A Study to Determine If Wealthy School Districts in Illinois Agree with the Current Trend Expressed in the Literature to Equalize Financial Resources for Education

Larry A. Weaver
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A STUDY TO DETERMINE IF WEALTHY SCHOOL DISTRICTS IN ILLINOIS AGREE WITH THE CURRENT TREND EXPRESSED IN THE LITERATURE TO EQUALIZE FINANCIAL RESOURCES FOR EDUCATION

by

Larry A. Weaver

A Dissertation Submitted to the Faculty of the Graduate School of Loyola University of Chicago in Partial Fulfillment of the Requirements for the Degree of Doctor of Education

November

1975
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The author wishes to acknowledge his gratitude to the many persons who made this study possible. He is indebted to the sixty-two school officials who took time from extremely busy schedules to consent to the interviews. He is indebted to the District 21 Board of Education, Superintendent Kenneth Gill, and Associate Superintendent John Barger for allowing him the flexible work schedule necessary to conduct the interviews. He is indebted to his former assistant, Robert White and the staff of Cooper Junior High for assuming increased work loads. He is further indebted to members of his committee, Dr. Melvin P. Heller and Dr. Jasper J. Valenti.

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The author is appreciative and fortunate to have an understanding and patient wife, Jean, and daughter, Tiffany, who sacrificed their time with husband and father that he might complete this study.

Finally, he is most thankful to a tremendous secretary and friend, Marge Wood.
LIFE

Larry A. Weaver was born December 16, 1941, in Prescott, Arkansas.

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The author has contributed to an article, "A Broad Curriculum For a Small School," Arkansas Education Association Journal, (December, 1967).
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CHAPTER I

INTRODUCTION

The overwhelming majority of the current literature on school finance indicates a trend to equalize the educational opportunities of all children, and to equalize the tax burden of all taxpayers. Whether or not this trend as proposed in the literature will become a reality is likely to be influenced, as are most changes in education today, by the amount of opposition to the change.

The 1972 assessed valuation per pupil in elementary districts in Illinois ranged from $470,622 to $6,928. The median was $30,632. The tax rate per hundred dollars assessed valuation for 1972 ranged from 3.714 to .2500. The median tax rate for elementary districts was 1.9135. Similar inequities exist for secondary and unit districts.¹ If the equalization as proposed in the literature does become a reality, it seems likely that wealthy school districts will be called on to assume a larger portion of the burden of financing the schools of their less fortunate neighbors - hence, increasing their tax burdens, or decreasing the revenue available to their districts for education. If disagreement with the equalization trend does exist, it seems logical to assume that the disagreement will come from the wealthy school districts.

¹"Assessed Valuations and Tax Rates Descending Order, 1972." Circular A, Number 331. OSPI, April, 1974, pp. i.
Purpose of the Study

The purpose of this study is divided into three parts.

1. To determine if school officials from affluent districts in the state of Illinois agree with the following selected generalizations that are currently being proposed in the professional literature.

1. The state should insure equal educational facilities to every child within its borders at a uniform effort throughout the state in terms of the burden of taxation.\(^2\)

2. State plans for the distribution of funds for public schools should consist of a system of weighted classifications that include factors such as types of educational service, types of students, and special district and regional factors.\(^3\)

3. Equalization of educational opportunities, as determined by finances, should be a function of state government.\(^4\)

2. To determine if school officials from affluent districts are engaging in activities to promote the adoption or implementation of their beliefs regarding equalization of financial resources, and to identify the activities that they are engaging in.

---


\(^4\)Serrano v. Priest, 5 Cal. 3rd 584 (1971).
3. To determine "why" school officials are, or are not engaging in activities to promote their beliefs regarding equalization.

The need for this study becomes apparent when we note that the early leaders in the field of school finance advocated equal opportunities for all children within a state, at a uniform tax effort, and yet the discrepancies in current tax rates clearly indicate that this equalization has not taken place.

Much of the literature today is authored by university professors and politicians. It appears that many feelings are being expressed about the proper methods of financing public school education, but little is being written or expressed by the practicing educators or board members.

The need for a definitive study to assess the perceptions of school officials is apparent from the lack of literature on the subject by practicing school officials.

It is assumed that school officials from wealthy districts are most likely to disagree with the equalization of financial resources, because any form of equalization would likely reduce the finances that are available for their own districts. It is also assumed that the positions of Superintendents, Business Managers, and Board Presidents, represent three of the most knowledgeable and


influential people in the district and that their opinions are most likely to represent the opinion of the district.

It is the author's desire that this study will be beneficial by focusing attention on the procedures for revenue collection and distribution. Varying opinions on these two important issues have caused the American people to rank school finance as the major educational problem in the third annual Gallup Poll of Public Attitudes Toward the Public Schools.7

The professional literature and recent court decisions indicate a trend to place a heavier burden on the wealthy to finance education for all students. Whether or not this trend becomes a reality is likely to be influenced by the amount of opposition that will arise. The school officials in the twenty-eight districts surveyed should provide an adequate sampling of the agreement wealthy districts may be expected to share with the trend for financing education currently expressed in the professional literature. The survey will also indicate what the school officials from wealthy districts are doing to promote implementation of their beliefs regarding equalization and will indicate why they are or why they are not engaging in activities to promote their beliefs.

Procedure

The procedural implementation of this study was conducted in the following five stages:

I. A thorough search and documentation of the professional literature that relates to the principles of equalization of financial resources for education. In addition to books and periodicals, other sources such as governmental studies, dissertations, and court decisions were utilized. A historical background of the five basic plans of financing schools is presented.

II. Seven hypotheses were formulated together with propositions for testing the hypotheses. A sample of wealthy school districts was selected to participate in the study, and a statistical procedure outlined to determine the acceptance or rejection of the hypotheses.

III. Interviews were conducted with Superintendents, Business Managers, and Board Presidents in the twenty-eight school districts selected for the sample. A structured interview was used to probe for the school official's response and reasoning. The following quote identifies advantages and offers support for the interview technique as a form of research:

By means of the interview, it is possible to secure much data that cannot be obtained through the less personal procedure of distributing a reply blank. People generally do not care to put confidential information in writing; they may want to see who is getting the information and receive guarantees as to how it will be used; they need the stimulation of personal contacts in order to be "drawn out"...Furthermore, the interview enables

the researcher to follow up leads and take advantage of small clues; in complex material, where the development is likely to proceed in any direction, no prepared instrument can perform the task. Again, the interview permits the interviewer to gain an impression of the person who is giving the facts, to form some judgments of the truth in the facts, to "read between the lines" things that are not said.

IV. An analysis of the data compiled in the interviews is presented. This analysis answers the three purposes of the study, provides a forum for practicing educators to share their beliefs regarding equalization of financial resources, and focuses attention on the procedures for revenue collection and distribution.

V. Conclusions gleaned from the research are summarized and recommendations for further studies are presented.

List of Hypotheses

I. School officials from wealthy school districts believe the tax burden for education should be equalized on a state wide basis according to ability to pay.

II. School officials from wealthy school districts agree that state plans for the distribution of funds for public schools should consist of a system of weighted classifications that include factors such as types of educational service, types of students, and special district and regional factors.

III. School officials from wealthy districts agree that strict state control of the distribution of all funds for education is desirable in order to equalize the per pupil expenditure within the state.
IV. School officials from wealthy school districts who agree with the principle of equalization, engage in activities to promote its adoption or implementation.

V. School officials from wealthy school districts who disagree with the principle of equalization, engage in activities to hinder its adoption or implementation.

VI. School officials from wealthy school districts who actively engage in activities to promote their ideas relating to equalization, believe their actions will have an effect on state laws relating to school finance.

VII. School officials from wealthy school districts who do not engage in activities to promote their ideas relating to equalization, do not believe their actions would have an effect on state laws relating to school finance.

The Sample

The purposes of this study were: (1) To determine if the leaders of wealthy school districts in Illinois agree with the current trend in the professional literature that proposes to equalize the educational opportunities, in terms of financial resources, of all students within the state. (2) To determine if they are engaging in activities to promote implementation of their beliefs, and (3) To determine "why" they are, or are not, engaging in activities to promote their beliefs. The Sample, therefore, was restricted to wealthy districts in the state of Illinois.
Illinois was chosen for the study because it is of primary interest to the author, and it is a state that contains some very wealthy school districts that are representative of a variety of grade level organizations. The school districts of Illinois have also experienced a representative portion of the several different problems that face school districts across the nation— inflation, integration, collective bargaining, strikes, areas of rapid growth, areas of declining enrollments, and many others. The research generalizations derived from analyzing the responses of school officials in Illinois should be representative of school officials across the nation.

Wealthy school districts were chosen to study because they are the districts who would lose revenues because of equalization of financial resources. If there is opposition to equalization, it seems logical to expect the opposition to come from those who have something to lose. However, it does not necessarily follow that wealthy districts who have something to lose will be against equalization.

This study seeks to add support or to challenge a prediction concerning the future that has been stated in the current literature. Court decisions and recent legislative actions indicate a definite trend toward a change in the method of financing schools, and yet this change has only begun to take place. There is no factual information available concerning the future. Therefore, perceptions of knowledgeable and influential people are the most valid information available. The study investigated a subject that will only be factual in the future, if then, and attempted to determine if there would be significant opposition from one of the groups most likely
to find the prediction objectionable.

In order to survey wealthy school districts, a definition of what constitutes wealth was identified. For the purpose of this study, it seemed most appropriate to consider the wealth of a district to be determined by the amount of assessed valuation per pupil.

The office of the Superintendent of Public Instruction for the State of Illinois publishes an annual report which lists the assessed valuation of each school in the state. The most recent of these reports is entitled "Assessed Valuations and Tax Rates Descending Order 1972," and divides the 1,089 school districts in Illinois into the three categories by enrollment of Elementary (K-8), Secondary (9-12), and Unit (K-12).

Due to the differing number of school districts in the three enrollment categories, a percentage of the total districts in the upper quartile of assessed valuations per student was used rather than the same number of districts from each category. The number of districts surveyed represents ten percent of the upper quartile of each of the three categories.

Consenting districts from the upper quartile of each of the three enrollment categories were surveyed. A priority for selection of districts to be surveyed was given to the districts with higher assessed valuations per child and with larger enrollments. It is assumed that districts with higher assessed valuations per child are representative of greater wealth and districts with larger enrollments are representative of greater numbers of people, and therefore

9"Assessed Valuations." op cit.
are likely to exert a greater influence. The enrollments of the sample districts ranged from 574 to 7,637.

TABLE 1 - THE SAMPLE

Elementary Districts

There are 507 elementary districts in Illinois; 127 are in the upper quartile. Ten percent of the 127 equals 13 districts surveyed. The elementary districts surveyed were:

<table>
<thead>
<tr>
<th>County</th>
<th>District #</th>
<th>District Name</th>
<th>Enrollment</th>
<th>Tax Rate</th>
<th>A.V. per ADA Nearest 1,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cook</td>
<td>99</td>
<td>Cicero</td>
<td>5,841</td>
<td>2.05</td>
<td>62</td>
</tr>
<tr>
<td>Cook</td>
<td>83</td>
<td>Mannheim</td>
<td>3,902</td>
<td>1.85</td>
<td>80</td>
</tr>
<tr>
<td>Cook</td>
<td>68</td>
<td>Skokie</td>
<td>2,927</td>
<td>3.11</td>
<td>48</td>
</tr>
<tr>
<td>Cook</td>
<td>103</td>
<td>Lyons</td>
<td>2,403</td>
<td>1.38</td>
<td>82</td>
</tr>
<tr>
<td>Cook</td>
<td>36</td>
<td>Winnetka</td>
<td>2,311</td>
<td>3.71</td>
<td>49</td>
</tr>
<tr>
<td>Cook</td>
<td>84</td>
<td>Franklin Park</td>
<td>1,992</td>
<td>2.18</td>
<td>68</td>
</tr>
<tr>
<td>Cook</td>
<td>74</td>
<td>Lincolnwood</td>
<td>1,678</td>
<td>1.80</td>
<td>89</td>
</tr>
<tr>
<td>Cook</td>
<td>90</td>
<td>River Forest</td>
<td>1,332</td>
<td>2.24</td>
<td>70</td>
</tr>
<tr>
<td>Cook</td>
<td>91</td>
<td>Forest Park</td>
<td>1,035</td>
<td>2.04</td>
<td>72</td>
</tr>
<tr>
<td>Cook</td>
<td>72</td>
<td>Skokie Fairview</td>
<td>756</td>
<td>1.16</td>
<td>157</td>
</tr>
<tr>
<td>Grundy</td>
<td>201</td>
<td>Minooka</td>
<td>706</td>
<td>1.49</td>
<td>88</td>
</tr>
<tr>
<td>DuPage</td>
<td>53</td>
<td>Butler</td>
<td>682</td>
<td>2.27</td>
<td>93</td>
</tr>
<tr>
<td>Will</td>
<td>70C</td>
<td>Laraway</td>
<td>653</td>
<td>1.25</td>
<td>95</td>
</tr>
</tbody>
</table>

Secondary Districts

There are 146 secondary school districts in Illinois, 37 are in the upper quartile. Ten percent of the 37 equals 4 districts surveyed. The secondary districts surveyed were:
<table>
<thead>
<tr>
<th>County</th>
<th>District #</th>
<th>District Name</th>
<th>Enrollment</th>
<th>Tax Rate</th>
<th>A.V. per ADA Nearest 1,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cook</td>
<td>219</td>
<td>Niles</td>
<td>7,637</td>
<td>1.86</td>
<td>121</td>
</tr>
<tr>
<td>Cook</td>
<td>212</td>
<td>Leyden</td>
<td>4,540</td>
<td>1.37</td>
<td>150</td>
</tr>
<tr>
<td>Lake</td>
<td>125</td>
<td>Stevenson</td>
<td>1,053</td>
<td>1.98</td>
<td>115</td>
</tr>
<tr>
<td>Grundy</td>
<td>111</td>
<td>Minooka</td>
<td>574</td>
<td>1.29</td>
<td>190</td>
</tr>
</tbody>
</table>

Unit District Schools

There are 436 unit districts in Illinois; 109 are in the upper quartile. Ten percent of 109 equals 11 districts to be surveyed. The unit districts surveyed were:

<table>
<thead>
<tr>
<th>County</th>
<th>District #</th>
<th>District Name</th>
<th>Enrollment</th>
<th>Tax Rate</th>
<th>A.V. per ADA Nearest 1,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Piatt</td>
<td>25</td>
<td>Monticello</td>
<td>1,995</td>
<td>1.00</td>
<td>108</td>
</tr>
<tr>
<td>Douglas</td>
<td>301</td>
<td>Tuscola</td>
<td>1,492</td>
<td>1.18</td>
<td>41</td>
</tr>
<tr>
<td>Will</td>
<td>297U</td>
<td>Peotone</td>
<td>1,467</td>
<td>1.57</td>
<td>35</td>
</tr>
<tr>
<td>Grundy</td>
<td>1</td>
<td>Coal City</td>
<td>1,367</td>
<td>1.44</td>
<td>70</td>
</tr>
<tr>
<td>Putnam</td>
<td>535</td>
<td>Putnam</td>
<td>1,262</td>
<td>1.25</td>
<td>76</td>
</tr>
<tr>
<td>DuPage</td>
<td>204</td>
<td>Indian Prairie</td>
<td>1,245</td>
<td>2.49</td>
<td>56</td>
</tr>
<tr>
<td>Whiteside</td>
<td>1</td>
<td>Erie</td>
<td>1,161</td>
<td>1.14</td>
<td>63</td>
</tr>
<tr>
<td>Peoria</td>
<td>327</td>
<td>Illini Bluff</td>
<td>1,074</td>
<td>1.82</td>
<td>42</td>
</tr>
<tr>
<td>DeWitt</td>
<td>17</td>
<td>Farmer City Mansfield</td>
<td>1,070</td>
<td>1.60</td>
<td>40</td>
</tr>
<tr>
<td>Woodford</td>
<td>108</td>
<td>Minonk</td>
<td>944</td>
<td>1.60</td>
<td>36</td>
</tr>
<tr>
<td>Piatt</td>
<td>39</td>
<td>Atwood Hammond</td>
<td>812</td>
<td>1.26</td>
<td>36</td>
</tr>
</tbody>
</table>

Total Districts Surveyed

- Elementary 13
- Secondary 4
- Unit 11
- Total 28
The interviews were conducted in all twenty-eight districts during the months of January, February, and March of 1975. The information gathered and the conclusions derived are reflective of the opinions of school officials from wealthy school districts in Illinois at that particular time.
CHAPTER II

A REVIEW OF THE RELATED RESEARCH

The research documenting the existing inequities inherent in the current methods of financing schools is abundant. A similar abundance of proposed solutions to the fiscal inequities is also apparent. Equally as obvious is the conclusion that educators, lawmakers, or any group of people not living in the same school district cannot agree on one common solution to the problem identified by Nolte when he states: "The new finance models deal with two functions: Raising the revenues and allocating the funds."10

Berke states: "We face a double-edged dilemma: first, a failure to raise adequate revenues, through equitable means, second, an inability to allocate revenues in an effective and equitable manner."11 These two problems provide the basis for this study which has as its purpose the examination of the changing status of school finance in Illinois.

This chapter attempts to present the conclusions and recommendations of the following three types of research:


A report of the Finance Task Force of the Governor's Commission on Schools identified three alternatives for financing Illinois schools.

The available alternatives consistent with the court decisions would be (1) full state funding; (2) a joint state-local funding program by which all districts would have access to resources equal to those of the wealthiest district; or (3) redistricting to insure all districts equal local resources.

Full state funding calls for the distribution of funds on the basis of equal grants per pupil. Variations in spending to accommodate differential costs and special education needs would be allowed. Local districts would not be permitted to spend beyond the limits prescribed by the state.

Essentially, two different types of joining state-local funding methods are possible as a means of complying with the court decisions.

The existing foundation formula can be modified to insure that every district is assured a foundation level equal to the per-pupil spending level of the wealthiest district. Similarly, equal-

izing formulas such as "power equalizing," "percentage equalizing," and "resource equalizing" would require, to satisfy the courts, that equal local tax rates would result in equal per-pupil expenditures. Where a district's assessed valuation at a given tax rate does not produce the prescribed revenues, the state would pay for the difference. In instances where a given tax rate generates more than is needed for the allowed level of spending, local districts would not be able to spend these dollars. This excess revenue would be forwarded to the state for distribution to all districts.

Redistricting would involve the redrawing of school district lines to balance the tax base. Although Illinois badly needs further consolidation of its 1,090 school districts, redistricting as a solution to problems of school finance is rather impractical because it would mean the consolidation of districts into a few large and possibly inefficient ones. At the same time, the taxpayer consumer might be further removed from decisions over programs.

To the Task Force, a full state funding implies a "leveling down" for certain high-expenditure districts, while the various "equalizing formulas suggest a "leveling up" program. Any realistic plan for an extensive redistribution of school resources would require, in the end, massive increases in state spending for education. Under any new program, every school district would insist on receiving at least as much state aid as it now receives. "Holding harmless" those districts presently receiving significant amounts of aid while equalizing the resources of the poorest districts would require at least $600 million in added state appropriations, an amount equal to
approximately half of all revenues raised by the State's income tax.

The final report of the Superintendent's Advisory Committee on School Finance released in April 1973, identified the following conclusions:13

-- Financial disparities exist among Illinois school districts which are unacceptable to this Committee.

-- These disparities are produced by variations in district wealth, tax paying ability, and the priorities assigned by the citizens of each district to educational spending relative to other possible expenditures.

-- These fiscal disparities contribute, at least in part, to unequal educational opportunities in Illinois.

-- The present financing of Illinois schools does not reduce fiscal disparities nor contribute to equalizing educational opportunity to the extent that this Committee deems desirable.

A federally funded, four-year study of public school financing, known as the National Educational Finance Project, was recently made public. Highly touted as the most comprehensive work of its kind in nearly 40 years, the project chairman, Dr. Roe L. Johns, University of Florida, and his staff, reached the following conclusions and recommendations:14


1. Great inequities exist in the amount of funds raised and spent in the school districts of nearly every state and result in unequal educational opportunities.

2. Educational opportunity should be a function of the total taxable wealth of the state and should not be limited to the taxing ability of a local school district.

3. Federal support of schools should be tripled or quadrupled. The Federal Government now contributes about 7 percent of the total of $40 billion in school costs; the states pay 41 percent and the local authorities, 52 percent.

4. Full state and federal funding of local schools is favored.

5. The project staff was 100 percent behind the rulings by the California State Supreme Court and the Federal Court in Minnesota maintaining that the wide disparities in local school funding violate the equal protection clause of the 14th Amendment to the Constitution.

The report of the President's Commission on School Finance, released March 6, 1972, after two years of study has recommended: 15

Full state funding of education with four alternative plans for federal incentives to encourage it. The plans would cost the federal government between $4.6 and $7.8 billion over a five year period.

The federal role, besides temporary incentives to further full state funding, would include leadership in reform, research, and demonstration; financial support for programs to meet national concerns and interests; and equalization grants among states. Such grants would "equalize up" not down. Local districts should be given the option of raising extra revenues to a limit of 10% above the state level.

Reorganization of school district boundaries for quality and

equity in education. Thus, new districts should include children of diverse economic, racial, and social backgrounds and more nearly equalize tax bases for local supplementations of state funding.

Other recommendations: Early childhood education commencing at age 4, with federal incentives; better career education; a National Institute of Education and a National Foundation for Higher Education; a National Education Policy Council to advise the President; a five-year matching program of emergency assistance in needy urban areas, to include renovation of buildings, experimental and demonstration projects, auxiliary personnel, etc.; and a plan to change the formula for distribution of ESEA Title I funds so that more money would go to districts with high concentrations of disadvantaged pupils.

Almost every state in the union has appointed committees or commissions to study school finance. Various conclusions and recommendations have been arrived at, and yet the inconclusiveness regarding appropriate methods of financing schools testify to the difficulty of this or any other state in defining precisely what factors contribute most to effective education.

Dissertations

A number of dissertations have been written in the area of
school finance, but because of the very recent uncertainties that have occurred in this area, they only bear a historical relevance to the topic presently under investigation.

James Sheehan\textsuperscript{16} lists some of the more important findings: (1) The average effective expenditures per student in average daily membership and per classroom unit increased each year between 1968-69 and 1970-71 for every type of school district; (2) the State of Wyoming provides financial assistance to every school district in Wyoming. For unified school districts this financial assistance ranged from $1,039 to $8,194 per classroom unit in school year 1970-71; (3) The range in assessed valuation per classroom unit for unified districts was from $86,330 to $937,235 or a difference of over $850,000 for school year 1968-69 with only a slight decrease the next two years; (4) The difference in effective expenditures per classroom unit for the highest and lowest unified district was $8,541 in 1968-69. This difference was $8,548 in 1969-70 and increased to $9,337 in 1970-71.

Conclusions based on these and other findings included: (1) A great disparity exists in the uniformity of financial expenditures for unified school districts of all sizes; (2) A great disparity exists in the uniformity of financial expenditures between the various types of school districts; (3) By providing financial assistance to

every school district in Wyoming the state is acknowledging and subsidizing this disparity; (4) In total the modifications made to the foundation program formula by the Fortieth Legislature in 1969 had an equalizing effect on the financial expenditures of Wyoming school districts the first school year following the legislative session in 1969-70; (5) Some of the equalization in financial expenditures realized in 1969-70 was lost during the following school year in 1970-71.

Based on the findings, conclusions, and the insight gained during the three years encompassed in this investigation, Sheehan submitted recommendations to create a more uniform and equitable state financing format. Some of these recommendations were:17 (1) The Wyoming State Legislature would assume a greater responsibility for insuring that all school districts are able to support an education program more uniform with that afforded in most Wyoming school districts; (2) If the present foundation formula is retained, a thorough investigation should be made in the divisors used to compute classroom units for students in average daily membership; (3) All state monies should be distributed to school districts based on the educational need of the district; (4) The design of a new state funding formula should be initiated; (5) Special committees composed of respected members from many segments of Wyoming's population should be designated to; appraise the educational need of school districts, appraise the financial resources of school districts, and determine alternate methods of distributing funds to school districts; (6) The practicality of having one school district for the entire state with

17Ibid.
full state funding for operating purposes should be given careful consideration; (7) The Wyoming State legislature should meet annually to consider proposed modifications to the state funding formula to insure it remain current with educational needs; (8) The Wyoming State Legislature should mandate a new structure for school district accounting and require the State Department of Education to maintain additional educational information to facilitate intelligent educational decision making at the local, state, and federal levels of government.

James Koper18, University of Missouri, studied equalization of educational opportunity and of financial burden with respect to district location and wealth. The purpose of this study was: To determine if educational opportunities and financial burden are similar regardless of the location and wealth of the school.

The conclusions Koper listed were:

(1) Wealthy counties provide students with greater educational opportunities.

(2) Poor districts, even with foundation aid, cannot provide per pupil expenditures equivalent to wealthy districts without greatly increasing local initiative.

(3) For foundation programs to accomplish equalization, wealthy districts must receive less state aid.

(4) Larger schools offer greater educational opportunities but require lesser local initiative.

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Marvin Cowle\textsuperscript{19}, Columbia University 1967, analyzed expenditures per child per school, and recommended: An open ended, shared cost program where the state would force each local district to meet minimum acceptable standards of education for all children.

Bill Ford\textsuperscript{20}, Baylor University 1967, conducted a descriptive study of the financial and legal aspects of the Texas Minimum Foundation Program, including budgeting, accounting, and auditing of school funds, certification of teachers, and accreditation of schools.

In the study most similar to the dissertation proposed, Edwin Dodson\textsuperscript{21}, University of California, Berkeley, 1967, identified two basic problems:

(1) that of providing adequate financial support of public schools, and

(2) that of obtaining adequate revenue from taxation to achieve this support.

\textbf{Supreme Court Rulings}

Legal challenges to the apportionment of state funds for education are not new in American jurisprudence,\textsuperscript{22} however, this


\textsuperscript{22}Sawyer v. Gilmore, 83 A. 673 (1912).
research will deal only with a series of cases which began in 1968. The legal rationale presented by the plaintiffs in these court suits had its intellectual origins in the book, *Rich Schools Poor Schools*, by Arthur Wise.23 These early legal challenges to present school funding systems were rather unsuccessful in court.

More recently the legal arguments presented by Wise have been refurbished and argued before the courts in different form. (Another book, *Private Wealth and Public Education*, by John Coons, William Clune, and Stephen Sugarman, 24 is connected with this renewed legal effort.) The plaintiff's briefs in several of the more recent cases have followed this second, slightly different, line of reasoning. One of the cases in the second round has been notably successful: *Serrano v. Priest*, in California.*

Three Appellate Court decisions in suits challenging state methods of school financing have been selected to review. The major difference between the Wise and Coons, Clune and Sugarman rationale will be examined in order to demonstrate the probable reasons why the initial suits failed while the later attempt succeeded (at least in California).

The first Court suit challenging the apportionment of school funds was filed in Virginia.25 The complainants, residents of Bath


*Supp., 96 Cla. Rptr. 601.

County, alleged that the state system for funding education discriminated against them because the county is poor, thus denying them the legal protection under the law. Tax rates in Bath County were set at the legal maximum permitted by the state; however, due to county poverty and a low tax base their expenditures were low.

The remedy sought by the complainants was a state system which assured expenditures based on "educational need," not local wealth.

The court noted that "...cities and towns receive state funds under uniform and consistent plan." The fact that the state law applied equally to all districts in similar categories was an important element in the court's decision against the complainants. But another important element was the impreciseness of the term "educational need" from a legal point of view.

Actually, the plaintiffs seek to obtain allocations of state funds among the cities and counties so that the pupils in each of them will enjoy the same educational opportunities. This is certainly a worthy aim, commendable beyond measure. However, the courts have neither the knowledge, nor the means, nor the power to tailor the public monies to fit the varying needs of these students throughout the state. We can only see to it that (state) outlays on one group are not invi-diously greater or less than one another. No such arbitrariness is manifest here.26

A similar case was filed in an Illinois Federal Court.27

The facts and plaintiff's allegations in the Illinois case closely paralleled those in Virginia. The range among school districts in expenditures per pupil was about 3 to 1. The state imposed limita-

26Burrus v. Wilkerson, 310 F. Supp. 572, 574
27McInnis v. Shapiro 293 F. Supp. 327 (1968)
tions on local tax rates effectively prohibited poorer school districts from spending as much as their wealthier counterparts. And because of vast disparities among districts in assessed valuation per pupil, some school districts with high tax rates actually spent less than other districts with lower tax rates. Plaintiffs claimed that this situation violated their Fourteenth Amendment rights, and asked the court to require school spending based on a standard of pupil need under the concept of equal educational opportunity.

The court upheld the constitutionality of the Illinois school financing system. Its decision was based on these two conclusions: (1) the Fourteenth Amendment does not require that public school expenditures be based only on pupils needs, and (2) equal educational opportunity is an imprecise legal standard. There is no clear way to tell if the standard has or has not been achieved.

The court based its conclusions on the following rationale: First, the Illinois school funding plan does have several good features. A minimum expenditure level is guaranteed to all students. The guaranteed minimum expenditure level is frequently increased by the legislature, thereby constantly upgrading the quality of education. The state funding plan allocates more dollars per pupil to poor districts than it does to wealthy districts, thereby mitigating differences in local tax paying ability.

Second, elimination of inequalities in per-pupil expenditure would require major changes in the state system for local property taxation. However, local property taxation has an adequate rationale -- the desirability of decentralized control -- and local vari-
ations in expenditure serve valid purposes. For instance, some localities might have different preferences for education; education costs more in some places than others; local taxation permits local educational experimentation.

Third, there is no legal precedent for striking down the Illinois financing system as unconstitutional. The plaintiffs case was based upon precedents invalidating racial discrimination in education, geographical discrimination in voting, and wealth discrimination in criminal cases. On the basis of these decisions the plaintiffs contended that the present funding system constitutes discrimination in education on account of geography and wealth (a local district's assessed valuation per pupil.) The court -- making clear distinctions between cases involving race, reapportionment, and criminal justice on the one hand and school finance on the other -- found the argument novel but not persuasive.

In 1969 the Supreme Court of the United States summarily affirmed the lower court's decision.

The recent California Supreme Court decision contrasts sharply with earlier legal cases challenging the state school fund distribution methods. Of course, the most notable difference is that in California the plaintiffs were successful but in Virginia and Illinois they were not.

There are two principal reasons why the California suit succeeded where the others had failed. First, the plaintiffs refurbished their legal arguments describing exactly how the present funding system is unjust. This resulted in a line of reasoning more acceptable to the legal mind. Second, in California the remedy
proposed to correct the injustice was different from the remedy proposed in the Virginia and Illinois cases.

The differing legal arguments can be summarized briefly. The earlier cases were based on the following reasoning. The U. S. Constitution forbids:

3. Discrimination against voters on the basis of residence.
4. Therefore, discrimination in education on the basis of indigence and location ought to be declared unconstitutional.

However, the rights of racial minorities, the right to personal liberty and the right to vote, are all rights explicitly guaranteed by the U. S. Constitution. The right to equal educational opportunity is not explicitly mentioned in the constitution.

The Coons, Clune, and Sugarman rationale, used in Serrano v. Priest, cites many of the same precedents used in earlier cases to construct a slightly different rationale. The revised reasoning builds the point of view that education is a "fundamental state interest," equal in importance to the right to vote, the right to liberty, or the right to equal treatment regardless of race. Thus Coons and Sugarman would have the courts elevate education to the level of a constitutional right necessarily available to all persons within a state on equal terms, regardless of their community's wealth.

The plaintiffs in earlier cases failed to bridge the constitutional gap between education and other spheres of life -- voting,
race, etc. They attempted to prove that classification of children on the basis of district wealth -- the effective result of the present funding system -- was arbitrary and not related to any reasonable state purpose. Hence the classification should be struck down. However, the courts found that such classification as the state set up (i.e., local school districts) do have a rational purpose and are not arbitrary.

On the one hand, Coons et al draw educational finance into the "charmed circle" of basic rights guaranteed by the constitution. On the other hand, they offer a remedy for correcting the inequities inherent in the present funding system without eliminating local control over the magnitude of expenditures, if local control is deemed desirable by the state. The remedy is a funding system called Power Equalizing under which the state guaranteed to all local school districts a given tax yield per pupil for any tax rate they are willing to levy.

In place of the legally nebulous concept of equal educational opportunity Coons, Clune and Sugarman offer the following constitutional test: "the quality of public education may not be a function of wealth other than the wealth of the state as a whole." The plaintiffs success in the California case was due to both the legal rationale and the constitutional test they proposed.

The facts in the California case were not markedly different from these in Virginia or Illinois. Wide variations in per-pupil expenditures are due to varying levels of wealth and tax effort among localities. The State Foundation Plan provides a greater percentage of funds to poor school districts than to wealthy ones. How-
ever, the tempering effect of state aid is inadequate in its result.

The first important legal distinction between the California and Illinois cases is the California Court's classification of education as a constitutional right which must be provided to all on equal terms. Thus, school finance is a fundamental State interest requiring that expenditures not be a function of the wealth of the locality in which a child happens to reside. The California Court cited no legal precedents for its point of view that school finance is a "fundamental interest." However, it noted that, "The fundamental importance of education has been recognized in other contexts by the United States Supreme Court and by this Court," in cases involving school bus transportation, racial integration, and the right to attend public schools. Comparing education to other "fundamental interests" the court stated that "...in a larger perspective, education may have far greater social significance than a free transcript or a court appointed lawyer." (These items are guaranteed to indigent criminals by earlier Supreme Court decisions.) The right to vote is guaranteed by the constitution to all people on equal terms regardless of wealth and "...education makes more meaningful the casting of the ballot."*

The second major difference between the earlier and later cases is the later finding that the present revenue raising system serves no compelling state interest. If the purpose of decentralized funding is to allow local fiscal choice, the present funding system

*Supp., 96 Cal. Rptr. 601,616,618
effectively prohibits poor districts from exerting that choice. For them a heavy tax yields little revenue; therefore, poorer school districts have only a little leeway in determining their expenditures.

The conflicting results of the opinions handed down by the Illinois and Virginia Federal Court and the California State Supreme Court will probably be settled finally by the United States Supreme Court. Coons and Sugarman, lawyers for the plaintiffs in the successful California case, have proposed a legal "remedy" for the present inequitable method of school finance which is far more workable than the one proposed earlier. The lack of a legally viable remedy was one major factor in the Illinois decision against the plaintiffs. However, it remains to be seen whether the Supreme Court will accept the Coons-Sugarman argument that education is a fundamental interest constitutionally guaranteed to all on equal terms regardless of local school district wealth.

In reversing a lower court decision in San Antonio v. Rodriguez, the U. S. Supreme Court held that there is no indication that the present levels of educational expenditure in Texas provide an education that is inadequate. Instead, only relative differences in spending are involved.28

This decision has slowed, but not deterred state level action on school finance. The decision left open constitutional questions about education. There were the immediate reactions to a long-awaited opinion that affects school district financing in virtually every

state. The 5-4 decision was a dramatic instance of the new split in the Supreme Court, with the four justices appointed by President Nixon joining in the majority opinion. Justice Potter Stewart swung with the conservative side, ironically admitting that "the method of financing public schools...can fairly be described as chaotic and unjust." He did not find it unconstitutional, however.

By reaffirming the local property tax as a basis for school financing, the court negated two federal court decisions -- in Texas and Minnesota. It also stopped about twenty other school finance cases pending in federal courts. State court decisions, however, were not directly affected, including those in California, Kansas, Arizona, Michigan, New Jersey and Wyoming. For the first time the Supreme Court clearly decided that education was not even an implicit right under the U. S. Constitution. While admitting that unequal expenditures exist, "we cannot say that such disparities are the product of a system that is so irrational as to be invidiously discriminatory." Written by Justice Lewis F. Powell, Jr., the opinion also said: The poor are not necessarily concentrated in the poorest districts; states must initiate fundamental reform in taxation and education; and "the extent to which the quality of education varies with expenditure per pupil" is inconclusive. This last point is again on trial in Los Angeles, California, in the Serrano v. Priest case. The strongest dissenting opinion was written by Justice Thurgood Marshall, who charged that the ruling "is a retreat from our historic commitment to equality of educational opportunity."
Reaction to the decision generally was low-keyed. Richard Merritt of the National Legislative Conference, representing state legislators, said school finance reform "was going to be an uphill battle without affirmation from the Supreme Court, but our policy is that it is an equitable and reasonable goal." Several school administrators predicted a temporary setback. "The forces will simply regroup and make new attempts through litigation," according to John Lucas of Kettering, Ohio, president of the Assn. of School Business Officials. Paul Salmon, executive secretary of the American Assn. of School Administrators, said, "our society cannot overlook or reject the principle used in Serrano and re-emphasized in Rodriguez." H. Reed Saunders, Chairman of the President's Task Force on School Finance, commented, "if anything, it will strengthen the urgency for the federal government to act on equalization." The decision will dampen the enthusiasm of federal courts to get involved in educational finance and policy, according to David Long of the Lawyers' Committee for Civil Rights Under Law, which encouraged many of the court cases. "But the court didn't preclude other areas, such as the exclusion of children from programs, as in special education, and the decision also may open the door to school systems that fall below providing an adequate system of education." The superintendent of the San Antonio Independent School District, Harold Hitt, called on the state legislature "to pursue a system of refinancing for our public schools."


San Antonio, one of seven school districts sued in the case, joined with the plaintiffs before the Supreme Court.

Summary

Research in education has followed two themes: Whether schools make a difference in the lives of children and whether dollars make a difference in school quality. In a 1965 report, James S. Coleman concluded, on the basis of a large sample study, that differences in family background accounted more for school-to-school variation in student performance than did the effect of variations in school facilities, curriculum, and staff. Even so, there is an ever growing demand for more equitable methods of financing education and for distributing the available resources.

The court decisions handed down as of this writing provide little precise guidance for remedial action to the concerned educator. This is as it should be. The duty of the courts is not to prescribe wise educational policies, but rather to prescribe the limits beyond which educators legally may not go. Regardless of court decisions, educators will still have to decide (1) whether school funding should be a state function solely or a joint-state local function, and (2) how school funds should be expended. The courts will not and should not be relied upon to establish a precise definition of equal educational opportunity. That task must be left up to educators working through the political process.
CHAPTER III

HISTORICAL BACKGROUND OF EDUCATIONAL FINANCING SYSTEMS

Five basic plans for the apportionment of revenues for education were developed between 1905 and 1930. Naturally, these aid plans reflected the educational and social conditions of the early part of the century when education was thought of as a primarily local enterprise with the great majority of the revenues generated at the local level. Education expenditures were very low by today's standards and there was probably under-investment in education. There was considerably more emphasis on the quantity rather than the quality of educational services. The disadvantaged were far less aware of their situations and therefore less likely to initiate action to bring about improvements.

Each of the five basic plans had strengths and weaknesses and none has ever been considered as perfect. The early finance specialists were well aware of arguments for and against each plan, and the logistics of the arguments remain applicable today. Hence, school finance reformers have concentrated on the modification and refinement of the early plans rather than the invention of new ones.

The original basic plans were not conceived by any one person or group. The major elements of each of the five basic plans had already been incorporated into law somewhere before the plan was systematically advocated by a single individual. Nevertheless, each of
the five plans -- Flat Grants, Minimum Foundation, Percentage Equalizing, Guaranteed Tax Base, and Full State Funding -- came to be associated with a major university and with professor(s) who taught there. Through their teaching and writing these professors spread their ideas to other institutions and other sections of the country.

In this chapter the origins of the five basic plans for state general aid will be examined. The social, educational, and philosophical context within which each plan developed will be described. Each plan will be examined in the light of the major considerations which motivated its advocates.

Flat Grant

The pioneer academic institution which produced the most significant developments in school finance was Teachers College at Columbia University. The formal academic study of state school finance virtually began with a doctoral dissertation completed at Columbia in 1905 by Ellwood P. Cubberley. In the preface of the dissertation Cubberley wrote:

Throughout the discussion which follows I have kept in mind certain principles which seem to me to be sound. In the first place I have conceived of a state system of schools instead of a series of local systems. Without such a conception no equalization of either the burdens or the advantages of education is possible. In the second place, I have repeatedly stated that maintenance of good schools is not, like the maintenance of sewers or streets, a matter of local interest, but is in part for the common good of all, and hence that the burden of maintaining what is for the common good of all should be in part assumed by the state as a whole.31

31Ellwood P. Cubberley, School Funds and their Apportionment (New York: Teachers College, Columbia University, 1906) p. 4.
Thus it was Cubberley's view that the provision of adequate education is both a state and a local responsibility. Cubberley, however, didn't draw any clear lines of responsibility between the two levels of government. Rather, he addressed himself in *ad hoc* fashion to the disparities in fiscal capacity and tax effort he observed among various local school districts within the same state.\(^{32}\)

Cubberley found that some state funds were distributed on a matching basis, or in inverse proportion to a district's taxable resources, without taking into account the number of pupils to be educated or number of teachers to be paid.

Cubberley's conclusions were that expenditures varied tremendously among closely situated communities. To him this seemed to be an inequitable situation.\(^{33}\)

He then turned his attention to an analysis of the alternative ways for making the situation more equitable within the framework of the dual governmental responsibility which was the basis for his point of view. Cubberley discussed six distinct methods for the distribution of state funds.\(^{34}\) However, the method he favored was a combination of the number of teachers employed and the number of pupils in attendance.\(^{35}\) Thus, Cubberley was an early advocate of the Flat Grant.

\(^{32}\)Ibid. p. 37-39.  
\(^{33}\)Ibid. p. 250.  
\(^{34}\)Ibid. p. 87.  
\(^{35}\)Ibid. p. 252.
Cubberley definitely opposed a state fund distribution based purely on the fiscal characteristics of school districts. In essence then, Cubberley presented an argument to consider, not merely fiscal ability, but also human needs.

In this respect Cubberley definitely presaged the moderns although he did not recognize variations in the needs of pupils. The special needs of vocational, compensatory, mentally retarded students and the like were not foreseen by Cubberley. However, in putting human need consideration above fiscal considerations as far as state fund distributions were concerned, Cubberley's contribution was a major one.

Because Cubberley believed that all phases of education -- including finance -- should be a joint state-local responsibility he could not ignore inter-district differences in local tax paying ability. But he was perfectly content to allow localities to tax at different rates. In order to address the problem of fiscal disparity Cubberley suggested that states set up a small special reserve fund which would be distributed to the few especially poor districts which were making "....the maximum tax effort allowed by law but yet are unable to meet the minimum demands of the state...."36 As Charles Benson has pointed out, this is a rather cruel measure of equalization.37 It requires the very poorest districts to tax at the maximum legal rate while not making similar requirements of the wealthier localities.

36 Ibid. p. 252-3.
From our modern view, a basic inconsistency is evident in the philosophy underlying Cubberley's approach. State funds should be distributed on the basis of human needs, but local funds will inevitably be raised on the basis of a school district's fiscal capacity and tax effort. If human needs should be the criterion for one level of government, the state, why should the criterion for the other "equal partner" be any different? The question remains troublesome to this day.

Minimum Foundation

In 1921, a classmate of Cubberley's, George Strayer and a colleague, Robert Haig, were called upon to do a study on school finance for the state of New York.

Strayer and Haig found that the flat-grant method endorsed by Cubberley and subsequently used in New York State was not entirely equitable. Local districts would simply use "Cubberley" Flat Grants allocated by the state, as a base upon which to add locally-raised revenue. Consequently, the inter-district disparities in expenditures per pupil were still very large due to variations in local wealth. In this context it is not surprising that George Strayer's main focus was not human needs which Cubberley emphasized but rather financial considerations. However, Strayer adhered completely to the

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Cubberley view that all phases of education were both state and local responsibilities, with no clear divisions between the two levels of government.

Strayer's New York report, published in 1923, followed a format which is now almost classic. The report examined differences in tax effort and ability within various localities of the state, considered the need for better educational programs, attempted to cost out these programs, and proposed a method for achieving a more equitable distribution of state funds.

The distribution method suggested in the Strayer-Haig report conformed in most essentials to a 1903 Connecticut Law. The Connecticut Law was known to Cubberley who praised many of its provisions in his dissertation. Somewhat inexplicably, Cubberley did not incorporate into his final recommendations the provisions of the Connecticut Law which he favored. Perhaps the reason is that Cubberley was more concerned with human needs than with fiscal problems, and the Connecticut Law omitted what was in his view an important component of human need; namely, the number of teachers employed by a school district.

But the provisions of the Connecticut Law, written up extensively by Cubberley, undoubtedly were known to Strayer. In any case the principal concepts embodied in the Connecticut Law have come to be known as the Strayer-Haig Minimum Foundation Plan.

Briefly, the steps involved in the Foundation Plan are

40Cubberley op. cit. p. 208 and the rest of Chapter 13.
these. First, the state determines the cost per pupil of a satisfactory minimum educational program. Second, the property tax rate which the wealthiest district in the state would have to levy in order to finance this satisfactory minimum offering is computed. Third, every district in the state is required to tax at the rate needed in the wealthiest district to finance the minimum offering. Fourth, the state grants to each local district a sum equal to the difference between the amount raised locally at the mandatory tax rate and the amount required to finance the satisfactory minimum offering. Strayer found that by using this method of distributing funds he could reduce the existing inter-district difference in expenditures per pupil without greatly increasing the state's total dollar outlay.

Because this formula was designed to reduce expenditure disparities among districts by distributing nearly all state funds on a basis which considers both the number of pupils to be served and the local tax base, it is called "equalizing." But an important additional element in the Strayer-Haig Minimum Foundation Program is the provision that local districts should be allowed to raise their mill levy above the required minimum and hence spend above the minimum level required by the state. 42

Money raised outside the program has severe disequalizing effects. Wealthy districts, by raising their tax rates only a few mills, can raise a great deal of additional money. Poor districts,

42 Ibid. p. 173.
by raising their tax rate by the same number of mills, can raise only a small amount of money.

One phrase contained in the Strayer-Haig report has received a great deal of attention since that time -- equalization of educational opportunity:

There exists today and has existed for many years a movement which has come to be known as the "equalization of educational opportunity" or the "equalization of school support." These phrases are interpreted in various ways. In its most extreme form the interpretation is somewhat as follows: The state should insure equal educational facilities to every child within its borders at a uniform effort throughout the state in terms of the burden of taxation; the tax burden of education should throughout the state be uniform in relation to taxing ability, and the provision of the schools should be uniform in relation to the educable population desiring education. Most of the supporters of this proposition, however, would not preclude any particular community from offering at its own expense a particularly rich and costly educational program. They would insist that there be an adequate minimum offering everywhere, the expense of which should be considered a prior claim to the state's economic resources.43

It is clear from this quotation that Strayer did not mean equal educational opportunity at all, but rather minimum educational opportunity. He too accepted the Cubberley view that education was a joint state-local enterprise with only imprecise divisions of responsibility between the two levels of government. The Strayer-Haig Foundation Plan equalizes local taxes and expenditures only up to a minimum level.

Guaranteed Tax Base - "Lighthouse Districts"

Paul Mort, a student of George Strayer and later a Professor at Teachers College, was the most effective advocate of the Strayer-Haig Minimum Foundation Plan. Like his predecessors at Columbia, 43Ibid.
Mort conceived the state and local roles in education to be of more or less equal importance. However, one of the principal contributions of Mort was the development of a rationale as to why this should be so.

Mort was a great supporter of what he termed "adaptability." Adaptability, in Mort's view, is the capacity to institute changes within a system. The changes might be anything which a community perceived as being a need.

Mort emphasized that which is transient and responsive in the educational process -- not that which is permanent and transcendent. Perhaps the thing Mort feared most was rigid local school systems unresponsive to the changing needs of society.

Mort perceived local school districts to be the primary seedbed for what is new in education. The following quote is indicative of Mort's views on school finance:

There is extreme importance in the adaptive work carried on mainly by the higher expenditure schools under public school conditions. The principal reason to encourage local expenditure according to him is to foster adaptability -- the propensity to change with the times. Unless local districts are allowed substantial tax leeway, innovations are less likely to occur.

Complete state funding, in Mort's view, leads the state to full control of all phases of school management. If every adaptation


had to be approved by the state, the pace of educational progress would be slowed. Therefore, the state function is to set minimums -- both educational and financial -- for all districts. The local districts' function is to go beyond the minimum.

Paul Mort did not argue that local financial control is a good thing in itself. The principal reason he advocated local control was to foster innovation. Mort recognized the possibility that local school districts could make use of their tax leeway to spend additional tax revenues in the same old ways. Nevertheless, he felt that there was a great deal more possibility for adaptability under a local leeway system than under any other system he could conceive.

But Mort argued for both local tax leeway and for a fairly high percentage of state funding. Locally-raised taxes outside the mandates of the Foundation Program fostered innovations in "lighthouse" districts which were (and usually still are) the wealthier suburban ones. These districts had a high tax base as well as a citizenry which favored the advancement of education. But high levels of state funding were important as well. High state funding enabled the poor localities to institute some of the innovations initially developed in the lighthouse districts. Furthermore, an ever-increasing dollar volume of state money enabled the lighthouse districts to keep innovating without the need for increasingly heavy tax burdens which might dampen their enthusiasm to innovate.

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46Ibid. p. 100.
Briefly summarized, this is the model Mort conceived for the creation of better schools.  

Phase 1 -- A given level of educational service and a given level of state school support is in existence.

Phase 2 -- One or more local school districts perceive a need to provide some new educational service beyond the state minimum. If necessary, they tax themselves above the amount required by the state to provide this educational service.

Phase 3 -- The adaptation developed in the lighthouse districts is disseminated to other localities. They too raise their local tax rates to institute the adaptation.

Phase 4 -- The adaptation gradually becomes accepted practice throughout the state. Eventually the state provides for the adaptation in all local districts, possibly through the institution of a categorical state grant for the purpose.

Phase 5 -- The adaptation is required by state law and state financial support for the adaptation is incorporated into the Strayer-Haig Minimum Foundation Program.

Phase 6 -- The extra state support allows the original lighthouse districts to reduce their tax bur-

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*Ibid. p. 71.*
dens; hence, they become more receptive to the possibility of still newer adaptations. In this way, the process repeats itself.

Mort's idea is essentially a "trickle-down" theory. Create a situation favorable to those more fortunately placed in society and their success will have a beneficial effect on those less well off. The Strayer-Haig-Mort Minimum Foundation Plan with local tax option is subject to the same philosophical arguments which may be leveled against any trickle-down theory. Should any public finance structure attack a problem by helping most those who are already best off?\textsuperscript{48}

The plan can also be questioned on grounds of efficacy. The trickle-down concept assumes that the innovations suitable for wealthier districts will also be suitable for poorer districts. In the years since Mort's work, educational researchers have turned up a great deal of evidence demonstrating that an educational practice which works well in one place does not necessarily work in another.\textsuperscript{49} Furthermore, poor children (many of whom live in poor districts) may not have exactly the same educational needs as their middle-class peers. These factors suggest that adaptations which are successful in one place need not or should not be applied everywhere.\textsuperscript{50}

\textsuperscript{48}Jones, op. cit. p. 16.


Another factor to consider is that a great many of the adaptations Mort sought were quantitative -- instituting kindergartens in public school systems, building of science labs for junior-high schools, increasing the length of the school year, etc. Probably these quantitative improvements were needed in every school system. And the adaptability model seems more applicable to this sort of innovation.

But most educators today see the problems of education as primarily qualitative -- better teaching, more meaningful out-of-class experience for students, etc. Qualitative innovations may not be as well suited to the adaptability model as quantitative ones. Different types of children respond differently to various teaching strategies and school environments. In education, innovations can succeed only if they have the full support of the people charged with implementing them.

Systematic curricula and instructional innovations, developed for one school situation and imported into another, may not have the same level of approval or relevance in the second situation as they did in the first.

Finally, one might criticize the adaptability model itself. Do most innovations occur at the local level in the way Mort thought, or do they begin with private business, research organizations, or within academic disciplines?

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52P. R. Brim, "What is Your PDG Quotient?" Phi Delta Kappan, March 1971, p. 415.
Next, how important is innovation? Since Mort thought that local citizens and professionals were the best judges of quality in their local school program, he was not anxious to praise or condemn any innovation himself. He simply thought that new ideas should always be tried. Today, however, many citizens and professional educators are interested primarily in results. Will the adaptation help "Johnny" read better? If not, of what use is it? In other words, emphasis recently has been placed on the outputs of the school systems rather than on innovation per se.

Mort believed that innovation in and of itself makes for better schools and better learning, a thesis which is hard to prove. But even if one concedes for the moment that this thesis is true, it still may not be correct that innovations developed largely in wealthy suburbs will work equally well in schools serving rural and urban ghettos. The inapplicability of adaptations developed in wealthy areas to the problems which exist in poorer areas may go a long way in explaining the disparities in the success levels of upper middle-class schools vis-a-vis schools composed predominantly of other types of children.

Summarizing them in order to make an intellectual case for the Strayer-Haig-Mort Foundation Plan you have to believe that:

1. A system which encourages the richest school systems most is philosophically acceptable.

2. It is philosophically acceptable because the wealthier school systems will develop useful innovations which will lead to better schools.
3. Innovations found useful in lighthouse communities will also be found useful in other communities no matter what their social, racial and economic composition.

4. Most innovations can and should originate in local school systems.

5. Equal educational opportunity is really a minimum level of educational opportunity where the minimum is often far below the average.

6. Educational policy makers should give conflicting instructions to state and local governments. To the states they should say, "Distribute your money on the basis of educational need and inversely to local wealth." To the locals they should say, "Raise as much money as you can for schools and if you have more wealth you should be spending more money."

Finance plans currently used in about four-fifths of the states are based directly on the plans developed at Columbia University first by Cubberley and later by Strayer-Haig-Mort.53 Both these plans envision a combined state-local responsibility for all phases of education including finance. No clear limits or controls are established for either level of government. This creates what is -- in the view of some -- a sort of healthy competition for control.

Percentage Equalizing

In the 1920s Harlan P. Updegraff from the University of

53Jones, op. cit. p. 20.
Pennsylvania, was asked to do studies of school finance in New York and Pennsylvania. (The period of his New York study overlapped the period of the Strayer-Haig study.) In these studies Updegraff developed the rationale underlying Percentage Equalizing Formulas.  

Updegraff's thoughts can be classified into three categories which will be considered in turn. First, his critique of the Minimum Foundation Plan will be discussed. Second, his own solution to circumvent the problems inherent in the Minimum Foundation Plan will be examined. And third, areas of agreement between Updegraff and Strayer will be identified.

Updegraff based his criticism of the Foundation Plan on both a practical and a theoretical plane. On the practical level Updegraff found that the Minimum Foundation level supported by the state tended to remain very low. The states typically did not increase their funding greatly enough to compensate for the rising costs of education. Consequently, the wealthier districts in a state were often spending at a level 2.5 or 3 times as much as the poorer districts which were at or near the Minimum Foundation level of expenditure.

However, even if states raised the spending levels in their Minimum Foundation Program Updegraff still would not have been satisfied because the fiscal ability of local districts still would not be equal. Hence they would not be able to provide equal levels of education. In his view Minimum Foundation Programs doomed large

segments of the population to an inferior education. Children in poorer districts received only the minimum while wealthy districts spent far in excess of the minimum. Updegraff thought that a state-aid system which benefited wealthy districts the most was an abrogation of the doctrine of equal educational opportunity:

In applying the principle, Equality of Opportunity, to schools, it means that all forms of aid should be utilized in such manner as to guarantee for each child that education which will best fit him for life, irrespective of the particular community in which he may happen to live.55

In addition Updegraff had views of his own concerning the governance of education which were substantially different from those developed at Columbia. He emphasized the historical evolution of education in the United States as a primarily local enterprise. In his view the state's role in education should largely be confined to helping localities provide whatever level of educational service is deemed appropriate by that locality.

Thus Updegraff took exception to the Columbia idea that state and local governments are equal partners in the educational enterprise. He took the position that local districts should be the dominant force in decision making. Secondly, Updegraff believed that state bureaucracies in general were cumbersome and inefficient. Local districts on the average tend to be much more effectively administered.56

Guided by this philosophy Updegraff proposed the Percentage Equalizing Plan in which the state shares a fixed percentage of the cost of any level of education desired by individual local school

55Ibid. p. 45.

districts. First, the state determines what percentage of the total cost of education in the entire state it should assume. Second, a local district decides what it wishes to spend. Third, an automatic mechanism determines what percentage of the cost the state will bear in any single locality. If the locality is a wealthy one, the state will bear only a small percentage of the cost. If the locality is a poor one, the state will bear a large percentage of the cost. In this way all local school districts are equally able to support whatever level of educational expenditure each locality desires.

In Updegraff's view this plan had several equity features. First, all districts are encouraged to make a greater local tax effort because the more money the locals raise the more money the state provides. For any given level of local tax effort the state payment varies inversely to the amount of local taxable wealth. This puts all local school districts in a relatively equal position insofar as revenue raising is concerned. Equality of educational opportunity is no longer constrained by the wealth of the community in which the child happens to reside. Percentage Equalizing encourages "right thinking" on the part of the local populace. Local individuals will be more likely to develop sound educational policies if they come to conclusions themselves rather than have them imposed by an outside state authority.

The facts are that, in a fairly large number of communities of every state, we need a change in attitude on the part of the citizens toward the schools. These communities can frequently be led to change their ideas and to substitute right action over a sufficiently long period of years to bring about a fundamental change in their attitudes toward the benefits of education. That which a citizen learns through the operation of his own action becomes established, while that which is forced upon
him against his will he opposes. It is, therefore, fundamental in state aid that we leave final decisions, provided the minimum and maximum standards fixed by state laws are observed, to the local communities and allow them to choose what they think is best. Such standards should ordinarily, however, permit considerable range for freedom of action. If this is done we have stronger agencies in the making of a better government and a better society.  

This quotation points up one of the principal areas of agreement between the advocates of the Minimum Foundation and Percentage Equalizing Plans. Both schools of thought accept the fact that there is a maximum amount of money which the state can spend on education. Although Updegraff felt that the primary educational responsibility rested with the local districts, he conceded that states had an important, if generally subservient, role to play. Updegraff also agreed with the Columbia view that curriculum considerations were inextricably bound to financial considerations. In fact, he seems to have held the view even more strongly than Mort did. Since local districts should control the curriculum, local districts should also have wide discretionary powers to tax. Finally, both sides agreed that local school districts were the most innovative components in the entire educational enterprise. Since new ideas incubated there, it would be harmful to inhibit their activities.

Updegraff realized that states would have to impose not only minimums but also maximums on the extent of their financial participation. This element in his plan has proved to be more of a greater drawback than probably he expected. Obviously, the state cannot guarantee to support a fixed percentage of absolutely any level of educational expenditures which the local school districts in the

57Ibid. p. 45.
aggregate decide upon. This is because state school fund appropriations are limited. Of necessity tax revenues and state educational appropriations must be determined independently of local school districts' budgets. Almost inevitably state funds are not sufficient to finance local programs in the percentage stipulated by law. When this happens, the total budgets for all school districts must be cut back. Frequently, this process hurts poor districts more than rich districts.

Opposing the Percentage Equalizing Plan George Strayer believed that such formulas distorted the "desirable" levels of tax effort in some communities. A later study has shown this to be true. Poorer communities, often uninterested in education, can opt to tax and spend amounts far below the level they might have to if the Minimum Foundation Plan were in effect. On the other hand already wealthy suburban communities, usually very responsive to the need for education, receive at least some state aid even in providing the extra services not essential to a good basic school program. If a Minimum Foundation Plan were in effect, wealthy communities would have to pay for such extras entirely on their own. Under a percentage equalizing system the state may have to use tax money, collected from people in poor districts, to provide extras for the wealthy while these same poor districts do not have even an adequate minimum

58 Strayer-Haig op. cit. p. 175.

59 Benson and Kelly, The Rhode Island Comprehensive Foundation and Aid Program for Education (Providence: Rhode Island Special Commission to study the entire field of education, 1966).
program. Such contingencies as these are the perils of Percentage Equalizing!

Summarizing then, these are the basic beliefs underlying the Percentage Equalizing Plan:

1. Local school districts acting independently should determine the educational interests of the state and nation, OR local interest should supersede the interests of the state and national interest.

2. Every taxpayer in the state should help support the total educational program in all communities no matter how expensive that program, and state agencies should exercise little control over the content and cost of each locally-determined program.

3. In theory local districts should be equally able to spend whatever they wish. But in fact this can never be so since the state necessarily limits its funding.

In common with the Strayer-Haig-Mort Minimum Foundation the Percentage Equalizing Plan holds that:

4. Local school districts are usually more adaptive than other educational units.

5. The power to tax and the power to control all phases of school operation go hand-in-hand; therefore, local school districts must have taxing power.

6. The state's role is to impose minimums. In strict Updegraff theory these minimums may be lower under the Percentage Equalizing Plan than they would be under the
Foundation Plan.

For several reasons the percentage equalizing ideas has never achieved such wide acceptance as the Strayer-Haig-Mort Minimum Foundation Plan. For years the Percentage Equalizing Plan was little known. In 1968-69 only six states used this method. One reason may be its fiscal drawback from the state's point of view. Another reason may be that state legislatures do not like the rhetoric of local pre-eminence embodied in the plan. One sure reason is that the Percentage Equalizing Plan never had an apostle as persuasive and dedicated as Paul Mort.

Percentage Equalizing has its partisans still today. But in terms of its implementation it definitely is third in importance after the two Columbia plans.

Full State Funding

For many years the School of Education at the University of Chicago has been known for its contributions in educational law. Many Chicago professors have emphasized the political and legal element in educational decision-making.

Henry C. Morrison, who taught at the University of Chicago in the 1920s and 1930s, published School Revenue in 1930. Two beliefs underlie Morrison's important book. First, the sole duty of publicly-supported education is to prepare young people to assume the responsibilities of citizenship in American democracy. Second, this cannot be done if educational decisions, including finance decisions, are primarily a local matter. Local people necessarily pursue local interests. These two beliefs led Morrison to propose full state fund-
ing, a radical idea for its time.*

But full state funding was by no means Morrison's only unorthodox proposal. He favored consolidation of local school districts into a unified state-wide system and a very limited purpose state imposed curriculum. Furthermore, at a time when state income taxes were barely used at all Morrison looked favorably upon this type of levy for state school support.

Morrison began his book by distinguishing between public schools and state schools. The distinction lies in the conflicting purposes of each. So-called public schools may be tax-supported institutions which exist for individual benefit. American public schools grew out of a tradition of private schools which were often "...nothing more than cooperative family schools for affluent or aristocratic families."60

These schools existed to train people in the social graces and prepare them for certain types of occupations or professions. It is unfortunate in Morrison's view that American public schools grew out of the tradition of private schools which existed for family benefit:

The state school, however, critically defined, is in essence a school established and maintained by government primarily

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*In 1930 only about 17 percent of all school revenues came from the states. Source: Johns et al (ed.), Status and Impact of Educational Finance Programs (Gainsville: National Educational Finance Project, Vol. 4) p. 22.

for a civic purpose, that is, for the perpetuation of the Civil state, that is, for the maintenance of civilization. The "public schools" with which we are familiar are nearly all state schools, at least in law, albeit most of them have little administrative relation to any of our forty-eight commonwealth governments. 61

Morrison believed that "citizenship schools," as he often preferred to call them, should not prepare people for college, not offer vocational education, and not teach "private accomplishment" subjects such as French. Morrison also would have forbidden state aid to institutions of higher learning. Collegiate studies, like so much he objected to in the public school curriculum, prepared young people to make money or prepared them in the social graces, objectives which the family or private education should pursue.

Morrison believed in a relatively permanent curriculum designed for severely limited purposes. In this report Morrison's thought parallels that of Robert Maynard Hutchins who in 1929 (one year before the publication of School Revenue) came to Chicago as its president.

Morrison's conception directly contradicts the Dewey view of progressive education which underlies much of Paul Mort's thought. Morrison wrote:

"Education" is completely described as being "wide as life itself." If that is so, and it is further true that schools ought to be supported at public expense, then all of us must in logic expect to be taxed for all that life has to offer for the benefit of all of us...

..."Schools should provide for all the needs of all children, and of the whole community." The wide-as-life motive. Freedom and liberty, self-expression, socialization, free lunches, elimination of privilege, advertising the city, bigger and better

61Ibid. p. 13.
babies, and so on ad infinitum. Literally without limit, for there is no terminus to that pathway.

Now, perhaps most of the things desired by the "educator" are good and desirable in themselves, but it by no means follows that they are part of either the objectives or the processes of the citizenship school.62

Morrison examined local school districts and found them lacking. They were motivated by private, local interests. They had different taxpaying capacity. Hence they provided vastly different levels of education. Morrison believed that substantial sums of money could be saved by limiting the curriculum to citizenship training.

The inevitable conclusion (is) that the several states themselves are the appropriate fiscal and administrative units in the support and conduct of the citizenship school which has long been held to be the cornerstone of our policy as a self-governing state:63

As is true of the other early writers, Morrison's views on school finance flow from his conception of the school itself. Morrison despaired of ever finding an adequate state-local funding formula. Whatever method is used the wealthy districts always seem to come out ahead.

As was said earlier, Morrison favored Full State Funding for schools and promoted a state-wide income tax to produce the necessary revenues. His rationale for promoting Full State Funding was to control and limit the curriculum thereby reducing expenditures. This rationale differs markedly from the modern advocates of Full State

62Ibid. p. 108.

63Ibid. p. 294.
Funding who seek to equalize tax burdens and increase expenditures by an upward equalization of educational opportunities.

In summarizing, in order to believe completely in Morrison's conception all the following must be accepted: 64

1. Publicly-supported schools should exist for the sole purpose of citizenship training.

2. Citizenship training requires only a narrow curriculum devoid of many of the academic subjects and educational purposes that are commonplace in most schools.

3. The state should decide exactly what should be included in the curriculum of every school.

4. Local school districts should be consolidated into a single state-wide system because local and private interests should play no part in determining the course of public education.

5. The state-wide school system should be financed by state-wide taxes. All potential tax sources should be viewed favorably.

Ever since his book was published in 1930 Morrison's views have been totally at odds with the prevailing thought in education and school finance. This is not to say, however, that Full State Funding has had no partisans whatsoever. In the 1930s two states, North Carolina and Delaware, attempted nearly Full State Funding. They have continued high levels of state support ever since. In more recent years Full State Funding has been viewed with more and

64Ibid. pp. 219-226.
more favor among a growing minority of school finance experts. Recently, Morrison's thoughts have received favorable reappraisal by a limited number of educators.\textsuperscript{65}

Undoubtedly, a major factor operating against the Morrison revival is his extremely unorthodox views on both school curriculum-organization and educational finance. Morrison is in the unenviable position of drawing fire from most teacher groups, school administrators and finance specialists. Together these include nearly everybody in the education profession.

Conclusions

Taken as a whole the view of Cubberley, Strayer, Mort, Updegraff and Morrison are conflicting. A great diversity of opinion with regard to the nature of education and the role of inter-governmental fiscal relations is represented in the view of these five individuals. The Columbia School of Education saw it as a consistently growing ever-changing enterprise that allows state and local governments to operate in symbiotic competition. In the Updegraff conception purely local interests were rightfully predominant both in matters affecting curriculum-organization and in finance. The state's major role was to reward local tax effort. Morrison stood the Updegraff conception on its head, so to speak, and put the state in the supreme position on all matters. It is certain that these pioneers in inter-governmental fiscal relations helped set the stage

\textsuperscript{65}See for instance Benson \textit{Economics of Public Education}, pp. 166-167.
for many of the debates still raging today.

In at least two respects, however, these early writers were not so far apart. First, they spent as much time detailing financial considerations as they spent discerning human needs. Or, more precisely, four of the five basic fund distribution mechanisms address themselves partly to inter-district differences in financial ability, not in variations in pupil needs. It would be unfair, however, to criticize the early experts on this ground. In their day education was a relatively homogeneous commodity designed to turn out pupils with roughly similar skills. They were not as keenly aware of the psychological and sociological differences among different groups of pupils as we are today. The special educational needs of certain groups of pupils have been discovered since 1930. Furthermore, since the time of these early writers there has been a renewed emphasis on what pupils learn rather than on what educational services are offered. Pupil learning is due largely to factors other than expenditure level.

In view of these new forces operating in education many modern schoolmen believe that all of the old formulas are inadequate. Property tax is a poor measure of fiscal capacity. In any case equalizing fiscal capacity is far less important than equalizing student achievement by meeting the differential educational needs of different groups of pupils.

The second point on which all the early theorists seem to agree is that the power to tax is the power to control. If local districts have no tax leeway, complete state domination of all phases
of the curriculum would result. In Morrison's view this would be good. Updegraff thought state control would be disastrous. Mort believed that inter-district equalization of expenditures was desirable, but for the fact that is would hinder adaptability. And schoolmen today often cite the need for local innovation as a primary reason for the retention of local funding.

Recently, investigators have examined the proposition that increased state funding does necessarily tend to centralize control. Fowlkes and Watson concluded that this proposition is erroneous. Their study, which included eleven midwestern states,

....revealed no consistent pattern such as that suggested by the phrase 'control follows money.' It showed practically no relationship between the state's share in school support and the number of controls.66

Fowlkes and Watson also examined the proposition that the total number of state controls was perhaps less important than the amount of control the state exercised over any single phase of the education process.

Within a single state, Wisconsin, the two researchers found no relationship between the amount of state support received by a local school district and the rigidity of state control over any specific phase of school operation.

A recent survey done by the Urban Institute for the Commission confirms these findings. The Urban Institute examined ten broad areas of control in ten widely divergent states. High state aid

66John Guy Fowlkes and George E. Watson, School Finance and Local Planning (Midwest Administration Center, University of Chicago, Chicago 1957) p. 333.
states like Washington and North Carolina exert no more legal control over their local districts than do the low state aid states in their survey.

There is no proof that heavy state funding inevitably tends to centralize control. Fiscal arrangements may be separated from legal controls. The evidence strongly indicates that the widely held belief is only a myth.

Among school finance men today the plans and rationale of the early theorists are universally respected; among some the pros and cons of each plan are still hotly debated. Nevertheless, there is a growing feeling among all experts that none of these early conceptualizations are entirely sufficient to meet today's school finance problems. If the less important problem of inter-district differences in fiscal capacity and tax effort is not first eliminated, then the more important problem of meeting differential human needs can never be successfully dealt with.
CHAPTER IV

PRESENTATION AND ANALYSIS OF THE DATA

Chapter IV presents the findings and analyses of the various data which were gathered to test the following seven hypotheses:

I. School officials from wealthy school districts believe the tax burden for education should be equalized on a state wide basis according to ability to pay.

II. School officials from wealthy school districts agree that state plans for the distribution of funds for public schools should consist of a system of weighted classifications that include factors such as types of educational service, types of students, and special district and regional factors.

III. School officials from wealthy school districts agree that strict state control of the distribution of all funds for education is desirable in order to equalize the per pupil expenditure within the state.

IV. School officials from wealthy school districts who agree with the principle of equalization, engage in activities to promote its adoption or implementation.

V. School officials from wealthy school districts who disagree with the principle of equalization, engage in activities to hinder its adoption or implementation.

VI. School officials from wealthy school districts who actively engage in activities to promote their ideas relating to equalization, believe their actions will have an affect on state laws relating to school finance.

VII. School officials from wealthy school districts who do not engage in activities to promote their ideas relating to equalization, do not believe their actions would have an affect on state laws relating to school finance.

Data were collected via a thirty minute interview with Superintendents, Business Managers, and Board Presidents of the sample dis-
districts to determine if those school officials agree with the current equalization trend as proposed in the professional literature, to determine if they are engaging in activities to promote their beliefs, and to determine why they are, or are not engaging in activities to promote their beliefs. The interview was structured (See Appendix A), but the interviewer attempted to probe in depth for explanations and rationale for answers.

School officials from twenty-eight districts were selected to participate in the study. The districts were selected from those districts falling in the upper quartile according to assessed valuations per child of elementary (k-8), secondary (9-12), and unit (k-12) districts. The sample includes ten percent of those districts in the upper quartile of each enrollment category. Interviews were scheduled and conducted during January and February of 1972. A total of 62 school officials were interviewed with the following numbers in each of the three categories: Superintendents 28, Business Managers 11, Board members, 23 - Total 62.

Attempts were made to interview Board Presidents, but in a few instances another member was interviewed due to availability or to a greater interest or expertise in the area of school finance. In general, there appeared to be no patterns of differences among the Superintendents, Business Managers and Board members. Board members were not likely to be more opposed nor more favorable to any particular proposition than Superintendents or Business Managers.

Data Analysis for Hypotheses I, II and III

Hypotheses I, II, and III were analyzed through various propositions which solicited responses on a modified Likert scale. Re-
responses were expressed according to one of the five following de­
grees: Strongly Agree (SA), Agree (A), Undecided (U), Disagree (D),
and Strongly Disagree (SD). To score the scale, the alternative re­
sponses were weighted +2, +1, 0, -1, and -2 respectively, from
Strongly Agree to Strongly Disagree. If all sixty-two school officials
Strongly Agree with a proposition, that proposition would receive 124
(62 x 2) points. If all sixty-two school officials Strongly Disagree
with a proposition, that proposition would receive -124 (62 x -2)
points. As the numbers increase positively, so does the school offi­
cials' agreement with the proposition. As the numbers increase nega­
tively, so does the school officials' disagreement with the proposi­
tion.

The responses to the individual propositions are represented
by numbers on lines. An example of how to interpret the data is given
below:

<table>
<thead>
<tr>
<th>SA</th>
<th>A</th>
<th>U</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>(10) 16.1%</td>
<td>(30) 48.4%</td>
<td>(0) 0%</td>
<td>(17) 27.4%</td>
<td>(5) 8.1%</td>
</tr>
</tbody>
</table>

1. SA, A, U, D, SD - See above.

2. The number in parenthesis represents the number of school offi­
cials making that particular selection.

3. The number next to the parenthesis is the percentage of adminis­
trators selecting the particular response.

4. The above graphical representation would read, ten respondents
or 16.1 percent of the sample selected the alternative Strongly
Agree. Thirty respondents, or 48.4 percent selected Agree. No
one selected Undecided. Seventeen respondents, or 27.4 percent
selected Disagree. Five respondents, or 8.1% selected Strongly
Disagree.

5. The total weight of the proposition is calculated as follows:
The hypotheses would be accepted if the total score of all propositions is positive, and rejected if the total score of all propositions is negative.

Example: Hypothesis I

<table>
<thead>
<tr>
<th>Proposition</th>
<th>Total score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>+8</td>
</tr>
<tr>
<td>2</td>
<td>-3</td>
</tr>
<tr>
<td>3</td>
<td>+23</td>
</tr>
<tr>
<td>4</td>
<td>-14</td>
</tr>
<tr>
<td>5</td>
<td>0</td>
</tr>
</tbody>
</table>

Hypothesis I Total +14

Therefore the hypothesis would be accepted. The narrative analysis of each hypothesis identifies pertinent information regarding each proposition and attempts to identify differences in the responses from the three types of school officials surveyed, and differences that occur in the twenty-eight districts.

Data Analysis for Hypotheses IV and V

Although all sixty-two school officials were asked what activities they have engaged in to promote or hinder the adoption or implementation of the equalization theory, only the respondents who scored positively on the fifteen propositions relating to Hypotheses I, II and III were used to test Hypothesis IV and only the respondents who scored negatively on the first fifteen propositions were used to test
Hypothesis V. The narrative explains responses of interviewees who score near 0.

Hypothesis IV would be accepted if sixty percent of the respondents scoring positively on the first fifteen propositions indicate that they have engaged in three or more of the first seven alternatives.

Example: Suppose five school officials score positively on the first fifteen propositions indicating they agree with the equalization principle. Their responses to the proposition testing Hypothesis IV might be as follows:

Respondent #1 - 3 activities, #2 - 2 activities, #3 - 4 activities, #4 - 5 activities, #5 - 0 activities

Therefore, three of the five respondents indicated they have engaged in three or more activities to promote equalization within the past year. Criteria for acceptance is sixty percent. Whereas a simple majority is often criteria for acceptance, consultation with a statistical advisor recommended that using 60% would increase the reliability of the results of the study. Three-fifths is sixty percent, therefore Hypothesis IV would be accepted. The narrative attempts to identify the most common activities engaged in, and the number of school officials from the sample engaging in each activity.

Hypothesis V was tested in the same manner, but using the respondents that had a negative score on the first fifteen propositions.
Data Analysis for Hypotheses VI and VII

All respondents identified in the testing of Hypotheses IV and V as engaging in activities to promote their beliefs relating to equalization were asked to test Hypothesis VI. Each of these respondents was asked the proposition relating to Hypothesis VI. Hypothesis VI will be accepted if sixty percent of those questioned answer positively to Section A of the proposition. The answers to the remaining sections will be used to provide additional information for the narrative.

Hypothesis VII was tested in the same manner as VI except the respondents asked were those identified in the testing of Hypotheses IV and V as not engaging in activities to promote their beliefs relating to equalization. Hypothesis VII will be accepted if sixty percent if those questioned answer positively to Section A of the proposition. The answers to the remaining sections and additional reasons will be used to provide additional information for the narrative.

Hypothesis I

School officials from wealthy school districts agree that the tax burden for education should be equalized on a state wide basis according to ability to pay.

This hypothesis would indicate a change in the current taxation system for schools. Authors of financing systems for schools have supported the concept of the hypothesis for many years, but in practical application, the tax burden for education has not been equalized on a district or county level, and certainly not on a state level.
Strayer and Haig\textsuperscript{67} stated in 1923 that the state should insure equal educational facilities to every child within its borders at a uniform effort throughout the state in terms of the burden of taxation.

The propositions relating to Hypothesis I were designed to test whether or not school officials from wealthy districts believe that there should be an educational financing system which would bring about an equalization of tax burdens.

Proposition 1

A graduated income tax would be a desirable source of revenue for education.

\begin{center}
\begin{tabular}{lllll}
   & SA & A & U & D & SD \\
\hline
   (9) & 14\% & (34) & 55\% & (5) & 8\% & (11) & 18\% & (3) & 5\% \\
\end{tabular}
\end{center}

(Total points received +35)

Respondents were asked to answer without considering this as an additional tax, or if it replaced a current tax, without thought as to which taxing method it would replace. The majority of respondents indicated that the graduated income tax is the most fair method of taxation. Most of the respondents answering positively that they favor a graduated income tax did so because of the selfish motivation that this type of tax would generate greater sources of revenue for their own district. They visualized the wealthy patrons of their communities with large incomes that could be taxed. They also assumed that the taxes generated locally would remain available to the local district rather than be distributed to less wealthy districts to

\textsuperscript{67}Strayer and Haig, op cit, p. 173.
increase the equalization of financial resources.

The concern for equity was centered on equity of collection rather than equity of distribution. Many respondents pointed out that an income tax would tax all people rather than property owners. A popular justification in favor of the income tax was that it is much more equitable for retired people on fixed incomes than the property tax. A general concern was that retired people do not have children in school, and yet if they have saved their money and own property, they currently bear a large portion of the burden of financing our schools. The income tax would relieve this burden on them and place it on the wage earners who are likely to be the parents of school age children.

Negative responses concerning the desirability of a graduated income tax were voiced because of the following reasons:

(1) Income tax collection practices would by necessity tend to centralize finances and promote governmental bureaucracies. The school officials from wealthy districts seem to have a deep distrust of money generated in their districts ever leaving their districts. Their past experience indicates that if money ever leaves their districts, it is never returned in the full amount, and there are always conditions attached as to how they must spend the amount that is returned.

(2) The fear that loopholes inherent in our federal income tax would be allowed in the income taxes for schools. If this were allowed it could mean less money available for education than the tax the more-difficult-to-hide real property generates.

(3) There were a number of objections to the income tax being
graduated instead of the same percentage for everyone. The school officials objecting to the graduated form were concerned that this type of tax penalizes people for making the greater effort required to earn higher incomes. One superintendent stated that, "we try to reach kids to work hard, and when they do, we take more away from them."

(4) The respondents were firmly against the "Robin Hood" effect. They felt that the parent has the obligation to pay for the education of his own children. They generalized that lower income families tend to produce more children than higher income families, and therefore could be expected to pay even greater amounts for their children's education. They did feel that as the number of children to be educated increased, so should the financial burden for education be increased.

(5) These respondents took a stand in favor of developing the property tax instead of the income tax and said that the varying rates were even fair because everyone always had the option of moving to a district that had low rates.

In conclusion, a point value of +35 indicates rather strong support for a graduated income tax. However, the interview comments and the reasons given for favoring a graduated income tax seem to indicate that the positive responses to Proposition I are not due to support of the equalization of tax burdens according to "ability to pay" as theorized in Hypothesis I, but are the result of favoring the graduated income tax because this form of taxation would increase the amount of revenues available to the local school district the interviewee represented.
Proposition 2

A state property tax would be desirable if the rate was the same for the entire state.

\[
\begin{array}{cccccc}
\text{SA} & \text{A} & \text{U} & \text{D} & \text{SD} \\
(7) 11\% & (13) 21\% & (3) 5\% & (28) 45\% & (11) 18\% \\
\end{array}
\]

(Total points received -23)

To comply with the spirit of the Serrano decision, it has been suggested that the state take over property taxation and redistribute revenues on a more equitable basis throughout the state. For this reason, respondents were asked to state their position on statewide property taxation at a uniform rate.

The initial reaction of most respondents was that it would be desirable if everyone paid the same amount of property tax. However, when Proposition 2 was discussed and the respondents realized the proposition was related to rate rather than yield, they quickly concluded that in most cases their districts were currently being taxed at a lower rate than the state average. Out of this realization, two viewpoints were expressed:

One viewpoint was represented by a board member stating, "if everyone paid the same rate, our rate would rise and therefore the amount of money available to our district would also rise. This would be great assuming the revenue generated would remain in our district."

The second viewpoint opposed a statewide uniform property tax on the grounds that: (1) The property tax rate is the only tax rate that is controlled solely by the local community. Local citizens like the option to both raise and lower this tax. (2) The local tax rate is an indicator of the value a community places on education. Several
respondents echoed the points of one Business Manager in this statement: "The local community should have the option of taxing itself at a high rate in order to have the types of educational programs, facilities and personnel that it feels are needed. Conversely, it should be able to tax at a lower rate if it feels a lower rate will produce a satisfactory school system." (3) The most frequently stated reason for opposing a uniform tax rate was, "the fear that it would promote mediocrity and remove the incentive to establish high quality programs." (4) To collect all property taxes at the same rate would penalize the communities that had the foresight to encourage industry to locate in the community, and would penalize these communities for having to put up with the traffic and pollution caused by industry without any assets. One lady board member stated, "if all communities were to tax at the same rate, there would be no advantages to encourage industry to locate in those communities."

In conclusion, a point value of -23 and the interview comments, indicate rather strong opposition to the same tax rate for all communities throughout the state.

**Proposition 3**

Tax rates for education should be uniform throughout the state with surplus funds derived from wealthy districts being used to equalize per pupil financial resources of all districts within the state.

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<thead>
<tr>
<th></th>
<th>A</th>
<th>U</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>(3)</td>
<td>5%</td>
<td>(11) 18%</td>
<td>(2) 3%</td>
<td>(25) 40%</td>
</tr>
</tbody>
</table>

(Total points received -50)

Proposition 3 most clearly asks the question "Do you favor strict equalization?" The officials from the wealthy districts answered the question with an emphatic no. Forty-six of the sixty-two school
officials surveyed indicated they had no desire to share their wealth or the fruits of their labor with other districts who were either less fortunate or less supportive of education. This reluctance to share wealth was characteristic of the majority of proponents of equal taxation and the graduated income tax as well as the opponents of more equalized taxing methods.

As respondents answered this proposition, a near unanimous trend was developing. This trend can be identified in the following statements that were expressed in various forms by the great majority of those interviewed. (1) A deep concern is present that all students are provided with the opportunity for a good basic education. However, we do not want to lower the quality of education in our community, nor do we want to increase our taxes to help others achieve this same quality. (2) Our state income taxes and our state aid formula assist poor districts and this is as it should be. However, greater assistance that would pull from our local property tax would be violently opposed. (3) Districts with small enrollments cannot be operated efficiently. These districts have the option of consolidation and should be able to determine locally if they desire to consolidate or to operate at a high per pupil cost. Wealthy districts should not have to provide additional financial assistance for these districts. (4) We would not mind sharing as much if we were confident the money would be spent wisely and administered efficiently. (The example of providing Chicago with additional money so they could pay higher salaries for the same inadequate job was often used.)

In conclusion, a point value of -50 and interview comments indicate strong opposition to the sharing of additional funds with
other districts.

Proposition 4

Exemptions or reductions of school taxes should be allowed for families of low income.

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<thead>
<tr>
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<th>SA</th>
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<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>(3)</td>
<td>5%</td>
<td>(36)</td>
<td>58%</td>
<td>(1) 2%</td>
<td>(20) 32%</td>
</tr>
</tbody>
</table>

(Total points received +18)

Most respondents answered this proposition by stating that this is presently occurring in several ways - typically low income families do not own property nor pay much income tax. Free lunches and waived fees are also available. It was frequently necessary for the interviewer to clarify that the proposition did not specify that greater allowances should be made. Many respondents indicated that low income families usually produced larger families and should have to pay for their education. There was deep concern expressed among the respondents that the expectation of "getting something for nothing" should be eliminated. People in dire need should be helped, but the fear was expressed that increased allowances for low income families would promote increased abuse of this allowance.

In conclusion, a point value of +18 indicates agreement with the proposition. The comments of the respondents indicated they favored reductions, not exemptions, and that they would not be supportive of greater allowances than are presently being made.

Author's note:

(The phrase "should not be determined by the needs of the district" in Proposition 5 is contrary to the positive format of the other propositions and hypotheses, but was inserted to add clarity for the interviewee.)
Proposition 5

The tax rate of a school district should not be determined by the needs of the district, but rather by a statewide rate that is determined by a careful assessment of the needs of the entire state.

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<thead>
<tr>
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<th>A</th>
<th>U</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>SA</td>
<td>0%</td>
<td>16%</td>
<td>3%</td>
<td>39%</td>
</tr>
<tr>
<td></td>
<td>26%</td>
<td>42%</td>
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</table>

(Total points received -66)

The majority of respondents answered this proposition by simply indicating they disagreed. Some explanations were voiced that needs vary from year to year within the same school, and certainly would vary throughout the state. The point value of -66 indicates how absurd most respondents felt this proposition to be. The paucity of comments from the respondents reveals an extremely strong opposition to equalization and an unwillingness to discuss this proposition further.

<table>
<thead>
<tr>
<th>Proposition No.</th>
<th>SA</th>
<th>A</th>
<th>U</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposition No. 1 (Points +35)</td>
<td>9</td>
<td>34</td>
<td>5</td>
<td>11</td>
<td>3</td>
</tr>
<tr>
<td>Proposition No. 2 (-23)</td>
<td>7</td>
<td>13</td>
<td>3</td>
<td>28</td>
<td>11</td>
</tr>
<tr>
<td>Proposition No. 3 (-50)</td>
<td>3</td>
<td>11</td>
<td>2</td>
<td>25</td>
<td>21</td>
</tr>
<tr>
<td>Proposition No. 4 (+18)</td>
<td>3</td>
<td>36</td>
<td>1</td>
<td>20</td>
<td>2</td>
</tr>
<tr>
<td>Proposition No. 5 (-66)</td>
<td>0</td>
<td>10</td>
<td>2</td>
<td>24</td>
<td>26</td>
</tr>
<tr>
<td>Total (-86)</td>
<td></td>
<td></td>
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</tbody>
</table>

Summary and Analysis

A total point value for the propositions relating to Hypothesis I of -86 supported by comments solicited in the interviews, indicates that school officials from wealthy school districts do not agree that the tax burden for education should be equalized on a statewide
TABLE 3
SUMMARY GRAPH FOR HYPOTHESIS I SHOWING SCHOOL OFFICIALS FROM WEALTHY DISTRICTS AGREEMENT OR DISAGREEMENT WITH THE CONCEPT OF EQUALIZING TAX BURDENS ON A STATE WIDE BASIS ACCORDING TO ABILITY TO PAY

<table>
<thead>
<tr>
<th>Propositions And Total Points</th>
<th>Amount Of Agreement Or Disagreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposition No. 1</td>
<td>Total Points +35</td>
</tr>
<tr>
<td></td>
<td>+80 +70 +60 +50 +40 +30 +20 +10 -10 -20 -30 -40 -50 -60 -70 -80</td>
</tr>
<tr>
<td>Proposition No. 2</td>
<td>Total Points -23</td>
</tr>
<tr>
<td>Proposition No. 3</td>
<td>Total Points -50</td>
</tr>
<tr>
<td>Proposition No. 4</td>
<td>Total Points +18</td>
</tr>
<tr>
<td>Proposition No. 5</td>
<td>Total Points -66</td>
</tr>
</tbody>
</table>

AGREE DISAGREE
basis according to ability to pay. Therefore, Hypothesis I must be rejected.

Although a graduated income tax was viewed as favorable and a desire that all students should have the opportunity for a good basic education was expressed, the wealthy districts did not feel it was their obligation to see that this occurred. As a group, they viewed the present amount of equalization as necessary, but were opposed to further equalization at the expense of lowering the quality of education in their communities or raising their taxes.

The districts seemed fearful of any change in the system for financing because past changes have hurt wealthy districts. They do support the option that currently exists in Illinois to remain on the Strayer-Haig distribution formula, but fear a crisis developing as more districts are forced to move from Strayer-Haig to the new resource equalizer. One superintendent suggested that the state raise the level a district can tax without referendum to enable districts to stay on the Strayer-Haig district distribution formula, and therefore retain greater amounts of state monies for less wealthy districts. Many of those interviewed supported raising the minimum foundation of the Strayer-Haig distribution to an amount that could be considered a "good" education rather than a "minimum."

Regardless of the state distribution system, there seems to prevail a strong desire to retain local funds, and a strong feeling that those funds raised locally should be spent locally. The tradition of local control of taxing power and spending of locally raised funds is one that will not be given away easily.
In short, the school officials are willing to accept increasing equalization of state distributed funds, as long as they can retain their local funds.

Hypothesis II

School officials in wealthy school districts agree that state plans for the distribution of funds for public schools should consist of a system of weighted classifications that include factors such as types of educational service, types of students, and special district and regional factors.

Hypothesis II sought to investigate the philosophies of school officials from wealthy school districts relating to distribution of state aid. During the interview, an attempt was made to have the respondents express their opinions on the special needs categories that could be classified as necessary and legitimate, and to identify those that are not necessary, therefore creating potential abuse or inequities.

Proposition 1

The source of revenues for education should be completely divorced from the method of distribution.

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<thead>
<tr>
<th>SA</th>
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</thead>
<tbody>
<tr>
<td>(1) 2%</td>
<td>(14) 22%</td>
<td>(2) 3%</td>
<td>(29) 47%</td>
<td>(16) 26%</td>
</tr>
</tbody>
</table>

(Total points received -45)

The high negative point value for this proposition indicates that the school officials interviewed believe the money raised locally should be spent locally. Although the respondents were willing to accept this proposition as it relates to state collected funds and how they spend their local monies, they could not agree to the proposition in general, because of the predominant belief that the money raised by the local property tax should not leave the local community. All
respondents agreed that each child in their district should have the same educational opportunities afforded to him regardless of the amount of taxes his parents paid, however, the same logic was not applied to all districts within the state. Many respondents admitted that philosophically they agree with the propositions, but because of the severe effects this would have on their local situation, they would fight against it.

**Proposition 2**

Distribution formulas should provide specific grants to meet specific needs.

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<thead>
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<tbody>
<tr>
<td></td>
<td>(8)</td>
<td>(44)</td>
<td>(7)</td>
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<td>(0)</td>
</tr>
<tr>
<td>%</td>
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<td>71%</td>
<td>11%</td>
<td>5%</td>
<td>0%</td>
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</table>

(Total points received +57)

This proposition was interpreted for the respondents as asking if they are in favor of categorical aids. Although the high positive point value indicates general agreement with categorical aids, the majority of the respondents indicated some reservation with the present amount and types of aids. Typical statements of reservations were: (1) Funding should not cause programs to be initiated - programs should be initiated as a result of carefully identified needs, not simply because money is available. (2) The minimum basic program funding suffers because money is spent on special programs. (3) The value of many special programs is highly questionable. (4) Special program funding causes some low priority programs to be implemented when higher priority programs cannot be implemented. (5) Respondents were generally against most federal aid programs. (6) Higher governmental agencies should not define criteria for special aids because this results in
some wasted funds so that qualifications for special grants can be met.

(7) Special aids should cover the entire cost of worthwhile programs.

(8) Categorical aids have several restrictions or limitations.

From the list, it is obvious that there is much disagreement with the existing special grant system. However, the responses to the proposition indicated the greater majority of school officials interviewed thought some special grants were necessary.

One superintendent, after stating opposition to special grants, did identify some unusual and yet valid reasons for continuing with categorical aids. He reasoned that categorical aids keep school boards from negotiating these funds away, and he expressed a lack of confidence in schools to meet special needs without categorical aids.

**Proposition 3**

State distribution formulas should contain equalization clauses that consider location of districts and social backgrounds of students.

<table>
<thead>
<tr>
<th>SA</th>
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<th>SD</th>
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</thead>
<tbody>
<tr>
<td>(8)</td>
<td>13%</td>
<td>(39)</td>
<td>63%</td>
<td>(4)</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>(10)</td>
</tr>
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<td>(1)</td>
</tr>
</tbody>
</table>

(Total points received +43)

Most respondents routinely answered this proposition positively, indicating they were aware that local needs and local costs varied, and that if possible a state distribution formula should take these differences into consideration. Aid for transportation was viewed as a much more measurable need than the cost of living. Many respondents questioned the practicality of defining the line where social background or cultural deprivation can be identified as needing special grants.

In short, the need for considering the factors was recognized
but the practicality of being able to determine these needs in an equitable and satisfactory manner was doubtful. The magnitude of the complexities involved seemed to promote an attitude among the respondents of "I'll leave that up to someone else."

Proposition 4

Equalization clauses of state distribution formulas should establish both maximum and minimum levels of local effort.

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<tr>
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</thead>
<tbody>
<tr>
<td>(1) 2%</td>
<td>(11) 18%</td>
<td>(5) 8%</td>
<td>(29) 47%</td>
<td>(16) 26%</td>
</tr>
</tbody>
</table>

(Total points received -48)

Had Proposition 4 been divided into two propositions, the points received would have been positive for the setting of minimum local effort, and negative for setting maximum local efforts. The "lighthouse" districts originally advocated by Mort, were very much adhered to by the wealthy school districts surveyed. Many of the school officials surveyed indicated they could only agree with this proposition of the maximum effort allowed was so high that it would not affect them. Hence, they did not want any limits placed on the efforts the wealthy communities could expend. A generally accepted theme of the respondents was that setting maximum limits would perpetuate mediocrity and destroy the incentive of wealthy districts to provide exemplary educational programs.

It was interesting to note that this opposition was equally strong in districts currently taxing at a very low rate due to industry and in districts currently taxing at high rates.

In conclusion, the comments relating to Proposition 4, supported the previously identified viewpoint that all districts should
provide an adequate education for their students, but that strict equalization should be opposed because of the negative effect this would have on the wealthy districts.

Proposition 5

State distribution formulas should provide increased funds for districts with handicapped students or students of low academic abilities.

<table>
<thead>
<tr>
<th>SA</th>
<th>A</th>
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<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>(4) 6.5%</td>
<td>(5) 82%</td>
<td>(3) 5%</td>
<td>(4) 6.5%</td>
<td>(0) 0%</td>
</tr>
</tbody>
</table>

(Total points received +55)

Most respondents routinely agreed with this proposition on the basis that they recognized a greater cost is involved in educating a handicapped child or a special education child. Some concern was expressed as to what is the definition of "low academic abilities." The school officials were comfortable with the identified special education child, but were apprehensive about the nebulousness of the term "low academic abilities." While they were skeptical about who would determine a definition and what that definition would be, they recognized the need for special services, and the need for increased funds due to increased costs.

<table>
<thead>
<tr>
<th>TABLE 4 - Summary Table for Hypothesis II</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposition No.</td>
</tr>
<tr>
<td>-----------------</td>
</tr>
<tr>
<td>Proposition No. 1 (-45)</td>
</tr>
<tr>
<td>Proposition No. 2 (+57)</td>
</tr>
<tr>
<td>Proposition No. 3 (+43)</td>
</tr>
<tr>
<td>Proposition No. 4 (-48)</td>
</tr>
<tr>
<td>Proposition No. 5 (+55)</td>
</tr>
<tr>
<td>Total (+62)</td>
</tr>
</tbody>
</table>
TABLE 5
SUMMARY GRAPH FOR HYPOTHESIS II SHOWING SCHOOL OFFICIALS FROM WEALTHY DISTRICTS AGREEMENT OR DISAGREEMENT WITH THE DISTRIBUTION OF FUNDS FOR PUBLIC SCHOOLS BEING BASED ON A SYSTEM OF WEIGHTED CLASSIFICATIONS THAT INCLUDE FACTORS SUCH AS TYPES OF EDUCATIONAL SERVICE, TYPES OF STUDENTS, AND SPECIAL DISTRICT AND REGIONAL FACTORS

<table>
<thead>
<tr>
<th>Propositions And Total Points</th>
<th>Amount Of Agreement Or Disagreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposition No. 1</td>
<td></td>
</tr>
<tr>
<td>Total Points -45</td>
<td>+60 +50 +40 +30 +20 +10 0 -10 -20 -30 -40 -50 -60</td>
</tr>
<tr>
<td>Proposition No. 2</td>
<td></td>
</tr>
<tr>
<td>Total Points +57</td>
<td></td>
</tr>
<tr>
<td>Proposition No. 3</td>
<td></td>
</tr>
<tr>
<td>Total Points +43</td>
<td></td>
</tr>
<tr>
<td>Proposition No. 4</td>
<td></td>
</tr>
<tr>
<td>Total Points -48</td>
<td></td>
</tr>
<tr>
<td>Proposition No. 5</td>
<td></td>
</tr>
<tr>
<td>Total Points +55</td>
<td></td>
</tr>
</tbody>
</table>

AGREE DISAGREE
Summary and Analysis

A total point value of +62 for Hypothesis II combined with the interview comments, indicate that school officials from wealthy school districts do agree that state plans for distribution of funds for public schools should consist of a system of weighted classifications that include factors such as types of educational service, types of students, and special district and regional factors. Therefore, Hypothesis II is accepted.

Although respondents indicated state funds should be apportioned out to local districts in some definable and systematic manner, they also indicated strongly that local funds raised through locally approved taxation procedures should remain for local use in a locally determined manner. Essentially the state has the obligation to equalize educational opportunities to the extent that this can be accomplished with state revenues. In the distribution of state funds, individual needs of local districts should be carefully assessed, and money apportioned to local districts according to a procedure required to meet these needs as uniformly and equitably as possible. The respondents did not propose any solution to the equitable distribution of state funds, but responded philosophically as to the type of inequities they view as currently existing. They expressed doubt as to the practicability of this equitable distribution becoming a reality, but seemed to be willing to be tolerant of changes in the distribution procedures that do not affect their local revenues.

The respondents viewed the state as having the obligation to insure that all local districts tax themselves at a set minimum effort, but not to set maximum efforts of local taxation. Essentially, the
state should concentrate its efforts on raising the level of poor districts, and not hinder the districts that are wealthy or those that are willing to tax at high rates.

Hypothesis III

School officials from wealthy districts agree that strict state control of the distribution of all funds for education is desirable in order to equalize the per pupil expenditure within the state.

Hypothesis III and the propositions relating to Hypothesis III seek to determine the degree and type of state control over the distribution of financial resources that is desirable and acceptable to the wealthy districts in Illinois.

Proposition 1

The state should not allow large variances in educational opportunities because of variances in per pupil expenditures for education.

Many respondents asked for clarification as to just what this proposition meant. The interviewer attempted to explain by using the following example: "The state should not allow New Trier to spend $2,000 per child when Carbondale can only spend $600 per child."

<table>
<thead>
<tr>
<th>SA</th>
<th>A</th>
<th>U</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>(3) 5%</td>
<td>(17) 27%</td>
<td>(1) 2%</td>
<td>(31) 50%</td>
<td>(10) 16%</td>
</tr>
</tbody>
</table>

(Total points received -28)

The negative point value for this proposition indicates that the school officials interviewed are against strict equalization of educational opportunities. Many of those interviewed indicated that philosophically this proposition sounds good, but because of their personal situation of being wealthy, they could not support this proposition. One superintendent from a wealthy district stated: "This equalization would force us to reduce programs we now think of as basic and essential."
Support for a good quality education for all was again voiced. A willingness to share the income tax or other state collected taxes was restated, as well as a reluctance to share local property taxes. Strong support for the "lighthouse" districts was evident, as well as a fear that equalization of expenditures would promote mediocrity.

One aging board member with over twenty years of serving on the board, admitted the the existing situation of financing schools was unfair, but because of their local situation, they were pleased with it. The consistent themes that were expressed by almost all respondents was the fear of a loss of local control of education as a by-product of state attempts at equalization, and a fear that future equalization efforts would dip into the locally raised revenues.

**Proposition 2**

The state government should set maximum per pupil expenditures for all districts in the state.

<table>
<thead>
<tr>
<th></th>
<th>SA (0) 0%</th>
<th>A (8) 13%</th>
<th>U (3) 5%</th>
<th>D (21) 34%</th>
<th>SD (30) 58%</th>
</tr>
</thead>
</table>

(Total points received -71)

The high negative point value indicates a resounding disagreement with this proposition. Only eight of the sixty-two school officials agreed with this proposition, and many of these eight contradicted their agreement with other responses. Dialogue that transpired in the interview indicated their agreement was due to their expectation that the maximum limit would be so high that it would have no equalizing effect.

One business manager said, "Putting maximums on how well anyone can do is against the American way of life."
The arguments of loss of incentive, socialism, and a reduction of existing programs were re-stated as reasons for opposing a maximum limit on per pupil expenditures.

Proposition 3

Maximum per pupil expenditures should be flexible and take into consideration location and social backgrounds of students.

<table>
<thead>
<tr>
<th>SA</th>
<th>A</th>
<th>U</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>(5) 8%</td>
<td>(49) 79%</td>
<td>(1) 2%</td>
<td>(7) 11%</td>
<td>(0) 0%</td>
</tr>
</tbody>
</table>

(Total points received +50)

After the strong negative response to Proposition 2, the respondents were instructed to answer this proposition assuming maximum limits were forced on you. The responses were simply, "If we had to have limits, they should be flexible and consider individual needs."

The value of this proposition is obviously negated because of the strong negative responses to Proposition 2.

Proposition 4

The state should set minimum per pupil expenditures for all districts in the state.

<table>
<thead>
<tr>
<th>SA</th>
<th>A</th>
<th>U</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>(18) 29%</td>
<td>(42) 68%</td>
<td>(1) 1.5%</td>
<td>(1) 1.5%</td>
<td>(0) 0%</td>
</tr>
</tbody>
</table>

(Total points received +76)

Almost all respondents had supported this proposition in their previous explanation of answers even before this proposition was asked. The near universal trend was to increase the minimum required expenditure to the point that this minimum produces a "good" basic education and not just a "minimum" education. The strong advocation of equalizing upward was promoted as the only acceptable path to approach
greater equalization. The reinforcement of the position that the state's obligation is to insure a quality education for all students, not to insure an equal education for all students, was strongly supported.

**Proposition 5**

Local district efforts to exceed state distribution levels should be limited, and when these limits are exceeded, the revenues in excess of limits should be distributed throughout the remainder of the state.

<table>
<thead>
<tr>
<th></th>
<th>SA</th>
<th>A</th>
<th>U</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>(0)</td>
<td>0%</td>
<td>(6) 9.5%</td>
<td>(1) 1.5%</td>
<td>(24) 39%</td>
<td>(31) 50%</td>
</tr>
</tbody>
</table>

(Total points received -76)

The strong opposition to Proposition 5 was predictable from previous responses. Agreement with this proposition could only be arrived at by limiting the excess funds to those derived from the income or sales tax. The desire to retain control and use of local taxes is so strong that it was obvious these respondents could never be convinced to share these funds. Several respondents stated that there would never be excess funds, that a need could always be found, or that taxes could be reduced. It seemed almost absurd to propose that even wealthy school districts would have excess funds.

A very few of the school officials interviewed indicated that morally, a strict equalization of all funds may be the right thing to do. Even so, they realize this is not a popular opinion among their constituents, and they would not support equalization of all funds.
TABLE 6 - Summary Table for Hypothesis III

<table>
<thead>
<tr>
<th>Proposition No.</th>
<th>SA</th>
<th>A</th>
<th>U</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposition No. 1</td>
<td>3</td>
<td>17</td>
<td>1</td>
<td>31</td>
<td>10</td>
</tr>
<tr>
<td>Proposition No. 2</td>
<td>0</td>
<td>8</td>
<td>3</td>
<td>21</td>
<td>30</td>
</tr>
<tr>
<td>Proposition No. 3</td>
<td>5</td>
<td>49</td>
<td>1</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td>Proposition No. 4</td>
<td>18</td>
<td>42</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Proposition No. 5</td>
<td>0</td>
<td>6</td>
<td>1</td>
<td>24</td>
<td>31</td>
</tr>
<tr>
<td>Total (-22)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Summary and Analysis

The respondents' comments and the total point value of -22 indicate that school officials from wealthy school districts do not agree that strict control of the distribution of all funds for education is desirable in order to equalize the per pupil expenditure within the state. Therefore, Hypothesis III must be rejected.

The dialogue transmitted in the interviews with the sixty-two school officials indicates that they not only oppose strict state control of the distribution of all funds for education, but they also oppose strict equalization. The viewpoint of the school officials surveyed can best be summarized by their assessment of the state obligation toward education to insure a good education for all students within the state - not an equal education. They would also carry this obligation to the national level and support the federal government as having the responsibility of insuring a quality education for all students in the nation. They view an equal education for all students as neither possible nor desirable. Students, parents, and communities have different needs and desires. We cannot, and should not, force them into a uniform educational system.
<table>
<thead>
<tr>
<th>Propositions And Total Points</th>
<th>Amount Of Agreement Or Disagreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposition No. 1</td>
<td>Total Points -28</td>
</tr>
<tr>
<td>Proposition No. 2</td>
<td>Total Points -71</td>
</tr>
<tr>
<td>Proposition No. 3</td>
<td>Total Points +50</td>
</tr>
<tr>
<td>Proposition No. 4</td>
<td>Total Points +76</td>
</tr>
<tr>
<td>Proposition No. 5</td>
<td>Total Points -49</td>
</tr>
</tbody>
</table>

![Graph showing amount of agreement or disagreement](attachment:image)
The respondents uniformly agreed that if it were possible to have equal expenditures, it would still not be possible to achieve equal education. As long as students and teachers are different, education will be different. To treat everyone equal would not achieve equalization, because everyone is not equal.

The school officials from wealthy school districts expressed a deep and sincere concern that all students have an opportunity to receive a quality education. The state government and even the federal government should continually strive to attain this goal. To achieve a quality education for one child should not detract from the education another child is currently receiving. Equalization efforts should be concentrated toward bringing all students to the level of education currently being achieved in the most progressive areas, and not an equalization that will bring down any area.

Respondents philosophized that the American way of life is competitive, and we have made progress because we have retained the individual option of working hard and sacrificing to attain a desired goal. Americans also have a concern for those less fortunate and are willing to be charitable. This concern should not force mediocrity nor destroy the initiative or incentive of the successful.

No distinguishable differences were apparent between the three different positions, the size, the location, or the type of districts. Although business managers seemed less concerned for the welfare of poor districts, their scores do not indicate this. An example of why the scores do now show this follows:

In response to proposition two of Hypothesis I, a business mana-
ger indicated that he strongly agreed that a state property tax would be desirable if the rate was the same for the entire state. The criterion designed to test the hypothesis would indicate a positive response as favoring strict equalization. Since this response was in conflict with his previously stated viewpoints, he was asked to explain his answer. His explanation was, "Our tax rate is low because of our industrial wealth; we would generate much more revenue, and the property tax would remain locally."

Obviously his response was due to his interpretation that a uniform rate would produce additional local wealth rather than greater equalization.

Hypothesis IV

School officials from wealthy school districts who agree with the principle of equalization, engage in activities to promote its adoption or implementation.

Acceptance of Hypothesis IV would indicate that school officials who agree with the equalization principle are taking action to make equalization become a reality.

Of the sixty-two school officials interviewed, seventeen were identified as supportive of equalization of tax burdens and financial resources. (See p.66)

Proposition

Respondents who support equalization principles, engage in activities which tend to promote equalization becoming a reality. Such activities include letter writing, various forms of lobbying, contacting influential groups, and other activities.

Of the seventeen school officials identified as favoring
equalization, five had written personal letters to encourage equaliza-
tion, only three had lobbied personally, seven were members of a group 
that lobbied in support of equalization, only five had contacted their 
legislator for the specific purpose of supporting equalization, ten 
voted for groups that represented them to support equalization, and 
nine could not identify any effort they had made for the specific pur-
pose of promoting equalization.

Summary of specific activities of seventeen respondents 
favoring equalization:

A. Letter writing 5
B. Personal lobbying 3
C. Lobbying through a group 7
D. Contacting local legislator 5
E. Trying to influence ISAB efforts 6
F. Trying to influence IASA efforts 4
G. Other 1
    Total 31
H. Not done anything 9

The following table illustrates the extent of active involve-
ment of these seventeen respondents in the promotion of equalization.
TABLE 8 - Summary Table for Hypothesis IV

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Weighted Score for 15 Propositions</th>
<th>Number of Activities Engaged In</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>21</td>
<td>4 *</td>
</tr>
<tr>
<td>2</td>
<td>18</td>
<td>6 *</td>
</tr>
<tr>
<td>3</td>
<td>16</td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td>14</td>
<td>0</td>
</tr>
<tr>
<td>5</td>
<td>14</td>
<td>0</td>
</tr>
<tr>
<td>6</td>
<td>12</td>
<td>1</td>
</tr>
<tr>
<td>7</td>
<td>11</td>
<td>0</td>
</tr>
<tr>
<td>8</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>9</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>10</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>11</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>12</td>
<td>4</td>
<td>3 *</td>
</tr>
<tr>
<td>13</td>
<td>3</td>
<td>7 *</td>
</tr>
<tr>
<td>14</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>15</td>
<td>2</td>
<td>4 *</td>
</tr>
<tr>
<td>16</td>
<td>1</td>
<td>5 *</td>
</tr>
<tr>
<td>17</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>148</strong></td>
<td><strong>31</strong></td>
</tr>
</tbody>
</table>

The table indicates a total positive score for the seventeen respondents of 148, or an average score of 8.7. The total number of activities engaged in by the seventeen respondents who favor equalization was 31, or an average of only 1.24 activities per respondent. There does not appear to be any relationship between the score on the first fifteen propositions and the number of activities a respondent engages in.

The tabulation of the activities these school officials engaged in indicates that over half (nine) have not done anything to promote equalization. An analysis of the activities indicates that only six of the seventeen school officials scoring positively on the first

*Indicates the respondents that engaged in three or more activities, the criterion established to denote "active involvement." These respondents will be further investigated in Hypothesis VI.
fifteen propositions have engaged in three or more activities to promote equalization. This indicates that only thirty-five percent of the school officials who agree with the principles of equalization have engaged in activities to promote its adoption or implementation. Hence the percentage of school officials engaging in activities does not meet the sixty percent criterion for acceptance of Hypothesis IV, and therefore Hypothesis IV must be rejected.

Although these school officials agree with the principles of equalization, they have not engaged in activities to promote their beliefs. The reasons for not engaging in activities to promote their ideas relating to equalization will be examined in the analysis of Hypothesis VII. However, these specific school officials indicated their lack of action to promote equalization was due to the fact that to work for equalization would be working in a manner contradictory to the welfare of their own districts.

Summary and Analysis

Seventeen of the sixty-two school officials interviewed were identified as favoring the equalization principle. These seventeen were used to test Hypothesis IV which sought to determine if these school officials who favored equalization were engaging in activities to promote equalization. The testing of Hypothesis IV indicated that they were not engaging in activities to increase equalization.

The most active of these seventeen school officials indicated that he had engaged in seven activities to promote equalization. This showed much more activity than the other sixteen respondents who favored equalization. In fact, the other respondents averaged little
more than one activity in promoting it. However, his score on the first fifteen propositions was +3 indicating only mild support for the equalization principle. The specific statistics displayed by this respondent support the general trend verbalized in the interviews by all seventeen of the school officials that favor equalization. This trend specifically is that although they believe in the equalization of financial burdens and opportunities for children philosophically, the implementation of such equalization would be opposed by their communities and would be counter productive for their individual school districts. Hence, these school officials expressed a definite conflict of interest as they consider taking action for the benefit of education and taking action for the benefit of their local school districts. Understandably, as the table for Hypothesis IV displays, they have chosen to take very limited action that would be contrary to the expressed interests of their local constituencies. Therefore, it seems logical to conclude that school officials from wealthy school districts who believe in the equalization principle will not actively support nor hinder future equalization. They cannot actively support equalization because of the counter productivity equalization would bring to their local districts, and they will not actively hinder equalization because these actions would be contrary to their personal beliefs.

Hypothesis V

School officials from wealthy school districts who disagree with the principle of equalization engage in activities to hinder its adoption or implementation.

Acceptance of Hypothesis V would indicate that school officials who disagree with the equalization principle are taking actions to keep
equalization from becoming a reality.

Proposition

Respondents who do not support the equalization principle, engage in activities which tend to hinder equalization becoming a reality. (Such activities include letter writing, various forms of lobbying, contacting influential groups, and other activities.)

Of the forty-five school officials identified as being opposed to equalization, ten had written personal letters opposing equalization, only three had done personal lobbying, seven were members of a group that lobbied against equalization, thirteen had contacted their local legislator to make known their opposition to equalization, nineteen voted for groups that represent them to take a stance in opposition to equalization, and twenty-one could not identify any action they had taken for the specific purpose of hindering equalization.

Summary of the specific activities of the forty-five respondents opposing equalization:

A. Letter writing 10
B. Personal lobbying 3
C. Lobbying through a group 7
D. Contacting local legislator 13
E. Trying to influence ISAB efforts 9
F. Trying to influence IASA efforts 10
G. Other 7
Total 59
H. Not done anything 21

Of the sixty-two school officials interviewed, forty-five were identified as being opposed to equalization of tax burdens and financial
resources. The following table illustrates the extent of active involvement of these respondents to hinder equalization.

### TABLE 9 - Summary Table for Hypothesis V

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Weighted Score for 15 Propositions</th>
<th>Number of Activities Engaged In</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>-19</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>-13</td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td>-12</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>-11</td>
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<tr>
<td>5</td>
<td>-11</td>
<td>0</td>
</tr>
<tr>
<td>6</td>
<td>-11</td>
<td>3 *</td>
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<tr>
<td>7</td>
<td>-10</td>
<td>2</td>
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<tr>
<td>8</td>
<td>-9</td>
<td>2</td>
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<tr>
<td>9</td>
<td>-8</td>
<td>2</td>
</tr>
<tr>
<td>10</td>
<td>-8</td>
<td>1</td>
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<tr>
<td>11</td>
<td>-7</td>
<td>0</td>
</tr>
<tr>
<td>12</td>
<td>-7</td>
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<td>14</td>
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<tr>
<td>15</td>
<td>-7</td>
<td>4 *</td>
</tr>
<tr>
<td>16</td>
<td>-7</td>
<td>1</td>
</tr>
<tr>
<td>17</td>
<td>-7</td>
<td>3 *</td>
</tr>
<tr>
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<td>-6</td>
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<td>6 *</td>
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<td>36</td>
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<td>37</td>
<td>-1</td>
<td>0</td>
</tr>
<tr>
<td>38</td>
<td>-1</td>
<td>0</td>
</tr>
</tbody>
</table>

*Indicates the respondents that engaged in three or more activities, the criterion established to denote "active involvement." These respondents will be further investigated in Hypothesis VI.
The table indicates a total negative score for the forty-five respondents of -227, or an average of -5.04. The total number of activities engaged in by the forty-five respondents who oppose equalization was 59, or an average of only 1.31 activities per respondent. There does not appear to be any relationship between the score on the first fifteen propositions and the number of activities engaged in by a respondent.

The tabulation of the activities these school officials engaged in indicates that twenty-one, or forty-seven percent, have not done anything to hinder equalization. An analysis of the activities indicates that only eleven of the forty-five officials responding as being opposed to equalization have engaged in three or more activities to hinder equalization. This indicates that only twenty-four percent of the school officials who disagree with the principle of equalization have engaged in activities to hinder its adoption or implementation. Hence the percentage of school officials engaging in activities does not meet the sixty percent criterion for acceptance of Hypothesis V, and therefore Hypothesis V must be rejected.

Although these school officials disagree with the principles of equalization, they have not engaged in activities to promote their
beliefs. The reasons for not engaging in activities to promote their ideas relating to equalization will be examined in the analysis of Hypothesis VII. However, these specific school officials indicated their lack of action to hinder equalization was due to the fact that they do not disagree with the extent that equalization has developed thus far, and the current amount of equalization has not penalized their districts significantly. A general opinion expressed by these officials indicated that increased equalization efforts that subtracted revenues from the local property taxes would spur them into becoming extremely active.

Summary and Analysis

Forty-five of the sixty-two school officials interviewed were identified as being opposed to equalization. These forty-five were used to test Hypothesis V which sought to determine if these school officials who opposed equalization were engaging in activities to hinder equalization. The testing of Hypothesis V indicated that they were not engaging in activities to hinder equalization.

The most active of these forty-five school officials identified that he had engaged in six activities to hinder equalization. This was more activities than any of the other forty-four respondents who opposed equalization, and 4.67 more activities engaged in than the average respondent opposing equalization. However, his score on the first fifteen propositions was -3 indicating only mild opposition to the equalization principle. The specific statistics displayed by this respondent support the general trend verbalized in the interviews by all forty-five of the school officials that oppose equalization. This
trend specifically is that although they are opposed to equalization, they are sympathetic to less wealthy districts and are concerned that all students have the opportunity for a good education. Their primary concern is for the students and citizens of their school districts, but they expressed concern to a lesser degree for students outside their districts. These forty-five school officials view their responsibility as that of protecting the welfare of their districts, and not as that of promoting or hindering the welfare of other districts. They have not seen the need to engage in activities to hinder the equalization trend as yet. They are anticipating that as less wealthy districts attempt to gain access to increased financial resources the need to take action to protect their wealth will also increase. While the school officials from wealthy districts are not opposed to increased finances for the poor districts, they indicated a willingness to take whatever action is necessary to protect their wealth from becoming a greater source of revenue for other districts.

Hypothesis VI

School officials from wealthy school districts who actively engage in activities to promote their ideas relating to equalization, believe their actions will have an effect on state laws relating to school finance.

Acceptance of Hypothesis VI would indicate the primary motivation for school officials to take action regarding their beliefs for or against equalization is that they feel their actions will affect state laws relating to equalization. The testing of Hypothesis VI is limited to the responses given to Part A of the proposition. The other portions of the proposition are simply an attempt to identify other motivating factors that cause the school officials to take action.
Seventeen of the school officials interviewed met the criteria established for identification of respondents who were engaged in three or more activities to promote their ideas for or against equalization. The responses of these seventeen respondents identified in the tables on pp. 92 and pp. 96-97 were used to test Hypothesis VI.

**Proposition**

Those respondents who take action to promote their ideas for or against equalization, take this action because they believe their action will have an effect on state laws relating to equalization.

When questioned in the interview, the seventeen respondents used to test Hypothesis VI indicated they took action to promote their ideas for or against equalization for the following reasons: Fourteen because they believe their actions will have an effect on state laws, six because their school board wanted them to take the action, twelve because of the need to voice their opinions, eleven because of community expectations, and twelve because of other reasons.

**Summary of reasons for taking action:**

A. Believe your actions will have an effect on state laws relating to equalization 14

B. School board desires for you to act 6

C. Feel you should voice your opinions 12

D. Community or staff expects you to represent them 11

E. Other 12

The following is a list of "other" reasons for taking action. These reasons are listed because respondents indicated they were of greater significance in some cases, than those listed in the proposition.
(1) Felt action would help our district (Very low tax rate)
(2) Because greater equalization would be good for education.
(3) Feel a responsibility to education in general. (Two respondents)
(4) Want to protect local funds.
(5) To keep our district from being hurt financially.

The criterion for acceptance of Hypothesis VI is that sixty percent of the school officials identified as engaging in activities to promote their ideas regarding equalization will identify the belief that their "actions will have an effect on state laws", (A), as a reason for engaging in activities. Fourteen, or eighty-two percent, of the school officials identified as engaging in activities to promote their ideas regarding equalization selected A as a reason for engaging in activities. Therefore, Hypothesis VI is accepted.

An interesting observation is that fifteen of the seventeen officials that engaged in activities were Superintendents, two were Board Presidents, and none were Business Managers. The two board members were from districts where the superintendent was also active. It is also interesting to note that only three of the seventeen who took action listed specific effects on their district as reasons for engaging in activities. The other fourteen took action because they hoped to affect education in general.

Summary and Analysis

Seventeen of the sixty-two school officials interviewed were identified as being active in promoting their ideas either for or against equalization. Fourteen indicated the primary reason for taking action was they felt their actions would have an effect on state laws
relating to equalization. The actions taken differed and results sought were different, but eighty-two percent saw a need and felt their actions would influence the law and therefore satisfy the need for change.

**Hypothesis VII**

School officials from wealthy school districts who do not engage in activities to promote their ideas relating to equalization, do not believe their actions would have an effect on state laws relating to school finance.

Acceptance of Hypothesis VII would identify a feeling of futility that action by school officials would have an effect on state laws relating to equalization as the reason they are not engaging in activities to promote their beliefs in favor or against equalization. The testing of Hypothesis VII is limited to the responses given to Part A of the proposition. The remaining portions of the proposition are simply an attempt to identify other factors that inhibit school officials taking action.

Forty-five of the school officials interviewed were identified as not being active in the promotion of their ideas regarding equalization. These forty-five respondents were used to test Hypothesis VII.

**Proposition**

Those respondents who do not take action to promote their ideas for or against equalization, are not active because they believe their actions will not have an effect on state laws relating to equalization.

When questioned in the interview, the forty-five respondents used to test Hypothesis VII indicated they did not take action to promote their ideas for or against equalization for the following reasons:
Twenty-seven because they felt their actions would not effect state laws; twelve due to lack of time; ten felt their opinions were represented by others; and twenty-four for other reasons.

Summary of reasons for not taking action:

A. Believe your actions will not have an effect on state laws relating to equalization _27_

B. School board does not want you to __2

C. Do not have time ___12

D. Feel that your opinions are represented by others __10

E. Other __24

Other reasons for not engaging in activities are listed below with the number of respondents that indicated the particular reason. These reasons are listed because respondents felt these reasons to be, in some cases, of greater importance than those listed in the proposition.

5 respondents indicated they felt they had little or no influence regarding equalization.

18 respondents indicated they felt the amount of equalization that had taken place thus far was good, and they would not see a need to take action unless further equalization was proposed to the extent that they would lose local tax revenues.

14 respondents felt that equalization will come eventually and their efforts could not alter this fact.

8 respondents indicated the equalization that has taken place thus far has not hurt their districts, so they have not seen a need to take action.

13 respondents indicated it was not an item of concern at the present.

4 respondents indicated they had not taken action because their thoughts were contrary to the position of the community.
Other reasons given were: Lack of knowledge, efforts would be futile, not a politician, not involved, feeling the majority will rule, and feel it is someone else's responsibility.

Twenty-seven (60%) of the forty-five school officials used to test Hypothesis VII indicated that their lack of action to promote their ideas regarding equalization was due to the belief that their actions would not have an effect on state laws relating to equalization, (A). Criterion for acceptance of Hypothesis VII is sixty percent. Therefore, Hypothesis VII is accepted.

Summary and Analysis

Forty-five of the sixty-two school officials interviewed were identified as not engaging in activities to promote their ideas for or against equalization. Twenty-seven of the forty-five (60%) indicated they had not taken action because they did not believe their actions would have an effect on state law relating to school finance. The comments gathered in the interviews indicated that this lack of action was not due to a lack of confidence in our law-makers to listen to the citizens, but because they felt their opinions were minority opinions rather than majority opinions. This is an important point because as greater equalization is proposed, greater numbers are likely to oppose the equalization and those already opposed are likely to have their opposition intensified. Therefore, the potential for more people to take action is increased.

Keeping in mind that almost all of the forty-five respondents identified as not engaging in activities to promote their ideas relating to equalization were opposed to equalization. It seems logical to
conclude that the amount of action that can be expected from officials of wealthy school districts will increase in direct proportion to the amount of equalization that is proposed.

To summarize, the school officials in wealthy districts felt the equalization efforts thus far were justified because they helped the poor districts without hurting the wealthy districts significantly. The consensus gathered from the dialogue was that greater equalization efforts that begin to effect local tax revenue would motivate wealthy communities to vigorously oppose the equalization movement.

Summary of Data Analysis as Related to Purpose

Chapter IV has attempted to address the three purposes of the study identified in Chapter I. Briefly stated, the three purposes of the study are:

1. To determine if school officials from wealthy school districts in Illinois agree with the current trend expressed in the literature to equalize tax burdens and educational opportunities.

   The data presented in the analysis of Hypotheses I, II, and III supports the conclusion that school officials from wealthy districts do not favor increased equalization of tax burdens or of educational opportunities as determined by financial resources.

2. To determine if school officials from wealthy districts are engaging in activities to promote
the adoption or implementation of their beliefs regarding equalization of financial resources, and to identify the activities they are engaging in.

The data presented in the analysis of Hypotheses IV and V supports the conclusion that school officials from wealthy districts are not engaging in activities to promote their beliefs regarding equalization. The limited activities they are engaging in are identified.

3. To determine "why" school officials from wealthy districts are, or are not, engaging in activities to promote their beliefs regarding equalization.

The data presented in the analysis of Hypotheses VI and VII supports the conclusion that the belief that their actions will or will not have an effect on state laws relating to equalization is a prime motivator for their action or lack of action.

It should be noted that because the respondents were identified as not active in the analysis of Hypotheses IV and V, the analysis of Hypotheses VI and VII was limited. The reason identified most frequently for not taking action was simply that the amount of equalization that has taken place thus far has not hurt their districts signi-
ficantly. The interviewees were unwilling to predict their future actions because they were unable to determine the extent and effect of future equalization efforts.
CHAPTER V

CONCLUSIONS, RECOMMENDATIONS, AND IMPLICATIONS FOR FURTHER STUDY

Perhaps no subject has received more attention in recent years than equality of educational opportunity. Yet despite all this attention no concept remains as vague both to the layman and to the professional educator.

Why are the difficulties so formidable?

First, there is considerable confusion in the governance of education. All three levels of government acknowledge some responsibility but there are no generally accepted lines of demarcation between federal, state, and local authority. Even if we could agree on a definition of the term, "equal educational opportunity", there would still be a problem in deciding which level of government is responsible for its achievement.

Second, curricula vary greatly among school districts, and each level of education has different objectives. Consequently, individuals undertake education for very different purposes. How can this diversity in educational objectives and individual goals be reconciled under the general rubric, of, "Equality in Education"?

Third, a considerable part of the difficulty is due to educators themselves. Too often they have attempted to define the term, "equal educational opportunity", with grandiloquent phrases ignoring the complex differences in the authority structure and value system.
which permeate American education. Equality of educational opportunity cannot be fully defined in twenty-five words or less.

This study has attempted to analyze the agreements and disagreements in financial equalization among school officials from wealthy Illinois school districts. Superintendents, Business Managers, and Board Presidents in the wealthy districts probably represent the most knowledgeable and influential persons in Illinois education, and their reactions to changes in equalization concepts and programs are likely to be felt quickly in the polity. In general, the responses of these school officials to the structured interviews indicated that while many of them accepted some concepts related to equalization, they had many objections to practices currently being advocated to insure better equalization. Consequently, the only hypotheses accepted in this study (numbers 2, 6 and 7) were those least crucial to equalization:

Hypothesis I

School officials from wealthy school districts agree that the tax burden for education should be equalized on a state wide basis according to ability to pay.

This hypothesis was rejected. School officials from wealthy districts did not believe they should be penalized because of their wealth. Due to various reasons, they have wealth, and therefore feel they have quality schools. While they desire that all students should have access to a quality education they do not believe it is necessary to have as high quality as they have, nor should they be expected to lower their quality or raise their taxes.

In essence, they felt that the equalization of state funds
and the retention of local property taxes will meet the needs of other districts without causing cutbacks on their programs or undue hardships on their pocketbooks.

Hypothesis II

School officials in wealthy school districts agree that state plans for the distribution of funds for public schools should consist of a system of weighted classifications that include factors such as types of educational service, types of students, and special district and regional factors.

This hypothesis was accepted. School officials from wealthy districts recognize the need for state distribution formulas to consider differing local needs. They voiced a disagreement with some of the existing specialized grants, but did not offer solutions to solving the problems they identified. They also expressed doubts that distribution according to needs would be practical. Most of the school officials interviewed seemed to view the state funds they received as extras, that were good to receive, but did not significantly influence their programs.

Hypothesis II was accepted because the respondents associated the equalization with state funds only. Strong disagreement was voiced with the establishment of maximum local efforts.

Hypothesis III

School officials from wealthy districts agree that strict state control of the distribution of all funds for education is desirable in order to equalize the per pupil expenditure within the state.

This hypothesis was rejected. School officials from wealthy districts are opposed to equalizing per pupil expenditures, therefore they are opposed to strict state control to attain this result. They view the state responsibility as one of insuring all students the
opportunity for a quality education, not an equal education. They do not see an equal education as either possible or desirable. To spend equal dollars for all students would not achieve an equal education. The amount and quality of education desired cannot, and should not, be standardized. School officials from wealthy districts reasoned that desire to exceed the average is of greater importance to some than the desire to attain the average is to others.

Hypothesis IV

School officials from wealthy school districts who agree with the principles of equalization, engage in activities to promote its adoption or implementation.

This hypothesis was rejected. Only thirty-five percent of the school officials who agree with the principle of equalization have engaged in activities to promote equalization. Admittedly, these activities have been minimal and not of a forceful nature. Typically the activities engaged in were to support specific issues and not equalization in general.

Hypothesis V

School officials from wealthy school districts who disagree with the principle of equalization, engage in activities to hinder its adoption or implementation.

This hypothesis was rejected. Only twenty-four percent of the school officials who disagree with the principles of equalization have engaged in activities to hinder equalization. The activities engaged in have been to oppose specific equalization efforts that would have a harmful effect on the local district of the respondent. These activities have also been minimal and of a passive nature such as voting on an IASB questionnaire.
Hypothesis VI

School officials from wealthy districts who actively engage in activities to promote their ideas relating to equalization, believe their actions will have an effect on state laws relating to school finance.

This hypothesis was accepted. Although only twelve of the sixty-two school officials classified themselves as engaging in activities to promote their ideas relating to equalization, all twelve, or 100%, indicate they felt their actions would have an effect on state laws relating to equalization. Among these twelve respondents are several individuals that do have a high degree of influence on a statewide basis, and therefore their actions will have some effect on state laws relating to equalization. The determination of the extent of this effect was not attempted in this study.

Hypothesis VII

School officials from wealthy school districts who do not engage in activities to promote their ideas relating to equalization, do not believe their actions would have an effect on state laws relating to school finance.

This hypothesis was accepted. Exactly sixty percent, (the minimum percentage for acceptance) indicated they do not believe their actions would effect state laws relating to school finance. Although thirty respondents indicated this was a reason for their lack of action, the interview dialogue revealed the following reasons to be more valid in actually hindering action.

1. The amount of equalization experienced thus far has been justified and has helped poor districts without hurting the wealthy districts significantly.

2. Equalization will come eventually regardless of the
efforts of the few wealthy districts.

3. It is not an item of concern at the present time.

Recommendations Generated From This Study

1. The developers of school finance models should seek to equalize financial resources upward and not attempt to force wealthy districts to curtail programs. The majority of school officials from wealthy districts in Illinois do object to increased equalization of financial resources if this equalization is to be accomplished by reducing the amount of revenue available through local resources in their districts. If equalization is to be accepted by school officials from wealthy districts, it must be accomplished by increasing the funds available to poor districts without reducing the funds available to wealthy districts.

2. School finance models should not penalize effort, promote mediocrity, or destroy incentive. Local communities should be allowed to decide if they want to increase their taxing efforts in order to finance their schools above the state average. These increased efforts and increased financial resources should not be taken away from them nor should this increased effort reduce the state
funds available to them. Their increased efforts should provide "extras" that they are willing to sacrifice even if these extras far exceed what other districts are willing to provide.

3. All students should have the opportunity to attain a quality education. The definition of a quality education may vary greatly from district to district and even from student to student. The state should insure a quality education by state definition to all students. If a local community defines "a quality education" differently, the state should not place any restrictions or limitations on what they can or should achieve in excess of the state goals.

4. There exists a much greater ownership of local property taxes than of state collected taxes. Hence, a much greater concern for how they are spent also exists. The school officials from wealthy districts can accept state guidelines regarding the use of state funds. They cannot accept state control over the amount or use of funds generated at the local level.

5. There is an apparent need for a well defined system of state aid distribution that considers local
needs. The school officials from wealthy districts recognize that other districts have greater needs than they have, and feel the state has the obligation of meeting those needs. They are doubtful that this can be accomplished to the satisfaction of everyone, but feel that improvement could be made over current practices.

6. The state should only control the distribution and collection of state funds. The retention of local control is high priority. If a local community is capable of raising funds, they are also capable of spending those funds.

7. School officials from wealthy districts who agree with equalization will not take action because of the negative effects of equalization on their local districts. The obligation to the improvement of education statewide is not as great as the obligation locally. To increase the quality of education in the state can only be supported as long as it does not decrease the quality of education in their local districts.

8. School officials from wealthy districts who disagree with equalization will remain passive un-
til equalization effects their local revenues. As long as equalization does not hurt their local district they will not object. When equalization begins to reduce their financial resources, they will actively oppose equalization.

9. School officials from wealthy districts take action to promote their ideas relating to equalization because they believe their actions will have an effect on state laws.

10. School officials from wealthy districts that do not take action to promote their ideas relating to equalization do not view equalization as a critical issue to their districts.

Implications for Further Study

After completing this study, it appears that certain questions pertaining to the equalization principles remain unanswered. Further studies that address themselves to answering the following list of questions would provide a more solid foundation for predicting future developments in the equalization of educational opportunities.

1. Are the research generalizations applicable only to school officials from wealthy districts, or do they apply to the community, all school officials, or the populace in general?

2. At what exact point will further equalization be
vigorously opposed? There is evidence that gradual equalization is taking place. The current "resource equalizer" is designed to begin to equalize the financial resources available to school districts. When will this or other equalization efforts pose sufficient financial effect on wealthy districts to motivate them to actively oppose further equalization efforts?

3. What will be the strength of the opposition to further equalization, and at what point will the strength of the opponents exceed the strength of the proponents? At the present time there are more districts that consider themselves poor than those that consider themselves wealthy. Therefore the majority of districts may favor equalization. Is majority an accurate indicator of strength?

4. How do we determine the definition of a quality education, and can the same definition be applied to more than one student or one district? Many of the respondents referred to the state obligation to provide a "quality education". If a future study could define "quality education", and determine the funds necessary to finance the quality education in the various districts of the state, many of the problems of education would be solved.
5. If the state has an obligation to provide a quality education for all students within the state, does the nation have the same obligation for all students within the nation?

6. To what extent does the size of wealthy districts and the number of wealthy districts effect the equalization trend? Will it be more difficult to achieve equalization if wealthy districts are larger and therefore representative of large numbers of people?

7. To what extent will the political clout of wealthy districts deter equalization? Do school officials from wealthy districts have greater influence or have closer contacts with state legislators? Is political clout associated with wealth, or are people with political clout attuned to the desires of wealthy districts by coincidence?

The California State Department of Education has devised a plan to equalize local school spending without raising local property taxes. Included in the plan is an assurance to each school district that enough money to provide a "quality" level of education as defined in "Serrano" will be provided.

The state's proposed power-equalizing plan would set a standard amount per pupil which could be raised with a given tax rate in each district: For example, $1,130 per pupil at the rate of $4 per $100 of assessed valuation. Money brought in over that $1,130 figure by wealthier districts would go into a pool for use by low-wealth districts which at the $4 rate could not raise the standard amount. The aspect of this proposal that increases its acceptability to wealthy districts is the fact that any district wishing to spend more than the state-determined minimum would simply have to increase its local tax rates.

A hypothetical situation similar to the California proposal was discussed with many of the school officials interviewed and many indicated they could support the equalized effort that would allow greater effort.

In summary, the problems of school finance are many and varied. Never before have the existing inequities been so clearly identified or publicized. Almost every state has commissions or committees that are studying the problems and proposing solutions. The school officials from wealthy districts are in sympathy with less wealthy districts, and seem to agree that greater equalization is inevitable. How fast and to what extent the equalization will take place seems to be the unresolved question. The school officials from wealthy districts will attempt to slow this equalization process, and to retain as many of the current provisions that allow for higher per pupil expenditure as possible.

69Ibid.
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APPENDIX
## APPENDIX

### The Interview Instrument

<table>
<thead>
<tr>
<th>District #</th>
<th>Type</th>
<th>E</th>
<th>S</th>
<th>U</th>
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<tr>
<th>Superintendent</th>
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<th>Earned</th>
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<table>
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<tr>
<th>Years Administrative Experience</th>
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<table>
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<tr>
<th>Professional experience other than in education:</th>
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Rate the degree of influence you believe yourself to exert state wide. H, A, L

<table>
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<table>
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<tr>
<th>Years Administrative Experience</th>
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<table>
<thead>
<tr>
<th>Professional experience other than in education:</th>
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Rate the degree of influence you believe yourself to exert state wide. H, A, L

<table>
<thead>
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<th>Earned</th>
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</table>

<table>
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<tr>
<th>Years on Board</th>
<th>Occupation</th>
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Rate the degree of influence you believe yourself to exert state wide. H, A, L

Categorize your responses to the next group of questions as one of the following:

Strongly Agree, Agree, Undecided, Disagree, Strongly Disagree
QUESTIONS

Hypothesis I

1. A graduated income tax would be a desirable source of revenue for education.

2. A state property tax would be desirable if the rate was the same for the entire state.

3. Tax rates for education should be uniform throughout the state with surplus funds derived from wealthy districts being used to equalize per pupil financial resources of all districts within the state.

4. Exemptions or reductions of school taxes should be allowed for families of low incomes.

5. The tax rate of a school district should not be determined by the needs of the district, but rather by a statewide rate that is determined by a careful assessment of the needs of the entire state.

Additional Comments:
QUESTIONS

Hypothesis II

1. The source of revenues for education should be completely divorced from the method of distribution.

2. Distribution formulas should provide specific grants to meet specific needs.

3. State distribution formulas should contain equalization clauses that consider location of districts and social backgrounds of the students.

4. Equalization clauses of state distribution formulas should establish both maximum and minimum levels of local effort.

5. State distribution formulas should provide increased funds for districts with handicapped students or students of low academic abilities.

Additional Comments:
QUESTIONS

Hypothesis III

1. The state should now allow large variances in educational opportunities because of variances in per pupil expenditures for education.

2. The state government should set maximum per pupil expenditures for all districts in the state.

3. Maximum per pupil expenditures should be flexible and take into consideration location and social background of students.

4. The state government should set minimum per pupil expenditures for all districts in the state.

5. Local district efforts to exceed state distribution levels should be limited, and when these limits are exceeded, the revenues in excess of the limits should be distributed throughout the remainder of the state.

Additional Comments:

Hypotheses I, II, III

Hypothesis I
Hypothesis II
Hypothesis III
Totals
### QUESTIONS

#### Hypothesis IV

1. Which of the following activities have you done within the past year to promote equalization:

   A. Letter writing
   B. Personal lobbying
   C. Lobbying through a group
   D. Contacting local legislator
   E. Trying to influence IASB efforts
   F. Trying to influence IASA efforts
   G. Other

   Totals (Numerical)
   H. Not done anything

#### Hypothesis V

1. Which of the following activities have you done within the past year to hinder equalization:

   A. Letter writing
   B. Personal lobbying
   C. Lobbying through a group
   D. Contacting local legislator
   E. Trying to influence IASB efforts
   F. Trying to influence IASA efforts
   G. Other

   Totals (Numerical)
   H. Not done anything

Additional comments:
Questions

Hypothesis VI

1. Which of the following are the reasons as to why you engage in activities to promote your ideas regarding equalization:
   A. Believe your actions will have an effect on state laws relating to equalization.
   B. School board desires for you to act.
   C. Feel you should voice your opinions.
   D. Community or staff expects you to represent them.
   E. Other

Hypothesis VII

1. Which of the following are reasons as to why you do not engage in activities to promote your ideas regarding equalization:
   A. Believe your actions will not have an effect on state laws relating to equalization.
   B. School board does not want you to.
   C. Do not have time.
   D. Feel that your opinions are represented by others.
   E. Other

Additional Comments:
APPROVAL SHEET

The dissertation submitted by Larry A. Weaver has been read and approved by the following committee:

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The final copies have been examined by the director of the dissertation and the signature which appears below verifies the fact that any necessary changes have been incorporated and that the dissertation is now given final approval by the committee with reference to content and form.

The dissertation is therefore accepted in partial fulfillment of the requirements for the degree of Doctor of Education.

November 25, 1975

Date

Director's Signature