

A SUMMARY OF THE OUTSTANDING STATE SCHOOL FINANCE  
LEGISLATION PROPOSED AND ENACTED DURING  
THE YEAR 1931

By

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## INTRODUCTION

Recent investigation reveals that the equalization of educational opportunity, the equalization of school support, and the relief of property from the excessive burden of school taxes are the outstanding school problems before state legislatures and state school officials. It is becoming increasingly evident that if the high standards upon which this country aims to maintain its system of popular education are to continue, the problems of financial support and equalization of educational opportunity must come under more careful scrutiny. Much study concerning new sources of wealth and new types of taxes is in evidence. Surveys and investigations by legislative and other important committees have been made during the decade in practically all states with the view of bringing about improvement in the methods of school support. Such investigations were under way in more than one-half of the states of the United States during the biennium 1928-30. Reports and recommendations of most of these committees were placed in the hands of the 1931 state legislatures.

The decisions of state legislatures have a profound influence on the welfare of the schools, the children, the teachers, and that vast populace which bears the burden of

school support. It is worth while, therefore, to study recent school legislation in order to discover the major trends and to reveal the progress being made in solving the major school problems.



# I. THE PROBLEM, SIMILAR STUDIES, SOURCE, AND CLASSIFICATION OF DATA

## A. The Problem

The purpose of this thesis is (a) to present in concise form the outstanding public school finance legislation in the United States during the year 1931, (b) to present the outstanding proposed public school finance legislation which failed to be enacted by the state legislatures of 1931, and (c) to reveal trends in such legislation.

The phrases "outstanding public school finance legislation" and "bills of major importance" used in this study refer to those bills which provide (a) an appreciable increase in the amount of school funds, (b) new sources of school revenue, (c) more equitable methods of school support, or (d) more equitable methods of apportionment of state school funds.

For purpose of illustration Iowa bill No. 215 may be used. The bill proposed that a state-wide amusement tax be levied the proceeds of which should be apportioned to schools on the basis of teaching units. The measure proposed that the fund so apportioned should replace an equal amount of local taxation. It was estimated that approximately \$2,500,000 would be raised by the tax. Applying the above criteria for evaluating legislative measures it will be readily seen that the Iowa

bill is a bill of major importance since it proposes an appreciable increase in state school funds to be derived from a new source of taxation. The bill also provided a more equitable method of apportionment and for lessening the burden of local taxation.

Bills of this type are considered to be of such importance as to be worthy of careful consideration from state legislatures, school officials, and all others interested in school finance throughout the country. Bills which do not carry any of the provisions mentioned above may be considered of minor importance. Bills which are of purely local interest and bills providing routine appropriations and authorizations will ordinarily be omitted.

#### B. Studies Of A Similar Nature

While there seems to be no limit to the amount of material published treating upon school finance problems, it is apparent that very few studies have been made which present a summary of the legal efforts of state legislatures to solve their school finance problems.

A review of school legislation during the period 1926-1928 has been prepared by Ward W. Keesecker of the United States Office of Education.<sup>1</sup> This review briefly summarizes all the laws enacted by state legislatures during the biennium which directly effect the public schools. The general trends in school legislation are revealed.

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<sup>1</sup>Ward W. Keesecker, Review of Educational Legislation, 1926-1928, U. S. Bureau of Education Bulletin, No. 27, 1929.

In a series of articles written by Dr. Richard B. Thiel and published in the Nation's Schools two articles deal with recent laws and ordinances appertaining to schools and education.<sup>2</sup> In the first article the writer points out the important factors which influence educational legislation and reveals general tendencies in recent school legislation. In the second article the writer gives a brief digest of recent school laws which he considers distinctively important and progressive.

The Research Division of the National Education Association published a summary of state school legislation enacted by state legislatures of 1929<sup>3</sup> and also a similar summary of state school legislation enacted during the year of 1931.<sup>4</sup>

The publications mentioned above include all types of school legislation and are not limited to any one phase of school legislation as the author has proposed to do in the present study. These publications do not include the legislation which was proposed but failed to be enacted by state legislatures.

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<sup>2</sup>Richard B. Thiel, "Recent Progress in Educational Legislation," Nation's Schools, Vol. 1, (February, 1928), pp. 67-69. "A Resume of Recent Constructive Educational Laws," Nation's Schools, Vol. 1, (March, 1928), pp. 29-34.

<sup>3</sup>National Education Association, Division of Research, State School Legislation, 1929, Studies in State Educational Administration, No. 1, (December, 1929).

<sup>4</sup>National Education Association, Division of Research, State School Legislation, 1931, Studies in State Educational Administration, No. 6, (February, 1932).

Dr. R. W. Holmstedt has prepared a summary of the major bills introduced into state legislatures of 1930-31, providing state aid for public schools.<sup>5</sup> This mimeographed summary was prepared before the state legislatures of 1931 adjourned and, therefore, does not give the final decisions of the respective legislative bodies upon the proposed bills.

### C. Source And Limitations Of Data

The objective data upon which the preparation of this thesis is based were secured from the recent school codes of the several states, from educational bulletins published by various State Departments of Education, from reports of investigating committees and commissions, and from personal letters from State Superintendents and Assistant State Superintendents of Public Instruction.

A request for detailed data was sent to the State Department of Education in each of the forty-eight states. In a few cases the material requested was not available for distribution, this was especially true of bills which received very little legislative attention. Reports of certain survey and investigating commissions were not available. In most cases where such material was not available brief digests of the proposals were sent in a personal reply from some member of the State Department of Education.

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<sup>5</sup>R. W. Holmstedt, Bills Providing State Aid for Public Schools Introduced in the State Legislatures of 1930-31, Mimeographed Report, (Bloomington, Indiana: Indiana University, 1931).

#### D. Classification Of Data

For purposes of classification the states will be divided into three groups. The first group will include those states which reported no proposed nor enacted school finance legislation and those states in which measures of only minor and local importance were brought before the legislative bodies. The second group will include those states in which bills of major importance were proposed but failed to be enacted. Measures of less importance enacted in these states will be included. The third group will include those states which were successful in enacting school finance measures of major importance.

## II. ANALYSIS OF DATA

State legislatures met in regular session in forty-four of the forty-eight states during the year 1931. The state legislatures of Kentucky, Louisiana, Mississippi, and Virginia met in regular session in 1930.

Of these four states it is significant to note that in 1930 the General Assembly of the State of Kentucky enacted a bill establishing an equalization fund and providing a method of apportioning said fund.<sup>1</sup> The act provided that the \$1,250,000 appropriated for the equalization fund be used to aid those weak districts which after having levied the maximum school tax provided by law are still unable to provide an educational program at the level or standard fixed and prescribed by law. The State of Mississippi had an equalization law in operation prior to 1930. Louisiana and Virginia have made no provision for the equalization of educational opportunity. A study of methods of financing a minimum state educational program is now in progress in the State of Virginia and reports

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<sup>1</sup>Laws Relating to Education in Kentucky Enacted by the 1930 General Assembly, (Frankfort, Kentucky: State Board of Education), pp. 3-5.

and recommendations will probably be presented to the legislature of 1932.<sup>2</sup>

#### A. States Included In The First Group

Of the forty-four states in which the state legislature met in regular session in 1931, a number reported no public school finance legislation, while several states reported the proposal or enactment of measures which were of only minor and local importance.

A study of the present school laws of these states will reveal that some of them have already provided relatively sound and satisfactory methods of support for their schools while still others maintain their schools by an antiquated and inefficient system.

TABLE I

STATES IN WHICH NO MEASURES OR ONLY MEASURES OF MINOR IMPORTANCE WERE CONSIDERED

Arizona	Massachusetts	North Dakota
California	Minnesota	Oregon
Colorado	Montana	Rhode Island
Connecticut	Nevada	South Carolina
Delaware	New Hampshire	South Dakota
Georgia	New Jersey	Texas
Maine	New Mexico	Vermont
Maryland	New York	

1. Arizona. The State of Arizona reported no proposed nor enacted legislation in 1931 pertaining to public school finance.

<sup>2</sup>Annual Report of the Superintendent of Public Instruction of the Commonwealth of Virginia, School Year 1930-31, State Board of Education Bulletin, Vol. 14, No. 3, p. 94.

Arizona provides no state equalization fund. Nevertheless, she attempts to equalize school revenues and school burdens by certain policies. An appropriation of the amount of \$25.00 per pupil in average daily attendance is made from the general state fund for school purposes. This money is apportioned to counties on the basis of average daily attendance. Arizona guarantees from state, county, and district sources the amount of \$1,500 per annum for every one-room rural school and \$3,000 for every two-room rural school. The law further provides that every county must levy a county school tax, which together with the county share of the state school fund, shall provide not less than \$45.00 nor more than \$80.00 per pupil in average daily attendance in all other schools.<sup>3</sup>

2. California. The State of California provides approximately twenty per cent of the total cost of her public schools. This state money is derived largely from state school taxes and appropriation from the general state fund.<sup>4</sup> The method of appropriating and apportioning state school funds in California is rather complex. Briefly, state school funds are largely apportioned to all school corporations, regardless of wealth, as specific quotas or definite grants per item of approved cost and upon the basis of teaching units.

Certain minor changes in the school finance laws of California were made by the 1931 legislature. An act was

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<sup>3</sup> School Law of Arizona, 1925, Section 2817, p. 142, and Section 2821, p. 145.

<sup>4</sup> "Biennial Survey of Education, 1926-28," U. S. Office of Education Bulletin, No. 16, (1930), p. 473.



passed which provided for the apportionment of \$700.00 from the state school fund and \$700.00 from the county elementary school fund for each new elementary school the year following its organization.<sup>5</sup> The amount of \$2,200 is allowed from the state high school fund and \$1,000 from the county high school fund for each new high school district organized. An appropriation of \$550.00 from the state and \$250.00 from the county for each of grades nine to twelve is allowed on account of such grades maintained in any high school and an equal amount is allowed for each of grades thirteen and fourteen in junior college maintained by a high school district.<sup>6</sup>

An act was passed by the California legislature which stipulated the maximum tax rates for certain items of school cost in school districts.<sup>7</sup> Another bill provided that school budgets be published.<sup>8</sup> A series of bills to permit county boards of supervisors to revise district budgets was defeated by the legislature.<sup>9</sup>

3. colorado. Colorado levies no state tax providing current revenue for public schools nor do the schools have any claim on any portion of the proceeds of any state tax.

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<sup>5</sup>"California Educational Legislation, 1931," California Schools, Volume 11, No. 6, (June, 1931), S. B. No. 847, p. 263.

<sup>6</sup>Ibid., S. B. 832, p. 264.

<sup>7</sup>Ibid., S. B. 831, p. 266.

<sup>8</sup>Ibid., S. B. 950, p. 267.

<sup>9</sup>National Education Association, Division of Research, State School Legislation, 1931, Studies in State Educational Administration, No. 6, (February, 1932), p. 8.

The state laws provide, however, that if in any county the maximum county school tax levy of five mills is insufficient to provide funds to pay a minimum teachers salary of \$75.00 per month the State Superintendent shall apportion from the State Public School Income Fund a sum sufficient to cover the deficiency.<sup>10</sup>

The last legislature of Colorado defeated a resolution to submit to a referendum vote an amendment to the state constitution making the levying of income taxes valid.<sup>11</sup>

An act was passed by the 1931 legislature of Colorado providing a new salary schedule for county school superintendents.<sup>12</sup>

4. Connecticut. An act passed by the last General Assembly of Connecticut provides that town eligible to claim reimbursement for high school tuition and transportation are to be determined by average tax income instead of valuation.<sup>13</sup> Formerly towns were classified into nine classes upon the basis of assessed valuation. The new act provides for the classification of towns into fourteen groups based upon annual tax income. Reimbursement for salaries is to be made in inverse proportion to the average tax income of towns according to class.

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<sup>10</sup>F. H. Swift and B. L. Zimmerman, State School Taxes and School Funds and Their Apportionment, U. S. Bureau of Education Bulletin, No. 29, (1928), p. 54.

<sup>11</sup>National Education Association, op. cit., p. 9.

<sup>12</sup>School Laws Enacted by the Twenty-Eighth General Assembly of the State of Colorado, Colorado Department of Education, (1931), p. 3.

<sup>13</sup>"Laws Relating to Education," Connecticut School Document No. 2, 1931, Section 201, pp. 90-94.

The State of Connecticut lends little support to public education. In addition to the apportionments to towns with a limited tax income special state aid is provided for more needy towns.

5. Delaware. The State of Delaware is perhaps the most outstanding example of a state having provided adequately for the support of its schools. Since the Delaware Plan for financing schools was introduced in 1921,<sup>14</sup> Delaware has been able to maintain her schools and assist materially in the building program and, at the same time, cut the income tax by fifty per cent and relieve all districts of paying the principal on their bonded indebtedness.<sup>15</sup> Delaware is the only state in the Union devoting all the proceeds of an income tax to its schools.

In 1931 a new budget act was enacted in Delaware which established the principle of differentiation in the appropriation of state school funds. In 1929 the budget provided that after certain state-wide activities were taken care of the remainder of the appropriation should be based on a straight net enrollment basis. The new budget changes this to say that \$90.00 shall be allotted for each pupil in the 10th, 11th, and 12th grades; \$82.50 for the 7th, 8th, and 9th grades; and the remainder on the enrollment in the first six grades. The estimate is \$68.50 per pupil.<sup>16</sup>

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<sup>14</sup>School Law of the State of Delaware, 1921.

<sup>15</sup>John Shilling, A Brief Summary of the Accomplishments of the 1931 General Assembly for Public Education, Mimeographed Report, Delaware State Department of Education, (1931), p. 3.

<sup>16</sup>Ibid., p. 3.

The general state school budget was increased by \$362,000 above that of 1929 to a total of \$3,612,000 for each of the years 1932 and 1933.<sup>17</sup>

Another act was passed by the Delaware legislature which makes the State Treasurer the Treasurer of all school districts in the state, including Wilmington; heretofore the Special Districts and Wilmington did not use the State Treasurer for a distributing agent.<sup>18</sup>

6. Georgia. In 1926 the legislature of Georgia passed an act requiring that there be provided, in addition to the regular school fund, an equalization fund. In addition to an annual appropriation of approximately \$1,000,000, the original bill provided that the proceeds of a tax of one-half cent per gallon on gasoline and one cent per gallon on kerosene be devoted to equalization. The plan for apportionment provides that this fund be distributed among counties and independent systems of the state on the basis of their relative financial ability and educational need. Educational need is measured in terms of teaching units. Teaching units are determined by dividing the average daily attendance by thirty, except in counties in which the average daily attendance is less than one and five-tenths children per square mile. In such counties the average daily attendance is divided by twenty-five. An allowance of \$600.00 is made for each teaching unit. In order to

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<sup>17</sup> John Shilling, op. cit., p. 1.

<sup>18</sup> Ibid., p. 2.

share in the equalization fund the local corporation must levy a general property tax of not less than five mills, and must maintain schools not less than seven months. The state appropriates from the equalization fund sufficient funds to meet the deficiency of local funds.<sup>19</sup>

The 1931 legislature of Georgia levied an additional tax of one cent per gallon on gasoline the proceeds of which will go to the equalization fund.<sup>20</sup>

The existing income tax law of Georgia was extensively revised so that it may contribute substantially to the support of education in the state. The new income tax law carries rates from one to five per cent on individual incomes and four per cent on corporate incomes.<sup>21</sup>

A resolution was adopted by the last legislature which provided that a constitutional amendment which would permit a classification of property with a lower rate on intangibles be submitted to a vote of the people of the state.<sup>22</sup>

7. Maine. The 1931 legislature of Maine defeated a resolution to submit to a referendum vote of the people an amendment to the state constitution making income tax valid.<sup>23</sup> No other legislation was reported.

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<sup>19</sup>H. Reid Hunter, "Georgia's Plan for Distribution of Her Equalization School Fund," American School Board Journal, Vol. 76, (March, 1928), p. 40.

<sup>20</sup>National Education Association, op. cit., p. 10.

<sup>21</sup>Ibid., p. 9.

<sup>22</sup>Ibid., p. 10.

<sup>23</sup>Ibid., p. 9.

Approximately thirty per cent of the total school revenue is collected and distributed by the state. Of this state school money approximately three-fourths is devoted to general relief and the remainder is devoted to equalization.

8. Maryland. The State of Maryland enjoys the distinction of being one of the few states of the Union which has worked out a scheme of financing public schools in a sound and relatively satisfactory way. Maryland began to formulate her plan for equalization of educational opportunity about twelve years ago and the legislation of 1922 brought into existence the so-called Maryland Plan for Equalization. It has been so satisfactory as to need no change since that time.<sup>24</sup>

9. Massachusetts. The State of Massachusetts reported no proposed nor enacted public school finance legislation during the year 1931.

The general state school fund of Massachusetts is raised largely by a tax on incomes and is distributed in the form of reimbursements for money expended by cities or towns for salaries of teachers, principals, and superintendents. A portion of the fund is distributed to each school corporation, regardless of wealth, on the basis of a graduated salary schedule. The remainder of the fund is distributed to poor towns in inverse proportion to the tax income per pupil in average membership.<sup>25</sup>

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<sup>24</sup>"Equalizing Educational Opportunities in Maryland," Maryland School Bulletin, Vol. 12, No. 1, (September, 1930).

<sup>25</sup>Massachusetts General Laws Relating to Education, 1927, Chapter 70, Part I, Section 1-7, Part II, Section 8-18, pp. 11-14.

10. Minnesota. The 1931 legislature of Minnesota adopted a resolution to submit to a referendum vote of the people an amendment to the constitution making income taxes valid.<sup>26</sup>

The State of Minnesota provides approximately twenty per cent of the total cost of her public schools. A special state aid fund is maintained from appropriations from the state revenue fund. This special state aid is intended to assist in providing equal educational opportunities, to assist poor districts in providing a minimum educational program, to provide teacher training in high schools, and to award superior efficiency and educational progress.<sup>27</sup>

11. Montana. In 1927 the State of Montana created a state common school equalization fund and made the State Board of Education the Common School Equalization Board. This act made it mandatory that the State Board determine the minimum educational program to be equalized. The equalization fund consists of fifty per cent of the annual proceeds of the state inheritance tax, the proceeds of all oil license taxes, and the proceeds of that portion of the tax on metal mines formerly credited to the common school interest and income fund.<sup>28</sup>

The 1931 legislature of Montana adopted a new budget act requiring a uniform budget system throughout the State.<sup>29</sup>

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<sup>26</sup>National Education Association, op. cit., p. 9.

<sup>27</sup>Minnesota School Laws, 1927, Section 246, p. 71.

<sup>28</sup>School Laws of the State of Montana, 1931, Chapter 119, pp. 77-79.

<sup>29</sup>Ibid., p. 102.

A resolution to submit to a referendum vote of the people an amendment to the state constitution making valid the levying of a state income tax was defeated by the Montana General Assembly.<sup>30</sup>

12. Nevada. No measures concerning public school finance were considered by the General Assembly of Nevada during its session of 1931.

The State of Nevada collects and distributes approximately one-fifth of the total money expended for schools. The law provides that a fund be maintained for the relief of poor districts but the funds available for this purpose are very small.

13. New Hampshire. The State of New Hampshire reported no proposed nor enacted public school finance legislation during the year 1931.

All state revenue provided for education in New Hampshire is covered by one appropriation from the general state fund to the State Board of Education. A state equalization fund is provided to aid districts in which a levy of five mills on the equalized value of property is insufficient to cover the maintenance costs required by law.<sup>31</sup>

14. New Jersey. State funds provide approximately one-fifth of the total revenue for schools in New Jersey. The state schools funds are derived largely from a state property

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<sup>30</sup>National Education Association, op. cit., p. 9.

<sup>31</sup>New Hampshire School Laws, 1927, p. 69.



tax for school purposes. Of the total state revenue for schools approximately one per cent is devoted to relief of poor districts.<sup>32</sup>

The State of New Jersey reported no school finance legislation in 1931.

15. New Mexico. The New Mexico State Department of Education reported that no changes were made in the school finance policies of the state by the 1931 General Assembly.

The only state tax levied specifically for schools in New Mexico is a one-half mill general property tax. More than half the total state school money is derived from the permanent school fund. The state constitution provides that before apportioning the state current school fund a sufficient amount should be deducted to be distributed among school districts in which the proceeds of the maximum tax plus the regular quota of current school fund is insufficient to operate schools for five months.<sup>33</sup>

16. New York. The State of New York lends liberal financial support to her schools. All of the state school money is appropriated out of the general state fund. The proceeds of a state income tax serve as a source from which appropriations are made. The state support amounts to about twenty-seven per cent of the total cost of the public schools.<sup>34</sup> Approximately three-fourths of the state school money goes to

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<sup>32</sup>New Jersey School Law, 1925, Article 17, pp. 163-174.

<sup>33</sup>Constitution of New Mexico, Article XII, Section 4: Compilation of the Public School Laws of New Mexico, 1915, p. 110.

<sup>34</sup>"Biennial Survey of Education, 1926-28," U. S. Office of Education Bulletin, No. 16, (1930), p. 473.

general support of the common schools while the remainder is devoted to equalization. There is a decided tendency toward equalization in the apportionment of the fund devoted to general support since it is apportioned to districts in inverse proportion to the assessed valuation of property within the district. The equalization fund is largely apportioned on the basis of teaching units.<sup>35</sup>

The 1931 legislature of the State of New York appropriated \$10,000.00 "for the purpose of making a survey of the present methods of apportionment of state funds, the use and effect of such apportionment and needed changes in method of apportionment".<sup>36</sup>

17. North Dakota. The State Department of Education of North Dakota reported no proposed nor enacted public school finance legislation during the year 1931.

Very little state support is given the public schools in North Dakota. State funds for public education are largely derived from the permanent school fund and school lands. No provisions are made for state relief of poor districts or for equalization.

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<sup>35</sup>F. H. Swift and B. L. Zimmerman, State School Taxes and School Funds and Their Apportionment, U. S. Bureau of Education Bulletin, No. 29, (1928), p. 282.

<sup>36</sup>Charles A. Brind, "Educational Legislation of 1931," University of the State of New York Bulletin of Schools, Vol. 17, Nos. 16-17, (1931), pp. 202-203.

18. Oregon. The 1931 legislature of Oregon proposed a referendum on the entire abolition of state property tax but this was defeated.<sup>37</sup>

The schools of Oregon are organized on the county unit plan. The state provides little school support and provides no relief for poor districts.

19. Rhode Island. No school finance legislation was enacted nor proposed by the last legislature of Rhode Island.

State support to public education amounts to only approximately fifteen per cent of the total cost.<sup>38</sup> While the state laws provide for an equalization fund the amount of such funds available are so small as to be negligible. The distribution of the fund is left largely to the discretion of the State Board of Education.

20. South Carolina. The last legislature of South Carolina levied a tax on the production of electric power within the state. The proceeds of this tax will serve only as a source from which state school money may be appropriated.<sup>39</sup>

The major portion of the state educational fund of South Carolina is devoted to equalization. Equalization grants appropriated from the general fund are designed to even the inequalities in taxable wealth. After requiring each county to use its three mill constitutional tax and to levy a four mill

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<sup>37</sup>National Education Association, op. cit., p. 10.

<sup>38</sup>"Biennial Survey of Education, 1926-28," U. S. Office of Education Bulletin, No. 16, (1930), p. 473.

<sup>39</sup>National Education Association, Division of Research, State School Legislation, 1931, Studies in State Educational Administration, No. 6, (February, 1932), p. 10.

ad valorem tax, the state supplements these two sources of revenue by direct state appropriation and pays the salaries of all public school teachers under a given schedule for the first six months, providing the district or county run its schools for an additional month.<sup>40</sup>

21. South Dakota. The only financial legislation passed by the General Assembly of South Dakota which might effect the public schools was an amendment to the state constitution providing for a classified property tax. The amendment was submitted to a referendum prior to 1931.<sup>41</sup>

South Dakota has no fund known as an equalization fund. Each rural school which meets state requirements is entitled to receive from the state a flat annual grant of \$150.00. The state makes annual grants to consolidated schools in the form of flat quotas, the amount of the grant depending upon the class of the school.<sup>42</sup>

22. Texas. The 1931 legislature of Texas levied a tax on cigarettes the proceeds of which will be used for school purposes.<sup>43</sup> This is the only school finance legislation reported.

The State of Texas levies an ad valorem tax and a poll tax for schools. One-fourth of the proceeds of the occupational tax is credited to the state school fund. Appropriations are

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<sup>40</sup> General School Laws of South Carolina, 1924, pp. 87-92.

<sup>41</sup> National Education Association, op. cit., p. 10.

<sup>42</sup> School Laws of South Dakota, 1925, Chapter 15, pp. 109-112.

<sup>43</sup> National Education Association, op. cit., p. 10.

also made to the state school fund from the general revenue fund. The state school money is largely distributed to school districts on the basis of enumeration. The law provides for special aid to rural districts but the method of distributing the aid is prescribed at the time the appropriation is made and is not the same each year.<sup>44</sup>

23. Vermont. The 1931 legislature of Vermont enacted a new income tax law and also provided for a reduction in the state general property tax. The schools have no specific claim to any part of the revenue derived from the income tax.<sup>45</sup>

A state general property tax for schools provides approximately forty-five per cent of the state school fund of Vermont. Another forty-five per cent is derived from appropriations from the general revenue fund. The proceeds of certain minor license fees provide the remainder of the fund. School districts are divided into seven groups according to the amount of funds raised by local taxation which are expended for school support. A portion of the state aid is apportioned to these districts in inverse proportion to the tax income according to group. A part of the state aid is apportioned as grants for administration and supervision, grants to stimulate school work, and as equalization grants.<sup>46</sup>

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<sup>44</sup>Constitution of Texas, Article VII, Section 3: Texas Public School Laws, 1929, p. 1.

<sup>45</sup>National Education Association, op. cit., p. 9.

<sup>46</sup>Vermont School Laws, 1925, Section 1366-1367, p. 68, and section 1369-1370, p. 69.

## B. States Included In The Second Group

School finance measures of major importance were introduced in the 1931 legislatures of sixteen states but failed to be enacted into law. The measures proposed in each of these states will be considered in this section. Certain measures of less importance and measures only indirectly effecting schools which were enacted into law will be included.

TABLE II

STATES IN WHICH IMPORTANT MEASURES WERE PROPOSED  
BUT WERE NOT ENACTED INTO LAW

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Alabama	Michigan	Washington
Idaho	Nebraska	West Virginia
Illinois	Ohio	Wisconsin
Indiana	Oklahoma	Wyoming
Iowa	Pennsylvania	
Kansas	Tennessee	

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1. Alabama. Under a law enacted by the Alabama legislature in 1927, an equalization fund of \$900,000 was created.<sup>47</sup> This equalization fund is apportioned on the basis of teacher units. One elementary teacher unit is allowed for each one-teacher school where consolidation is impractical. In other schools one teacher unit is allowed for each thirty pupils in average daily attendance in grades seven to twelve. One helping teacher is allowed for each 75 teachers in a county with a minimum of one helping teacher to each county.

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<sup>47</sup>Alabama School Law, 1927, No. 382.

This law requires that before the schools of a county may participate in the equalization fund the county must levy and collect a county school tax of four mills and in each district a tax of three mills must be levied. The amount spent on salaries must equal at least seventy-five per cent of the current operating expenses. The salary schedule adopted by the State Board of Education serves as a basis for determining the minimum program to be equalized. From the cost of the minimum program is subtracted the amounts yielded by a three mill county tax, a two mill district tax, and all other funds available for schools. The difference is the amount to be received from the equalization fund. In addition to the equalization fund an annual appropriation from the general state revenue fund is apportioned on the basis of aggregate attendance.

The Alabama legislature of 1931 was asked to leave the present school finance policies of the state practically undisturbed. However, the Alabama Education Association introduced measures which would have greatly increased the funds available for the equalization of educational opportunity and for the provision of school buildings in the rural sections of the state. Measures introduced also provided for state aid in the transportation of pupils. These measures were defeated by the legislature.<sup>48</sup>

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<sup>48</sup>Personal letter from Dale S. Young, Director, Division of Research and Information, Alabama State Department of Education, Filed in office of the Graduate School.

The legislature enacted a law imposing an annual store license tax which is steeply graduated on the basis of the number of stores operated in the state by any one person or organization. The legislature of Alabama also enacted a new income tax law but this was later declared unconstitutional. An inheritance tax measure was submitted to a vote of the people of Alabama and subsequently ratified by them.<sup>49</sup>

2. Idaho. In 1929 a county equalization tax bill was prepared in Idaho but this bill was never presented in the legislature. The bill provided for the distribution of the county equalization fund on a weighted pupil basis. It also provided that the minimum and maximum number of pupils in one-room schools for which money might be apportioned be determined.<sup>50</sup>

In 1931 certain measures were presented which would have provided new sources of state school revenue and new methods of apportionment but these measures were defeated.<sup>51</sup>

The legislature was successful in enacting a new income tax law. The revenue derived from this source will serve only as a source from which state school funds may be appropriated. The office of State Tax Commissioner was created to administer the new income tax law.<sup>52</sup>

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<sup>49</sup>National Education Association, op. cit., p. 9.

<sup>50</sup>National Education Association, Division of Research, State School Legislation, 1929, Studies in State Educational Administration, No. 1, (December, 1929).

<sup>51</sup>Personal letter from Myrtle Ramey Davis, Superintendent of Public Instruction of the State of Idaho.

<sup>52</sup>National Education Association, Division of Research, State School Legislation, 1931, Studies in State Educational



The legislature of Idaho enacted a measure requiring the submission of a detailed budget by the board of school trustees to the County Superintendent and to the State Board of Education.<sup>53</sup>

3. Illinois. Bills levying a tax on tobacco products, a tax on grain contracted for future delivery, and a graduated store license tax were proposed in the Illinois legislature but the three bills were defeated. The revenue derived from these new taxes was to go to the state school fund.<sup>54</sup>

The regular session of the 1931 legislature in Illinois defeated a measure providing for a state income tax. However, in a special session of the legislature in the early months of 1932 an income tax law was passed. The new law provides for a tax of one per cent on individual incomes up to \$1,000 and as high as six per cent on incomes over \$25,000. It was estimated that this tax will give the state about \$30,000,000 additional income annually. Backers of the bill claim, however, that this amount will not actually be added to the state's income. They claim that property tax will be reduced by a similar amount.<sup>55</sup> This income tax law was held unconstitutional by Judge Jesse J. Brown, in Sangamon County Circuit Court. An appeal

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Administration, No.6, (February, 1932), p. 10.

<sup>53</sup>School Laws of the State of Idaho, 1931, Part V, p. 41.

<sup>54</sup>Legislative Synopsis and Digest of the Fifty-seventh General Assembly, State of Illinois, S. B. 49, p. 35; S. B. 135, p. 58; S. B. 469, p. 146.

<sup>55</sup>Terre Haute Star Newspaper, (February 23, 1932).

from the ruling will be made to the State Supreme Court.<sup>56</sup>

Should the law be declared valid the schools will have no definite claim to any part of the income tax receipts but the tax will serve as a source from which school appropriations may be made.

4. Indiana. The 1929 legislature of Indiana authorized the creation of a commission for a survey of the problem of state aid for public schools. This commission recommended certain significant changes in the methods of school support. The recommendations of the commission were embodied in a bill providing an extensive program for the equalization of educational opportunity in the state which was introduced in the General Assembly of 1931.<sup>57</sup>

The program provided that each school corporation in the state should be entitled to receive from the state the sum of \$800.00 per year for each elementary teaching unit and the sum of \$1,040 per year for each high school teaching unit. In addition it provided that the state pay fifty per cent of the approved transportation cost of each school corporation.

The measure provided the following bases for computing teaching units:

High Schools Grades 9 to 12. High schools having more than 408 pupils in average daily attendance were to be allowed one high school teaching unit for each 25 pupils in average daily

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<sup>56</sup>Indianapolis News Newspaper, (April 18, 1932), Column 8, p. 7.

<sup>57</sup>State of Indiana, Report of the Commission for a Survey of the Problem of State Aid for Public Schools, 1931.

attendance. High schools having more than 125 and not more than 408 pupils in average daily attendance were to be allowed eight teaching units for the first 125 pupils and one additional unit for each additional 34 pupils in average daily attendance. High schools having not less than 35 and less than 125 pupils in average daily attendance were to be allowed three high school teaching units for the first 35 pupils and one additional high school unit for each additional 18 pupils in average daily attendance. Approved high schools with less than 35 pupils in average daily attendance were to be allowed three teaching units.

Elementary Schools Grades 1 to 8. Elementary school corporations having an average daily attendance of more than 310 pupils were to be allowed one elementary teaching unit for the first 31 pupils in average daily attendance. School corporations having more than 175 and no more than 310 pupils in average daily attendance were to be allowed seven units for the first 175 pupils and one additional elementary unit for each additional 46 pupils. School corporations having more than 40 but less than 175 pupils in average daily attendance were to be allowed two elementary teaching units for the first 40 pupils and one additional elementary unit for each additional 26 pupils in average daily attendance. School corporations having less than 40 pupils in average daily attendance were to be allowed one unit for the first 20 pupils and one additional unit for each additional 20 pupils. One-teacher schools certified by the State Aid Review Board were to be allowed one elementary teaching unit regardless of the number of pupils in average daily attendance.

A clause in the bill provided that no school corporation should be entitled to receive from the state equalization fund an amount greater than the total current operating expenses of the corporation for the year immediately preceding the year in which the apportionment was made.

This measure was defeated in the Senate late in the legislative session.

Another bill introduced into the Indiana legislature provided that state aid to poor districts be that amount which when added to the amount raised by the \$1.20 local tax levy would equal \$65.00 per elementary pupil and \$120.00 per high school pupil in average daily attendance. This bill made no provision for state aid in the transportation of pupils. This bill was also defeated.<sup>58</sup>

A bill to limit all budgets for 1931-32 to eighty per cent of the 1930 budget was defeated. Another bill limiting the local tax levy to seventeen and one-half mills was also defeated.<sup>59</sup>

An act providing that an amendment to the constitution making income taxes valid be submitted to a referendum vote was enacted by the Indiana General Assembly.<sup>60</sup> Whether or not the present state constitution will permit the levying of a state income tax seems to be questionable.

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<sup>58</sup>R. W. Holmstedt, Bills Providing State Aid for Public Schools Introduced in the State Legislature of 1930-31, Mimeographed Report, (Bloomington, Indiana: Indiana University, 1931).

<sup>59</sup>National Education Association, op. cit., p. 8.

<sup>60</sup>Acts of Indiana, 1931, Chapter 157, pp. 552-555.

In 1921 an act was passed by the General Assembly of Indiana providing for a state common school fund to be derived from a state school tax on property of seven cents and a state school poll tax of fifty cents. The bill provided that seventy per cent of the fund be devoted to general relief and be apportioned to all school corporations on the basis of enumeration. The remaining thirty per cent of the fund was to constitute a deficiency fund and be apportioned to poor school districts to aid in providing a minimum educational program.<sup>61</sup> In 1929 this act was amended to provide that fifty-five per cent of the fund be devoted to general relief and forty-five per cent be used as special aid to poor districts for each of the years 1930 and 1931 and that thereafter the original division of seventy per cent and thirty per cent be used.<sup>62</sup> The 1931 General Assembly enacted a new act providing that hereafter fifty-five per cent of the state common school fund shall be apportioned to all school corporations as general relief and forty-five per cent of the fund shall be used in aiding poor districts to provide a minimum educational program.<sup>63</sup>

Another act passed by the General Assembly of Indiana authorized the State Superintendent to deduct from the state common school fund the amount of \$250,000 in the month of

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<sup>61</sup>Indiana Acts of 1921, Chapter 201, pp. 539-543.

<sup>62</sup>Indiana Acts of 1929, Chapter 213, pp. 719-723.

<sup>63</sup>Indiana Acts of 1931, Chapter 163, pp. 566-572.

June, 1931, and an equal amount in each of the months of January, 1932, June, 1932, and January, 1933. The money so deducted is to be used to pay unpaid claims upon the deficiency fund, owed by the state to schools in poorer school corporations for the school years 1926-27, 1927-28, and 1928-29.<sup>64</sup>

5. Iowa. In Iowa, Bill SF No. 215, introduced into the last general session of the legislature provided for a state-wide amusement tax of one cent on each ten cents admission or fraction thereof. In the original draft of the bill receipts were to be distributed to schools on the basis of average daily attendance but this was amended to provide for distribution on a teacher unit basis. Provision was made for such funds to replace an equal amount of local taxation. It was estimated that school districts would receive about \$2,500,000 from this source.<sup>65</sup>

Teacher units provided for in the bill were to be determined as follows:

Elementary Schools. One teacher unit was allowed for each one-teacher school regardless of the average daily attendance. In districts having an average daily attendance of less than 40 pupils were to be allowed not more than two teacher units. In districts having over 40 pupils in average

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<sup>64</sup>Indiana Acts of 1931, Chapter 164, pp. 572-573.

<sup>65</sup>Personal letter from R. C. Williams, Director of Research, Iowa State Department of Public Instruction, Filed in Office of Graduate School.

daily attendance, two teachers were to be counted for the first 40 pupils and one additional teacher was allowed for each additional 28 pupils in average daily attendance.

High Schools. Districts having an average daily attendance of less than 25 pupils in grades six to twelve were to be allowed two teacher units. In districts having an average daily attendance of 40 or less in grades nine to twelve inclusive, two teachers were to be counted for the first 25 pupils and one teacher for each additional 15 pupils. Districts having an average daily attendance of more than 40 pupils were to be allowed three teacher units for the first 40 pupils and one additional teacher unit for each additional 23 pupils in average daily attendance.<sup>66</sup>

A clause in the bill provided that no school district should be eligible for an allotment in excess of the amount received from the levy for general school support together with the amount apportioned from the equalization fund during the next preceding year; excepting, however, in cases of emergency. This act was designated as a replacement measure and it was intended that the tax imposed by the act should reduce the burden of taxation imposed upon taxable real estate and tangible property.

Another bill proposed in the Iowa legislature, HF Bill No. 493, was an equalization measure which would have affected

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<sup>66</sup>R. W. Holmstedt, op. cit., p. 5.

those districts whose property valuation per teacher unit was below the average of the state. This average property valuation was calculated to be \$38,000 per teacher unit. It was estimated that about \$8,000,000 would be made available for the schools as an equalization fund. This bill died in committee.<sup>67</sup>

The bill proposed to appropriate \$100.00 for each teacher unit allotted to a school district. It also made available \$900.00 for each elementary teacher unit and \$1,260 for each high school teacher unit in districts in which the assessed valuation per teacher unit was below the average of the state. High school teacher units were to equal one and four-tenths elementary teacher units. A local tax levy of twenty-five mills would have been required of each district sharing in the equalization fund. The difference between the amount raised by the twenty-five mill tax and \$900.00 per elementary teacher unit and \$1,260 per high school teacher unit would have been provided by the state. To be eligible the district must have spent at least \$900.00 per elementary teacher unit and \$1,260 per high school teacher unit. A clause in the bill provided that the state apportionment of \$100.00 per teacher unit must be used to reduce the property tax levy.<sup>68</sup>

A law was passed by the Iowa legislature requiring all taxing bodies to reduce the tax levies for the next two years by five per cent of the 1930 levy, exempting those school

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<sup>67</sup>Personal letter from R. C. Williams, op. cit.

<sup>68</sup>R. W. Holmstedt, op. cit., p. 5.



districts which were not levying within five per cent of the legal limit and those districts in which such levies are mandatory to pay interest and principle on outstanding indebtedness.<sup>69</sup>

A bill providing for the levying of a tax on personal and business incomes was introduced into the Iowa legislature but this bill was defeated. The state property tax levy was reduced by two mills.<sup>70</sup>

Previous laws of Iowa provided that certain fines and forfeitures collected for violations of the penal code be distributed to school districts within the counties collected on the basis of the number of persons of school age. The entire proceeds of such funds were distributed in this manner. The 1931 legislature provided that only the net proceeds of such fines and forfeitures shall be distributed. The fund distributed by the former method recently amounted to \$500,000. It is the personal opinion of the Director of Research of the Iowa State Department of Public Instruction that the major part of this fund will be taken away from the schools.<sup>71</sup>

6. Kansas. The legislature of Kansas enacted nothing of any consequence pertaining to school finance. The most significant legislation was in the form of two resolutions to

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<sup>69</sup>Personal letter from R. C. Willisms, op. cit.

<sup>70</sup>National Education Association, op. cit., p. 5.

<sup>71</sup>Personal letter from R. C. Williams, ibid.

submit constitutional amendments to a vote of the people at the next general election in 1932.

One of these would make possible the levying of a progressive and graduated income tax. "It is to be assumed that the income from this source when secured would be devoted to the establishment, in part at least, of a state equalization fund. This would have to be decided by future legislation."<sup>72</sup>

The second resolution provides for submitting a constitutional amendment to the effect that the total of all district taxes should not rise to a maximum greater in rural districts than one and one-half per cent of the assessed valuation, and not more than two per cent in urban districts.<sup>73</sup>

A comprehensive bill providing state aid for public schools was introduced in the legislature of Kansas. Difficulties in raising needed revenue were involved because of constitutional limitations on taxation. The bill introduced received much favorable attention but failed to pass the legislature.<sup>74</sup>

7. Michigan. An attempt was made by the legislature of Michigan to pass a revised "Turner Act", Act No. 116 of the public school acts of 1929, to distribute the \$2,000,000 under the present Turner Act more equitably so as to spread the available funds over more districts.<sup>75</sup>

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<sup>72</sup>Personal letter from George A. Allen, Jr., State Superintendent of Public Instruction of the State of Kansas, Filed in Office of Graduate School.

<sup>73</sup>Ibid.

<sup>74</sup>R. W. Holmstedt, op. cit., p. 7.

<sup>75</sup>Personal letter from C. Lloyd Goodrich, Deputy Super-

An educational survey commission appointed following the legislature of 1929 recommended the creation of an equalization fund. Details for administering the fund were worked out under the direction of Dr. Paul R. Mort. The plan provided for the apportionment of \$1,200 per elementary class-room unit and \$1,600 per high school class-room unit. Class-room units were to be computed on the basis of pupil-teacher ratios.<sup>76</sup>

The legislature attempted to levy a tax on personal and business incomes and to levy a tax on tobacco products but these measures were defeated. A certain amount of the proceeds from these special taxes were to be placed in the state equalization fund, and apportioned according to the plan provided for apportioning the equalization fund.<sup>77</sup>

State aid for certain items of school costs were reduced. State aid for rural agricultural schools, or consolidated agricultural districts, was reduced from \$277,500 to \$249,750. State aid for county normal training classes was reduced from \$70,000 to \$63,000.<sup>78</sup>

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intendent of Public Instruction of the State of Michigan,  
Filed in the Office of the Graduate School.

<sup>76</sup>F. M. Thrun, School Financing in Michigan, Michigan Agricultural Experiment Station Bulletin, No. 212.

<sup>77</sup>Personal letter from C. Lloyd Goodrich, ibid.

<sup>78</sup>Ibid.

A measure to give the State Tax Commissioner power, on appeal, to reduce or exclude items in any municipal or school budget was defeated by the Michigan legislature.<sup>79</sup>

8. Nebraska. A bill providing for the equalization of educational opportunity and a plan for reducing local school tax levies was proposed by the Nebraska School Board and School Executives Association.<sup>80</sup> The bill provided for a minimum program costing \$800.00 per elementary teacher, \$1,060 per high school teacher and one-half the cost of transportation of pupils.

The number of teacher units allowed for each district was to be computed as follows: In one-teacher schools one teacher unit was to be allowed for each 25 pupils in average daily attendance. In elementary schools having two or more teachers, two teacher units were to be counted for the first 35 pupils in average daily attendance and one teacher unit for each additional 30 pupils in excess of 35. In high schools with less than 170 pupils in average daily attendance in grades nine to twelve, two teacher units were to be counted for the first 15 pupils and one additional unit for each additional 22 pupils in excess of 15. High schools having from 170 to 305 pupils in average daily attendance were to be allowed nine

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<sup>79</sup> National Education Association, Division of Research, State School Legislation, 1931, Studies in State Educational Administration, No. 6, (February, 1932), p. 8.

<sup>80</sup> "Equalize Educational Opportunity," Nebraska School Board and School Executives Association Bulletin, (1931).

teacher units for the first 169 pupils and one teacher unit for each additional 32 pupils. In high schools having over 305 pupils in average daily attendance one teacher unit was to be counted for each 23 pupils.

The amount of equalization aid a district was to be entitled was to be equal to the computed cost of the minimum program less an amount equivalent to a tax of one and seven-tenths mills on the equalized valuation of the county and all other state and county aid which the district might be entitled. The proposed bill required that each county levy a tax equal to one and seven-tenths mills on the assessed valuation of the county. The county fund was to be apportioned to the districts on the basis of the relative cost of the minimum program.

The bill provided that the minimum program might be increased to \$1,000 per elementary unit and \$1,330 per high school teacher unit in 1933; and \$1,200 per elementary teacher unit and \$1,600 per high school unit in 1935. The proposed county tax rate for the biennium beginning in 1933 was two and two-tenths mills and for the biennium beginning in 1935 the county tax rate proposed was two and seven-tenths mills.

It was recommended that the necessary revenue for the equalization fund be derived from sources other than property taxes. This bill met defeat at the hands of the Nebraska legislature.

An income tax bill was introduced into the Nebraska legislature evidently with the intention of providing a source of revenue for the proposed equalization bill but this also met defeat.

19. Ohio. On bill brought before the Ohio legislature would have made many changes in the methods of financing education in the state. The bill provided that twenty cents per pupil per day be distributed to every school district in the state from a large state fund.<sup>81</sup> This bill was a result of a study by a committee of the leading school men of the state. The bill met defeat at the hands of the Ohio legislature.

An income tax measure was introduced for the purpose of providing revenue for the proposed state aid bill but this was also defeated.

A sales tax of two cents per package was levied on cigarettes, the proceeds to go to the state equalization fund. An appropriation of \$9,800,000 was made for state aid for the next biennium but no changes were made in the method of apportioning this fund.<sup>82</sup>

The equalization fund is apportioned to districts as grants to supplement the revenue derived from all other

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<sup>81</sup>Personal letter from C. D. Hutchins, Assistant Auditor of the Ohio State Department of Education, Filed in Office of Graduate School.

<sup>82</sup>Ibid.

sources and to enable districts to maintain their schools on the schedules fixed by the State Director of Education.<sup>83</sup>

The Ohio legislature added a classified property tax amendment to the state constitution. The amendment had been submitted to a referendum vote of the people prior to 1931.<sup>84</sup>

10. Oklahoma. The recent legislature of Oklahoma revised the existing income tax law to provide that three-fourths of the income tax proceeds be directed into the state common school fund and be distributed to schools on the basis of school enumeration. The new law also requires that local districts reduce their levies in an amount equal to the funds thus received.<sup>85</sup>

The Oklahoma legislature of 1927 enacted special common school aid (equalization) law providing a fund not to exceed \$1,500,000 to be secured from twenty-five per cent of the proceeds of a gross production tax. This law provided for a minimum program calling for \$1,125 per elementary classroom teacher and an appropriately larger amount per high school class-room teacher. In order to share in the equalization fund districts are required to levy the maximum local school tax of fifteen mills.<sup>86</sup>

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<sup>83</sup>F. H. Swift and B. L. Zimmerman, State School Taxes and School Funds and Their Apportionment, U. S. Bureau of Education Bulletin, No. 29, (1928), p. 315.

<sup>84</sup>National Education Association, op. cit., p. 9.

<sup>85</sup>Ibid., p. 9.

<sup>86</sup>F. H. Swift and B. L. Zimmerman, op. cit., p. 323.

A survey commission composed of Dr. Paul R. Mort and Dr. George D. Strayer of Teachers College, Columbia University, and Superintendent Albert S. Cook of Maryland, recommended a comprehensive revision of the school finance laws of the State of Oklahoma.<sup>87</sup> The proposed plan provided for a minimum program costing \$1,150 per elementary teacher unit and \$1,533 plus transportation costs translated into equivalent teaching units. It was recommended that the amount per elementary teacher unit be increased to \$1,250, \$1,350, and \$1,450 at intervals of one biennium. The corresponding amount per high school teacher unit would be one-third more than the amount allowed per elementary teacher unit. The program was to be equalized on a local school tax levy of seven mills. The measure was defeated by the Oklahoma legislature.

Oklahoma House Bill No. 495, enacted by the legislature appropriated out of the general revenue fund, not otherwise appropriated, the sum of \$750,000 for the fiscal year ending June 30, 1932, and \$250,000 for the fiscal year ending June 30, 1933, to supplement the special common school equalization fund. This money is to be distributed in the same manner as the special common school equalization fund.<sup>88</sup> This fund is

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<sup>87</sup>"Financing Oklahoma Schools," Oklahoma State Department of Education Bulletin, (1931).

<sup>88</sup>"Digest of School Legislation, Thirteenth Oklahoma Legislature," Oklahoma State Department of Public Instruction Bulletin, No. 18, (May 22, 1931).



apportioned to weak districts, approved by the state, which are unable to provide a minimum educational program. The law provides that the maximum expenditure in districts receiving such aid shall be not greater than \$45.00 per pupil per year.<sup>89</sup>

11. Pennsylvania. A commission was appointed by the legislature of 1929 to study school finance in the Commonwealth of Pennsylvania. No important measures were introduced into the 1931 legislature as a result of this study, however.

One bill introduced in the legislature provided that a commission be created to make a study of the cost of local government and ways and means of lessening the burden of the taxpayers by reducing taxes. The bill authorized the commission to study the advisability and feasibility of increasing the area of governments, of establishing larger school units, of abolishing certain forms of local government, and to study overlapping functions of local government.<sup>90</sup> This bill was passed by the legislature but was vetoed by the Governor.

Another bill provided for levying a poll tax of \$2.00 on each voter within a school district for school purposes.<sup>91</sup>

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<sup>89</sup> F. H. Swift and B. L. Zimmerman, op. cit., p. 325.

<sup>90</sup> Pennsylvania Senate Bill No. 186, (1931).

<sup>91</sup> Pennsylvania House Bill No. 252, (1931).

This bill was never reported out of committee.

Two House resolutions were proposed but both were defeated. The first resolution stipulated that the Department of Internal Affairs should determine the approximate amount of money which might be raised from a tax on earned and unearned incomes at a flat rate of two per cent, with certain exemptions, and also that it determine the amount of money now collected by the counties and the state under the four mill tax on intangible property including corporate indebtedness.<sup>92</sup>

The second resolution resolved "that it is the sense of the General Assembly that it is the duty of the Commonwealth to provide financial assistance to those school districts which are so financially handicapped and distressed that the functioning of the educational system is seriously interfered with".<sup>93</sup>

The general appropriation bill of Pennsylvania included an appropriation of \$56,000,000 for public schools. This amount is approximately the same as that appropriated by recent legislatures.

12. Tennessee. A rather comprehensive bill insuring every school district in the state of a minimum educational

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<sup>92</sup>Pennsylvania House Resolution No. 22, (1931).

<sup>93</sup>Pennsylvania House Resolution No. 15, (1931).

program was introduced into the General Assembly of the State of Tennessee but the bill met defeat.<sup>94</sup>

The bill provided for the appropriation out of the general state fund a sum sufficient to pay the salaries of the elementary teachers of the state for the period of eight months in the year. The number of elementary teachers in each county and city whose salaries were to be paid by the state under the provisions of this act were not to exceed the ratio of one teacher to each 30 pupils in average daily attendance during the next preceding year. The State Board of Education was authorized to allow one or more additional teachers if, in its judgment, they were necessary because of natural barriers or sparsely settled communities. The bill provided that the salaries of elementary teachers were to be paid by the state in accord with the state's salary schedule established by the State Board of Education and should be based upon training and efficiency. The salaries paid by the state were to make, as nearly as possible, a general minimum average of \$750.00 per teacher per year.

There was nothing in the bill to prevent any county or city from levying a local tax to pay higher salaries than those specified in the state salary schedule, to operate their schools for a longer period than eight months, or to add any other necessary expenditures such as grounds, buildings,

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<sup>94</sup>P. L. Harned, "Financing Public Education," The Tennessee Educational Bulletin, Vol. 10, No. 1, (September, 1931), p. 8.

repairs, equipment or transportation.

13. Washington. A measure increasing state support of education to fifty per cent of the current cost, county support to twenty-five per cent of current cost, and providing that the state meet fifty per cent of the cost of transportation was introduced into the General Assembly of the State of Washington in 1931. This bill also provided for certain fundamental changes in the administration of state school funds so as to allow for the wealth of the local districts and to provide an equal minimum educational program. This bill was passed by the General Assembly but was vetoed by the Governor and, therefore, did not become a law.<sup>95</sup>

An income tax measure was also passed by the legislature to provide state school revenue but this measure was also vetoed by the Governor.<sup>96</sup>

A measure giving a county tax commission power to reduce or exclude items of expense in any school budget was defeated by the legislature.<sup>97</sup>

14. West Virginia. In the writer's opinion the proposed plan of relief and equalization for elementary and high schools of West Virginia represents one of the most comprehensive educational programs brought before any legislative body in the United States during the year of 1931. This plan provided

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<sup>95</sup>Personal letter from N. D. Showalter, State Superintendent of Public Instruction of Washington.

<sup>96</sup>Ibid.

<sup>97</sup>National Education Association, op. cit., p. 8.

for a complete program of education. It carried with it four major provisions; first, a relief measure; second, an equalization measure; third, a consolidated measure; and fourth, a local supervision measure.<sup>98</sup>

The relief measure provided that a relief fund be established that would enable the state to give to local districts an amount equal to \$375.00 for each elementary teacher in a district and \$575.00 for each high school teacher in a district with which to relieve the local taxes required to produce tuition and maintenance funds. The plan proposed to reduce the local tax levy in exact proportion to the amount of money received from the state. This fund was to be distributed on the basis of teaching units. It was estimated that this fund would provide for approximately one-third of the total cost of schools.

The measure proposed the creation of an equalization fund of approximately \$1,500,000. The bill provided that for the minimum school program no district should levy a tax of more than fifty cents for elementary teachers salaries and maintenance fund combined. The amount of money a district was to be entitled to receive from the equalization fund was to be the difference in the cost of the minimum program and the funds received from the local tax levy of fifty cents plus

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<sup>98</sup>William C. Cook, Address Before the Education and Finance Committees of the House and Senate, (Charleston, West Virginia: West Virginia State Department of Education, 1931).

all other funds credited to the tuition and maintenance fund.

The consolidated measure provided for the creation of a building fund of \$500,000 for the purpose of assisting poor districts to consolidate and others to construct better school buildings. The present maximum levy for building purposes in West Virginia, without the consent of the tax Commissioner and the State Superintendent of schools, is twenty cents. It has been calculated that this tax rate will raise only \$6,000 annually in the wealthiest district in the state and \$3,000 in the average district. Obviously this is not sufficient to provide adequate school buildings.

The measure provided for the appropriation of \$225,000 for the purpose of local supervision needs. This fund would have made it possible for those districts which had exhausted their efforts and revenues and were still unable to have supervision to do so.

It was estimated that a total of \$9,000,000 annually would be necessary to finance the program and it was recommended by those sponsoring the measure that this revenue be derived from sources other than a general property tax. It was suggested that this revenue might be derived from a commodity tax on selected items including tobacco, bottled drinks, amusements, documents and records, and chain stores; an increase of rates on the most profitable items of gross sales; an income tax; and a scientifically graduated inheritance tax. It was estimated that the annual yield of the income tax would be approximately \$4,500,000; the commodity tax, \$4,850,000; the increased rates on selected items of gross sales, \$2,000,000; and the increased

inheritance tax rate, \$750,000; making a total annual income from these four sources of approximately \$12,100,000.

Bills were introduced providing for the levying of an income tax, a franchise tax, a graduated chain store tax, a tax on tobacco and bottled drinks, an amusement tax, and an increase in the inheritance tax rate for the purpose of providing revenue for the proposed new school program.

The entire program including the proposed new taxes was defeated by the General Assembly of West Virginia.

15. Wisconsin. Three significant school finance bills were introduced in the last legislature of Wisconsin. All of these bills concerned state aid for high schools and one of them provided for a general revision of the present income tax laws to provide state aid for high schools. These measures would have made available approximately \$3,000,000 for high school aid.<sup>99</sup>

One bill provided that each high school district should receive from the state the difference between the computed current operating expense of the high schools and the amount raised by a local three mill property tax plus the tuition from non-resident pupils.<sup>100</sup> Current operating expenses were to be determined on the basis of the median current operating cost per teacher for the state. The number of teachers to be allowed a district was to be determined by dividing the average

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<sup>99</sup>Personal letter from J. Callahan, State Superintendent of Public Instruction of Wisconsin, Filed in Office of Graduate School.

<sup>100</sup>R. W. Holmstedt, op. cit., p. 11.

daily attendance by the median number of pupils per teacher for the state. High schools were to be divided into two groups, those having less than 300 pupils in average daily attendance constituting the first group and those having an average daily attendance of more than 300 pupils constituting the other. For high schools having less than 300 pupils in average attendance the median was found to be 18 pupils per teacher. For high schools having over 300 pupils in average daily attendance the median was 21 pupils per teacher. No school was to be allowed more teacher units than it actually employed. The computed current operating expense was to equal the number of teacher units so computed times the state median current expense per unit in schools of the two groups.

The current operating expense standards determined for 1931 were \$2,100 per teacher in schools with an average daily attendance of less than 300 pupils and \$2,400 per teacher in schools with more than 300 pupils in average daily attendance. These were the maximum amounts provided for by the law. This bill was defeated by the General Assembly of Wisconsin.

Another bill introduced in the General Assembly provided that the state appropriate \$800.00 for each high school and \$25.00 for each pupil in average daily attendance in grades nine to twelve inclusive. A clause in the bill provided that any high school district which closed its schools should receive \$1,800 toward tuition and transportation costs of



sending pupils to another high school district.<sup>101</sup> This bill also met defeat.

One bill introduced provided for a revision of the present income tax law to include state aid for high schools.<sup>102</sup> The schools were to have prior claim to the revenue received from the income tax. There was to be apportioned from the general state fund an amount equal to sixty per cent of the total sum expended for operation and maintenance of state graded junior high schools and senior high schools. No school was to receive more than \$400.00 for each ninth, tenth, and eleventh grade, plus \$50.00 for each pupil in average daily attendance for the school year. The sum of \$50.00 was to be subtracted for each transferred pupil. Each high school district closing its high school was to receive not to exceed \$1,800 for each grade closed. The bill also provided that the county should pay each district \$250.00 for each elementary teacher employed. This bill was defeated by the General Assembly of Wisconsin.

In 1927, Wisconsin enacted an equalization law for elementary schools. Over \$6,000,000 annually was made available for the elementary school equalization fund. This amount was sufficient to put an evaluation of \$250,000 back of every elementary teacher in the state.<sup>103</sup> No provision was made for state aid to high schools at that time.

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<sup>101</sup> Wisconsin Bill No. 242A. (1931).

<sup>102</sup> Wisconsin Bill No. 721A. (1931).

<sup>103</sup> Laws of Wisconsin Relating to Common Schools, 1928, Section 20.245.

16. Wyoming. A bill introduced in the legislature of Wyoming provided for an equalization fund to be financed by the revenue derived from a tobacco tax.<sup>104</sup>

The proposed bill provided for a minimum school program costing \$1,000 per elementary teacher unit and \$1,333 per high school teacher unit. This program was to be equalized on a local tax levy of six mills. The bill provided that transportation costs translated into equivalent teacher units be included in the minimum school program to be equalized.

The number of teacher units to be allowed a district were to be determined as follows:

Elementary Schools. One-teacher schools having more than five and less than 32 pupils were to be allowed one teacher unit. Schools having more than 32 and not more than 156 pupils were to be allowed two teacher units for the first 37 pupils and one additional unit for every additional 32 pupils. In schools having more than 156 pupils one teacher unit was to be allowed for each 26 pupils.

High Schools. Schools having less than 60 pupils were to be allowed two teacher units for the first fifteen pupils and one additional unit for each additional fifteen pupils. Schools having from 61 to 165 pupils were to be allowed five high school teacher units for the first 65 pupils and one additional unit for every 21 pupils in excess of 65. Schools having more than

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<sup>104</sup>R. W. Holmstedt, op. cit., p. 12.

166 but less than 445 pupils were to be allowed ten units for the first 165 pupils and one additional unit for every additional 28 pupils. Schools having more than 445 pupils were to be allowed one unit for every 22 pupils. One elementary teacher unit was to be counted for each \$1,500 approved transportation cost.

State Aid in 1928 was \$1,894,217 which was thirty and seven-tenths per cent of the total school receipts. The proposed bill would have required an estimated increase of \$39,045 in state aid. The bill was ingloriously defeated by the Wyoming legislature.

An act passed by the Wyoming legislature provided that districts not maintaining a four-year high school may levy an additional two mill property tax for the purpose of paying tuition of pupils desiring to attend other high school districts.<sup>105</sup>

### C. States Included In The Third Group

Five state legislatures were successful in enacting school finance measure of major importance during the year of 1931. In the State of Arkansas certain measures were enacted providing for an appreciable increase in the amount of state school support. In the States of Florida, Missouri, North Carolina, and Utah measures were enacted providing additional

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<sup>105</sup>National Education Association, op. cit., p. 9.

state school support and providing for significant changes in the methods of apportioning the state school funds.

1. Arkansas. The 1931 legislature of the State of Arkansas imposed an annual license tax of from \$2.50 to \$10.00 on slot and vending machines. It is estimated that about \$150,000 will be added annually to the equalization fund from this source.<sup>106</sup>

Arkansas passed a net income tax law in 1929 which places \$750,000 annually in the State Equalization Fund.<sup>107</sup> In 1931 a revision was made in the income tax law and it is thought that this revision will annually add about \$500,000 to the equalization fund.<sup>108</sup>

A new statute will direct the entire proceeds of the sale of state lands into the permanent school fund. Heretofore, only one-half of the proceeds went into this fund.<sup>109</sup>

The cigarette tax in Arkansas was increased to five cents per package, the proceeds, however, are to be used for buildings in higher educational institutions.<sup>110</sup> An attempt was made to levy a tax on the production of electric power in the

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<sup>106</sup> School Law of Arkansas, 1931, p. 130.

<sup>107</sup> Ibid., p. 130.

<sup>108</sup> National Education Association, Division of Research, State School Legislation, 1931, Studies in State Educational Administration, No. 6, (February, 1932), p. 9.

<sup>109</sup> Ibid., p. 9.

<sup>110</sup> National Education Association, op. cit., p. 10.

state but this was defeated. The proceeds of this tax was to be used to retire school district indebtedness.<sup>111</sup>

An act passed by the legislature requires each school district to adopt and follow an annual budget.<sup>112</sup>

According to Act No. 492, of 1931, eighteen-hundredths of one mill of the state tax levy goes to assist in paying the salaries of superintendents of schools in the various counties of the state. The State Board of Education is authorized to pay to each county superintendent from this fund not to exceed \$1,500 annually.<sup>113</sup>

2. Florida. The Florida legislature was successful in enacting a law providing for the apportionment of the Public Free School Fund, the One Mill Constitutional school tax, and the Interest on the State School Fund among the counties of the state on the basis of instruction units.<sup>114</sup>

The State Superintendent is authorized to determine the average daily attendance in the several counties of the state and from this information to determine the number of instruction units in each county.

Instruction units are to be determined as follows:

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<sup>111</sup> National Education Association, op. cit., p. 10.

<sup>112</sup> Ibid., p. 8.

<sup>113</sup> School Law of Arkansas, 1931, p. 130 and Section 13, p.7.

<sup>114</sup> Florida Senate Bill No. 318.

The Elementary Unit. In one-teacher schools one elementary instruction unit is counted for an average daily attendance of 30 pupils or less. For an average daily attendance of more than 30 pupils, one unit is counted for the first 30 pupils and the fractional part of one unit for the number above 30 pupils in average daily attendance. In elementary schools having two or more teachers and with an average daily attendance of less than 300, two units are counted for the first 40 pupils in average daily attendance and one unit for each additional 35 pupils or major fraction thereof. In elementary schools with an average daily attendance of 300 or more, one instruction unit is counted for each 30 pupils or major fraction thereof in average daily attendance.

The Junior High School Unit. For the first 30 pupils in average daily attendance two units are counted, and for the number of pupils above 30 and less than 275 in average daily attendance one unit is counted for each 32 pupils or major fraction thereof. In junior high schools having an average daily attendance of 275 or more pupils one instruction unit is counted for each 27 pupils or major fraction thereof.

The Senior High School Unit. Schools having an average daily attendance of less than 250 pupils are allowed three instruction units for the first 35 pupils and one additional unit for each 30 pupils or major fraction thereof. Senior high schools having an average daily attendance of 250 or

more are allowed one unit for each 25 pupils or major fraction thereof.

The total number of instruction units in a given county is computed by using the elementary unit as a base, giving each junior high school instruction unit a value of one and twenty-two hundredths, giving each senior high school instruction unit a value of one and forty-three hundredths, and counting one elementary instruction unit for each \$1,500 or fractional part of that sum spent for transportation of pupils.

The law provides that the amount of money to be apportioned annually to any school must not exceed the total amount of money expended for teachers salaries plus an additional thirty-three and one-third per cent of such salaries. In schools where the County Board of Instruction is unable to immediately fix a minimum salary schedule, the amount of money to be apportioned for the school years 1931-32 and 1932-33 is to be a sum not to exceed the total of all teachers salaries plus an additional sixty-six and two-thirds per cent of such salaries, and for the school years 1933-34 and 1934-35 the amount must not exceed the total of all salaries plus an additional fifty per cent of such salaries.

The actual amount of money to be apportioned for each instructional unit is to be determined by dividing the total of all money available under the act for any one year by the total number of instructional units in the state. The State Superintendent is authorized to apportion the available funds to

the several counties of the state in proportion to the number of instruction units in the respective counties.

A bill providing for an inheritance tax, the proceeds of which will go to the public schools, was enacted by the Florida legislature. An annual chain store license tax steeply graduated on the basis of the number of stores operated by any one person or corporation was levied in Florida.<sup>115</sup>

A tax of two mills was levied on intangibles in Florida by the last legislature. A tax with rates ranging from \$10.00 to \$1,000 was levied on capital stock of corporations, and a tax of one and one-half per cent was levied on the gross receipts of public service corporations.<sup>116</sup>

Florida increased the gasoline tax by one cent per gallon, the extra proceeds to go to schools. The state motor vehicle license tax, with an annual yield at present of over \$6,000,000 was appropriated to the schools.<sup>117</sup>

3. Missouri. A commission was appointed in 1929 to make a study of the school system of Missouri and to recommend methods of improvement. Dr. George D. Strayer and Dr. N. L. Engelhardt, of Teachers College, Columbia University, were appointed as directors of the commission. As a result of the survey the most significant school legislation that Missouri has ever had was enacted by the General Assembly of 1931.<sup>118</sup>

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<sup>115</sup> National Education Association, op. cit., p. 10.

<sup>116</sup> Ibid., p. 10.

<sup>117</sup> Ibid., p. 10.

<sup>118</sup> "Missouri Reforms Its School Laws," American School Board Journal, Vol. 83, (July, 1931), p. 39.



The measure enacted provided for a reorganization of school districts and for the distribution of state school money.<sup>119</sup>

The law provides for the creation of a redistricting board of six members in each county to divide the county into proposed enlarged school districts. It provides that the redistricting board shall cease to exist when plans for the enlarged districts have been formulated. The proposed enlarged districts will only become operative when they are approved by the voters of the district.

The new law provides that consolidated districts now in existence may have the privilege of electing to receive aid under the provisions of the new law or under the old law. The state guarantees to every district the sum of \$750.00 for each elementary teaching unit, \$1,000 for each high school teaching unit, and an additional amount for transportation not to exceed \$3.00 per month per pupil transported a distance of two or more miles. This program is to be equalized on a local tax levy of twenty cents of the \$100.00 assessed valuation of property within the district. Schools receiving equalization aid must operate their schools at least eight months during the year. The amount to be received by any district from the equalization fund is the difference between the cost of the minimum educational program of \$750.00 per elementary unit and

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<sup>119</sup>Revised School Laws of Missouri, 1931, pp. 230-241.

\$1,000 per high school unit and the sum of the proceeds of the local twenty cent tax and all other local school funds.

The new law provides that districts which do not qualify to receive aid from the equalization fund shall continue to receive teacher and attendance quotas as at present. The attendance quota is one and three-tenths cents per day per pupil in aggregate attendance. The teacher quota amounts to \$50.00 per teacher receiving a salary of less than \$1,000 and \$100.00 per teacher receiving a salary of more than \$1,000.

The following schedule for determining teaching units is provided in the law;

Elementary Schools, Grades 1 to 8 Inclusive. Schools having not more than 30 pupils in average daily attendance, one teaching unit; more than 30 but not more than 60 pupils in average daily attendance, two teaching units; more than 60 but not more than 90 pupils in average daily attendance, three teaching units; more than 90 but not more than 120 pupils in average daily attendance, four teaching units; more than 120 but not more than 150 pupils in average daily attendance, five teaching units; more than 150 but not more than 180 pupils in average daily attendance, six teaching units; more than 180 and not more than 210 pupils in average daily attendance, seven teaching units; more than 210 and not more than 240 pupils in average daily attendance, eight teaching units; more than 240 pupils in average daily attendance, one teaching unit for each 32 pupils or major fraction thereof.

High Schools, Grades 9 to 12 Inclusive. Schools having not less than five or more than 21 pupils in average daily attendance, one teaching unit; more than 21 and not more than 40 pupils in average daily attendance, two teaching units; more than 40 and not more than 65 pupils in average daily attendance, three teaching units; more than 65 and not more than 90 pupils in average daily attendance, four teaching units; more than 90 but not more than 115 in average daily attendance, five teaching units; more than 115 and not more than 140 pupils in average daily attendance, six teaching units; more than 140 and not more than 165 pupils in average daily attendance, seven teaching units; more than 165 pupils in average daily attendance, one teaching unit for each 24 pupils or major fraction thereof.

The measures provides that when the funds available for apportionment will permit the minimum guarantee to a district qualifying for equalization quotas shall be \$900.00 per elementary teaching unit and \$1,200 per high school teaching unit, and that the attendance apportionment to other districts shall be increased to two and nine-tenths cents per day. The \$900.00 guarantee is conditional on the employment of teachers holding a state certificate. For county certificates the guarantee is; first grade, \$850.00; second grade, \$825.00; and third grade, \$800.00. In case of a shortage in the funds the funds available will be prorated on a percentage basis.

A clause in the new act provides that the state pay \$50.00 toward the tuition of any high school pupil residing in a district where no high school is maintained and attending another high school district. It also guarantees a newly formed consolidated district \$1,000 for each school building abandoned as a result of the consolidation. Provision is made for the closing of schools having an average daily attendance of fewer than 15 pupils and for the transportation of the pupils to other schools. Two or more districts are permitted to combine for school purposes if the school boards concerned approve the combination.

The law prohibits districts receiving equalization aid from levying a tax of more than twenty cents without a vote of the tax-payers of the district.

The last legislature of Missouri provided an amendment to the income tax law already in operation. The law provides a new schedule of rates and is a graduated income tax rather than a flat one. The tax rates range from one per cent on incomes of \$1,000 to four per cent on incomes above \$9,000. The new rate for corporations is two per cent on taxable income. The new law provides that should the graduated rate be declared unconstitutional the rate on individual incomes will be two per cent. Schools have no definite claim to any part of the income tax proceeds. It is estimated that the new rate will add from \$5,000,000 to \$6,000,000 annually to the state revenue.<sup>120</sup>

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<sup>120</sup> National Education Association, op. cit., p. 10.

4. North Carolina. The North Carolina legislature of 1931 enacted a comprehensive measure providing for state maintenance of the six months school term.<sup>121</sup>

The sum of \$16,500,000 was appropriated for the six months school fund for the year ending June 30, 1932, and a like sum for the year ending June 30, 1933. An additional appropriation of \$150,000 was made to be used as an emergency fund.

The state guarantees every county and district in the state a six months school term supported entirely by state funds. The law provides that no county shall levy an ad valorem tax for the operation of the six months school term at the minimum state standards. An ad valorem tax may be levied, with the approval of certain county and state officials, in order to operate the schools for a longer period than six months and to provide funds expended for Debt Service and Capital Outlay.

Each county and special district will receive from the state all funds considered to be necessary, according to state standards, for efficient and economical operation of the six months school term, for the following items of expenditure: (1) General Control, (2) Instructional Service including supervision, (3) Operation of Plant, and (4) Auxiliary Agencies including transportation. The objects

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<sup>121</sup>"New School Legislation," North Carolina Educational Publication, No. 159. p. 4.

of Maintenance of Plant and Fixed Charges are to be financed, as far as possible, from local sources such as fines, forfeitures, dog taxes, and other local sources except ad valorem taxes. In the case of a deficiency in such funds they may be supplemented by the State Board of Equalization from the six months school fund.

Instructional costs are to be based on the number of teachers allowed in each properly constituted district. The following schedule of salary costs is provided.

The Elementary Unit. Elementary schools having an average daily attendance during the next preceding year of less than 35 pupils are allowed one salary cost, however, should the average daily attendance be less than 22 pupils only seventy-five per cent of one salary cost is allowed. Elementary schools having an average daily attendance during the next preceding year between 35 and 45 are allowed one or two teachers, at the discretion of the County Board of Education. If only one teacher is employed an additional ten per cent may be added to the salary schedule and if two teachers are employed a reduction of fifteen per cent in salary cost must be made. The salary cost of two teachers is allowed in any district in which the average number of elementary pupils attending daily for the next preceding year was 45. The salary cost of three teachers is allowed schools having an average daily attendance of 75 pupils. Schools having an average daily attendance of 110 pupils are allowed four salary costs. The salary cost of five teachers is

counted for districts having an average daily attendance of 145. The salary cost of six teachers is allowed for districts having an average daily attendance of 180 pupils. Schools having an average daily attendance in excess of 180 pupils are allowed one additional salary cost for each 36 pupils above 180.

The High School Unit. The salary cost of one teacher is allowed each properly constituted high school district in which the average daily attendance during the next preceding year was 25 pupils. The salary cost of two teachers is allowed districts in which the average daily attendance is 38 pupils. Districts having an average daily attendance of 50 are allowed three salary costs. The salary cost of four teachers is counted for districts having an average daily attendance of 80 pupils. Schools having more than 80 pupils in average daily attendance are allowed one salary cost for each 31 pupils in excess of 80.

The amount of money to be apportioned for salaries is based upon a state salary schedule already in operation. A new salary schedule for superintendents based upon population of the district is provided.

The measure provides for the reorganization of the schools in each county, based on density of population, topography of the country, conditions of highways, natural barriers, etc., for the more efficient and economical operation of the schools.

The new measure requires the purchase of all school supplies and materials through a state purchasing agent.

Provision is made for the distribution of state school funds appropriated for the purpose of reducing the local cost of the extended term.<sup>122</sup>

In order to meet the expense of the state-supported six months school term, several changes were made in the tax system of the state. An extensive series of franchise taxes were increased. The industries affected included railroads, power companies, telephone and telegraph companies, the Pullman Company, and other companies operated in the state. The income tax on personal incomes was increased in order to provide additional state revenue. The former local school tax levy which averaged approximately fifty-one cents on the \$100.00 assessed valuation was replaced by a state-wide tax of fifteen cents.<sup>123</sup>

5. Utah. The 1931 legislature of Utah enacted a law defining a uniform minimum educational program, creating a state equalization fund, and providing a method of apportionment for the equalization fund.<sup>124</sup>

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<sup>122</sup>"New School Legislation," North Carolina Educational Publication, No. 159, p. 19.

<sup>123</sup>National Education Association, op. cit., p. 10.

<sup>124</sup>Utah House Bill No. 65 (1931).



The program provided for a minimum school term of nine months, the employment of legally certified teachers, and the transportation of all pupils living more than two and one-half miles from school. Provision was made for school supervision, health inspection and supervision, and for the purchase of necessary instructional supplies.

The State Tax Commission is directed to levy annually a state tax for district school equalization purposes, at such a rate as will raise the amount of \$1.00 for the school year 1923-33, \$2.00 for the school year 1933-34, \$3.00 for the school year 1934-35, \$4.00 for the school year 1935-36, and \$5.00 for each school year thereafter for each person of school age in the state as shown by the last preceding school census.

The law provides that the amount of money to be apportioned to any school district from the equalization fund shall be the difference between the cost of the minimum program and the sum of all funds available to the local district including the proceeds of a local property tax of five and one-half mills. The cost of the minimum program is declared to be approximately \$1,655 per school unit.

School units are to be determined as follows: One school unit is to be allowed for each one-room school approved by the State Board of Education. Two units are to be allowed for each two-room school approved by the State Board of Education. In other schools one school unit

is allowed for each 36 weighted pupils.

The following weightings are used in determining the number of weighted pupils. The number of pupils in average daily attendance in grades one to eight not transported to school and enrolled in schools other than one and two-room schools are to be counted as weighted pupils. The number of pupils in average daily attendance in grades one to eight inclusive who are transported two and one-half miles or more to school are to be multiplied by one and forty-seven hundredths and the product is to be considered as the number of weighted pupils. The number of pupils in average daily attendance in grades nine to twelve inclusive who are not transported are to be multiplied by two and seventeen-hundredths and the product is to be considered as the number of weighted pupils. The number of pupils who are in average daily attendance in grades nine to twelve inclusive who are transported two and one-half miles or more to school are to be multiplied by two and sixty-four hundredths and the product is to be considered as the number of weighted pupils.

The new law provides that local districts may maintain their schools at standards costing in excess of the minimum program defined by the state.

### III. SUMMARY AND CONCLUSIONS

Three significant problems are involved in the major bills introduced in the state legislatures of 1931. The first of these is the problem of equalizing educational opportunity; the second is the problem of equalizing the financial burden of school support; and the third is the problem of relieving property of the excessive burden of school taxes.

Bills were introduced in the legislatures of sixteen states carrying provisions for solving the first of these problems in a reasonably sound and satisfactory way. These measures carried provisions guaranteeing every school corporation in the state a basic educational program or the means of providing a basic educational program. Such measures were defeated in Indiana, Iowa, Kansas, Michigan, Nebraska, Ohio, Oklahoma, Tennessee, Washington, West Virginia, Wisconsin, and Wyoming. Measures carrying provisions for the equalization of educational opportunity were enacted in Florida, Missouri, North Carolina, and Utah.

The problem of equalizing the financial burden of school support is primarily one of discovering satisfactory methods for the distribution of school funds. Two basic methods of apportionment of state school funds are represented

in the measures introduced in the 1931 legislatures. The first method is based upon the principle that state school money be apportioned to all school corporations, regardless of wealth, according to some measure of educational need. The teacher unit based upon pupil-teacher ratios is the most popular measure of educational need used at present. However, some states use other items of approved school cost as a measure of need. The proposed program of Ohio called for a per pupil per day basis of apportionment. The measures introduced in Indiana, Florida, North Carolina, Ohio, Tennessee, and West Virginia are good examples of this method of apportionment.

The second method of apportionment of state school funds is based upon the principle that the state support that part of the minimum educational program which the local school corporation is unable to support from the proceeds of the maximum local tax levy permitted by law and all other revenue available for school purposes in the district. The measures introduced in Iowa, Nebraska, Missouri, Oklahoma, Wisconsin, Wyoming, and Utah provide good examples of this method of apportionment of state school funds.

Because of the inequalities which exist in the tax-paying ability of various sections of any state, measures which provide for state-wide collection and distribution of school revenue will tend to equalize the burden of school support. State tax measures were introduced in the legislatures of more than half the states in 1931, and such

measures were enacted in about one-fourth of the states.

In solving the third problem, many measures were introduced providing for taxation of sources of wealth other than property. While the measures in Idaho, Oklahoma, and West Virginia were the only ones which specifically stated that the revenue derived from the new taxes was to replace an equal amount of local property taxation, it is to be assumed that many of the proposed new tax measures were intended to relieve property of its excessive tax burden.

Income taxes proved to be the most popular form of taxation. New income tax laws or revisions in present income tax laws were introduced in the legislatures of at least fifteen states. Constitutional limitations on taxation seems to be the stumbling block for income taxes in many states. While the legislatures of Alabama, Idaho, Illinois, and Vermont were successful in enacting new income tax laws, the law of Alabama has since been declared unconstitutional and the legality of the Illinois law is now pending.

The states of Georgia, Missouri, North Carolina, and Oklahoma were successful in revising their existing income tax laws to provide additional state revenue. Wisconsin failed to make a similar revision. Income tax proposals were defeated in Iowa, Michigan, Nebraska, Ohio, Washington, and West Virginia.

Several states attempted to prepare the way for the enactment of income tax laws at some future time by proposing amendments to the state constitutions making income taxes valid. The States of Indiana, Kansas, and Minnesota adopted resolutions to submit such an amendment to a referendum, while Colorado, Florida, Maine, and Montana defeated similar resolutions.

Tobacco taxes as a source of state school revenue received much attention. Arkansas, Ohio, and Texas enacted measures levying a tax on tobacco products the proceeds to be used for school purposes, and similar measures were defeated by the legislatures of Illinois, Michigan, West Virginia, and Wyoming.

Chain store taxes for school support were enacted in Alabama and Florida and defeated in Illinois and West Virginia.

The tax on gasoline was increased in Georgia, Florida, and Arkansas, the extra proceeds to help support schools.

Florida and North Carolina enacted measures levying special taxes on corporations and business organizations operating in the state.

One must conclude that in the proposed and enacted school finance legislation of 1931, there was a general tendency toward increased state support for schools, a tendency to decrease the local school burden, a tendency to relieve property of the school tax burden by levying new types of taxes, and a tendency to apportion state school money in such a manner as to more nearly equalize educational opportunity and school support.

#### IV. APPENDIX

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