A Study of The State Aid Laws And Their Application In Certain Selected States

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Fort Hays Kansas State College

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A STUDY OF THE STATE AID LAWS AND THEIR APPLICATION IN
CERTAIN SELECTED STATES

being

A thesis presented to the Graduate Faculty
of the Fort Hays Kansas State College in
partial fulfillment of the requirements for
the Degree of Master of Science

by

Marvin J. Dumler, A. B.
Valparaiso University

Date July 26, 1947  Approved Robert T. McGrath
Major Professor

Chairman Graduate Council
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CHAPTER I

INTRODUCTION

Problem

Upon exploration of recent literature pertaining to school finance, abundant evidence was found to support the contention that state aid is necessary for adequate financial support for public education. The writer has been interested in educational finance for some time, and, after considerable investigation, has chosen a thesis problem which is: To study the school laws pertaining to school finance and their application in certain selected states and to suggest modifications to the state aid laws in Kansas.

Method

A comparative study was made of the state aid laws in the selected states of Kansas, Oklahoma, New Mexico, Nebraska, and Colorado, and how their application would affect a representative district. These states were chosen because they represent similar problems in school finance and also because they have various degrees of state aid ranging from almost nothing to a very high percentage of the total school expenditures being supplied by the state.

Review of Recent Investigations

A thorough study of the literature pertaining to the field of
school finance shows that there are innumerable articles written on the inequalities of education and the need for state aid, but few investigations have been made concerning state aid laws in states of the mid-west.

In an article in the School Executive¹, Oberholtzer and Thompson show that state support of public education is increasing. They go on to say that the state is responsible for education, therefore, it must take a more active part in the financing of education. The National Education Association Research Bulletin of November, 1942, tabulates the results of a study of state school finance systems over the entire nation. This investigation covered the school year of 1940-41 and showed that the following percentage of the total school expenditures was supplied by the states used in this study.²

<table>
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<tr>
<th>State</th>
<th>State Aid Percentage</th>
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<tr>
<td>Kansas</td>
<td>8.6%</td>
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<tr>
<td>Colorado</td>
<td>7.9%</td>
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<tr>
<td>Oklahoma</td>
<td>54.3%</td>
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<tr>
<td>New Mexico</td>
<td>72.8%</td>
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<tr>
<td>Nebraska</td>
<td>5.7%</td>
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The Need for State Aid for Public Education

The value of our educational system has become apparent as a result of its magnificent performance during the crisis from which

¹ K. E. Oberholtzer and A. Thompson, "State Aid for Schools Must Increase," School Executive, 66: 60-1, April, 1947.

our country has just emerged. At the same time the need for improvement has become equally apparent. Our educational system is laboring under regulations, customs, and a system of financial support created for a social and economic order which has since changed so as to be almost unrecognizable.

Simultaneously with the emergence of the appreciation of good education, has come the realization that education costs money. Good education requires good buildings, good equipment, and good teachers. These cost money.

... Now for the first time has emerged some sense of the power of good education in the lives of a people and here and there are examples of this powerful education. We have begun also to obtain some sense of the cost in dollars of providing it.

The buildings and equipment of our public schools have suffered from ten years of depression, followed by four years of war. As a result of this enforced neglect, our school plants are in great need of repairs, expansion, and new equipment. This necessary and urgent building program will require a tremendous amount of money.

... Current requirements, which include replacement of obsolete buildings, and those actually dangerous to life, as well as the provision of new elementary and secondary schools necessitated by expanding enrollments, demand an annual expenditure for the next decade of not less than half a billion dollars.


The greatest danger in the educational system, for our children, lies not in the lack of adequate buildings or equipment but in the lack of good teachers. Good schools are impossible without good teachers. Yet today many young people are going into the teaching profession woefully lacking in training and preparation.

... as a nation we are failing to provide many thousands of prospective citizens with the educational opportunities essential to individual and national intelligence, morality, and welfare. From almost every state come reports of the employment of thousands of immature, inexperienced, ill-prepared, and poorly paid teachers, ... 5

Not only are insufficiently trained teachers going into the teaching profession, but teachers totally inadequate in training and ability are retained because the salaries paid are such that persons with a large amount of ability in many instances cannot be obtained. The people of America

... must consider how much must be paid teachers to attract more highly capable persons into the profession and to stimulate and permit those in the profession to make continuous professional and personal growth. 6

To provide the necessary ingredients for this improved education, it is

... clear that we are faced with the necessity of spending as a very minimum from 60 percent to 100 percent more on schools. 7

During the depression of the 1930's many of our communities found it impossible to maintain a school program even though the

expenses were a fraction of those of today.

... Ten years ago the public schools of the nation were facing a period of acute financial stress, Several thousand schools failed to open in the fall of 1933 because of lack of funds. In some other schools teachers were serving without pay.8

Yet after those disastrous years the schools in many states are still laboring under a system of school support which is not only inadequate but also full of inequalities. Many communities are able to maintain schools of very high standards with a minimum of effort, while others are unable to provide schools of minimum standards with a maximum of effort.

... after fifty years of support by local taxation we find ourselves in an educational situation marked by economic and educational inequalities. On the one hand we have wealthy communities levying school taxes of less than 1 mill and able from the proceeds to maintain schools of the highest standards; on the other hand exceedingly poor communities levying taxes of over 100 mills but scarcely able to maintain schools of minimum standard.9

The most important reason for this inequality is the inadequacy of the general property tax as the primary source of school revenue. At one time income was derived directly from property owned. Since the advent of the modern commercial and industrial system this is no longer true. A large percentage of the total income is derived from endeavors only indirectly, and in


many cases not at all, connected with property. To limit school revenue to this comparatively small segment of the national income, is to doom the educational system to perpetual bankruptcy.

... Historically, theoretically, and practically, as a main source of public income the general property tax is a failure. While it was well suited to the agricultural era in which it arose, it is unsuited to the industrial and commercial conditions that have followed.10

Swift, a close student of school finance, says:

Formerly wealth was represented almost entirely by real and personal property; today wealth and property are largely corporate, and many forms of income derived from sources other than tangible property can be made to contribute their just quota to public expenditures only by means of some special form of taxation. Possession of real or personal property is in many cases no longer the truest index of ability or obligation to support governmental undertakings. Frequently a much truer index is the possession of income, whether received as salary or derived from intangible property such as stocks and bonds.11

Seligman, an authority on taxation, writes:

... under modern economic conditions, property an especially personal property, is no longer a satisfactory index of tax-paying ability. Wealth in modern times is derived to a continually larger extent from relations, from opportunities, and from all manner of exertion more or less indirectly, or not at all, connected with property. Huge official salaries and large professional incomes are a common occurrence today and would go entirely free under a property tax.12


What then can be done to eliminate this inequality of opportunity and inequality of effort? First of all, the larger units such as counties and states must be permitted to contribute a larger share of the total amount, and secondly, the total burden must be apportioned to all persons by such methods as the income tax, sales tax, severance tax, and gasoline tax. The state is the smallest unit which can administer these newer forms of taxation efficiently; therefore, the obvious conclusion is that the state is the logical unit to eliminate these inequalities.

Neither the county or any other local unit which might be devised can equalize school revenues, school burdens, and educational opportunities. Only the state... can do this.13

Definitions

In order to avoid unnecessary confusion, several controversial terms are listed and defined.

The 1947 session of the Kansas legislature made a clear cut distinction between "state aid" and "state support." The term "state aid" was used to designate money which is distributed to the weaker districts but not to the wealthier districts. "State support" was used to designate money which is distributed to all districts regardless of need. Since the other states used in this study made no such distinction and since the term "state aid" is favored by most writers, "state aid" will be used here to designate any money received from

the state in support of public education.

"Minimum program" is the term used to designate a level of education to which all districts are entitled with a set maximum tax levy. If the specified tax levy does not provide enough money, the state will make up the difference or a given percentage of the difference.

"Minimum program income" is the amount of money made available by the maximum tax levy which is to pay for the minimum program.
CHAPTER II

WHAT CERTAIN AUTHORITIES THINK ABOUT STATE AID

In order to provide a basis upon which to build the remainder of this study, an attempt is made in this chapter to ascertain the thinking of certain authorities in the field of school finance on the subject of state support for public education. This procedure is necessary to provide a common ground upon which to stand before an intelligent study of state school finance laws can be made.

Three authorities were selected for this study. Ellwood P. Cubberley, formerly Dean of the School of Education, Leland Stanford Junior University, was selected because he has been considered one of the leading authorities in school finance for many years. He is probably quoted more than any other person on matters pertaining to school administration. Ward Glen Reeder, Professor of Education, Ohio State University, was chosen because of his contribution to the store of knowledge available in his field. Paul R. Mort, Professor of Education, Teachers College, Columbia University, was selected because he is the foremost living authority in his field today and since he has written several widely used texts in school administration and finance.

Ellwood P. Cubberley

Professor Cubberley had some very definite opinions concerning the responsibility of the state to support public education and
has recorded these opinions in his two books, *State School Administration* and *Public School Administration*.

When our great system of public education was started, support was entirely by district taxation. This was the earliest form of taxation for public education. With the cost of the schools comparatively small and most of the income being derived from the ownership and use of private property, this form of school financing was sufficient. As inequalities in the ability of districts to pay for their schools arose, county wide taxation and, in some cases, state taxes were levied on private property to eliminate some of these inequalities.

The next step in the evolution of a system of school support came when the people of a whole state decided to pool in part the costs for education over the whole state, and voted to levy a state tax to aid the counties, townships, towns or districts in their support of education.¹

In the days when our schools started, wealth was more evenly distributed than it is today. The wealth of the nation was centered largely in agriculture and small village industry. Each man's wealth was entirely visible and tangible. Under these circumstances, general property taxes and small poll taxes to catch those who owned no property, naturally became the accepted forms of taxation.²

Since these early days, the economic, educational, and social character of America have changed. As our industry developed great inequalities have arisen. In some cases the discovery of oil, the

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2. Ibid., pp. 418-19.
development of mines, or the establishment of great industries have greatly enriched some school districts while the wealth of others remained the same or actually declined.

As it is today some communities have a far greater per capita wealth, while in others there is an actual or a relative decrease; and in almost every state an increasing relative, if not actual, impoverishment of certain communities is taking place. 3

Yet in all of these communities children are growing up and need more and better education. Because of our highly mobile population, the education of a child will not only benefit the local community but the entire state and even the nation. It is for this reason, Professor Cubberley maintained, that education is of great importance to the states and the country.

. . . the same industrial revolution that has developed these inequalities has brought about also new political and social needs that make education a greater state and national interest than ever before in our history. 4

Side by side with the development of inequalities of valuation between districts, there has grown another inequality which is much more serious than the former and also harder to remedy.

A very marked characteristic of our national development, during the past three quarters of a century, has been the rise of taxing inequalities, and with their rise a need for a more general pooling of taxing effort for education has become more and more evident. 5

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3. Ibid., p. 421.

4. Loc. cit.

Professor Cubberley maintained that district taxation with the general property tax as the basis of school support was not sufficient to meet the cost of education and to maintain even a minimum educational program.

... the burden of the support of education, especially where there is still so large a dependence on district taxation and the old property tax as the chief reliance for school support, is greater today than many communities can meet.⁶

Even though taxes are high and the cost of education is becoming more and more of a burden, he does not propose that we reduce the expenditures for education but rather that we find a broader and better taxing system.

The taxes now levied on farm property are often almost confiscatory in character, yet the education provided for the farmer's children is usually far from good enough. The remedy lies not in a cheaper type of schooling, but in larger taxing units and in different types of taxation. The costs for anything so manifestly for the common good of all must be much better equalized.⁷

With the coming of the industrial revolution, our economic system has changed so that money making ability is only remotely connected with property. Large official salaries and income from intangibles account for a large proportion of our tax paying ability, yet this large proportion of the total income contributes little or nothing toward the maintenance of education under general property taxation.

⁶. Ibid., p. 106.

⁷. Cubberley, State School Administration, op. cit., p. 422.
With the development of the large corporation and the general sale of stocks and bonds, wealth has tended to become more and more hidden and intangible. With the development of apartment-house and residential-hotel living, many people of large incomes today possess little or no tangible wealth yet have large tax-paying ability.

The problem is to revise our systems of taxation... to lighten the burden of the old real and personal property taxes; to reach classes that under modern conditions pay little or nothing in taxes and yet have good incomes; and to remedy the unfairness of allowing small local subdivisions to profit so largely, in matters of taxation, by the presence within their boundaries of special wealth in natural resources or by the coming of power lines, transportation, and factories.

If there is still any doubt as to his opinion on state aid, Cubberley removes that question when he writes,

In most of our states to-day the percentage of support for education ought to be very materially increased. With the continued growth of taxing inequalities, as well as the continued increase in the cost for education, there is urgent demand for this to be done.

If he was in favor of state aid of education, the question naturally arises as to what percentage of the total he thought should be carried by the state. Cubberley answers this question for us clearly and definitely in the statement:

Just how large a proportion of the total cost for education the state should provide is as yet an un-

8. Ibid., p. 420.
10. Ibid., p. 430.
settled question, and one capable of different answers in different states. That it should be large, in view of the growing needs for education and the marked inequalities in resources of the different counties, there can be little question. . . . That from 40 to 60 per cent of the annual maintenance cost for elementary and secondary education ought to come from state sources, and under modern conditions of wealth distribution, probably would be approved by most students of educational finance. 11

Briefly summarizing, it can be said that Cubberley favored a much greater use of indirect forms of taxation such as: severance tax, income tax, and others. He desired a greater participation by the state in financing of public education to the extent that a minimum of 40 per cent of the total cost of the elementary and secondary schools be carried by the states.

Paul R. Mort

Professor Mort is probably the outstanding living authority on the subject of school finance in the country. He has written several texts on school administration and made numerous investigations in various states on educational finance. One such investigation was made in Kansas in 1929 and recommendations were sent to the governor. Needless to say, the recommendations were not put into practice.

The school districts and methods of school finance as set up one hundred years ago are no longer satisfactory today. Many

of the districts are too small to provide the type of education which we in America want. These districts are not fitted to the conditions of today.

... Many of our present school districts are sadly unfitted to do the work expected of them. Districts laid out to meet conditions of a century ago never changed to meet new conditions.12

As a result of this out of date method of financing and operating the public schools, glaring inequalities in both educational opportunities and burden of taxation have resulted. A railroad, a factory, a mine, or a suburban area has raised the valuation of one district while depleted soil has lowered the valuation in another until one district is able to support an educational program many times that of the other district. Not only have inequalities developed, but the need for education has become ever greater.

With our country's growth the needs for education have grown in districts, in counties, and in states. But with that growth have come the unequal abilities of these to pay for public education, through the property tax. Some districts are one hundred times as able as others to support their schools. ... 13

To prove his point, Professor Mort quotes the following figures:

If you look at Illinois, county by county, you will find a range in property valuation per child of $880 to $4,373. That's bad enough, but in the districts themselves the range is from $1,000 to over $100,000. 14


13. Ibid., p. 40.

14. Ibid., p. 27.
Not only are there great inequalities of educational opportunities but there are also inequalities in burdens of taxation. The general property tax is carrying a share of the total tax burden far in excess of the amount justified by its percentage of the total wealth.

Too much reliance is placed upon one source of tax money for schools -- the tax on general property, homes, automobiles, live stock, and other property easy to be seen.15

Regarding the proportionate wealth of real estate to other forms of wealth and the share of the tax burden carried by each, Mort has this to say:

Real property or real estate, by which is meant land, farms, barns, buildings, lots, is now only one-third of our wealth, but it carries about 50 per cent of the taxes.16

Inequalities go even further than has already been shown. There are differences even among general property. Two pieces of property with the same evaluation may produce different amounts of income.

... equal amounts of property no longer show equal ability to pay taxes. And a uniform rate of taxation put on all property no longer distributes the tax burden equally.17

That Mort blamed the general property tax for many of the inequalities of educational opportunity so apparent today, is

15. Ibid., p. 47.
16. Ibid., p. 45.
17. Ibid., p. 47.
clearly illustrated by the following quotation:

... That the school opportunities in our country are so unequal may in a large measure be blamed on the general property tax. Ten of the states which have the most glaring inequalities in schools depend largely on this tax for the support of the schools. Six of the ten are among the twelve which get the bulk of their tax revenue from the general property tax. Seven of the ten are among the twelve giving the least state aid to schools.18

Now that we have shown that Doctor Mort believes that many of the evils of our school systems of today are a result of poor methods of support, the question naturally arises; how does he propose to remedy this situation? The answer to that question is: more state aid with some of the newer forms of taxes to supply a greater percentage of the revenue.

A test of the relative burdens of the newer types of taxes that must be administered by the state shows that in most states property is now carrying a disproportionately large share of the burden of government. This demands either that through additional state aid to schools, or state assumption or support of local governmental activities, some readjustment should be brought about in most states between the property taxes.19

Doctor Mort, as head of the State School Code Commission in Kansas, in 1929, proposed an equalization plan for the state of Kansas which shows clearly how he would have the state provide money for the support of schools. According to this plan the state was to provide the difference between a proposed minimum program

18. Ibid., p. 52.

and the amount of money the proposed levy on general property in the counties and districts would raise. The minimum program was set up as follows: $900 for each elementary teaching unit and $1,200 for each high school teaching unit for each year in the biennium beginning July 1, 1929. For the biennium beginning July 1, 1931, the amounts were to be increased to $1,050 and $1,400 for elementary and high school teaching units respectively. For each year after 1933, the amounts were to be $1,200 and $1,600. The minimum tax levies required by the plan were; for each year in the biennium beginning July 1, 1929, the minimum district and county tax rate was to be 1.5 mills. For the biennium beginning July 1, 1931, the rate was to be 1.8 mills and after July 1, 1933, the annual rates were to be 2 mills.  

This plan was based on the equalization principle. The fact that the plan gave some aid to all districts regardless of ability to support schools, is explained by Professor Mort when he writes:

The consideration of the effect of an equalization plan that would give the wealthiest county no state aid led the commission to favor a plan which would make it possible for all counties in the state to shift a part of the burden of supporting schools from local tax sources to those sources of taxes available to the state only. . . . This step cannot be justified on the basis of equalization, but it can be justified in terms of the principle of encouragement of progress through the

improvement of the taxing system. The principle of encouragement of progress demands that the state shall set up conditions in local districts favorable to educational progress. One of the most important of these is the provision of ample tax resources. Therefore, when local tax resources become overtaxed, as compared with tax resources available to the state only, the state should shift the burden from the local sources to the less taxed state sources.21

Mort did not believe that the state should take over completely but the local control and initiative should be maintained. He believed that local initiative should be increased, rather than decreased, by state aid and state support.

If the districts are to be encouraged in their local initiative, they must have a margin in which to work; that is, they must not find themselves taxed to the limit so they have no leeway for doing something extra. The tax burden now falling on local property must be gone into and remedied.

Local districts must be free to raise more taxes if they want to, and plan their own yearly expenditures without fear of a higher authority cutting down their budgets. . . . 22

It can be seen that Doctor Mort favors greater help by the state in supporting the educational system. This aid is necessary because the state has access to forms of taxes which are not available to local taxing units. He believes that

21. Ibid., p. 18.

state aid should be in accordance with the principal of equalization, but that it should also encourage progress and local initiative.

Ward G. Reeder

Professor Reeder writes that over the nation as a whole, approximately twenty-five percent of the school revenue is furnished by the state as a unit. The assistance furnished by the state to the local school districts has been increasing in recent years. Professor Reeder shows very clearly that he believes the state should share the burden of financing the schools, when he says:

No objection can be raised to the state assisting local districts in meeting the educational standards prescribed by the state; according to this practice, the wealthy districts are taxed to help the impoverished ones. It is but elemental justice for the state to pursue such a policy for its own perpetuity and progress. 23

The fact that he favors state aid is not entirely due to the fact that he believes in the necessity of equalization, but also, to the inherent weaknesses of the general property tax.

Most taxation authorities are agreed that the property tax is a failure as a main source of revenue and that it will have to be largely supplanted by other forms of taxation. 24

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24. Ibid., p. 371.
CHAPTER III

STATE SCHOOL FINANCE LAWS

A brief summary of the state school finance laws of each of the five states selected for this study are presented in this chapter. The greater part of this chapter is used to summarize the laws providing state money for the schools. However, other laws dealing with local or county taxation for schools are explained briefly if it is necessary for the clarity of this study.

Kansas

A. House Bill No. 459. This act revises the State Aid Law of 1937 and provides state aid to elementary schools.

Section 2. . . . In all public elementary schools, the basis for determining the minimum guarantee under this act shall be the number of pupils enrolled on October first of the current school year in grades one to eight, inclusive: . . .

(1) For each one-teacher school maintained having ten or more pupils enrolled in any public elementary school in grades one to eight, inclusive, the minimum guarantee shall be one thousand dollars: . . .

(2) For each two-or-more teacher school maintained having more than nine and less than twenty-three pupils enrolled in grades one to eight, inclusive, the minimum guarantee shall be one thousand dollars: . . .

(3) For each two-or-more-teacher school maintained, having more than twenty-two pupils, the minimum guarantee shall be sixty-five dollars per pupil for the first forty pupils, sixty dollars per pupil for each pupil in excess of forty and less than three hundred and fifty-one, fifty-five
dollars per pupil for each pupil in excess of three hundred and fifty and less than two thousand five hundred and one, and forty-five dollars per pupil for each pupil in excess of two thousand five hundred:

Section 4. Same; allocation of state school aid fund; computation of other revenue; Beginning with the year 1946, if the product of a four-mill school district general fund tax levy times the assessed tangible valuation of a city school district or common-school district, together with the total amount of general fund revenue, other than ad valorem taxes for the current school year, applicable to grades one to eight, inclusive, is not equivalent to the guarantee of such city school district or common-school district, seventy-five percent (75%) of the difference between such amounts shall be allocated to such city school district or common-school district from the state school aid fund during the next calendar year as provided in this act. For the purpose of this act, revenue applicable to grades one to eight, inclusive, shall include all of the district's share of intangible and dog taxes levied in the current year; all of the state funds derived from interest on state school fund investments; all county funds from fines and forfeitures; all other general fund revenue of the current school year directly applicable to grades one to eight, inclusive, but shall not include; ... (b) retailers' sales tax residue; (c) any moneys received from the state school aid fund; (d) any moneys received from the state school finance fund; or (e) any moneys received from a county elementary school tax levy: ...

B. House Bill No. 457. This act provides state funds to schools regardless of need.

Section 3. On December fifteenth of each year commencing in the year 1947, all moneys on hand in the state school finance fund shall be distributed as follow:

(1) To each one-teacher elementary school dis-

district having an enrollment on October 1 of the current school year of ten or more pupils, and to each two-or-more-teacher elementary school district having an enrollment on October 1 of the current school year of more than nine but less than twenty-three pupils, the sum of three hundred dollars ($300):

(2) To each two-or-more-teacher school maintained having more than twenty-two pupils enrolled on October 1 of the current school year shall be paid amounts as follows: Twenty-five dollars ($25) per pupil for the first forty pupils, twenty dollars ($20) per pupil for each pupil in excess of forty and less than three hundred fifty-one, fifteen dollars ($15) per pupil for each pupil in excess of three hundred fifty and less than two thousand five hundred one, ten dollars ($10) per pupil in excess of two thousand five hundred and less than ten thousand one, five dollars ($5) per pupil for each pupil in excess of ten thousand.²

Senate Bill No. 317 provides for a county tax levy for public elementary schools not to exceed 2 mills. The levy is to be sufficient to provide $500 for each classroom unit. Schools with less than twenty pupils are to be considered one classroom unit. Schools with more than twenty pupils enrolled, shall be credited with a classroom unit for each teacher employed.³

Senate Bill No. 269 provides a county tax levy for high schools of not less than one-fourth of a mill or more than four and one-half mills on all tangible property within the county. The mills levied are to be sufficient to provided from $80 to

² Kansas Legislature, House Bill No. 457. Copy supplied by Mr. L. W. Brooks, State Superintendent of Public Instruction, Topeka, Kansas.

³ Kansas Legislature, Senate Bill No. 317. Copy supplied by Mr. L. W. Brooks, State Superintendent of Public Instruction, Topeka, Kansas.
$175 per pupil, depending on the number of pupils enrolled. 4

Oklahoma

Enrolled House Bill No. 85, is the basic school law of Oklahoma, various sections of which provide for the distribution of state funds to public schools.

A part of section 2 states that one-tenth of the production tax collected be returned to the county from which it was collected and be distributed to the public schools of that county.

Article III --- State Aid. Section 1. There shall be apportioned and disbursed annually, by the State Board of Education, from appropriations made by the Legislature for this purpose, ... to the several school districts and separate schools of the State such sums of money as each school district or separate school may be qualified to receive under the provisions of this Act. ... 5

Section 4. The amount of money that a school district may qualify for, which shall be designated as "State Aid" under the provisions of this Act, shall be determined by subtracting the amount of the Minimum Program Income from the cost of the Minimum Program. The Minimum Program and Minimum Program Income shall be defined as follows:

Minimum Program:

(a) The number of teachers, not to exceed the


5. Oklahoma Legislature, Enrolled House Bill No. 85. Copy supplied by the State Board of Education, Oklahoma City, Oklahoma.
number employed, and not to exceed the number as provided by this Act, and the salary schedule not to exceed the salaries paid each teacher, principal, and superintendent.

(b) All other legal items of expenditures, exclusive of sinking funds, teachers salaries, transportation, buildings, and sites, at the rate of ten cents (10¢) per pupil per day in attendance during the next preceding year for all pupils in grades included in approved junior and senior high schools and seven and one-half cents (7 1/2¢) per pupil per day for all pupils in the elementary grades in attendance during the next preceding year, provided, that no school shall receive less than One Hundred Seventy-five ($175.00) Dollars per teacher per year for such purposes;

Minimum Program Income:

(a) Income from a levy of fifteen (15) mills actually made by a school district, and as to separate schools a levy of one and five-tenths (1.5) mills actually made in any county, on a valuation equalized between counties as provided elsewhere in this Act. A ten per cent (10%) deduction shall be allowed for delinquent taxes.

(b) State Apportionment.

(c) Gross Production Tax.

(d) County Apportionment.

(e) Intangible Tax.

(f) Basic-Aid actual amount allocated by State Board of Education.

(g) Auto license and Farm Truck Tax actual collections during previous year.

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6. Ibid., p. 17.

7. Ibid., p. 19.
Section 5. 1. The following schedule shall be used as a basis for calculating teachers' salaries in the Minimum Program as defined in this Act:

(a) For each teacher holding a certificate to teach in Oklahoma and having completed sixty (60) to eighty-nine (89) semester hours of college work; One Thousand Dollars ($1,000.00) per school term.

(b) For each teacher holding a certificate to teach in Oklahoma and having completed ninety (90) or more semester hours of college work, but less than a Bachelor's Degree; Twelve Hundred Dollars ($1,200.00) per school term.

(c) For each teacher holding a certificate to teach in Oklahoma and having a Bachelor's Degree; Fifteen Hundred Dollars ($1,500.00) per school term.

(d) For each teacher holding a certificate to teach in Oklahoma and having a Master's Degree, or a Library Science Degree issued upon five (5) years of college training; Seventeen Hundred Dollars ($1,700.00) per school term.

(e) Provided that One Hundred Dollars ($100.00) for each year of teaching experience, not to exceed five (5) years, shall be added to the schedule of annual salary to be used as a basis of apportionment of State Aid.

(f) The Administrative increments shall be as follows:

(1) A teacher serving as Superintendent shall have State Aid calculated for the term of his or her contract but not to exceed two (2) months in addition to the school term as defined by this Act, and shall receive an increment of three dollars ($3.00) per month per teacher not to exceed twenty (20) teachers.

(2) Principal's increment shall be Three Dollars ($3.00) per month per teacher, not to exceed twenty (20) teachers per principal, for the school term.

(3) The total number of elementary teachers in any school district on which the State will pay State Aid shall, on the basis of the legal average
daily attendance for the previous year, be as follows:

(a) In school districts having thirteen (13) to twenty-five (25) pupils; one (1) teacher.

(b) In school districts having twenty-six (26) to fifty (50) pupils; two (2) teachers.

(c) In school districts having fifty-one (51) to seventy-five (75) pupils; three (3) teachers.

(d) In school districts having seventy-six (76) to ninety-eight (98) pupils; four (4) teachers.

(e) In school districts having ninety-nine (99) to one hundred twenty (120) pupils; five (5) teachers.

(f) In school districts having one hundred twenty (120) or more pupils, five (5) teachers shall be allowed for the first one hundred twenty (120) pupils, and one (1) additional teacher for each twenty-six (26) pupils, or fraction thereof to the nearest tenth (0.1), provided the district employs such additional teacher or fraction of a teacher.

5. The total number of teachers in an accredited Junior and Senior High School... be as follows:

(a) In school districts having forty (40) to fifty-four (54) pupils; three (3) teachers.

(b) In school districts having fifty-five (55) to seventy-two (72) pupils; four (4) teachers.

(c) In school districts having seventy-two (72) or more pupils, four (4) teachers for the first seventy-two (72) pupils and one (1) teacher for each additional twenty-six (26) pupils in average daily attendance, calculating fractions thereof to the nearest tenth (0.1), provided the district employs such additional teacher or fraction of a teacher.

7. There shall be apportioned to all school districts of the several counties an amount of money equal to Seven and Fifty One hundredths Dollars ($7.50) multiplied by the legal average daily attendance of the
previous year of such school district; provided, the school district has a legal average daily attendance of thirteen (13) or more during the preceding year, and levies twenty (20) mills, separate schools shall be required to levy two (2) mills... Such aid shall be designated and known as Basic Aid for all school districts and separate schools meeting such requirements. 

New Mexico

The basic school finance law of New Mexico is the "State Public School Equalization Fund" law which became law in 1935. Section 8 of this law provides for a "basic allowance", which has the same meaning as "minimum program guarantee", of $1,799.93 per classroom unit. Classroom units are computed in the following manner:

Classroom units are based on pupils in average daily attendance for the immediately preceding school year, allowing fractional parts for pupils in excess of full classroom units. Said units shall be computed yearly for the school district(s) within each administrative division by the State Board of Education as follows:

(a) In the Elementary School, including kindergarten and grades 1 to 8 inclusive, or any part thereof; allow one classroom unit for any number of pupils from 8 to 22 inclusive.

From 23 to 44 pupils inclusive, allow one classroom unit for each 22 pupils.

From 45 to 125 pupils inclusive, allow 2 classroom units for the first 44 pupils and 1 classroom unit for each additional 27 pupils.

From 126 to 138 pupils inclusive, allow 5 classroom units for the first 125 pupils, and 1 classroom unit for each additional 30 pupils.

(b) To determine the number of classroom units for the High School, grades 9 to 12 inclusive, or any part thereof, classroom units as computed below shall be multiplied by 4/3:

From 20 to 60 pupils inclusive, allow one classroom unit for each 15 pupils.

From 61 to 236 inclusive, allow 4 classroom units for the first 60 pupils, and one classroom unit for each additional 22 pupils.

From 236 to 468 inclusive, allow 12 classroom units for the first 235 pupils, and one classroom unit for each additional 25 pupils. 9

The money in the equalization fund is distributed in accordance with the following:

Upon the certification of the State Educational Budget Auditor and the State Superintendent of Public Instruction to the State Auditor and the State Treasurer and in the manner hereinbefore provided, the State Treasurer shall distribute to the County Treasurer of each respective county the difference between the basic allowances as hereinbefore defined and the aggregate of: "an amount equivalent to a ninety percent collection of five mills on the assessed valuation of each respective county; the amounts apportioned from the State Common School Current Fund the credits accruing to the school funds of each county by virtue of the federal forest reserves acts; and such revenues, other than cash balances or delinquent taxes, as may be credited to the maintenance school funds of each respective county." The amounts represented by these differences shall be paid by the State Treasurer to the County Treasurer of each of the respective counties as credits to the school maintenance funds of the counties upon the order and certification of the State Educational Budget Auditor and the State Superintendent of Public

Instruction and in the manner hereinbefore provided. The County Treasurer shall pro-rate these amounts among the maintenance funds of the school administrative divisions within that county in accordance with the approved budgets. 10

Tax For State Common School Current Fund. Each board of county commissioners, when other county taxes are levied, shall annually levy a tax on all the taxable property of the county of one-half of one mill, and the proceeds thereof shall be monthly transmitted to the state treasurer and covered into the state common school current fund. 11

Nebraska

Nebraska does not have any general system of state aid to local school districts. The state provides aid to weak rural districts which are unable to provide the minimum number of months of school with a 7 mill levy on their assessed valuation. This aid amounted to only $32,799.00 for the entire state of Nebraska in 1946. 12

Mallery Act funds are paid to rural high school districts and consolidated districts for the purpose of establishing and maintaining vocational courses. The total amount thus distributed was $21,321.07. 13

The state pays for the tuition of children attending public schools whose parents are members of the armed forces. The amount

10. Ibid., p. 95.

11. Ibid., p. 93.

12. Information supplied by Mr. Stanley L. Hawley, Director of Research, Department of Public Instruction, Lincoln, Nebraska.

distributed was $31,947.66.\textsuperscript{14}

Nebraska pays $500 annually to any school offering normal training courses if they are approved by the state.\textsuperscript{15}

In addition to these, Nebraska has a so-called temporary school fund, the proceeds of which are apportioned to the districts of the state. The amount apportioned during the calendar year 1946 was $990,594.30. The formula for distributing the temporary school fund to the individual school districts is as follows:

1. Each district having school land or other state owned lands within its boundaries is reimbursed for the amount of school tax which is lost by virtue of said school lands being tax exempt.

2. Of the amount remaining, one-fourth is apportioned equally among all eligible districts of the state regardless of population, enrollment or wealth.

3. The remainder (three-fourths of the amount remaining after the deduction mentioned in No. 1 above) is apportioned to all eligible districts in the state in proportion to school population (the number of persons residing in the district who are between the ages of five and twenty-one).\textsuperscript{16}

Colorado

The original State Aid measure in Colorado went into effect in

\begin{itemize}
  \item \textsuperscript{14} \textit{Loc. cit.}
  \item \textsuperscript{15} \textit{Loc. cit.}
  \item \textsuperscript{16} Information supplied by Mr. Roger V. Shumate, Director of Research, Legislative Council, State of Nebraska.
\end{itemize}
1935. It has been changed several times since. However, each revision has maintained the basic features of the original law, changing only the amounts involved. The law was again revised in 1947 but since the 1947 revision is not available at the time of this writing, the laws of 1945 are being used in this study.

The basis upon which State Aid is figured is the classroom unit. In school districts having a school population of more than one hundred, four classroom units are allowed for the first one hundred plus one unit for each additional forty in excess of one hundred. The minimum guarantee for each classroom unit is $1,800.00.

The minimum program guarantee is to be provided in the following manner:

Section 5. (a) For the purpose of paying for the support of the minimum educational program and minimum standards as herein set forth, in addition to the funds provided as now required by law for the County General Fund, funds and tax levies may be made as follows: the school board in each district shall show the aggregate amount over and above the amount derived from the County General School Fund which it is necessary to raise for the purpose of maintaining in said district the minimum educational program and standards as provided in this Act.

(2) It shall thereupon be the duty of the county commissioners to levy at the same time that


other taxes are levied such rate of tax levy on all the taxable property in the county, not exceeding, however, one (1) mill as will provide the amount so certified. 

(3) The minimum special fund levy necessary to entitle districts to participate in distribution of the State School Equalization Fund under this Act shall be as follows: In county high school districts and in union high school districts, one and one-half (1 1/2) mills; in districts of the first, second or third class which are parts of county or union high school districts, four and one-half (4 1/2) mills; in all other districts, six (6) mills. 19

The amount to be provided by the state is determined in accordance with the following:

(b) For the purpose of paying the state's share of the cost of the minimum educational program as defined herein, there is hereby created and set up in the state treasurer's office a fund to be known as the State School Equalization Fund. ... This fund shall be distributed to the school districts of the state which have elected to accept the benefits of this Act, as follows: ... districts electing to be subject to this Act, ... shall certify to the state superintendent of public instruction the amount of money provided by his county through the general school fund of that county for the support of the classroom units in each district in that county, which has elected to be subject to the terms of this Act, and the amount of money which will be raised for the respective school districts by the Minimum Special Fund Levy, and by the one mill county levy, herein provided for. Any amount required over and above the money provided by said County General School Fund, said Minimum Special Fund Levy and said one mill county levy (assuming 100 per cent collection less county treasurer's collection fee) for the maintenance of the minimum education program as defined in this Act in each of the several districts electing to be subject to this Act, in his county, shall be a charge against this fund; ... 20

19. Ibid., pp. 4-5.

20. Ibid., p. 6.
The General School Fund is made up of state income tax funds and a county levy on personal property. Of all the income tax collected in the state, 31.5 per cent is allocated to the General County School Funds. If this amount is less than the amount required to pay the $75 per month per teacher, the county makes the necessary levy to provide this amount.  

CHAPTER IV

COMPARISON OF THE STATE SCHOOL FINANCE LAWS

In order to give a true comparison of the state aid laws of the different states studied, the laws of each state were used to determine the amount of money an average district would receive under the state aid laws of the different states. The statistics of an actual school district in Kansas were used to determine the state aid this district would receive if it were operating under the state aid laws of each of the states used in this study. This district is referred to as District "A".

The data used concerning the district was taken from the annual report of the superintendent of schools to the board of education for the school year ending in June, 1946.1

Kansas

In determining the amount the district would receive under the Kansas laws, the laws were applied to the statistics of the district. The amounts for intangible tax, dog tax, fines, and the amount received from the State School Fund, were the actual amounts received by the district during the school year 1945-46. The remainder of the figures were the ones computed in accordance with

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the laws providing for state aid and state support.

TABLE I.

COMPUTATION OF FUNDS DISTRICT "A" WOULD RECEIVE FROM THE STATE OF KANSAS

<table>
<thead>
<tr>
<th>Minimum Program Income</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4 mill levy on tangible valuation</td>
<td>$12,769.28</td>
</tr>
<tr>
<td>Intangible tax</td>
<td>2,027.37</td>
</tr>
<tr>
<td>Dog tax</td>
<td>351.00</td>
</tr>
<tr>
<td>State School Fund, fines, etc.</td>
<td>2,023.49</td>
</tr>
<tr>
<td><strong>Total Minimum Program Income</strong></td>
<td><strong>$17,171.14</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Minimum Program Guarantee</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$65 per pupil for the first 40 pupils</td>
<td>$2,600.00</td>
</tr>
<tr>
<td>$60 per pupil for all pupils between 40 and 351</td>
<td>18,660.00</td>
</tr>
<tr>
<td>$55 per pupil for all pupils above 351</td>
<td>5,610.00</td>
</tr>
<tr>
<td><strong>Minimum program guarantee</strong></td>
<td><strong>$26,870.00</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State Aid</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum program guarantee</td>
<td>$26,870.00</td>
</tr>
<tr>
<td>Minimum program income</td>
<td><strong>$17,171.14</strong></td>
</tr>
<tr>
<td>Difference</td>
<td>$9,698.86</td>
</tr>
<tr>
<td>State Aid is 75% of the difference</td>
<td><strong>$7,274.15</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State Support</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$25 per pupil for the first 40 pupils</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>$20 per pupil for all pupils between 40 and 351</td>
<td>6,220.00</td>
</tr>
<tr>
<td>$15 per pupil for all pupils in excess of 351</td>
<td>3,390.00</td>
</tr>
<tr>
<td><strong>State Support</strong></td>
<td><strong>$10,610.00</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total State Money to be Received</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State Aid</td>
<td>$7,274.15</td>
</tr>
<tr>
<td>State Support</td>
<td>$10,610.00</td>
</tr>
<tr>
<td>Apportionment from Permanent School Fund</td>
<td>$1,078.00</td>
</tr>
<tr>
<td><strong>Total Amount to be received from State</strong></td>
<td><strong>$18,962.15</strong></td>
</tr>
</tbody>
</table>
In figuring the minimum program income, it was determined what percentage certain items were of the total amount spent for public education in Oklahoma. These items were county apportionment and intangible tax, school land apportionment, gross production tax, and auto license. This percentage was then multiplied by the total expenditure of District "A". The figure thus obtained would be a fair estimate of what each of these items would net the district if it were located in Oklahoma.

The amount listed as transportation in the minimum program was the amount actually expended by the district.

TABLE II

COMPUTATION OF FUNDS DISTRICT "A" WOULD RECEIVE FROM THE STATE OF OKLAHOMA

<table>
<thead>
<tr>
<th>Minimum Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000 per teacher with 60 to 90 hrs.</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>$1,200 per teacher with more than 90 hrs. but less</td>
<td>1,200.00</td>
</tr>
<tr>
<td>than A.B. or B.S.</td>
<td></td>
</tr>
<tr>
<td>$1,500 per teacher with an A. B. or B. S.</td>
<td>28,500.00</td>
</tr>
<tr>
<td>$1,700 per teacher with an A. M. or M. S.</td>
<td>5,100.00</td>
</tr>
<tr>
<td>Superintendent's salary, plus 2 month's additional</td>
<td>2,077.76</td>
</tr>
<tr>
<td>as increment</td>
<td></td>
</tr>
<tr>
<td>Additional increment of $3 per mo. per teacher</td>
<td>540.00</td>
</tr>
<tr>
<td>not to exceed 20 teachers</td>
<td></td>
</tr>
</tbody>
</table>

2. Figures supplied by Mr. George A. O'Neal, Director of Research, State Board of Education, Oklahoma City, Oklahoma.

TABLE II (CONT'D) COMPUTATION OF FUNDS DISTRICT "A" WOULD RECEIVE FROM THE STATE OF OKLAHOMA

Minimum Program

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal's increments of $3 per mo. per teacher</td>
<td>$918.00</td>
</tr>
<tr>
<td>$100 per yr. of experience not to exceed 4 yrs. per teacher</td>
<td>$19,200.00</td>
</tr>
<tr>
<td>Transportation</td>
<td>$44.50</td>
</tr>
<tr>
<td>7 1/2¢ per elementary pupil for all other expenses</td>
<td>$6,497.25</td>
</tr>
<tr>
<td>10¢ per Jr. High and Senior High pupil for all other expenses</td>
<td>$8,802.00</td>
</tr>
<tr>
<td>Total minimum program guarantee</td>
<td>$82,879.61</td>
</tr>
</tbody>
</table>

Minimum Program Income

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic State Aid. $7.50 per pupil in average daily attendance in the school district.</td>
<td>$6,295.00</td>
</tr>
<tr>
<td>15 mill levy on all personal property, less 10% for delinquent taxes</td>
<td>$43,096.32</td>
</tr>
<tr>
<td>County apportionment and intangible tax</td>
<td>$1,976.49</td>
</tr>
<tr>
<td>School land apportionment</td>
<td>$3,074.54</td>
</tr>
<tr>
<td>Gross productions tax</td>
<td>$1,866.68</td>
</tr>
<tr>
<td>Auto license</td>
<td>$7,217.13</td>
</tr>
<tr>
<td>Total minimum program income</td>
<td>$64,256.05</td>
</tr>
</tbody>
</table>

State Aid

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum program guarantee</td>
<td>$82,879.61</td>
</tr>
<tr>
<td>Minimum program income</td>
<td>$64,256.05</td>
</tr>
<tr>
<td>State Aid</td>
<td>$18,619.56</td>
</tr>
</tbody>
</table>

Total State Money to be Received

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Aid</td>
<td>$18,619.56</td>
</tr>
<tr>
<td>Basic State Aid</td>
<td>$6,295.00</td>
</tr>
<tr>
<td>School land apportionment</td>
<td>$3,074.54</td>
</tr>
<tr>
<td>Gross productions tax</td>
<td>$1,866.68</td>
</tr>
<tr>
<td>Auto Licence</td>
<td>$7,217.13</td>
</tr>
<tr>
<td>Total amount to be received from State</td>
<td>$37,102.91</td>
</tr>
</tbody>
</table>
New Mexico

In determining the minimum program income under the New Mexico laws, several problems arose. New Mexico does not have district taxation for schools. The local school board makes out its budget and sends it to the county officers who will either approve it or not. If it is approved, the commissioners will then levy a county-wide tax sufficient to cover the budgets of the local districts. Since Kansas makes the necessary levy on the district instead of the county, the following scheme was used to determine how much District "A" would receive from a 5 mill county-wide levy.

It was worked out what per cent the enrollment in District "A" in elementary and high schools were of the total enrollment in the county. This percentage was then multiplied by the amount which a five mill levy, on all personal property in the county, would raise. This figure would be a fair approximation of the amount District "A" would receive from a five mill county levy.

To find the amounts which would be received by the district from State apportionment, Forest Reserve, Motor Vehicle, and Merchandise Licenses, the ratio of each of these items to the total expended in New Mexico for public education,⁴ was multiplied by the total expenditures of District "A". In other words, the amount listed under each of these items bears the same ratio to the total expenditures of

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⁴ Figures were supplied by Mr. Floyd Santistevan, Department of Education, State of New Mexico.
the district as the total amount distributed from each of these sources bears to the total expended for public education in New Mexico.

### TABLE III

**COMPUTATION OF FUNDS DISTRICT "A" WOULD RECEIVE FROM THE STATE OF NEW MEXICO**

<table>
<thead>
<tr>
<th>Minimum Program Guarantee</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High School classroom units</strong></td>
<td>27.4</td>
</tr>
<tr>
<td><strong>Elementary classroom units</strong></td>
<td>14</td>
</tr>
<tr>
<td><strong>Total classroom units</strong></td>
<td>41.4</td>
</tr>
<tr>
<td><strong>Minimum guarantee per classroom unit</strong></td>
<td>$1,799.93</td>
</tr>
<tr>
<td><strong>Guarantee for 41.4 classroom units</strong></td>
<td>$74,517.10</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Minimum Program Income</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>District's share of 5 mill county-wide levy on all personal property, 90% collection</td>
<td>$28,923.85</td>
</tr>
<tr>
<td>State apportionment</td>
<td>16,470.75</td>
</tr>
<tr>
<td>Forest Reserve</td>
<td>274.62</td>
</tr>
<tr>
<td>Motor Vehicle</td>
<td>450.39</td>
</tr>
<tr>
<td>Merchandise License</td>
<td>54.93</td>
</tr>
<tr>
<td>Total minimum program income</td>
<td>$46,174.54</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State Aid</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum program guarantee</td>
<td>$74,517.10</td>
</tr>
<tr>
<td>Minimum program income</td>
<td>$46,174.54</td>
</tr>
<tr>
<td>State Aid</td>
<td>$28,342.56</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total State Money to be Received</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State Aid</td>
<td>$28,342.56</td>
</tr>
<tr>
<td>State Apportionment</td>
<td>16,470.75</td>
</tr>
<tr>
<td>Motor Vehicle</td>
<td>450.39</td>
</tr>
<tr>
<td>Merchandise License</td>
<td>54.93</td>
</tr>
<tr>
<td>Total amount to be received from State</td>
<td>$45,318.63</td>
</tr>
</tbody>
</table>
Nebraska

District "A" does not qualify for any state money under the Nebraska laws, except that distributed from the temporary school fund. $104,865.20 of that fund is distributed to districts having school land or other state lands which are exempt from taxes. District "A" does not have any tax exempt lands, therefore does not qualify for any of this money. One fourth of the remainder is distributed equally to all the districts of the state. Of this amount, $221,432.29, District "A" would receive $26.80. The remainder is distributed on the basis of school census and the amount which the district would receive from this remainder is $2,102.76. The total amount which would come from the state would be the sum of these two figures which is $2,129.56.

Colorado

Several factors beyond control make it difficult to present a true picture as to the amount of money supplied by the state to local units in Colorado. Although District "A" would receive no state aid as shown in Table IV, part of the amount received from the County General School Fund is actually state money. Since no figures as to actual amounts are available, it is extremely difficult to determine the per cent of this figure actually coming from the state. However, since the total of state money being distributed is approximately 8 per cent, it is safe to assume that less than half

of this amount is state money.

No figures were available to show the amount District "A" would receive from the Permanent School Fund. However, the Permanent School Fund of Colorado is made up of most of the same items as that of other states and is distributed in the same manner. With these factors in mind, the amount was estimated and should be reasonably accurate.

As a result of this brief analysis, it is assumed that District "A" would receive approximately $8,000.00, certainly no more, from the state under the Colorado School laws. The point most important to this study, however, is the fact that District "A" would receive no state aid under the Colorado system of state aid for public education.
<table>
<thead>
<tr>
<th>TABLE IV</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMPUTATION OF FUNDS DISTRICT &quot;A&quot; WOULD RECEIVE FROM THE STATE OF COLORADO</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Minimum Program Guarantee</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1800 per classroom unit.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Minimum Program Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>County General School Fund.</td>
</tr>
<tr>
<td>$75 per teacher per month</td>
</tr>
<tr>
<td>Minimum Special Fund Levy</td>
</tr>
<tr>
<td>One mill county levy</td>
</tr>
<tr>
<td>Total Minimum Program income</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State Aid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum program guarantee</td>
</tr>
<tr>
<td>Less minimum program income</td>
</tr>
<tr>
<td>Total State Aid</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total State Money to be Received</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Aid.</td>
</tr>
<tr>
<td>Permanent School Fund (Approx.)</td>
</tr>
<tr>
<td>State Money in County General School Fund (Approx.)</td>
</tr>
<tr>
<td>Total Amount to be received from State</td>
</tr>
</tbody>
</table>
CHAPTER V

SUMMARY OF FINDINGS WITH SUGGESTED MODIFICATIONS
OF PRESENT STATE AID LAWS

In conclusion, one might say that none of the state school finance laws are without weaknesses. To begin with, Nebraska, having no system of state aid as such, can be eliminated from this discussion.

Kansas, thanks to the 1947 session of the legislature, now gives considerably more state money for the support of local education than it formerly did. The system of dividing the cost of education between state, county, and district is in harmony with the best thinking on the subject. It provides some money to all local districts regardless of need and also distributes some money according to the needs of the district. This is in accordance with both the principle of equalization and the principle of encouragement of progress.

Having the county share the expense of education helps equalize the burden. The main weakness in the Kansas state aid laws is the fact that only 6 million dollars is supplied by the state. This is only a small percentage of the total expenditures for education in Kansas.

---

Oklahoma provides approximately $18 million dollars of state money, but its method of distribution leaves much to be desired. In providing for the Minimum Program Income, each district must levy 15 mills, or almost the maximum, to qualify for state aid. This results in the minimum program very nearly becoming the maximum program since the districts cannot go much beyond the 15 mills without levying taxes confiscatory in nature. At the same time Oklahoma does not have a county-wide tax levy for education.

New Mexico ranks high among the states in the per cent of the total school expenditures coming from the state. It ranks first among the states used in this study. The local school budget must be approved by the county commissioners and a tax levied on the property of the entire county sufficient to cover the various budgets. Since a higher authority must pass on the budget, much of the initiative for maintaining a good school system seems to have passed from the hands of the local authorities. This would not meet with the approval of some authorities in the field of school finance.

Basically, the Colorado School Finance Laws recognize the major factors in a good finance program as pointed out by the authorities on finance. The major weakness lies in the fact that the amounts distributed by both the state and the county are much

too small. The Minimum Program Guarantee should be raised to enable more districts to receive State Aid and in greater amounts. The percentage supplied by the county should also be increased.

Suggested Modifications

The present laws should be modified so that at least one-third of the total money expended comes from the state with the remainder being divided almost equally between the district and the county. It must be emphasized that one-third is the absolute minimum amount to be supplied by the state with one-half or more being desirable. Some of the state money should be distributed to all districts and some should be given only to those districts actually in need.

Finally, after the minimum program has been provided, a certain amount of leeway in financial matters must be left in the hands of the local board. Unless this local initiative is maintained, the schools of our nation will suffer immeasurably.
BIBLIOGRAPHY

Books


Used extensively to determine Cubberley's view on state aid.


Used to determine Cubberley's views on state aid.


This book was used to help establish Professor Mort's opinions on state aid.


Used very extensively in Chapter II. It gives an excellent picture of the problems facing the schools in the field of finance.

In this report, Professor Mort includes a plan of state aid for Kansas. Very valuable because he points out the principles which formed the basis for his plan.


This book provides a sound basis upon which to build any study in the field of public school finance.


This is an excellent book on the general subject of school Administration and was used to establish Professor Reeder's views on state aid.


In this book the author discusses the field of public taxation very thoroughly. It was used to point out the existing inequalities in taxation.

The author points out why it is necessary for the state to provide more money than is the case in many states at the present time.

**Periodicals**


This article provides a good insight into the needs of education in the immediate future.

Mort, Paul R. "Financing Education in the Post-War Economy."


Was used to help establish the need for state aid.


This article is valuable because it gives an over all picture of state aid in the entire United States.

This article was mentioned because it is of recent origin and pertains, somewhat, to the subject of the thesis.

Letters

Mr. Roger Shumate, Director of Research, Legislative Council, State of Nebraska, June, 1947.

Provided the information on the Temporary School Fund in Nebraska.

Mr. Floyd Santistevan, Department of Education, Santa Fe, New Mexico, June, 1947.

Provided information relative to the amounts of money distributed by the state to the local schools and from what sources it came.

Mr. George A. O'Neal, Director of Research, State Board of Education, Oklahoma City, Oklahoma, June, 1947.

Mr. O'Neal provided the information concerning the total amount of state money distributed, from what sources, and the amounts of each.

Mr. Stanley L. Hawley, Director of Research, Department of Public Instruction, State of Nebraska, June, 1947.

Mr. Hawley supplied information concerning the various funds distributed to public education by the State of Nebraska.

Used to determine the amount of state money District "A" would receive from the State of Colorado.


These laws were used to find the definition of the classroom unit.


Used to determine the amount of state money District "A" would receive from the State of Kansas.


Used to determine the amount of state money District "A" would receive from the State of New Mexico.

Oklahoma Legislature. *Enrolled House Bill No. 85.* Copy supplied by the State Board of Education, Oklahoma City, Oklahoma.

Used to determine the amount of state money District "A" would receive from the State of Oklahoma.