COMPARATIVE STATE SCHOOL AIDS¹

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Everywhere far-seeing friends of education realize that about the hardest task connected with public schools in the next few years will be the securing of adequate support for these schools. Securing such support, never child's play, has been extremely difficult in the last few years. It will be even more difficult as the present nation-wide financial stringency tightens.

In this crisis, educational leaders frequently consider the possibility of greater state aid for schools. These leaders expect larger state aid when intelligently administered to raise the quality of school work in backward places, to stimulate progressive districts to greater efforts, and to even up the burdens of school taxation. The average taxpayer, who is typical of the average school community, simply thinks that state aid will bring more money from the outside to the school in which he is interested. He doesn't care where this money is secured. In his thought of securing the money he would rather have it without any restrictions. He seldom stops to think that all state aid must eventually come out of his pocket or the pockets of other taxpayers. Such extravagant claims are made for state aid or such great things are expected of it by some leaders and many taxpayers that we may very profitably in a conference like this consider its possibilities with care and impartiality. Just what, in the light of past experience and of the present situation, should a state do about its distributive school fund?

The ripened experience of the past in the matter of state aid under normal conditions in the United States is embodied in the figures on expenditures for public elementary and high schools of

¹ From a presentation made to the Citizens' Conference on Education, called by Commissioner Claxton at Chicago, November 29, 1920.

the report of the United States Commissioner of Education. From these figures for 1917-18, Burgess¹ computes the following:

TABLE I

PER CENT OF SCHOOL REVENUES DERIVED FROM DIFFERENT SOURCES
(All public elementary and high schools of the United States, 1918)

Local taxes.....	78.8
State taxes.....	13.7
Permanent funds and lands.....	2.9
All other sources.....	4.6
Total.....	100.0

In the early days of public-school development, state aid was expected to pay a large part of school expenditures. Thus, in Illinois about 1865 it paid 65 per cent of the school expenditures as against less than 7 per cent today. But this has changed markedly in many states. For the United States as a whole, the proportionate part of state aid for schools is only about three-fourths of what it was thirty years ago. The proportionate part of the one item of "state taxes" in school receipts has decreased, as shown in Table II.²

TABLE II

PER CENT OF SCHOOL REVENUE DERIVED FROM ONE ITEM, STATE TAXES
(All public elementary and high schools of the United States)

1890.....	18.4	1910.....	14.9
1895.....	19.6	1915.....	15.4
1900.....	17.2	1918.....	13.7
1905.....	14.6		

Burgess appears to have studied the figures for each year since 1890, for he sums up the situation thus:

There has been a tendency in the past thirty years . . . for the state to contribute a constantly smaller share of the educational funds of the community. There was an important exception to this tendency between the years 1905 and 1915. The movement appears to have been interrupted in 1915. The problem of school support continues to be in the main largely one of local finance.³

¹ W. Randolph Burgess, *Trends of School Costs*, p. 119. New York: Russell Sage Foundation, 1920.

² Computed from data on page 4 of "Statistics of State School Systems, 1917-18," *Bureau of Education Bulletin No. 11*, 1920.

³ W. Randolph Burgess, *op. cit.*, p. 119.

It is difficult to compare different states with respect to the amounts of their state school aid. But a rough comparison may be made by taking into account the population figures and the wealth data for the states to be used in the comparison. The 1920 census figures on the population of each state have appeared in the daily papers and will doubtless be available in government circulars and reports from now on. The wealth figures by states were last collected in 1912 and issued in 1914. The speaker is informed that no similar figures will be published for several years. But the 1912 data are probably safe enough for relative purposes and may be obtained from any recent edition of the *Statistical Abstract of the United States*. In the 1919 edition they appear on page 702. These wealth figures are next to be changed into ratios, counting the wealth of the home state as 1. Then, starting with the amount of state aid in the home state, it is easy to multiply by the ratios so as to find what the other states should raise to do as much as the home state, on both the population and the wealth bases. These calculated figures may then be compared with the known amounts of state aid in the states, the latter sums to be secured from all available sources, such as educational periodicals, state reports, calculations on the assessed wealth of the state when the rate for state school purposes is known, etc. Such indirect methods are necessary because conditions and methods of keeping accounts vary so in the different states that it is almost impossible to secure from the state departments up-to-date figures in a form suitable for comparison. The state departments are too busy to assemble their current data in convenient form for such purposes, and their printed reports are now too old to be of great service.

Table III gives such a comparison of state school aid, using Wisconsin as a basis. Column two gives the amount of state aid that each state would have to raise to equal what Wisconsin is doing in this respect, population alone considered. The third column gives what each state would have to raise to equal Wisconsin in this respect, wealth alone considered. The fourth column credits each state with what it is known to be raising for schools, that is, with the least known amount, and so errs on the side of safety. From this fourth column it is at once apparent that all

of the states save Illinois are doing relatively more for state support of elementary and high schools than is Wisconsin, some of them much more. A similar rough comparison may be worked out from any other state as a basis, provided suitable data can be obtained for it.

TABLE III
COMPARATIVE STATE AID FOR SCHOOLS, 1919-20

	TO EQUAL WISCONSIN THE STATE WOULD NEED TO RAISE		THE STATE ACTUALLY RAISES AT LEAST
	Population Basis	Wealth Basis	
Wisconsin.....	\$ 4,440,000	\$ 4,440,000	\$ 4,440,000
Illinois.....	11,100,000	15,096,000	6,000,000
Indiana.....	4,884,000	4,884,000	7,883,000
Michigan.....	6,216,000	5,328,000	9,345,000
Ohio.....	9,768,000	8,880,000	16,284,000
Minnesota.....	3,996,000	5,328,000	6,376,000 -
California.....	5,772,000	7,992,000	13,250,000
New York.....	17,316,000	24,864,000	32,000,000 -
Pennsylvania.....	14,652,000	14,208,000	50,000,000*
Texas.....	7,992,000	6,660,000	10,000,000

* Proposed sum.

The original state school funds which were expected to support schools without state taxation have in many states been practically dissipated. In the five states represented at this conference, the nominal permanent common-school funds as reported for 1918¹ varied for the principals from less than a million for Illinois to nearly ten million for Indiana, with the other three states around four or five million. Thus the income from these funds for state aid is practically negligible. Whatever additional money is to be raised in these states for state aid will have to be raised, as in most other commonwealths, from current revenues. All of the five states here represented appear to use some form of mill tax. The exact rates are immaterial because the percentage of assessment varies in the different states. In addition, Michigan secures part of the revenue from taxes on public-service corporations and certain other corporations and from an inheritance tax. Massachusetts raised its recent \$4,000,000 for increased teachers' salaries from an income tax, and such a tax was advocated at the last Pennsylvania school men's week for that state. As to the particular

¹ *Bureau of Education Bulletin No. 11*, 1920, p. 119.

source from which additional state school aid is to be derived, students of school finance differ. Professors Judd and Morrison of the University of Chicago advocate securing state school revenue from an income tax because they think that property is already taxed all it can possibly stand.¹ Dr. Burgess of the Russell Sage Foundation, who has made a very extensive study of trends in school costs throughout the country for the last fifty years, thinks that property can stand a great deal more taxation for school purposes than it has ever carried so far.² The speaker is not particularly concerned as to where the revenue for additional state aid is to be secured, for two reasons. First, the state must raise revenue for all its needs as best it can. Schools comprise only one of these needs, and the amount of money secured for schools will depend mainly upon how forcibly school needs are presented to the legislature as against the needs of other interests. If the legislature can be convinced that the schools need a certain sum and that sufficient voting strength in the state is behind the demand for this sum, this amount will be raised in some way. It is true that certain sources may be utilized with less outcry against the schools than can other sources. For instance, raising money from an income tax, a corporation tax, or an inheritance tax, will probably irritate fewer people in a state than will a general property tax. But, on the other hand, it is certain to irritate people who are individually much more powerful and relentless and infinitely better organized, so that this advantage may after all be a doubtful one. Again, the proceeds of an income tax may vary altogether too much to be a thoroughly satisfactory source of school support. The yields of taxes on 1920 and 1921 incomes bid fair to be much less than those on 1919 incomes. Furthermore, the proceeds of the income tax may simply reduce the taxes raised from real estate so that the total taxes may be no more than in other states.³ Second, the method of apportioning whatever state aid is available, is far more important than the amount distributed.

¹ H. C. Morrison, "Taxation, Teachers' Salaries, and Cost of Education," *Elementary School Journal*, XX (September, 1919), 48.

² W. Randolph Burgess, *op. cit.*, pp. 130-35.

³ T. E. Lyons, "The Income Tax as a Source of Municipal Revenue," *Minnesota Municipalities*, V, 95-104.

About the poorest way to distribute state school revenue is on a school-census basis. This bears no relation to real school needs and stimulates no local communities to get more pupils into the public schools, to have longer terms, to have better attendance, or to do better school work, or to introduce improvements. Indeed, all who know the history of education in Connecticut and Texas agree that the large state aids in these states in the past actually hindered schools. These aids, which were distributed on a school-census basis, were large enough to enable many districts with little or no local support to have some sort of a school, but not a good one. The communities naturally did not exert themselves, and the schools suffered accordingly. Unless some other method of apportionment is to be used, any state in this conference probably had better not increase its state aid. Far better results will be secured by extending the special state-aid provisions already in use in the five states such as:

A minimum school term for elementary schools as the six-months provision in Indiana or the eight-months in Wisconsin.

The aid to weak districts that are already taxing themselves heavily as in Indiana or Ohio.

The payment of salaries of county superintendents as in Illinois and Ohio and of supervising teachers as in Wisconsin.

The requirement of minimum salaries as in Ohio and Wisconsin.

The transportation aid of Michigan and Wisconsin.

The aid for county training-schools and high schools that train rural teachers of Michigan, Ohio, and Wisconsin.

The aid for different types of schools in Wisconsin.

The aid for schools educating special children, such as the blind and the deaf in Illinois and Wisconsin.

This matter of methods of apportionment is so important that it is well to close by outlining the recommendations of the present Minnesota Educational Commission which will be presented to their coming legislature.¹ They have presented by far the best study of present-day state aid with which the speaker is acquainted, and their report concludes that Minnesota needs not more state

¹ See also Carter Alexander, "A Larger State Distributive School Fund for Illinois," *School and Society*, XII, 565-76.

aid, but a more intelligent distribution of the amounts available. They propose to distribute about one-third of the total state aid on the number of children enrolled in each district for sixty days each in the preceding year. About one-fifth will be used to equalize educational opportunity by special aid for transportation, buildings, ungraded-school supervision, payment of high-school tuition, assisting school libraries, and providing for school attendance of isolated pupils. About one-sixth will be used to establish minimum standards in various kinds of schools. About one-twentieth will be used to equalize the cost of school maintenance in various kinds of schools where the taxpayers are more than ordinarily burdened with school taxes. About one-fifth will be used to stimulate educational progress in the matter of introducing newer subjects, special training for defectives, physical education and health supervision, evening schools, community service, and so on. About one-thirtieth is reserved for high-school departments that train rural teachers. The report of this commission in its entirety is well worth the careful study of every member of this conference.