the principal of three already existing funds. These were the Civil War claim fund, the United States deposit fund of 1837, and the Huntington fund. The combined principal of these funds now amounts to \$1,445,166.64. Towns may borrow from the United States deposit fund at 5 percent interest. Payments of principal on such loans become a part of the total permanent school fund. That part of the permanent school fund not borrowed by the state or the towns is invested in production securities. This fund produced an income of \$39,367 in 1953-54.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Legislative appropriations . . . . .	\$3,320,000 a/	100.0 a/
2. Income from permanent school funds . . . . .	39,367 b/	1.2 b/
Total . . . . .	\$3,320,000	100.0

a/ Includes income from permanent funds and money appropriated for state administrative expenses.  
b/ Approximate. Included with item 1.

Apportionment of State Aid

General aid--The present provision of partial state support, amounting to 23.3 percent of the total current expense for operation of the local districts in 1953-54, altho an attempt at equalization, is frankly aimed at granting more assistance per average-daily-attendance pupil to the small school systems than to the larger ones. No attempt is made to equalize the costs between

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Winn L. Taplin, Director of Educational Planning, State Department of Education, Montpelier, Vermont.

richer and poorer municipalities within the various size groups. The plan is clear and easily comprehended by the layman, and, since it produces more state aid than formerly distributed, has been well received by a large majority of the local school districts.

The formula follows:

Step 1. Each town or city school district shall receive: first 100 average-daily-attendance pupils \$85; next 200 average-daily-attendance pupils \$40; next 200 average-daily-attendance pupils \$30; in excess of 500 average-daily-attendance pupils \$25 per pupil. State aid under the formula averaged \$56.76 per pupil in average daily attendance in 1953.

Step 2. The sum of the above amounts is decreased by 6 percent of the total amount of the taxes raised for purposes other than school by the town government, including national forest moneys voted for public roads.

Step 3. To the difference found in Step 2 is added: 25 percent of the first \$10,000 raised in the town or city school district as taxes for school purposes; 15 percent of the second \$10,000 raised in taxes for school purposes; plus 5 percent of all taxes raised by the town or city school district for public school purposes in excess of \$20,000. Included in the tax for schools is national forest receipts voted for public schools. No school district which has not raised and spent \$130 per average-daily-attendance pupil in the school year for which the aid is paid may receive state aid.

The minimum program set at \$130 per pupil in average daily attendance is being met by all school districts in the state.

Special aid--Handicapped children--a program providing for equal educational opportunity for any child who deviates mentally or physically to the extent that he cannot be educated in a regular school program was established by an Act of the 1953 legislature, with an annual appropriation of \$150,000.

The state distributed \$4,000 as community school building aid. The manner of distribution of this aid and the amounts distributed are left to the discretion of the state board of education.

The sum of \$8,000 was allocated in 1953-54 to assist districts in standardizing rural schools. Schools receiving assistance must meet requirements set up by the state board of education.

The state also assists districts in maintaining general vocational courses other than federally aided in junior and senior high schools. This aid is in the form of reimbursements for expenses incurred. Apportionment of this money is left to the discretion of the state board of education, the law merely prescribing that not more than \$200 be allowed from the state for each course.

The small appropriation to assist war veterans' orphans is being continued and will doubtless be increased as needed.

Type and percent of aid	Name of fund	Basis of distribution	Amount
1. General aid (95.2%)	State general fund	Number of average-daily-attendance pupils rate decreasing as number of pupils increases, with deduction of 6 percent of total tax raised for purposes other than school, and increase of 25 percent to 5 percent of school tax raised	\$3,386,500.00
2. Special aid (4.8%)			
a. Community building aid	State general fund	Discretion of state board of education	4,000.00
b. Standardization of rural schools	State general fund	Discretion of state board of education	8,000.00
c. Vocational courses in high schools	State general fund	Reimbursement for courses up to \$200 per course	8,199.50
d. Education of handicapped children	State general fund	Discretion of state board of education	150,000.00
(Items 1 plus 2 equal 100%.)			
Total . . . . .			\$3,556,699.50

#### AVAILABLE FOR TEN-YEAR PERIOD (1953-1963)

School building construction	Treasury surplus	Retroactive	\$ 500,000.00
School building construction	Bond issue	25 percent or 30 percent of cost	7,300,000.00

School building construction--In 1953 legislation was passed providing for state reimbursement to school districts in the amount of 25 percent of the cost for approved school building construction for elementary and municipal high schools; 30 percent of the cost of union district high schools was provided by the same act. The state board of education is responsible for the approval of applications for construction aid made under this statute. For partial assistance for buildings constructed since 1947, \$500,000 was provided, and \$7,300,000 was provided to be used within 10 years for assistance for future construction.

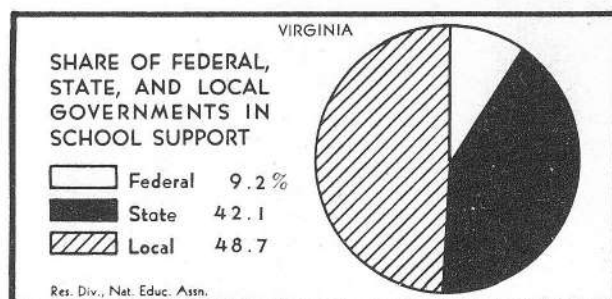


STATE SUPPORT OF PUBLIC SCHOOLS IN VIRGINIA, 1953-54<sup>1/</sup>

According to the school finance plan of Virginia, the major portion of state funds appropriated for the support of public elementary and secondary schools is designated to go for salaries of teachers, transportation, and a minimum program of education. Certain amounts are also appropriated to aid local units with special programs such as supervision, vocational education, and school libraries. The local unit is financially responsible for the major portion of school plant maintenance and operation, for administrative costs and for other services which the locality may desire.

A total of \$113,753,846 was spent for Virginia's public elementary and secondary schools in 1953-54, of which \$47,866,858 was paid from state funds; \$10,522,238 from federal funds, and the balance of \$55,364,751 was paid from funds derived from local sources.

In addition to the above total of \$113,753,846, \$70,746,793 was expended for capital outlay and debt service from state, federal and local funds.



## Sources of State School Revenue

Earmarked revenues--The only earmarked tax going to the support of current operating expenses of schools is two-thirds of the state capitation tax of \$1.50. This, amounting to about \$1,000,000 annually, is paid into the general school fund. The other third is returned to the general fund of the county or city.

State fines and forfeitures, which amounted to \$2,966,292 (net) in 1953-54, are earmarked as sources of increase to the literary fund (permanent school fund).

Legislative appropriations from the state general fund--The general fund of the commonwealth by legislative appropriation furnishes the bulk of state school funds in Virginia. The total amount appropriated from the general fund by the legislature for the school year 1953-54 was \$46,245,723. The principal sources of nonearmarked revenues in the general fund are taxes on public service corporations, insurance companies, intangible property taxes, individual and corporation income taxes,

alcoholic beverage control board profits, beer and beverage excises, and bank stock and inheritance taxes.

Income from permanent school funds--The interest on the literary fund, \$636,096.43 in 1953-54, is dedicated exclusively to the support and maintenance of the public schools in the state. The literary fund is a revolving building loan fund for schools.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked revenues		
a. Capitation taxes . . . \$	985,038.68	2.1
2. Legislative appropriations		
a. From state general fund . . . . .	46,245,723.00	96.6
3. Income from permanent school funds		
a. Interest on literary fund . . . . .	636,096.43	1.3
Total . . . . .	\$47,866,858.11	100.0

## Apportionment of State Aid

The legislature, at each regular biennial session, makes a general appropriation of aid for maintenance of free public schools and a series of special appropriations for specifically designated educational purposes. The general school aid fund is distributed to the schools of the counties and cities as four separate sums. These include (1) a basic appropriation for the general maintenance of free public schools; (2) an appropriation for aid in support of a minimum educational program distributed on an equalization basis; (3) a salary equalization fund; and (4) an appropriation for aid for pupil transportation.

General aid--Receipts from the general school aid fund (basic appropriation) must be expended exclusively for salaries of teachers. Each county or city must put into effect a minimum schedule of teachers' salaries in order to be eligible to receive any of this fund except that which is provided by the state constitution.

Section 135 of the state constitution requires the annual interest on the state literary fund, that portion of the state capitation tax placed in the state treasury, and an amount equal to that which would be produced by a 1- to 5-mill property tax for primary and grammar grades to be apportioned to the counties and cities on a school census basis. The amount of this apportionment is included in the general school aid fund and distributed as a part of the basic appropriation for the maintenance of public schools.

This basic appropriation is so distributed that together with the sum made available by constitutional provision on a school census basis, it will produce an equal amount for an assigned state-aid teaching position. State-aid teaching position

<sup>1/</sup> Prepared for the Research Division, National Education Association, by J. G. Blount, Jr., Finance Director, State Department of Education, Richmond, Virginia.

is defined as one teaching position for each thirty (30) pupils in average daily attendance in the elementary grades and one teaching position for each twenty-three (23) pupils in ADA in the secondary (high-school) grades. For purposes of this distribution, the ADA for the immediate preceding year is used.

Reimbursement for transportation for 1953-54 amounted to \$4,156,311.

Equalization aid--The sum of \$2,303,379 was appropriated from the general school aid fund for 1953-54 to assist certain counties and cities in maintaining a minimum educational program of not less than \$140 per child in ADA during the preceding school year. School divisions which are unable to maintain the minimum program with other funds from state sources and a local levy of 80 cents on each \$100 of true valuation of their real property, as determined by the state department of taxation, share in this apportionment.

Special aid--In addition to the above appropriations there are many others for special educational purposes.

Counties and cities are reimbursed by the state for approximately two-thirds of the salaries of directors of instruction, visiting teachers, and supervisors, up to certain maximum salaries. Personnel requirements established by the state must be met in order for each position to be approved for state aid.

In general, counties and cities are reimbursed for two-thirds of the salaries and one-half of the travel expenses of full-time vocational teachers.

The state matches the localities, two-thirds to one-third, in purchasing library units at \$60 each.

Counties and districts which meet state requirements for the employment of supervising principals are reimbursed for one-sixth of the salary of each principal employed up to a maximum of one-sixth of \$4,000.

A fund known as a salary equalization fund, established by 1952 legislation, provides state aid for maintaining teachers minimum salaries prescribed by the state board of education. In 1953-54 this aid was in the form of reimbursement to counties and cities in amounts equal to the difference between the salaries paid for each position in 1952-53 and the appropriate step to which an individual was entitled during 1953-54 based on training and experience. To qualify for aid from this fund a county or city must maintain a salary schedule satisfactory to the state board of education.

Appropriations previously discussed and other appropriations for the school year 1953-54 and the methods by which they are distributed are shown in Table 2.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

Type and percent of aid	Name of fund	Basis of distribution	Amount
1. General aid (69.8%)			
a. Salaries of teachers	Basic appropriation	\$1,425 per state-aid teaching position based on 30 pupils in elementary grades and 23 pupils in secondary grades (ADA)	\$29,275,850
b. Transportation	Transportation	40 percent pupils; 40 percent miles; 20 percent buses	4,156,311
2. Equalization aid (16.0%)			
a. Minimum educational program	Minimum program	Tax levy on true valuation of real property	2,303,379
b. Salary equalization fund	Teachers salaries	Difference between 1951-52 salaries and appropriate step in minimum state salary schedule based on training and experience	5,338,597
3. Special aid (14.2%)			
a. Supervision of instruction	Supervision	Two-thirds of salaries	551,935
b. Discretionary	Discretionary	Amount needed to maintain nine months' school term	97,650
c. Vocational education	Vocational	Federal-state program	2,670,585
d. Supervising principals	Twelve months principals	Approved application	260,087
e. Southern education foundation	Supervision of Negro schools	Approved application	6,496
f. Special and adult education	Special education	Approximately one-fourth of salary	170,026
g. Teachers' sick leave	Teachers sick leave	One-half daily rate of pay of substitutes not to exceed \$3	209,308
h. Free textbooks	Free textbooks	\$1 per enrolled pupil in elementary schools for eligible counties or cities	172,471
i. Foster home children	Foster home children	Cost per child per day (local cost only)	65,796
j. Miscellaneous items			2,588,367

(Items 1 plus 2 plus 3 equal 100%.)

Total . . . . . \$47,866,858 a/

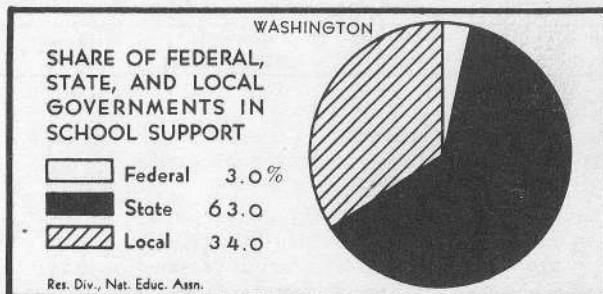
a/ Does not include state aid for construction of school buildings.



STATE SUPPORT OF PUBLIC SCHOOLS IN WASHINGTON<sup>1/</sup>

There are 533 local school districts in the state of Washington. These districts constitute the administrative units for operating the public elementary and secondary schools which comprise the common school system. School districts are financially independent of each other and of other units of local government.

Revenues from state, county, local district, and federal sources for operating the public schools of the state during the 1953-54 school year are estimated at approximately \$126,430,342. Of this total, 63 percent will come from state sources. County and school district revenues constitute approximately 34 percent of total school receipts and federal funds, 3 percent. School districts are limited in the amount of taxes that may be levied without a vote of the people to a maximum of 14 mills upon the taxable valuation of the district assessed at 50 percent of its true value. In actual practice the assessments of property for tax purposes are considerably below the statutory 50 percent of true and fair value.



Sources of State School Revenue

Most of the state funds for current support of public schools are obtained from the state general fund. The general fund is derived largely from taxes levied under an excise revenue act, including a 3 percent sales tax, liquor profits and taxes, business and occupation taxes, and licenses and fees. No percentage of the state general fund is earmarked for public education. Transfers are made from the general fund to the state current school fund in the amount to be apportioned from said fund under the legislative appropriation for school support.

**Earmarked taxes**--Taxes now earmarked for the support of education are (a) a state administered motor vehicle excise tax, the proceeds of which accrue to the state school equalization fund, and (b) a county administered excise tax on real estate sales. A 1 percent tax on real estate sales for the support of schools is levied in all counties by the county commissioners and the proceeds are distributed directly to school districts. These funds are supplemented by the state from the state school equalization fund to guarantee districts a total of 17 cents for each day of aggregate attendance for

the preceding year computed in the manner hereinafter indicated. During the 1953-54 school year the real estate sales tax will produce approximately \$6,000,000 and will be supplemented with approximately \$7,520,787 from the state school equalization fund.

**Legislative appropriations from the state general fund**--Transfers from the state general fund to the state current school fund total approximately \$68,907,737 and constitute 87 percent of all school revenues from state sources for the school year 1953-54. In addition to revenues for the regular state school support program already described, a special appropriation was made by the 1953 legislature for the education of handicapped children in the amount of \$1,425,000 for the biennium.

**Income from permanent school funds**--The permanent school fund is derived from sales of state school lands, timber, and other resources. A little more than one-fourth of the original grant of almost 2,500,000 acres of school lands has been sold. The permanent school fund is invested largely in United States government and school district bonds and now totals approximately \$58,794,307. The interest from the investment of the permanent school fund and income from rentals and fines are credited to the state current school fund. About \$2,000,000 is expected from this source in 1953-54.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked taxes		
a. Automobile excise tax . . .	\$ 7,520,787	9.5
2. Legislative appropriations		
a. Current school fund . . .	68,907,737	87.1
b. Special appropriations . . .	695,042	0.9
3. Income from permanent school funds . . . . .	2,000,000	2.5
Total . . . . .	\$79,123,566	100.0

Apportionment of State Aid

**General aid**--State funds are apportioned to all districts to the extent and in the manner indicated below, irrespective of local fiscal capacity: (a) 40 cents for each day of aggregate attendance for the preceding year, (b) a sufficient amount from the state school equalization fund to equalize the proceeds of the county administered real estate sales tax to the end that each district receives from this source 17 cents for each day of aggregate attendance for the preceding year, (c) \$1,125 per annum for each certificated employee (educational unit), and (d) 60 percent of the cost of approved transportation for the preceding year. Approved transportation costs are established by a transportation commission sitting in each county consisting of the county school superintendent, a representative of the state superintendent of public instruction, and a representative of the school district involved. (Additional state funds to equalize the proceeds of regular school district tax levies are apportioned in the manner indicated later. An additional 30 percent of approved transportation costs is included in this equalization program.)

The rate of educational unit-support varies from one biennium to the next in accordance with the total

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Elmer L. Breckner, Assistant Superintendent in charge of Administration and Finance, State Department of Public Instruction, Olympia, Washington.

legislative appropriation for schools. This variable factor in the state aid formula is particularly suited to the taxation structure of Washington. Statutory requirements governing authorization of excess tax levies tend to limit receipts from school district levies. This means that local revenues will remain relatively fixed over a period of years. The state taxation program rests upon sales and excise taxes, the revenues from which change readily in accordance with business conditions and price levels. Under these conditions state support for schools can be adjusted to meet changes in the cost of public education.

Total aggregate attendance for apportioning state and county funds is computed as follows: (a) the actual number of days of attendance in elementary, junior high, high, and extended secondary schools; (b) an additional one-fifth times actual days of attendance in junior-high schools; (c) an additional two-fifths times actual attendance in high schools; (d) two times actual attendance in thirteenth and fourteenth years in high schools approved for such years of instruction by the state board of education; (e) three times actual attendance in parental schools where food and lodging are provided; (f) one-half of one day's attendance for each two hours or more of actual attendance in kindergarten; (Kindergarten attendance is included for apportionment of county funds only because of the limitation by the 1953 legislature on the use of state current school funds for kindergarten operations during the 1953-1955 biennium.) (g) an additional one-fifth times each hour of actual attendance in vocational classes approved for such apportionment credit by the state board for vocational education; (h) one-fifth of one day's attendance for each hour of actual attendance in night school, part-time, and adult education classes; (i) an additional 3,000 days of attendance for each special service unit in remedial education, guidance, health, library, and other special services designated by the state board of education. (A special service unit has been defined by the state board as one full-time certificated employee performing educational or related services in accordance with standards for such services established by the board.)

Equalization aid--Special provision is made for additional state aid to equalize the proceeds of the school district 14-mill property tax levy. In some school districts this levy produces five, ten, or twenty times as much local revenues per pupil as it does in other districts. In order to compensate for these great differences in ability to raise funds locally, the state board of education is empowered by law to establish a minimum financial program for school district operations. If receipts from the maximum permissible regular school district tax levy, computed in the manner indicated below, are less than this minimum, the deficit is paid to the district by the state. In the computation of such equalization payments the amount received by the maximum regular school district tax is equalized to compensate for the differences in assessment practices among the counties of the state.

The minimum financial program established for the purpose of computing state equalization payments to school districts is defined as the larger of the following two sums: (a) the sum of 42 cents times aggregate attendance, computed as previously indicated, plus 30 percent of the approved cost of transportation, or (b) the sum of \$1,890 times the number of certificated employees plus 30 percent of the cost of transportation plus a basic allotment established

by the state board of education for each type of school district. (The equalization level for the 1953-54 school year is 42 cents for each day of aggregate attendance. This level may vary from year to year, since it is based upon the relationship of the assessed valuation of all school districts in the state to the aggregate number of days of attendance of such districts.) If the proceeds of five-sixths of the regular school district tax levy applied to the above-mentioned equalized valuation of the district is less than the larger of these two sums, the amount of the deficit is allotted to the district by the state. This dual method of computing the minimum financial program is used so that smaller districts in which the pupil-teacher ratio is necessarily low will have adequate funds to operate. In general, the first sum indicated above is greater for the larger school districts; the latter, for the smaller school districts.

Special aid--Funds from the special appropriation provided for the education of handicapped children are allocated to school districts in accordance with procedures established by the state superintendent of public instruction.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

Type and percent of aid	Name of fund	Basis of distribution	Amount
<b>1. General aid (83.6%)</b>			
a. Attendance basis	Current school fund	40 cents per day's attendance	\$33,869,918
b. Attendance basis	State school equalization	17 cents per day's attendance less receipts from county real estate sales tax of \$6,000,000	7,520,787
c. Educational unit support	Current school fund	\$1,125 per certificated employee	20,913,870
d. Pupil transportation	Current school fund	60 percent of approved cost	3,851,649
<b>2. Equalization aid (15.5%)</b>			
a. School district tax	Current school fund	Cost of minimum program in excess of five-sixths of proceeds of regular district tax levy	12,272,300
<b>3. Special aid (0.9%)</b>			
a. Education of handicapped children	Special appropriation	Basis established by superintendent of public instruction	695,042

(Items 1 plus 2 plus 3 equal 100%.)

Total . . . . . \$79,123,566



STATE SUPPORT OF PUBLIC SCHOOLS IN WEST VIRGINIA, 1953-54<sup>1/</sup>

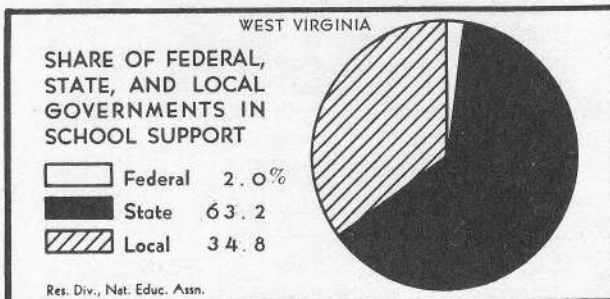
Before 1933-34 the schools of West Virginia were supported almost wholly from ad valorem taxes levied by the various magisterial districts. The state supplied approximately 5 percent as a gesture toward equalization. In 1933 the people of West Virginia amended the constitution to classify property and fix maximum rates of levy. Since then the state's share of school support has risen so that it now represents the greater part of all school revenue.

For the purpose of taxation, properties are classified in four types. Maximum rates for all purposes are 50 cents, \$1, \$1.50, and \$2. Rates allocated for current school support are 21.1 cents, 42.2 cents, 84.4 cents, and 84.4 cents. Specific rates are also allowed to county school districts for permanent improvement, for old district debts (prior to May 1933), and for debts incurred since May 1933. Counties may, upon the approval of the state tax commissioner, use for current expense the rates allocated for permanent improvement, and any part of the rate allocated for old district debt that is not needed for that purpose.

Special levy--Boards of education may, by the affirmative vote of sixty percent of the citizens voting, increase by fifty percent the authorized rate for a period not to exceed three years.

Bond amendment--Under constitutional amendment passed in 1950, boards of education may by vote of citizens issue bonds not to exceed in the aggregate three percent of the assessed valuation.

From property taxes in 1953-54 counties provided \$27,802,241, or 34.8 percent, of the total amount for current expense. The state provided \$50,583,452, or 63.2 percent. The remainder, \$1,633,761, or 2.0 percent, was received from the federal government for vocational aid and the school lunch program.



Sources of State School Revenue

All revenue for school purposes must be appropriated by the legislature. Specific amounts are appropriated from general revenue, and additional "blanket" appropriations are made from the general school fund.

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Mrs. Kathleen Kerwood, Director of Statistics, Department of Education, Charleston, West Virginia.

Earmarked revenues--The general school fund receives its revenue from the capitation tax, cigarette tax, chain store tax, certain licenses and fees, certain fines and forfeitures, redemption of delinquent lands, interest on bank deposits, and the interest on the permanent school fund. Altho earmarked for school purposes, the general school fund must be appropriated at each biennial session of the legislature. The amount from this source for 1953-54, after deduction of other appropriations and deficits for the previous year, was \$4,454,800.

The law requires that the proceeds of the consumers sales tax "shall be devoted to the support of free schools." Actually the income from the tax becomes a part of the state general fund and constitutes a major part of the direct appropriation from the state general fund for school purposes. Receipts from the consumers sales tax for 1953-54 were \$26,787,435.

Legislative appropriations from the state general fund--The legislature makes available a sum for school support by direct appropriation from the state general fund. This appropriation is drawn from the consumers sales tax and from franchise, gross sales, and other taxes which make up the state general revenues. The amount appropriated for the school year 1953-54 was \$44,150,000.

Special appropriations from the state general fund for 1953-54 include \$200,000 for free textbooks, \$125,000 for the school lunch program, and \$300,000 for vocational education.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked revenues		
a. Consumers sales tax . . . \$26,787,435 a/		54.4 a/
b. Capitation tax (General		
c. Chain store tax al	4,454,800	9.0
d. Nontax revenues school		
e. Cigarette tax fund)		
2. Legislative appropriations		
a. State aid . . . . . 44,150,000 b/		89.7 b/
b. Special appropriations. . . . . 625,000		1.3
3. Income from permanent		
school funds . . . . . c/		c/
Total . . . . . \$49,229,800		100.0

a/ Included also as part of item 2a of this table.

b/ Includes \$100,000 earmarked for instruction of homebound crippled children.

c/ Income from this source amounted to \$24,884 for 1953-54. In this table this income is included as part of the \$26,787,435 earmarked revenues shown under item 1.

Income from permanent school funds--The principal of the permanent school fund of West Virginia is fixed at \$1,000,000. Interest on this principal is placed in the general school fund and distributed as part of the appropriation from that fund.

## Apportionment of State Aid

A state aid law, passed by the 1947 legislature, first became effective in the school year 1947-48. All state aid except amounts appropriated for certain special purposes is now distributed as aid to guarantee the support of a foundation school program defined by law.

Equalization aid--The state gives aid to each county equal to the difference between the cost of the foundation program and the county's local share of revenue. The foundation program is determined as follows:

Total foundation program = appropriation for state aid to schools available for distribution during that year + local share based on Tax Commissioner's survey. This sum of money is used to meet the requirements of each successive division or step of the formula in the following stated order of priority. Whenever the amount applicable to any step is insufficient to meet fully the stated requirement, the amount for each unit of cost in that step is reduced proportionately, and the remaining steps of the formula are necessarily disregarded.

I. Instruction: The amount allocated to each county for instruction = number of weighted pupils in the county X one-thirtieth of the average annual legal minimum salary of all teachers in the county.

II. Transportation: The amount allocated to each county for transportation = number of pupils transported X average annual transportation cost per pupil for all counties transporting the same number of pupils per mile of bus route one way in county owned and contract buses + if necessary, an additional allowance for public utility transportation, and for aid in lieu of transportation, computed on the basis of the state average cost per pupil for such allowances.

III. Other Current Expenses: Step (1). The allowance for each county under this step = \$35 each for the first 1000 weighted pupils + \$10 each for the remainder. Step (2). \$15 for each net enrolled pupil. Step (3). \$5 for each weighted pupil.

IV. General Improvement: Step (1). One-half of the amount remaining for distribution is allocated among the counties on the basis of weighted pupils. Step (2). The other half on net-enrolled pupils. Total foundation program for each county = sum of all amounts allocated to the county under the successive steps of the formula.

State aid = total foundation program of the county - local share based on Tax Commissioner's survey.

Note: Chapter 18, Article 9A, Section (5) and (6). Scales for weighting elementary and high-school pupils. Section (8) transportation allowance scale.

The 1947-48 State Aid Law requires the state tax commissioner to conduct within the next two years a survey to determine the true and actual value of property in each county; to report this

on or before December 1, 1948; and to redetermine value of property in each county at least once every four years. The 1953-54 State Aid Law continues this study.

Special aid--From the state aid appropriation the legislature earmarked \$100,000 for the education of homebound children to be distributed according to rules established by the state board of education.

Special appropriations from the general revenues supplement federal funds in paying the salaries of vocational teachers (\$300,000) and aid in meeting the expenses of the school lunch program (\$125,000). The latter aid is divided evenly among schools which serve hot lunches. Free textbooks are distributed in accordance with need, as available funds permit.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

Type and percent of aid	Name of fund	Basis of distribution	Amount
1. Equalization aid (99%)			
a. Foundation program	State general fund and general school fund	Difference between cost of foundation program and local share of revenue	\$48,504,800 <sup>a/</sup>
2. Special aid (1%)			
a. Free textbooks	State general fund	For children whose parents are unable to buy textbooks, and others as funds permit	200,000
b. School lunch program	General school fund	Prorated to schools serving hot lunches	125,000
c. Vocational education	General school fund	To supplement federal funds	300,000
d. Education for crippled children	General school fund	Discretion of state board of education	100,000
(Items 1 plus 2 equal 100%.)			
Total . . . . .			\$49,229,800
<sup>a/</sup> Includes some general aid to all counties.			

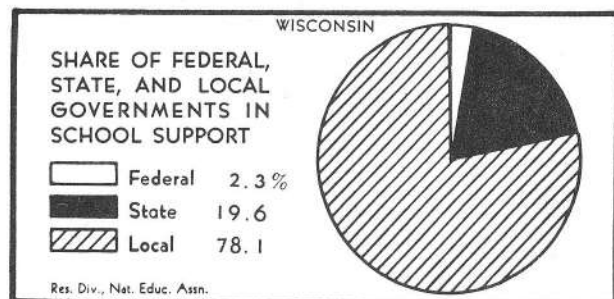


STATE SUPPORT OF PUBLIC SCHOOLS IN WISCONSIN, 1955-56<sup>1/</sup>

Considerable change was made in the support of elementary and secondary schools during the last legislative session in Wisconsin. Not only was the guaranteed equalized valuation per pupil increased but the matching of state funds per mill rate based on this guaranteed valuation was also increased. The state aid program for 1955-56 continues to encourage the conduct of a good educational program for both elementary- and secondary-school pupils within a single school district.

For the year ending June 30, 1956, it is estimated that state support will equal \$30,345,000. With current expenditures for elementary and secondary schools expected to reach \$155,000,000 for 1955-56, state aid will represent 19.6 percent of the total. Local taxes composed almost entirely of general property tax revenue will constitute 78.1 percent of the receipts for elementary and secondary schools. School revenue from utility taxes collected by the state and returned to certain districts, as well as income to school districts under the forest crop law and the highway privilege tax, are classified as local revenue. Payments under the forest crop law compensate local districts for loss of revenue from removing forest crop lands from local tax rolls, and the highway privilege tax represents money received by the Milwaukee city schools since automobiles are no longer taxed as personal property in Wisconsin.

Federal aid estimated at \$3,500,000 includes amount received by high schools under the Smith-Hughes Act, the George-Barden Act, and the hot lunch program. It will support 2.3 percent of the cost of elementary and secondary schools in Wisconsin for the year ending June 30, 1956.



Sources of State School Revenue

Most state aid comes from biennial legislative appropriations made from the general fund of the state. The major exception is the income from the common school fund.

Earmarked taxes--Educational groups in Wisconsin have generally accepted the philosophy that "earmarking" of taxes is unsound budgetary procedure and have not favored designating particular revenue sources for specific purposes. An exception is that \$3,500,000 from net normal income tax revenues is set aside for school aid before the remainder is distributed 40 percent to the state, 10 percent to the counties, and 50 percent to the local taxing districts: i.e., towns, cities, and villages.

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Charles Frailey, Research Director, Wisconsin Education Association, Madison, Wisconsin.

Also, income from utility, forest crop, and highway privilege taxes is earmarked for education.

Legislative appropriations from the state general fund--While there has been little practical earmarking of funds for educational purposes in Wisconsin, a large segment of state revenue is set aside for other functions of government--especially for highway purposes. In addition, a large share of the tax revenue collected by the state is returned to the locality and is not available for state educational aids. Major sources of tax revenue available for state aids and other state general fund obligations are taxes on: (1) income; (2) utilities; (3) tobacco; (4) inheritance and gifts; (5) malt beverages; and (6) insurance. Total amount available to elementary and secondary education from appropriations out of the state general fund in Wisconsin is \$29,945,000 for the school year ending June 30, 1956.

Income from permanent school funds--This year the school fund is as productive as the past two years. The allotment in the January 1956 apportionment is estimated at 45 cents per census child age four to 20.

Except in first-, second-, and third-class cities the money received from the common school fund is used for the purchase of school library books.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1955-56

Source	Amount	Percent
1. Earmarked taxes		
a. Taxes . . . . .	a/	a/
b. Fees, fines, etc. . . . .	b/	b/
2. Legislative appropriations	\$29,945,000	98.7
3. Income from permanent school funds		
a. Common school fund . . . . .	400,000	1.3
Total . . . . .	\$30,345,000	100.0
a/ See text "Earmarked taxes." Included in item 2.		
b/ Included with item 3a.		

Apportionment of State Aid

The state aid law continues to provide incentive aids for good educational programs and good district organization. To do this school districts are divided into basic and integrated districts. A basic district is one that conducts an elementary- and/or high-school program at minimum state standards. An integrated district is one that operates Grades I thru XII or Kindergarten thru XII, with at least two special fields offered in the elementary school from music, art, applied art, and kindergarten; with more than five teachers in a high school that offers at least two special fields from home economics, industrial arts, commercial, and agriculture; with at least one subject from the general fields of physical education for both boys and girls, music (including vocal), and art, taught by teachers who teach in no more than one other field; with at least two auxiliary services available in both elementary and high school selected from hot lunch, dental inspection, medical inspection, nurse service, counseling, provision for one type of handicapped children, audio-visual aids, and library facilities.

# WISCONSIN (CONT.)

General aid--The common school fund is allocated on the basis of children age four to 20. The school census upon which this distribution is made is taken annually.

Equalization aid--Most of the state aid for 1955-56 is provided in appropriations of \$24,000,000. Minimum aid guaranteed on the basic level is \$25 per resident elementary pupil and \$30 per high-school pupil in average daily attendance. The minimum guarantee in integrated districts is \$30 per elementary pupil and \$35 per high-school pupil. For computation of aids the over-all class size in both elementary and high schools is limited to 25 pupils in ADA per professional worker, and in each type of district equalization aids are computed on not to exceed 25 resident pupils in ADA per teacher. A child enrolled in a recognized half-day kindergarten program is counted as one-half pupil for aid purposes. This applies to kindergartens for both four-year-olds and five-year-olds providing the pupil reaches these respective ages before December 1 of the year in which he enrolls.

To be eligible for any state aids basic districts must have levied a tax of at least 3 mills on the equalized valuation of the district. In a school having one to nine resident pupils in ADA the aid is \$25 per pupil. If the district has 10 or more resident pupils in ADA, the state will provide a sum equal to the mill rate levied by the district up to 15 mills on the amount by which the equalized valuation per resident pupil in ADA is less than \$21,000, except that the state will provide not less than (1) in a one-teacher unit with 12 or more resident pupils in ADA, (2) in a two-teacher unit with 26 or more resident pupils in ADA, and (3) in a three-teacher unit with 45 or more resident pupils in ADA, a sum equal to the mill rate levied by the district not to exceed 15 mills on the amount by which the equalized valuation of the district is less than \$300,000 per teacher.

In integrated districts the state will provide a sum per pupil equal to the amount produced by applying the mill rate levied by the district up to 15 mills on the amount by which the equalized valuation per resident pupil, both elementary and high school, in ADA is less than \$23,500. The minimum tax levy requirement for eligibility to any state aid in integrated districts is 5 mills.

If the program of a union high school meets the requirements of a high school in a basic district and the district needs to levy at least 3 mills on the equalized valuation, the state aid is equal to the mill levy made by the district up to 10 mills on the amount by which the equalized valuation per resident pupil in ADA is less than \$55,000, but not less than \$30 per resident pupil in ADA up to 25 resident pupils in ADA per teacher. If the program of a union high school meets the requirements for the integrated district-high-school program and the district needs to levy at least 3 mills on the equalized valuation, the state aid is equal to the mill levy made by the district up to 10 mills on the amount by which the equalized valuation per resident pupil in ADA is less than \$60,000, but not less than \$35 per resident pupil in ADA up to 25 resident pupils in ADA per teacher.

The law provides that elementary-school aid from county sources be \$350 per elementary teacher. The local district must levy at least 3 mills on its equalized valuation to be eligible for county aid.

Special aid--Transportation is compulsory for all public school children who live more than two

miles from school and for handicapped children regardless of distance. If the district is to share in state aid no part of the transportation cost may be charged to the pupil or parent of the pupil transported. State aid is \$24 per pupil per year if the pupil lives two to five miles from school and \$36 if the pupil lives over five miles. State aid may not exceed the cost of transportation. The annual state appropriation for transportation is \$4,200,000 for 1955-56 and \$4,500,000 for 1956-57.

State vocational aid to high schools is granted for assistance in part-time agricultural instruction. This program is usually conducted in conjunction with Smith-Hughes and George-Barden programs in the high schools.

Aid for handicapped children was again increased in the last session of the Wisconsin legislature. Aid is apportioned to assist districts with the cost of providing education for handicapped groups under a program approved by the state superintendent.

TABLE 2.--APPORTIONMENT OF STATE AID, 1955-56

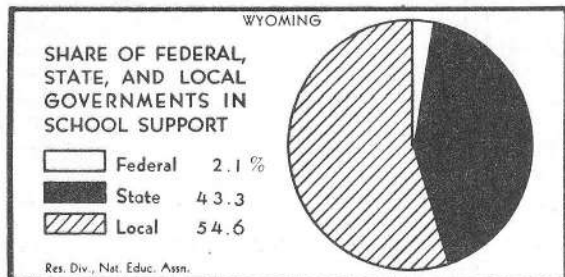
Type and percent of aid	Name of fund	Basis of distribution	Amount
1. General aid (1.3%)			
a. Census aid	Common school fund	School census basis	\$ 400,000 <u>a/</u>
2. Equalization aid (79.1%)			
a. Elementary and high school	Income tax and general fund	Equalization based on equalized valuation per resident pupil in ADA with minimum guarantee of \$25 to \$35 per pupil in ADA depending on type of district	24,000,000 <u>b/</u>
3. Special aid (19.6%)			
a. Transportation	General fund	\$24 or \$36 per pupil per year depending on distance	4,200,000 <u>c/</u>
b. Vocational agriculture	General fund	Part-time agriculture instruction	30,000
c. Education of handicapped	General fund	State aid for approved instruction	1,715,000 <u>d/</u>
(Items 1 plus 2 plus 3 equal 100%.)			
Total . . . . .			\$30,345,000

- a/ Estimated January 1956 apportionment.  
b/ Includes appropriation for \$15,000, foster home tuition; \$22,500, military sites tuition; \$20,000 payment in lieu of taxes (conservation and welfare); \$420,000, vocational and adult education.  
c/ \$4,500,000 for 1956-57.  
d/ Includes appropriation for education of handicapped at home--1956-57, \$1,885,000.



STATE SUPPORT OF PUBLIC SCHOOLS IN WYOMING, 1953-54<sup>1/</sup>

The major share of the financial support of public elementary and secondary education in Wyoming is derived from local sources thru county and district taxes. It is estimated that during the 1953-54 school year 43.3 percent of the total will come from the state, 54.6 percent will come from the county and districts, and 2.1 percent from the federal government.



Sources of State School Revenue

Earmarked revenues--Federal royalties paid to the state on the mining of minerals and oil are specifically earmarked for Wyoming schools. These funds, not to exceed \$4,000,000 are so distributed that the counties receive 50 percent for common school purposes. The sum of \$2,252,311 was available for the counties for the 1953-54 school year. The state statutes require that not more than \$2,000,000 be distributed during a calendar year. Occasionally more than \$2,000,000 may be distributed during a school year. Fifty percent of the remainder of the government royalty fund above \$4,000,000 is placed in the common school permanent land fund. During the 1953-54 school year \$1,651,475.13 was placed to the credit of this fund.

The 1949 session of the legislature established a statewide tax of 6 mills on the dollar, the proceeds of which are distributed to the various school districts of the state. During the 1953-54 school year the schools of the state received \$4,357,256 from this source.

Legislative appropriations from the state general fund--In lieu of the portion of the sales and use taxes formerly set aside as an equalization fund for the use of the schools, the state now provides for the equalization of educational opportunities by direct appropriation from the general fund. The sum of \$500,000 was appropriated for the 1953-1955 biennium, \$250,000 to be distributed during the 1952-53 school year, and \$250,000 during the 1953-54 school year.

The legislature appropriated as general aid to the schools of the state a sum of \$400,000 for the biennium, \$200,000 to be distributed during the 1952-53 school year, and \$200,000 to be distributed during the 1953-54 school year.

The legislature makes an appropriation for the care of subnormal and physically handicapped children to the special education contingent fund. A portion of this money goes directly to the districts as state aid.

The vocational education department receives an appropriation from the state, as well as a reimbursement from federal funds. For the 1953-1955 biennium, ending April 1, 1955, the legislature appropriated \$74,000 or \$37,000 annually for activities, including agriculture,

home economics, trade and industry, and distributive education.

In order to carry on the work with the deaf and blind the legislature appropriated \$110,000 for the 1953-1955 biennium, or \$55,000 a year.

Income from permanent school funds--The common school permanent land receives the proceeds of sales or rentals of school lands, of state lands not otherwise appropriated, of land property escheated or forfeited to the state, and 50 percent of the government royalty fund in excess of \$4,000,000. This fund is, as far as practical, invested in farm loan mortgages. The income is disbursed under the title of common school land income fund. The amount available for the 1953-54 year was \$1,625,475.

TABLE 1.--SOURCES OF STATE SCHOOL REVENUE, 1953-54

Source	Amount	Percent
1. Earmarked revenues		
a. Fifty percent of government royalties up to \$4,000,000 . . .	\$2,252,311	25.7
b. State tax school fund . . .	4,357,256	49.8
2. Legislative appropriations		
a. General aid to schools (Distributed) . . . . .	216,041	2.5
b. Equalization fund (Distributed) . . . . .	208,437	2.4
c. Special education contingent	6,689	0.1
d. Vocational education . . . .	6,579	0.1
e. Education of deaf and blind.	80,762	0.9
3. Income from permanent school funds		
a. Common school land income fund . . . . .	1,625,475	18.5
Total . . . . .	\$8,753,550	100.0

Apportionment of State Aid

General aid--The common school land income fund is apportioned to the counties according to the number of children of school age (six to 21 years of age) and distributed by the county superintendents to the districts in which a school has been maintained for at least three months on the same basis. High-school districts receive the per capita distribution for each high-school pupil enrolled from districts within the high-school district.

The part of the government royalty fund distributed directly to the school systems (50 percent of receipts not exceeding \$4,000,000) is apportioned to the counties on the basis of the number of teachers and drivers of buses or vehicles used for the transportation of school children in consolidated districts. The allotment for each teacher employed in an accredited high school must be equal to one and one-half times the amount distributed for each teacher in the common schools. Teachers must have been employed for a term of at least six months. Funds are distributed for drivers on the following basis: routes must have been in operation for at least six months of the school year. The formula considers number of miles, number of children transported, and type of road traversed.

State tax school fund is distributed twice each year, September 1 and March 1. The available funds are distributed to the school districts--one-half on the basis of the number of teachers and bus drivers employed according to the formula as set forth for the government royalty fund and one-half on the basis of the pupils in ADA.

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Carl A. Skow, Fiscal Agent, Department of Education, Cheyenne, Wyoming.

# WYOMING (CONT.)

General aid to public schools contingent fund is distributed to the districts--one-half on the basis of the number of teachers and bus drivers employed according to the formula as set forth for the distribution of the government royalty fund and one-half on the basis of the number of children on the school census.

Equalization aid--In computing amounts to be distributed as equalization aid a balance sheet is set up for each district. On the balance sheet are arranged, in two columns, district income called assets and district expenditures called liabilities. If the sum of the assets is greater than the sum of liabilities the district does not qualify for equalization. If, however, the sum of the liabilities is greater than the sum of the assets, the district qualifies for aid equal to the difference between these two sums provided it fulfills other requirements of the law.

The equalization law as amended in 1953 provides that the following items shall be counted as assets: (1) the amount obtained by multiplying the assessed valuation of the district by  $2\frac{1}{2}$ ,  $4\frac{1}{2}$  or 7 mills, depending upon the type of school maintained; (2) all other income of the district except the amount raised by special district tax, sale of properties, and miscellaneous income. The law allows the following items to be counted as liabilities: (1) all expenditures for the maintenance of transportation routes; (2) one-fifth of the purchase price of new buses each year for five years; (3) expenditures for isolated pupils; (4) expenditures for tuition; (5) the total value of all teaching units to which the district is entitled.

The values of the individual teaching units are \$2,900 for rural schools, \$3,300 for elementary schools, and \$3,700 for high schools. The teaching unit is a term under which is grouped the expense of operation of the school plant, salaries of teachers and janitors, cost of textbooks, supplies, heat, power, and so on. It does not include liability items (1), (2), (3) and (4) above.

The number of teaching units to which a district is entitled is based on ADA. One unit is counted for each one-room rural school with an ADA during the previous year of three to 37 pupils, inclusive, with a fractional part of a unit allowed for less than three pupils.

In elementary schools having from 38 to 290 pupils in ADA, three elementary-teaching units are counted for the first 38 pupils or fraction thereof, and one additional unit for each additional 27 pupils or the proportionate fraction thereof. In elementary schools having more than 290 pupils in ADA, one unit is counted for every 27 pupils.

In four or six-year high schools having 47 or less pupils in ADA, two teaching units are counted for the first seven pupils or fraction thereof, and one unit for each additional 10 pupils. In high schools having from 47 to 726 pupils, six units are counted for the first 47, and one additional unit for each additional 23 pupils. In high schools having more than 726 pupils, one unit is counted for each 23 pupils. Pupils in "permit" high schools and less than four-year high schools are classed as elementary-school pupils, and the number of teaching units is the same as the number of teachers actually employed.

The "minimum program" for a district is the total amount of the liabilities allowed by the equalization law.

There are other provisions of the equalization law which must be met by the district. To qualify the district must have levied for the current year a tax rate which is within 1 mill of the legal maximum for that type of district. The district is expected to comply with all legal requirements for schools in Wyoming.

Special aid--The special education contingent fund is for the purpose of providing for the education and training, and when necessary for the support and maintenance of children who are physically or mentally defective. The share of this fund which is distributed direct to the school system of Wyoming, apportioned on the basis of number of special classes in a city or town, is \$223 for the first class, and \$167.25 for each additional class in the same school. In 1953-54, \$4,000 was set aside for this purpose. The sum of \$1,170 was set aside for teaching in the state orthopedic ward. The amount of \$6,830 was set aside for the teaching of homebound children.

The division of the deaf and blind in the state department of education investigates all visually and auditorily handicapped cases as soon as possible after they have been reported. For expenses of this work and the education of the deaf and blind, \$80,762 was spent in 1953-54.

School districts are reimbursed from federal and state funds for their expenditures in providing agricultural, home economics, trade and industrial, and distributive education. The state contributed \$6,080.14 as reimbursements to local school districts for the year 1953-54. The total expended from this fund, including administrative costs, was \$48,240.04.

TABLE 2.--APPORTIONMENT OF STATE AID, 1953-54

Type and percent of aid	Name of fund	Basis of distribution	Amount
1. General aid (96.4%)			
a. Teachers and transportation	Government royalty fund	Number of teachers and drivers	\$2,252,311
b. General apportionment	Common school land income fund	School census, children ages six to 21	1,625,475
c. General aid to schools	General aid to public schools contingent fund	Number of teachers employed and school census	208,437
d. Teachers transportation ADA	State tax school fund	Number of teachers and drivers and number of children in ADA	4,357,256
2. Equalization aid (2.5%)	Equalization fund	Excess cost of minimum program over required mill levies plus other aids	216,041
3. Special aid (1.1%)			
a. Handicapped children	Special education contingent fund	Number of homebound cases and special classes	6,689
b. Education deaf and blind	State general fund	Discretion of state department of education	80,762
c. Vocational education	State general fund	Reimbursement for expense	6,579
(Items 1 plus 2 plus 3 equal 100%.)			
Total . . . . .			\$8,753,550



TERRITORIAL SUPPORT OF PUBLIC SCHOOLS IN HAWAII, 1953-54<sup>1/</sup>

Compared to state school organizations, the public school system of Hawaii is unique in many respects. The Hawaii system is centralized at the state level with a single board of education (Commissioners of Public Instruction). To use terminology familiar on continental United States, Hawaii is a unified school district. The so-called local districts of Honolulu, rural Oahu, Hawaii, Maui, and Kauai are administrative only and without local autonomy.

The Commissioners of Public Instruction are not elected, but are appointed by the Governor, who in turn is appointed by the President of the United States. The Territorial Superintendent of Public Instruction, contrary to usual practice, is not appointed by the Commissioners, neither may he be dismissed by them. He is appointed by the Governor. The Governor's appointment of Commissioners and Superintendent are subject to confirmation by the upper house of the territorial legislature.

The organization described above violates some of the concepts of democratic local school control. It has advantages which probably result in greater efficiency and it certainly provides greater uniformity of educational opportunity than obtains in most states.

A second feature of the territorial school system that is contrary to usual mainland practice is the dual responsibility that exists between the Territorial Department of Public Instruction and the four county political units. The Territorial Department has full responsibility for the curriculum, supervision, employment of teachers, in fact for everything connected with the educational phases of the school program. The county political governments, on the other hand, are responsible for construction, maintenance, and operation of school plant facilities. However, county school site selection and school building design requires approval of the Territorial Department of Public Instruction. This dual responsibility does not always function harmoniously, and efficiency suffers to a degree. There have been sporadic attempts to transfer the county responsibilities to the Department of Public Instruction. Sponsors of this proposal are opposed by others who insist on more self-determination or "home rule" at the county level. There appears little prospect of significant change in the near future.

A third distinctive feature of the Hawaii school system is the manner of financing. There is no millage tax or other fixed income for the support of public education. The state contribution, which is much the largest portion of the total cost, is a charge against the general revenues of the territory and is made available thru biennial appropriations by the legislature. A biennial appropriation is based on a budget prepared by the business division of the Territorial Department of Public Instruction, approved by the Superintendent and Commissioners of Public Instruction and submitted to the Governor thru the Bureau of the Budget. It is then submitted by the Governor to the legislature with recommended modifications.

That portion of school revenues which comes from county governments for the maintenance and operation of school plants, interest and retirement of bonds and retirement contributions for janitors and other county school personnel such as custodial supervisors and building department employees, is also charged against the general revenues of the respective counties. They are set up as "Special School Funds," based on budgets submitted by the Department of Public Instruction district superintendents and approved by the respective county Boards of Supervisors. Minimum special school fund appropriations are mandated by the legislature for each of the four counties.

County revenues are obtained mainly from real property taxes, licenses, fees, district court fines, and a pro rata

share of the general excise tax. All taxes, both territorial and county, are levied and collected by the Territorial Tax Collector.

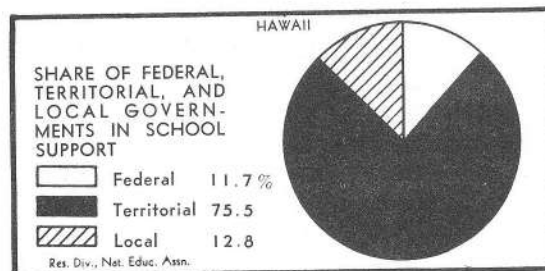
Hawaii receives federal assistance grants on the same basis that obtains for state school systems. Such funds are administered by the Department of Public Instruction except when applied to the construction of school plant facilities. Such grants, made under the provisions of Public Law 815 (81st Congress) and its subsequent amendments are received by the Department of Public Instruction, and transferred to the City and County of Honolulu which acts as the Department's construction agency. All such benefits under this law are a result of defense activities on the Island of Oahu (City and County of Honolulu).

Exclusive of grants for higher education (University of Hawaii), the territorial public schools received \$3,286,982 in federal assistance for the fiscal year covered by this report. Of this amount, \$960,789 was received for current operations under Public Law 874 (81st Congress) as amended, and \$1,998,149 for school construction under Public Law 815 (81st Congress) as amended. The balance was received from various vocational education funds, and for vocational rehabilitation. Funds received either in cash or food as part of the school lunch program are distributed directly to the schools and are not included.

Altho the Department received \$960,789 under Public Law 874 during this period, the sum expended from this source amounted to \$2,304,542, the difference being an accumulated balance from previous years. As reported in the 1952 issue of this series these revenues were impounded pending decision as to whether they constituted assets of the Department of Public Instruction or reimbursement to the general fund of the territory for expenditures already made. A clear-cut opinion from the territorial attorney general settled the controversy in favor of the Department of Public Instruction. This opinion was based on territorial statutes rather than the federal law. These funds were expended to augment the appropriations of the 1953 legislature, particularly for expansion of the kindergarten program to full coverage.

The total cost of operating the public schools of Hawaii for the year ending June 30, 1954, was \$23,347,660, of which \$17,625,287, or 75.5 percent, was provided from general revenues of the territory thru Acts 232, 270 and 278, Session Laws, 1953.

Federal funds expended amounted to \$2,739,196, or 11.7 percent. As indicated above, this amount was abnormally high due to the use of accumulated receipts of previous years. Local or county funds totaled \$2,983,177, or 12.8 percent.



The annual per capita cost, excluding capital investment and adult education, was \$219.27 per average daily enrollment, and \$231.92 per average daily attendance. These figures are substantially higher than previously reported in this series due to salary increases, and to the fact that territorial contributions to school Employees' Retirement System has been erroneously omitted in past reports. The omission is explained by the nature of the appropriation which is not a part of the public school budget, but treated as a fixed charge covering all government employees.

In addition to carrying most of the cost of current operations for education, the territory also provides some

<sup>1/</sup> Prepared for the Research Division, National Education Association, by Robert R. Spencer, Deputy Superintendent, Business Administration, Department of Public Instruction, Honolulu, Hawaii.

# HAWAII (CONT.)

assistance to local or county governments in financing school plant facilities. It advances funds on anticipated county revenues from taxes or sale of bonds, and occasionally makes outright grants to the counties thru what is locally referred to as the "Pork barrel" appropriation. It also frequently issues bonds on territorial credit for use by the counties. This is done because the territory can obtain a better price on the bond market.

Support of special projects--The biennial appropriation provides funds for the general cost of education and also for auxiliary educational programs such as dental hygiene, health education, crippled children, etc. The kindergarten program occupies a somewhat anomalous position in the school system in that it is usually provided for by an earmarked portion of the appropriation act. During the year, thru the use of federal funds, the Commissioners of Public Instruction achieved approximately full kindergarten coverage, the only exceptions being where plant facilities were not available in the two Oahu districts.

Vocational teachers are paid on the regular salary schedule with a 15 percent differential for a longer school day and year. Teachers of vocational agriculture receive a 30 percent differential based on the same premise. A vocational revolving fund receives and disburses federal assistance grants. This special fund is used for payment of part-time and evening adult class teachers. These classes are held at the four vocational schools. This is in sharp contrast to other adult community schools where the cost of the program except for administration is supported by course fees. For the fiscal year ending June 30, 1954, federal funds for vocational education amounted to \$185,213. The federal rehabilitation program, which is operated as a function of the Territorial Department of Public Instruction, amounted to \$142,831.

Teachers salary schedule, Act 278, Session Laws, 1953 (12-month basis):

Years of experience	CLASS I Noncollegiate certificate monthly salary	CLASS II Collegiate certificate monthly salary	CLASS III Professional certificate monthly salary
1	\$245	\$250	\$275
2	250	255	280
3	255	260	285
4	260	265	290
5	265	275	295
6	270	285	305
7	275	295	315
8	280	305	325
9	285	315	335
10	290	325	345
11	295	335	355
12	305	345	365
13	315	355	375
14	325	365	385
15	335	375	395
16	345	385	405
17	355	...	...
18	365	...	...

Principals shall be paid what they would earn as teachers, plus the following monthly salary differentials:

Number of teachers under principal's supervision (figures being inclusive)	Differential
0- 5	\$100
6- 10	120
11- 15	145
16- 25	160
26- 35	170
36- 45	180
46- 55	190
56- 65	200
66- 75	210
76- 85	220
86- 95	230
96-105	240
106-115	250
116-125 or more	260

Viceprincipals authorized by resolution of the Commissioners shall be paid the salary classification for teachers plus one-half of the principals' monthly salary differential.

Substitute teachers shall be paid per day as follows: CLASS I--\$11; CLASS II--\$12; CLASS III, \$13.

TABLE 1.--COST AND SOURCES OF REVENUE, FISCAL YEAR ENDING JUNE 30, 1954

Source	Territorial funds	County funds	Federal funds	Total
1. Administration	\$ 465,069	...	\$ 95,894	\$ 560,963
2. Instruction	16,188,792	\$ 20,325	2,396,257	18,605,374
3. Auxiliary services	939,858	127,150	127,442	1,194,450
4. Operation of school plants	13,120	1,494,404	119,603	1,627,127
5. Maintenance of school plants	18,448	1,341,298	...	1,359,746
Total (Excluding capital outlay)	\$17,625,287	\$2,983,177	\$2,739,196	\$23,347,660

## CAPITAL OUTLAY

1. Equipment		\$336,789	\$134,891	\$471,680
2. Land: Sites and improvement		94,558	45,000	139,558
3. Structures		290,238	1,818,258	2,108,496
Total capital outlay		\$721,585 <sup>a/</sup>	\$1,998,149 <sup>b/</sup>	\$2,719,734
Grand total (Including capital outlay)	\$17,625,287	\$3,704,762	\$4,737,345	\$26,067,394
<sup>a/</sup> Represents interest and debt retirement.				
<sup>b/</sup> Represents total cost of projects.				

TABLE 2.--EXPENDITURE--OPERATING REVENUES ONLY, FISCAL YEAR ENDING JUNE 30, 1954

Source	Territorial funds	County funds	Federal funds	Total	Per-cent
1. Personal services	\$16,984,186	\$1,096,116	\$2,440,228	\$20,520,530	87.9
2. Other current expenses	351,880	1,866,736	294,675	2,513,291	10.8
3. Equipment	289,221	20,325	4,293	313,839	1.3
Total	\$17,625,287	\$2,983,177	\$2,739,196	\$23,347,660	100.0