

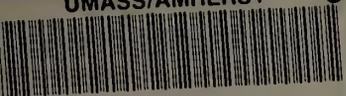


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## **Financing public education in Massachusetts : a study of political and fiscal alternatives.**

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FINANCING PUBLIC EDUCATION IN MASSACHUSETTS:  
A STUDY OF POLITICAL AND FISCAL ALTERNATIVES

A Dissertation Presented

By

John E. Heffley

Submitted to the Graduate School of the  
University of Massachusetts in partial fulfillment  
of the requirements for the degree of

DOCTOR OF EDUCATION

May 1979

Education

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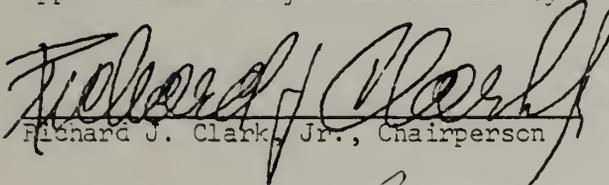
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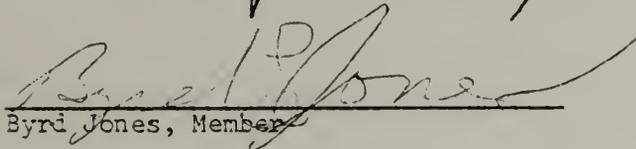
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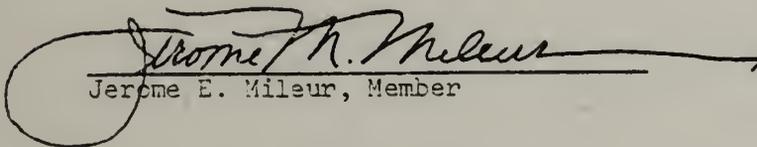
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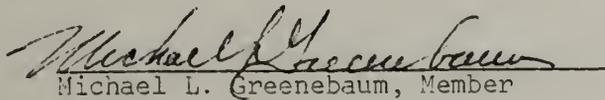
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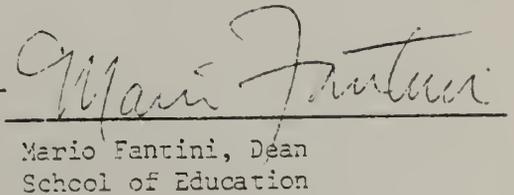
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ABSTRACT

Financing Public Education in Massachusetts:  
A Study of Political and Fiscal Alternatives

May 1979

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Directed by Dr. Richard J. Clark, Jr.

This study is concerned with the political acceptance of existing state aid to public education in Massachusetts. A conceptual framework is offered to provide a scheme for assessing both the political acceptance and for ascertaining the expectations of both political and educational elements within Massachusetts for state aid in the future. Elements essential in the conceptual framework include:

- 1) sampling and examination of concepts that have shaped state aid to education as it exists today;
- 2) presentation of a new set of concepts to guide future educational funding considerations;
- 3) presentation of a model funding program to serve as a guide in the implementation of new finance designs.

In examining concepts and attitudes which have shaped the development of state aid to education in Massachusetts and in examining those which could result in more effective funding designs, the following set of beliefs is proposed as a frame of reference.

The focus is on the way in which political inputs affect the nature and the substance of educational aid programs.

### Beliefs About School Finance

1. A low level of trust and confidence exists between school committees and the officials of towns and cities.
2. Fiscal measures alone will not cause Massachusetts' communities to make substantially equal educational resources available in the schools.
3. Massachusetts communities will not accept a state controlled school system except under duress and will resist moves seen as being in that direction.
4. The question of "fiscal equity" needs to be addressed in terms of how fairly to share the burden of substantially equalized educational resource availability for children, not in terms of how to equalize the ability of a district to raise revenues which it may not choose to raise and spend.
5. The fiscal press on local communities as a result of the increased need to raise funds for the operation of local schools in Massachusetts is reaching a critical stage.
6. The level of understanding of the state's school aid program by municipal officials and legislators will be consistently low.
7. Any substantial change in the way Massachusetts supports local education will come about only when the political and financial conditions are right for such a change.
8. The existing educational aid program in Massachusetts has evolved to a point whereby parties that should and must cooperate in day-to-day business (i.e., school and municipal leaders) have been placed into adversarial roles competing for available state funds.

In addressing the issues identified in the literature on school financing and in examining the tenets of the state aid program in Massachusetts, direction is provided for a comprehensive analysis

of the factors -- political as well as educational -- that go into the legislative decision-making process. A school financing model is presented as a design framework to document practices consistent with the political expectations in the state. An analysis of data obtained through the administration of an extensive questionnaire to local and state officials is provided. A report of the results of thirty seven follow-up interviews with key reference individuals in Massachusetts is included.

Presented are the methodology and procedures used in the sampling of political and educational officials, the synthesis of this data, and the means for determining the appropriate factors to be included in the state aid programs. By tracing the progress of reform efforts in Massachusetts, this study offers information to those wishing to develop, propose, and/or evaluate changes in school finance programs.

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## PREFACE

The school finance system of any state uses a combination of federal, state, and local revenues. This state-local revenue system is generally the focus of any serious review of school finance procedures since the state is ultimately responsible for education. Traditionally, the state has primary responsibility for funding and setting school district boundaries as well as establishing certification criteria and curriculum standards. A state may delegate certain responsibilities to local school districts, but as recent court decisions have shown, the state cannot avoid overall responsibility for the results of that delegation.

The operation of a school finance system -- how state and local revenues are raised and how they are distributed -- can be evaluated by viewing it against a set of pre-determined goals. This process involves three steps:

1. recognizing the decisions that were made in establishing the goals of the state school finance system;
2. showing how these goals were translated into a specific school finance policy; and
3. assessing the impact of the school finance plan.

Since 1966 the state of Massachusetts has had a system of financial aid to schools designed to help reduce the reliance upon the local property tax as a source of school funding. This

program, administered through a complex formula in Chapter 70 of the General Laws, is designed to be equalizing -- i.e., to channel more state aid to poor districts than to wealthy ones.

The objective of school aid to Massachusetts cities and towns from the Commonwealth is to promote the equalization of educational opportunity in the public schools of the state and the burden of the cost of school support to the respective cities and towns.

In actual practice, Chapter 70 aid -- while designed to be equalizing and to help reduce reliance on the local property tax -- is basically an incentive formula, based on local educational expenditures. These expenditures tend to be determined by the wealth of the communities. Therefore, even though the poorer cities and towns of the state may qualify for a higher aid percentage it is frequently applied to a substantially lowered level of school expenditures.

In recent years, a number of studies have expanded upon the disparities between communities and the resources each city or town has to finance the local school systems. In almost every case, recommended changes in the method of allocating state aid for education results. These recommendations fall into two general categories:

1. upward adjustments to the aid percentage in the present Chapter 70 formula (the present formula is designed to provide an average reimbursement of 35 percent of local school expenditures;

2. Comprehensive tax reforms encompassing extensive adjustments in the way revenue is raised by the state to distribute to the cities and towns -- usually, in the state sales tax as well as the personal and corporate income taxes.

The main objective of this study has been to sample political acceptance of the existing state aid system in Massachusetts and to ascertain the expectations of both political and educational groups for state aid in the future. Specific objectives of the study included the following:

1. To develop a survey instrument to sample the present acceptance by political and educational leaders of the method of allocating state aid to education in the Commonwealth and to obtain expectation parameters for state aid in the immediate and near future;

2. To interview selected representatives of key reference groups in the state to expand the sampling data obtained in the survey instrument;

3. To synthesize the political data and the most acceptable educational funding alternatives to the existing Chapter 70 funding into a proposed model funding program;

4. To make the information available to key fiscal, educational, and political groups in the state in an effort to develop a broad level of support for any new funding program.

This study represents an effort to expand the traditional focus of school finance reform. To be successful, any proposed change to the state aid program in education in Massachusetts must be jointly evolved between the political and

educational interests and it should reflect sufficient changes in the process to insure genuine equalizing provisions to make the proposed change politically attractive.

#### Note

The collection of data for this study was completed in 1975. Preliminary findings and a set of recommendations were published by the Massachusetts Advisory Council on Education under the title of Financing Public Education in Massachusetts: A Process for Revision in 1975. Also, a summation and a series of specific recommendations were provided to all members of the state legislature and to the Special Commission on Unequal Educational Opportunity. The author was interviewed by the staff of the Special Commission on several occasions during 1976 and 1977 and provided additional information from the study for the Commission.

It should be noted that the supporting data and the statistics in the tables of the study will be that of the 1973-1975 period. This makes the data from the survey, interviews, and the tables compatible. In the fall of 1978, when the dissertation was being concluded, some additional research material was incorporated to bring the study current regarding the financing of public education in Massachusetts.

# C H A P T E R I

## INTRODUCTION

The people of each state within the United States are increasingly confronted with two basic issues relating to education and its financial support. These fundamental questions have been directly or indirectly involved in most of the discussions and controversy about public education in the United States since colonial times.

1) What should be accomplished through the public schools? This includes questions of purpose as well as questions of both quantity and quality of public education.

2) How much should the public school programs cost, and how should they be financed?

Obviously, the two questions are interrelated. Any agreements and policies relating to the first have implications for the second, and any solutions agreed upon for the second are likely to have implications for the first. When the quantity or quality of education is increased, or a serious effort is planned in that direction, financial support generally needs to be increased. When the financial support is restricted, the quantity and quality of education is likely to be limited or changed.

In recent years, a large number of public and policy planners have begun their consideration of these problems with the assumption that any reasonable increase in the quantity and quality of education is desirable and should be financed. Others have been countering with the argument that taxes are high, more education has not always proven to be better education, financial support is finite

and subject to public commitment, and conclude that the educational programs must be limited accordingly.

Within the confines of discussion on these questions there have been indicators of an impending fiscal crisis in public education. However, general recognition of this crisis has been slow to come. To some extent, it may well have been the very size of the educational enterprise in the country that has helped to hide the problems from public view. How, the public might ask, can education be anywhere near such fiscal straits when it receives the largest proportion of public support of all the domestic government services, more than twice as high a percentage as either highways or public welfare, when state and local governments devote almost forty per cent of their total expenditures to education, or when over two million people --- nearly one quarter of all public employees --- are employed in the schools. <sup>1</sup>

The past decade has seen unmistakable signs that the squeeze between rising costs and lagging educational revenues has finally caught up with the public elementary and secondary schools in many states. Overall growth in expenditures, for example, has outrun the growth of the economy as a whole; since 1964, education has averaged an annual growth rate in excess of ten per cent in expenditures while the Gross National Product has averaged just under seven per cent annual increase. When measured against the growth rate in per capita personal income, per pupil educational expenditures are nearly three times greater. Finding the revenues to cover these

expenditures has required increasingly more effort on the part of the public and taxpayers.<sup>2</sup>

Public education is supported by all three levels of government in America today. Local education agencies make the largest contribution, providing more than half the revenues for the elementary and secondary schools. The individual states provide an average of 41 per cent of the total, trailed by the national government, which contributes about seven per cent.<sup>3</sup> Making the funding problem more acute has been a growing resistance to the level of support for the schools at all levels, and especially the local level.

The solution to this problem of funding is not easy. The framers of the federal constitution did not refer specifically to education. Because of this omission, it has been accepted that the responsibility for education is one of the "powers not delegated to the United States government" and consequently is "reserved to the states respectively, or to the people." Thus, with the primary responsibility for education resting with the citizens of each state, the state governments have to prescribe policies and standards to make the educational enterprise operate effectively.

Although the state has the legal responsibility to provide education for all its citizens, most of the operating responsibility has been delegated by the states to local school districts or systems and finally to boards of education and local administrators.

The state education agency provides broad leadership, planning, and supervision within the state, but for practical purposes, the delivery system for education is within the jurisdiction of local school districts subject to varying controls over fiscal and operating policies. In the United States there are more than 17,000 school districts, differing widely in size, taxing ability, urbanization, and many other factors. It is this range of differences which creates financial problems as society attempts to maintain a commitment to assure all citizens an equal educational opportunity while also trying to reflect a sensitivity to the demands of the public for more efficiency in the educational process. <sup>4</sup>

In the various communities, the decision-making authority for public schools has been kept close to the people via their elected representatives who are charged with the responsibility of determining educational policy as well as working with the taxing authorities to provide the schools with proper financial support.

Although the states have the responsibility for education, due to the financial problems and the growing inequities in opportunity which have emerged as a result thereof, federal involvement has grown sharply in the past decade. Based largely on the "general welfare clause" of the federal constitution, federal programs are also a recognition of the fact that educational issues transcend state lines and that the quality of education in each state and welfare of all citizens is of national concern. As a matter of national policy, Congress and the people have accepted an increasing degree of responsibility to meet national priorities through education.

At the federal level there are a number of programs being discussed in political and educational circles which may lead someday to greater federal support for education. A number of ideas persist and are in various stages of consideration. These include revenue sharing plans to direct federally collected revenues into state and local educational programs, a variety of "voucher" plans, and federal assumption of welfare and assistance programs to permit states to allocate existing state revenues toward meeting the educational needs of the local districts.

Practically speaking, however, most political observers conclude that it is unlikely there will be any major readjustment in federal funding for education in the immediate future. State leaders who hope for instant and substantial help from federal sources are unrealistic. No matter what level of federal support and assistance might be warranted, the fundamental responsibility to provide and support education will continue to reside with the individual states and local school districts.

Almost continually since World War II, Massachusetts has been standing at a crossroads in the financing of its public schools. Though new state taxes have been enacted periodically, the state share in school support has increased only temporarily and then disappeared with rising school costs. In Massachusetts, school support has relied primarily on the local property tax, and the differences between school districts in that financial base have produced economic discrimination in school support that appears to cause much educational inequity.

For a long period of time in our history, education has held a first-order priority for public funds that was little questioned. In recent years this has changed. Taxpayers have begun to resist the constant rise in budget requests; state and local communities both are pressed to provide for other critical needs in housing, clean air and water, and other municipal services while school planners find themselves handicapped by inflation and increasing school expenditures which still seem to rise well beyond projections.

In Massachusetts, the local operation of the public schools has been zealously guarded and maintained. Despite this fact, public education still must be accepted as a legal responsibility of the state, on the basis that it is politically, socially, and economically beneficial to all citizens for every child to have equitable educational opportunity regardless of where he or she may live or what may be the attitude of the local community toward schools. While the exercise of this responsibility has been delegated to local school committees or school boards, the basic state mandate for universal public schools, open to all and offering reasonably good education, has been historically accepted by Massachusetts and every other state in the Union.

Theoretically, state funds would provide at least some proportion of the cost of a state responsibility, and the majority of states do contribute a substantial share of school support. In Massachusetts, state aid has gone to local school districts for most of this century, but up to the present has never amounted to more than 30 per cent of the cost, usually less than in most other states. School support has therefore been largely dependent on the

property tax revenues of each community. As school costs increased over the last several decades, particularly in the wave of inflation after the second World War, school support became an increasingly heavy burden. Schools looked to the state both for general financial assistance and for "equalizing" aid to help ease the growing disparities in educational programs.<sup>5</sup>

In 1948, a major political effort in the Massachusetts legislature achieved enactment of a foundation program of state aid, adding \$10.4 million to the amount previously provided in state funds - i.e., \$5.3 million. The total came to approximately 14 per cent of the 1949 school operating costs.<sup>6</sup>

A "foundation" program of state aid is based upon the assumption that a good education should cost a specific amount per student and expenditure up to this amount is guaranteed by the state. Realistically, this amount is raised primarily through local taxes with the state providing a grant to bring the amount up to the established minimum foundation level.

As this foundation plan was adopted in Massachusetts in 1948, the balance between the local and state contributions was established and the amount of \$130 per student (between the ages of 7 and 16) was set as the local school cost. The appropriate local tax effort was established as \$6 per \$1000 of equalized property valuation. Unfortunately, since only \$10.4 million had been made available as the state's share and the amount needed to

fund the minimum foundation level was over \$20 million, the program support from the state was cut in half during the year of enactment. Thus, even in the first year of a new funding program, state aid was reduced to one-half the established difference between the required local effort and the desired foundation level.<sup>7</sup>

It was obvious that additional action would be required by the Massachusetts legislature to keep the aid formula updated and to provide the needed funds to provide the established state level of support. The legislature chose not to take this action. Thus, as costs increased in the schools of the local communities the state's share declined. Annual efforts to update the formula and to increase the level of state aid were repeatedly unsuccessful, although a number of special and categorical funding programs were established. By 1962 state aid available under the foundation formula had dropped to less than 9 per cent of operating costs, and total school aid including the categorical aid was less than 15 per cent.<sup>8</sup>

In 1962, a series of widely-read articles appeared in the Boston Globe entitled "The Mess in Bay State Education." The authors and researchers for the series, Ian Menzies and Robert Forman, detailed the basic structural flaws which they saw in the public education process in Massachusetts. They cited a number of specific deficiencies, including the following:

- 1) An archaic, inequitable formula of state aid which ranked the Commonwealth 47th among the states in the level of state support for public schools;

- 2) A heavy reliance on local property taxes to fund education which meant that "the standard of education has become geared to the accident of geographic location" and that poor communities were unable to purchase the same level of educational services as wealthier communities;
- 3) A large number of high school students enrolled in so-called "general curriculums" which neither prepared them for employment or college;
- 4) A failure to plan and coordinate for an intelligible and comprehensive system of education which was a failure endemic in the state "since Horace Mann first gave public education its impetus in Massachusetts in 1838;"
- 5) A tradition of "every town and city for itself" which severely limited the possibility of state coordinated action.

These deficiencies, along with a number of other conclusions added up to a simple indictment: Massachusetts education had failed to achieve either of the two most basic goals of public schooling; quality education and equality of opportunity. <sup>9</sup>

The Globe series proved to be the catalyst to articulate a growing concern about education in the state. In 1964, the state legislature established the Willis-Harrington Commission to conduct an extensive two-year study of public education in the Commonwealth. From the Commission came a number of recommended changes which would have extensively altered the process and organization of education within the state. A number of recommendations formulated by the Commission were enacted by the Legislature and agencies of the Commonwealth. An even greater number of the recommendations went into legislative committees and were never reported out, thus going unheeded.

In 1966, a major revision of the formula to provide

state aid to education was effected. The General Court approved, under Chapter 70 of the Laws of 1966, a process for state aid to education based upon a percentage equalization formula. The law was designed to provide reimbursement aid equal to approximately 35 per cent of the total school operating costs in the Commonwealth. Individual cities and towns would receive varying percentages of state aid ranging from a minimum of 15 per cent to a maximum of 75 per cent of their operating expenses, according to their ability to raise funds from local sources. This formula, by distributing state aid on a sliding scale and basing the percentage upon a community's equalized wealth, was an effort to remove the inequities which have traditionally existed between wealthy and poor towns. Under such a program, poorer towns would receive more state aid than wealthy towns.

The intended effectiveness of the formula has never been realized completely, however. The General Court has consistently failed to provide the necessary funds to reimburse cities and towns as provided by the law. Also, an unplanned result of Chapter 70 funding has been a series of problems caused by the minimum and maximum limits established in the law. For instance, the state aid percentage may rise as high as 75 per cent but it may not decline below 15 per cent. Thus the poorer districts in the state can not receive more than 75 per cent reimbursement and yet the most wealthy districts are guaranteed at least 15 per cent of their annual expenditures in state reimbursement.

To illustrate this point, Table 1 analyzes the relative distribution of the "school aid percentage" among the cities and

towns in Massachusetts for the years 1973-74.

---

Table 1  
Distribution of the School Aid Percentages

1973 - 1974

<u>School Aid Percentage</u>	<u>Number of Cities and Towns Qualifying</u>
15.0	88
15.1 - 30.0	49
30.1 - 45.0	87
45.1 - 60.0	110
60.1 - 74.9	16
75.0	1
	<hr/>
Total	351

Source: Commonwealth of Massachusetts, Department of Education. "Analysis of School Aid to Massachusetts Cities and Towns, 1973/74."

---

It is interesting to note whereby only one school district qualified for the upper limit of 75 per cent reimbursement, 88 cities and towns were entitled to the minimum reimbursement of 15 per cent. Thus, one quarter of the school districts in the state's cities and towns, while possessing a relatively high level of fiscal resources, received the fifteen per cent reimbursement without having to document specific need. And there was no further provision for establishing need within the law as it had been enacted.

When the Globe series was published over fifteen years ago Massachusetts was one of the wealthiest states in the nation based on per capita income. At the time, the state also ranked 47th among the states in state aid to education. During the

1973-74 fiscal period Massachusetts still remained in the top one-third of the states if per capita income was used as a guideline. Yet, the effort to provide state funding assistance was still quite low --- i.e., Massachusetts was in the bottom one-third of the states when considering the actual expenditures from state sources in public elementary and secondary schools. Table 2 provides more specific information in this area.

In another dimension, the average share among all states for providing aid to education from state funds is 43 per cent. Table 3 shows that Massachusetts effectively provides only 24.2 per cent of the total revenues required for operation of the public schools. This relatively low percentage of state aid is a direct result of the continued reliance in Massachusetts upon the local property tax for the bulk of school revenues.<sup>10</sup>

Discussions about the amount of funding provided by the state governments to aid in meeting the costs of education quickly become accounting and financial exercises unless the questions of educational equity and educational opportunity are addressed concurrently. Much has been written about the educational and societal problems which are caused by inequities in the process of providing financial support for schools. At the same time, much has been written also on the premise that increased financial aid alone will not guarantee improved instructional quality if factors relating to the process and organization of the educational establishment are unchanged. It is therefore important to establish

Table 2

	PERSONAL INCOME		TOTAL EXPENDITURES FOR PUBLIC ELEMENTARY AND SECONDARY EDUCATION	
	Total	Per capita	Amount	Percentage of
	(in millions)		(in thousands)	personal income
United States	\$1,057,825	\$5,041	\$56,031,041	5.30
Alabama	13,700	3,871	575,352	4.20
Alaska	1,958	5,933	169,886	8.88
Arizona	9,655	4,692	662,326	6.87
Arkansas	8,050	3,952	378,622	4.70
California	113,746	5,521	6,710,739	5.90
Colorado	12,255	5,029	685,545	5.59
Connecticut	18,265	5,936	848,270	4.64
Delaware	3,328	5,778	216,060	6.49
District of Columbia	4,728	6,337	232,080	4.91
Florida	37,799	4,923	1,801,452	4.77
Georgia	21,032	4,395	976,662	4.64
Hawaii	4,582	5,541	237,149	5.13
Idaho	3,398	4,413	166,642	4.90
Illinois	64,833	5,770	3,048,470	4.70
Indiana	26,510	4,987	1,275,847	4.81
Iowa	15,314	5,273	763,620	4.99
Kansas	12,088	5,304	482,025	3.99
Kentucky	13,478	4,033	543,500	4.03
Louisiana	14,795	3,931	846,000	5.72
Maine	4,196	4,032	245,500	5.85
Maryland	22,339	5,469	1,326,651	5.94
MASSACHUSETTS	30,561	5,253	1,513,385	4.95
Michigan	50,201	5,551	2,893,525	5.76
Minnesota	20,019	5,137	1,321,197	6.60
Mississippi	8,112	3,556	454,159	5.60
Missouri	23,031	4,841	997,193	4.33
Montana	3,376	4,682	201,000	5.95
Nebraska	8,127	5,271	366,276	4.51
Nevada	3,148	5,745	162,100	5.15
New Hampshire	3,713	4,694	165,083	4.45
New Jersey	43,026	5,845	2,195,700	5.10
New Mexico	4,262	3,853	323,209	7.58
New York	104,198	5,705	6,555,700	6.29
North Carolina	22,577	4,282	1,163,044	5.15
North Dakota	3,645	5,675	149,500	4.10
Ohio	54,474	5,076	2,457,000	4.51
Oklahoma	11,558	4,340	516,000	4.46
Oregon	10,753	4,833	601,100	5.59
Pennsylvania	59,427	4,993	3,361,440	5.66
Rhode Island	4,710	4,841	237,541	5.04
South Carolina	10,582	3,882	573,303	5.42
South Dakota	3,229	4,713	154,200	4.73
Tennessee	16,897	4,095	748,859	4.36
Texas	53,912	4,571	2,548,576	4.73
Utah	4,711	4,072	292,900	6.22
Vermont	1,881	4,054	132,141	7.02
Virginia	23,506	4,886	1,172,000	4.99
Washington	17,674	5,154	896,377	5.0
West Virginia	7,107	3,961	363,001	5.13
Wisconsin	21,703	4,750	1,217,859	5.61
Wyoming	1,057	4,695	104,100	6.29

Source: National Center for Education Statistics, U. S. Office of Educ.

Table 3

REVENUE SOURCES FOR PUBLIC  
ELEMENTARY and SECONDARY SCHOOLS

	Federal	State	Local
Alabama	14.4%	68.0%	17.5%
Alaska	16.8%	62.8%	20.1%
Arizona	7.4%	38.5%	54.1%
Arkansas	16.3%	48.8%	34.9%
California	6.7%	42.1%	51.2%
Colorado	7.3%	35.3%	57.1%
Connecticut	3.1%	23.1%	73.5%
Delaware	6.6%	69.7%	23.7%
D. C.	11.4%	---	88.6%
Florida	8.7%	57.1%	34.2%
Georgia	12.0%	55.0%	33.0%
Hawaii	8.2%	88.8%	3.0%
Idaho	11.1%	43.3%	45.6%
Illinois	5.9%	40.0%	54.1%
Indiana	5.1%	32.7%	62.2%
Iowa	4.9%	35.3%	59.7%
Kansas	8.0%	31.4%	60.5%
Kentucky	13.8%	55.2%	31.0%
Louisiana	14.0%	56.0%	30.1%
Maine	9.3%	35.0%	55.7%
Maryland	6.2%	47.1%	46.7%
Massachusetts	5.2%	24.2%	70.7%
Michigan	4.0%	50.0%	46.0%
Minnesota	4.7%	53.1%	37.1%
Mississippi	24.5%	52.5%	23.0%
Missouri	7.6%	35.9%	56.4%
Montana	8.5%	40.0%	51.5%
Nebraska	7.9%	20.3%	71.3%
Nevada	6.1%	41.8%	52.1%
New Hampshire	3.0%	7.4%	89.6%
New Jersey	5.7%	28.7%	65.6%
New Mexico	16.0%	64.4%	19.6%
New York	4.9%	39.1%	56.0%
North Carolina	10.5%	68.7%	20.8%
North Dakota	9.1%	13.9%	47.0%
Ohio	7.3%	34.1%	58.5%
Oklahoma	9.3%	44.6%	46.1%
Oregon	4.1%	24.4%	71.5%
Pennsylvania	6.8%	49.7%	43.5%
Rhode Island	8.1%	36.4%	55.5%
South Carolina	15.8%	57.4%	26.8%
South Dakota	14.9%	15.0%	70.1%
Tennessee	13.1%	45.1%	41.8%
Texas	11.0%	47.5%	41.5%
Utah	8.2%	56.8%	35.0%
Vermont	6.1%	33.0%	60.9%
Virginia	10.4%	35.7%	53.9%
Washington	8.7%	56.5%	34.8%
West Virginia	12.5%	57.5%	30.0%
Wisconsin	3.3%	40.0%	56.8%
Wyoming	11.1%	26.7%	62.2%
TOTAL U.S.	7.5%	43.0%	49.5%

Source: "Estimate of School Status, 1973-74", National Education Association

the thesis that changes in fiscal policy alone will not guarantee improved quality of schools in Massachusetts and will not guarantee that improved educational resources will automatically be available to students in all communities.

At the same time, any continuation of inequities in school finance --- particularly when these inequities are transformed into lesser quality and amounts of resources available to students and teachers --- will likely perpetuate the problems of providing equal educational opportunities to all students. Perhaps this point was best made in a work by John Coons and others in 1970 whereby the authors established the point that the poor should have the same opportunity that the rich have to prove that more resources (may) not improve education.<sup>11</sup> It is imperative, therefore, that any serious discussion of educational equity start, at first instance, with the questions surrounding the source and availability of financial resources.

In order to expand upon the issue of commitment on the part of the state toward improving the distribution and amount of funding available to the local school districts, one needs to look at the situation in Massachusetts. Table 4 shows the range of differences among selected school districts in the state in three areas --- local capacity to raise funds for school expenditures, equalized school tax rates, and expenditures per pupil.

Information in this table demonstrates that large

Distribution of Community Fiscal Ability, Effort, and Per Pupil Expenditures  
Selected Communities  
1973 - 1974

Table 4

Community	Equalized Valuation Per School Attending Child	State Rank	Equalized School Tax Rate - 1973	Funds Applied per 1000 Valuation	State Rank	Total Per Pupil Cost	State Rank
Andover	32,899	94	31.30	35.05	239	1178.12	54
Barnstable	63,834	29	9.00	19.86	323	1084.85	109
Boston	16,581	31	37.51	65.95	34	1223.00	43
Lezekline	68,901	27	21.75	29.94	300	1672.14	6
Cambridge	39,370	66	31.59	41.89	209	1698.13	5
Chesapeake	16,364	322	22.33	51.33	119	845.47	316
Everett	40,976	41	23.82	22.25	321	1178.72	53
Wareham	29,165	154	27.23	35.64	256	999.13	207
Longbeedow	41,836	55	23.70	30.73	284	1205.86	47
Martford	22,614	183	27.26	40.99	218	687.62	213
Lee & Bedford	17,644	302	27.68	53.65	103	878.56	294
Northampton	29,575	119	29.96	37.13	246	1146.17	72
Pittsfield	24,533	175	28.14	43.52	194	1058.49	142
Saxton	30,733	106	29.57	36.28	251	1027.78	171
Springfield	21,611	224	28.24	52.26	117	977.30	244
Springfield	17,105	315	33.94	57.02	79	986.51	214
Tunton	16,675	317	29.09	60.35	61	853.02	310
Walburn	45,136	44	20.56	26.90	301	1143.02	73
Wareham	24,279	178	23.51	42.20	203	986.49	215
Wareham	18,775	282	39.56	61.72	54	1176.15	55
State Total/Average	25,551	--	27.57	15.06	---	964.20	--
High Community Rowe	378,788	1	55.04	106.67	1	2570.76	1
Newbury Ayer Ginnoli							
Low Community Ayer	8,003	351	3.02	6.97	351	638.77	351
Geonola Mount Washington Merrimac							

Source: Department of Education  
Data Contained in Annual Reports  
for Year Ending June 30, 1973

disparities do exist in local wealth, school tax effort, and levels of individual school system expenditures. The difference between the highest and lowest individual district amounts are often extreme.<sup>12</sup>

Statistics such as the ones presented in Table 4 are significant if a number of others are considered. In Massachusetts, as in most other states, there is a continuing dependence on the local property tax to raise local revenue. In light of that situation, the most significant of the variables would be the equalized valuation per school attending child. This is the measure of a local community's ability to raise funds for the operation of its schools and is the main factor used in Chapter 70 to determine the percentage of state reimbursement for each city or town. Also of interest in Table 4 would be the variation in equalized school tax rates and the funds applied by the local school districts. These factors might be used to indicate the level of commitment of local communities to the funding of education, particularly when analyzing the comparable tax/funding levels and fiscal ability.

Much has been said in school finance reform about disparities in local wealth. These disparities are important insofar as they affect variation in tax effort and school spending at the local level and are not off-set by state support and/or financial intervention. Prior studies of school finance have consistently concluded that local wealth is the most important

single factor affecting expenditures for education. Data available from cities and towns in Massachusetts and presented in Table 4 support this conclusion. Where equalized valuation per child exceeds the state average, the expenditure per student also exceed the state average.

There are three notable exceptions to this pattern, however. The three major cities in the sample --- Boston, Springfield, and Worcester --- all have per pupil costs that exceed state averages even though equalized valuation in each city is at least twenty-five per cent lower than the state average.

An explanation for this apparent inconsistency is not difficult to obtain. On the average, central cities have two and a half times the proportion of poor families and less than half the proportion of wealthy families than suburban communities. These wealth characteristics indicate that central cities face a dual problem of raising higher levels of local school support. On the one hand, they have a high concentration of poverty requiring greater educational outlays to meet the needs of pupils from poor families. On the other hand, urban areas lack the proportion of wealthy population from which a local redistribution of wealth might take place. The result is that school tax burdens in urban areas almost invariably fall on the middle class which increasingly has less ability to bear the full costs of funding the necessary compensatory programs for the disadvantaged. Thus, urban school districts are caught in a continuing squeeze in any discussion of educational finance reform situations. First, there is a high level of educational need with only moderate or low fiscal capacity by which to generate

required educational funds. Secondly, the perceived need for a sustained effort at improving the quality of urban schools is maintained at a high level by the parents of students attending the urban schools. The result is translated into political pressure to pour more money into the schools with the attendant high per pupil cost.<sup>13</sup>

In contrast to this situation outlined above, a more equitable process of public school finance would reward a community in proportion to its own effort to provide good schools and a legitimate need for state assistance. This process could then in a relatively "painless" manner, break the tie between local wealth and educational offerings, the tie by which the present school financing system binds some communities to inferior schools while rewarding others with educational excellence achieved. It is difficult to defend a system where, for example, two districts have similar tax rates but one provides substantially more per pupil spending than the other, or, two districts spend the same amount per pupil but one must set school taxes at a higher rate than the other. Table 4 includes limited and selected examples of communities in Massachusetts, but it does illustrate a pattern of inequitable factors that affect individual school systems in the state.<sup>14</sup>

An effort will be made throughout this paper to emphasize the point that solving the problems of revenue raising and distribution alone will not make substantially equal educational resources and opportunities available to children. While sounding simple,

this position is not always accepted in determining the methods to address the problems of educational equity. School finance reformers tend to become completely enmeshed in figures, tax levies, and formula. The redistribution of funds is the primary goal. On the other hand, educators involved in researching school finance and its complexities tend to accept this position with greater empathy. Joel S. Berke, one of the most respected researchers in school finance, speaks to this issue in one of his recent works.

"When scholars in the sixties examined the impact of state aid formula and local finance provisions, frequently employing the concepts and methods of economics and political science, they found a series of significant defects. Equalization formulas were so diluted and the proportion of state funding was so low that property valuation repeatedly turned out to be the primary determinant of spending levels for elementary and secondary schools, despite the fact that most educational aid was nominally classified as equalizing.

"The employment of public finance concepts and methods demonstrated the rudimentary character of statutory measures of fiscal capacity, the measures that determine how much a locality might be expected to contribute from its own resources. The reliance on property value per pupil made no provision for the far heavier demands on urban tax bases for general municipal services than on suburban or rural resources. Similarly, a better understanding of the productivity of different types of property had little impact on aid formulas.

"Nor has much educational theory been incorporated into funding schemes. The developing understanding that different types of students require different resources for effective learning was seldom linked to systems of resource distribution. While a number of state formulas had long distinguished between elementary and secondary school pupils, few states had come to grips through their general aid formulas with the particular needs of pupils with learning problems or with special requirements such as the physically and mentally handicapped, or of pupils in vocational programs." 15

In a more localized sense, a study conducted by the

Massachusetts Advisory Council on Education determined that it was overwhelmingly evident that fiscal measures alone in Massachusetts would not cause educational resources available to children to approach equality. This is not to say that fiscal measures are unimportant; they do reflect the community's commitment level and the equity of the revenue and expenditure system. It would be difficult to sustain a policy of educational equity that was not supported by a policy of fiscal equity. However, the educational leadership of the state should redirect much of its effort to achieve equality of educational opportunity down a much simpler, more direct and more easily implementable route. That route would be to mandate substantially equal educational resources for the public school attending children in Massachusetts, regardless of where their parents may happen to live. <sup>16</sup>

It would appear, therefore, that the final equity criterion of any educational system is not to be found exclusively in financial distributions, though these are important. The final criterion will likely be found in two areas:

One, in the uses made of education - who does what for whom, under what conditions, and with what degree of skill;

Two, in the commitment of political and educational leaders that inequities in the process of education are to be eliminated and that the obvious discrepancies between fiscal effort and distribution on the one hand and educational needs and resources on the other hand are eliminated.

C H A P T E R II  
REVIEW OF THE LITERATURE

Introduction

The field of school finance has lain more or less dormant since 1900; and in the period between 1925 and 1965 there has been no major or strategic change in the way public schools are being financed, in Massachusetts.

Beginning in the mid-1960s and most acutely since the landmark Serrano court decision in California in 1971, the financing of public elementary and secondary education in the United States has received the intensified attention of state legislatures, state school officials, local school officials, and interested citizens throughout the nation. The problem of inequitable school financing in California stemmed from state policies which established school districts with responsibility for providing educational programs but with varying abilities to raise revenues for the schools. <sup>17</sup> As a result, neighboring school districts that could exert the same or greater effort in raising school revenues failed to provide the same quality of education for their children as did other school districts. To solve this problem, legislatures in several other states have been forced to re-examine laws in their own states by state courts which have insisted that an equitable and constitutionally acceptable finance structure be devised and implemented. As a consequence, considerable efforts in reforming school finance

structures have been made in several states during the early and mid-1970s. <sup>18</sup>

To fully understand this intensified interest in the area, of school finance and educational equity, it is necessary to review the history and literature of school finance. It is also necessary to review a number of the more significant court cases which have followed Serrano.

#### The Process of Financing Public Education: A History

Schools in colonial America were established on a local basis and the support and upkeep of them was the responsibility of the local community or church. In Massachusetts, elementary education --- reading, writing, and ciphering --- was established by act of the Bay Colony in 1642 and was the responsibility of individual families. Five years later, settlements with fifty or more families were required to appoint a schoolmaster "to teach all such children as shall resort to him to write and read." <sup>19</sup>

As the population in the colonies grew, funding to support education was collected by means of tuition charges, a procedure adopted by the colonists from their European homelands. During the latter part of the seventeenth century, however, some towns in Massachusetts and Connecticut began to collect property taxes in a limited way to help finance public education. The original Southern states and some middle Atlantic states also used limited

taxes on property to support "pauper" schools. Increasing use of the property tax for financing school programs ensued as the number of local school districts began to multiply with the westward movement of settlers. By the end of the nineteenth century all states had some provision for the use of property taxes to supplement other revenues and resources to operate the public schools.<sup>20</sup>

As the territorial limits of the United States began to expand westward beyond the Appalachian Mountains and into the area north of the Ohio River, the Land Ordinance of 1785 was enacted by the Congress of the Confederation. This Ordinance provided for all of the acreage of the old Northwest Territory to be divided into townships six miles square, each of which in turn was to be split into thirty six sections of one square mile each. The sixteenth section of each township was set aside to be sold for the support and benefit of the public schools in that township. This policy was followed in each of the states admitted to the Union between 1802 and 1848. The provision was amended later in the territories west of the Mississippi River so that each thirty-second section was set aside for support of the public schools. Authorities on school finance point out that there were two significant characteristics of the early land grants that need to be taken into consideration when reviewing the beginning of federal involvement in the support of public education.

- 1) The grants were established for general public school purposes.
- 2) The federal government made no effort to exercise control over the actual operation of local education.

This was a specific condition for the provisions of the land grant being included in the surveys. The intent of the federal government's move to provide grants of land for the support of public education was to stimulate the interest of the territories and states in developing and maintaining their own schools. <sup>21</sup>

While the intent of the federal government to provide a level of financial support for public education was not clearly established at this time, other levels of federal involvement were more easily observed. The policies of the Northwest Ordinance of 1785 were actually implemented in 1787. Federal educational policy and Congressional thinking at the time were stated in the provisions of the Northwest Ordinance of 1787. The Ordinance provided that "religion, morality, and knowledge being necessary to good government and the happiness of mankind, schools and the means of education shall be forever encouraged." <sup>22</sup> Through this Ordinance, schools in the newly admitted states were endowed with public lands. Since all states entering the Union after 1789 were first administered and organized as territories by the federal government, precedent was set for the federal government to be credited with founding and influencing the public school systems of many states.

For the period through the first half of the nineteenth century there was little active or increased federal involvement in education beyond the precedent established in the land ordinances. In 1862, with the passage of the first Morrill Act, the federal

government provided land grants to the states for specific educational purposes --- the endowment, maintenance and support of colleges that would teach agriculture, mechanical arts, and military tactics, as well as other scientific and classical subjects. Institutions of higher learning had been principally classical and academic in character within the United States since colonial times and was available to a select few only. The land grant institutions, called "people's colleges," were designed to serve the general public. Given the growth of popular education following the Civil War, these colleges had a liberalizing influence on all aspects of American education. Federal grants after 1862 were for specific educational purposes and subject to increasing federal influence and control. Eventually, land grants began to be supplemented by regular grants-in-aid from the federal government when additional funding to sustain the growth in higher education became necessary. <sup>23</sup>

In 1917, Congress became involved in education programs below the college level by providing funds for vocational education through passage of the Smith-Hughes Act. After World War II, federal involvement in supporting elementary and secondary programs became more extensive. Among the programs initiated by the federal government and which have had significant impact on the schools include the following legislative enactments:

G.I. Bill of Rights (1944)

National School Lunch Act (1946)

Aid to Impacted Areas (1950)

Peace Corps Act (1961)  
Civil Rights Act - Title IV (1964)  
Elementary and Secondary Education Act (1965)  
Vocational Education Amendments (1968)  
Educational Amendments of 1972  
Educational Amendments of 1974 <sup>24</sup>

A study of Augenblick and Vincent concludes that federal financial support of public education in the United States peaked in the mid-1960s with the passage of the Elementary and Secondary Education Act of 1965. Since then the states have had to assume more responsibility in enacting new educational finance policies.<sup>25</sup>

The actual beginnings of the present methods of financing elementary and secondary education in the United States has traditionally been traced to Ellwood P. Cubberly who initially published his ideas and recommendations in the early 1900s. Cubberly noted that, due to an unequal distribution of wealth among communities, states which had constitutional mandates for maintaining minimum educational standards were actually creating unequal burdens among local school districts. He recommended that states equalize the burden through the implementation of a state school tax. Cubberly cautioned, however, that even the use of this tax revenue would fail to accomplish the goal for which it was intended unless revenues were distributed in a different manner than had existed before.<sup>26</sup>

In 1922 Harlan Updegraff of the University of Pennsylvania proposed that the states equalize educational opportunity and introduced the teacher unit as a measure of financial aid. The teacher unit established standard numbers of pupils per teacher for different school levels, for urban and rural districts, and for different types of classes. According to Updegraff, the total amount of revenue available would not be dependent upon the wealth of the district but on the number of teacher units in the district. Under the Updegraff plan, also, the states would support variable levels of minimum programs, depending upon the amount of local district tax effort. <sup>27</sup>

In the 1923 report of the Education Finance Inquiry Commission of the schools in New York state, George D. Strayer and Robert M. Haig advanced for the first time the theory of equalization of educational opportunity through a foundation program. They advocated that a local school tax be levied to support a minimum program deemed to be satisfactory in a wealthy district. Every other local school district would levy a local tax at the same rate but, because revenues in poorer districts would be less, states would provide supplemental grants to bring the total in the poorer districts up to a level of equity with the more wealthy district. A major difference in the Strayer-Haig proposal, however, was the provision that it would be necessary to raise the funds for this purpose by local and state taxes "adjusted in such manner

as to bear upon the people in all localities at the same rate in relation to their tax-paying ability." 28

Also introduced by Strayer and Haig at this time was a new approach to the concept of equal educational opportunity. In the early 1920s, the concept of equal educational opportunity could be described as follows:

There exists today and has existed for many years a movement which has come to be known as the "equalization of educational opportunity." 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 tax-paying ability, and the provision for 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 offered everywhere, the expense of which should be considered a prior claim on the state's economic resources. 29

In a departure from the traditional viewpoint of this concept, Strayer and Haig stated that to carry into effect the principle of "equalization of educational opportunity" or "Equalization of school support, it would be necessary to incorporate the following conceptual model:

- 1) To establish schools or make other arrangements sufficient to furnish the children in every locality within the state with equal educational opportunities up to some prescribed minimum;

- 2) To raise the funds necessary for this purpose by local or state taxation adjusted in such manner as to bear upon the people in all localities at the same rate in relation to their tax-paying ability;
- 3) To provide adequately either for the supervision and control of all the schools, or for their direct administration by a state department of education. 30

Paul Mort, also working in the 1920s, developed a technology for implementing the concepts proposed by Strayer and Haig. Mort converted the "cost per teacher unit" to "cost per pupil" and established a system of weighted pupil units as a basis for comparing levels of program support between schools and communities. 31

Besides clarifying the theories of Strayer and Haig, Mort also advanced his own conceptual models regarding the formulation of a state minimum program. The elements that he recommended for inclusion in a state equalization program were:

- 1) Educational activities found in most or all communities through a given state;
- 2) Unusual expenditures for meeting the general requirements due to causes over which a local community has little or no control;
- 3) More years of schooling or a more costly schooling (such as compensatory education for the disadvantaged) than was common when unusual conditions required any such additional offerings. 32

It is interesting to note that even though the conditions listed above were established as a model in the 1920s, his concepts of the elements to include in a minimum program are as valid today as when they were written. For example, his third element includes

compensatory education for the disadvantaged, which is a comparatively recent extension of this concept of equity.

In its simplest form, the type of equalization program which Mort defined as satisfactory would include the following:

A satisfactory equalization program would demand that each community have as many elementary and high school classroom or teacher units, or their equivalent, as is typical for communities having the same number of children to educate. It would demand that each of these classrooms meet certain requirements as to structure and physical environment. It would demand that each of these classrooms be provided with a teacher, course of study, equipment, supervision, and auxiliary activities meeting certain minimum requirements. It would demand that some communities furnish special facilities, such as transportation. 33

Mort and his colleagues believed, however, that the financial structure of public education should be such as to stimulate, not hinder, local initiative. Also, the minimum program should be sufficient to allow local districts to adopt proven innovations, and there should be a "considerable number of districts with expenditures sufficiently high to provide conditions for experimentation." 34

Mort directed a national study of state support in 1931. The report of this survey contained a summary of the status of state support at that time. A brief summary of his findings concerning the condition of state support for public education in 1931 reflected the following:

- 1) In all but a few states, the actual minimum status of education was determined by the economic ability

of local districts to support schools rather than the social needs for education.

- 2) The minimum program actually guaranteed was in nearly every state far below the program provided in communities of average wealth.
- 3) An analysis of the methods used by the different states to measure educational need revealed that no state was using as refined measures as were available. Measures in use were inequitable in one or more of the following respects:

- a) Treatment for variation of size of school;
- b) Treatment of districts of the same size;
- c) Caring for the higher costs of high schools;
- d) Caring for non-residence;
- e) Consideration of costs of living increase;
- f) Consideration of transportation;
- g) Consideration of capital outlays. <sup>35</sup>

Demand for public education, especially for universal secondary education, escalated during the decade following World War I. This period also saw an accelerated rate of change of the United States from an agrarian to an industrial society. The war started the breaking up of the parochialism and the isolation of rural America. The automobile industry, led by the Model T, further promoted the mobility of the population. An industrialized, mobile population needed much more education than an isolated rural population. This fact had long been known to the educational leadership of the states. It began to be recognized by the political leadership of the states during the 1920s. State aid for the public schools more than doubled between 1920 and 1930. <sup>36</sup>

In 1930, Henry C. Morrison noted that the great inequities in wealth among school districts was continuing to cause great inequalities in educational opportunity. He observed that by constitutional mandate education was a state function and that local school districts had been delegated that responsibility. Almost without exception local school districts had failed to provide that function efficiently or equitably. Morrison also asserted that attempts to provide equal educational opportunities through enlarging school districts, by offering state equalization funds, or by offering state subsidies for special purposes had not worked as well as the proponents of each scheme had projected. He theorized that those measures would continue to fail to meet educational needs and, at the same time, to provide an equitable system of taxation to support schools. Therefore, Morrison proposed a model of state support whereby all local school districts would be abolished and the state itself becomes both the unit for taxation for school support and for administration of the public schools. He suggested that the most equitable form of tax for the state to use for the support of schools was the income tax. 37

Morrison's ideas on the centralization of school support completely within the state were not well received. At the time, great emphasis was being given to local initiative and home rule. In fact, local self-government was almost equated to democracy itself in the political thought of Morrison's time. Roe L. Johns, the director of the National Educational Finance Project has noted that the defects that Morrison saw in local school financing are

even more evident today than they were in his time. Educational opportunities are far from being equalized among school districts within most states, and there is more complaint about the inequities of local property tax support for schools than ever before. 38

The Depression of the 1930s had a profound effect on school financing. In 1930, about 82 per cent of school revenue came from local sources and practically all local school tax revenue was derived from property taxes. During the Depression, property taxes became increasingly onerous as thousands of people lost their homes, farms, and businesses. The injustice of having to pay property taxes when the taxpayer had little or no income became an intense political issue in many states. The opposition to property taxes during this period provided an opportunity for the advocates of state aid to promote advancement of their programs. 39

World War II also had an important effect on school financing, for it accelerated the development of technology on a national basis, even more than had occurred during World War I. It became apparent to all informed observers, during and immediately after World War II, that an education was a necessity not only for the benefit of the individual but also for the welfare of society. The demands for an improved quality became insistent throughout the nation. Furthermore, inflation was causing a rapid increase in prices that far exceeded any increase in the property tax income

of the schools.

Following World War II, the growth of the national economy made increased expenditures for education possible and, in turn, education contributed greatly to the growth of the economy. The more complicated and complex nature of this growth can also be mirrored in a subtle shift in the source of funding to support public education. Table 5 reflects that shift in revenue sources among the federal, state and local governments.

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Table 5  
Percentage of School Revenue from  
All Levels of Government  
1945 - 1970

	<u>1945</u>	<u>1950</u>	<u>1960</u>	<u>1970</u>
United States - Overall				
Federal Government	2.3	2.9	4.4	6.6
State Governments	34.5	39.8	39.1	40.7
Local Governments	63.2	57.3	56.5	52.7

Source: U.S. Office of Education, quoted in Johns, Roe L. et al Op. Cit., (Status and Impact of Educational Finance Programs, p. 20.

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The significance of this shift might be overlooked if one is not careful. Total school expenditures have increased significantly since the end of World War II. By applying the percentage shift to the increased funds, it is easy to observe just what the significance is and what it is not. Statistics developed by researchers during the nationwide study of school financing

during the early 1970s as part of the National Educational Finance Project help to point up this significance.

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Table 6  
Trends in Total Expenditures for  
the Public Schools

	<u>1945 - 1970</u>		
	<u>1945</u>	<u>1970</u>	<u>Percentage Change</u>
Total expenditures (in millions)	\$ 4,049	\$39,489	+ 875 %
Total students (in thousands)	22,163	42,168	+ 90 %
Percentage of the Gross National Product Spent on Public Education	2.4	4.2	+ 75 %

Source: National Educational Finance Project,  
 Vol. II, Economic Factors Affecting  
Education, 1971.

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Table 6 indicates that the increase in the total number of students enrolled in the public schools has increased by 90 % during the period from 1945 to 1970. At the same time, the percentage increase of the Gross National Product applied to education during this same period of time rose by 75 %. Given the change to the value of dollars due to a rising rate of inflation, the two areas would appear to be about the same. In total expenditures, however, the increase is almost nine-fold. Even with the factor of inflation applied to this statistic, the increase is astounding. In terms of expenditure per student, the amount rose from \$183 in 1945 to \$936 in 1970.

A number of factors should be considered before this increase is accepted in pure terms. It does not take into consideration the increases in the types of educational services rendered, some of which, such as vocational education and education for students with special needs are very expensive and expanded during this period of time. At the same time, however, the amount of funding that had to be raised and applied by the three sectors of government --- federal, state, and local --- was increased by this amount. When the percentage factors established in Table 5 are applied against the total expenditures, the amount of money contributed by the federal and state governments to support public education increased at a significantly higher rate than did the local share of the expenditures.

It must be noted, also, that the local share of support for the public schools must be raised almost exclusively from local property taxes. Although numerous studies have shown that the property tax in modern times is the most inequitable of all major types of taxes, about 98 per cent of all local school tax revenue is derived from property taxes.<sup>40</sup> Thus, even though there has been a trend over the past thirty years to increase the percentages of school revenues provided from state and federal sources, the major portion of school revenue was still obtained from local sources in 1970.

The continuing reliance upon local revenues to operate the public schools would be in keeping with the traditional concept

of public schools being thought of primarily as a local enterprise. A problem emerges, however, in that local school districts vary greatly in two important ways --- their fiscal capacity, or ability to raise revenues, and the commitment of their residents to the support of schools. To assure that the unequal local commitment to schools does not undermine the basic public educational interests, the various states have enacted laws that require local districts to raise tax revenues in order to provide certain educational programs. In recognition both of the importance of education and of the unequal local fiscal capacity to support it, states have established school aid programs in recent years to channel funds to local districts to enable them to maintain a level of instructional programs deemed to be of a level to meet the basic and minimum state interest in education.

In virtually all cases of state aid to education, however, the state legislatures have been unwilling to offset fully the variations in local fiscal capacity with programs of full equalizing state aid. In theory, state legislatures could adopt equalization programs designed to skim off excess property tax wealth from rich districts and transfer these resources to poorer districts. In practice, however, this is difficult since state legislators can generally be expected to support proposals that will aid their districts and to oppose any attempt to transfer any of their district's wealth to poorer jurisdictions. As a result, most state aid programs are only "mildly" equalizing. At the same time, the traditional composition of legislatures gives more influence to rural and suburban districts and less to urban districts. Thus, many of the state aid programs actually end up

discriminating against the central cities where educational needs are the most severe. This problem is even more intense when the factors of the burden of municipal costs are considered. Unequal urban requirements to maintain services in the areas of welfare, transportation, public safety, urban renewal, pollution control, and environmental concerns all take from the total resources of the cities, making less funding available to the urban schools. For these reasons, state aid programs generally fail to level off the great disparities caused by wealth and local fiscal autonomy and only partially fill in the voids caused by inadequate local resources. <sup>41</sup>

As a result of the inadequacy of state equalization programs, the fiscal disparities among school districts are considerable. Data for the 1969-70 school year helps to illustrate this problem. Table 7 shows the differences between school districts in a sampling of states in the amounts of assessed valuation of property per pupil. It is this figure which shows the disparity between school districts in the ability of an individual school district to raise revenues for the operation of the public schools. Table 8 shows the variation in actual expenditures per pupil in the same sampling of states as shown in Table 7.

The data from these two tables show the difficulties which exist in trying to raise local revenues for the purpose of funding the educational programs in the local public schools. In some states, the ratio of assessed valuation is as much as 84 to 1.

Table 7

Ratio of Assessed Valuation in District With Largest  
Valuation Per Pupil to That in District with Smallest Valuation  
Per Pupil for Selected States, 1969 - 1970

<u>State</u>	<u>Ratio</u>
Alabama	4.5:1
California	24.6:1
Colorado	11.4:1
Connecticut	5.7:1
Illinois	20.1:1
Iowa	5.2:1
Louisiana	13.5:1
Massachusetts	10.4:1
Michigan	30.0:1
New Hampshire	4.5:1
New York	84.2:1
Oregon	5.3:1
Pennsylvania	10.5:1
Texas	45.1:1
Washington	12.5:1

Source: President's Commission on School Finance,  
Review of Existing State School Finance  
Programs, Washington: The Commission, 1972.

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In essence, the problem highlighted by this table is the problem that a school district in Alabama or Iowa would have in raising the same amount of funding for the support of schools that New York or Texas would have, given the same rate of tax. Obviously, the student in the state with the smaller ratio would not have access to resources, given the same level of commitment, that the student

Table 8

Variations in Selected State Expenditures  
Per Pupil, by State  
1969 - 1970

<u>State</u>	<u>High District Expenditure</u>	<u>Low District Expenditure</u>	<u>High to Low Ratio</u>
Alabama	\$ 473	\$ 294	1.6:1
California	918	402	2.3:1
Colorado	853	444	1.9:1
Connecticut	1,002	499	2.0:1
Illinois	1.129	390	2.9:1
Iowa	912	591	1.5:1
Louisiana	730	499	1.5:1
Massachusetts	963	454	2.1:1
Michigan	888	409	2.2:1
New Hampshire	739	280	2.6:1
New York	1,193	633	1.9:1
Oregon	914	431	2.1:1
Pennsylvania	1,102	535	2.1:1
Texas	668	197	3.4:1
Washington	981	433	2.3:1

Source: President's Commission on School Finance. Review of Existing State School Finance Programs. Washington: The Commission, 1972.

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In large measure due to the disparities in both spending for support of public schools and the wide gulf between school districts' ability to obtain revenues with a given tax rate, a number of parents and advocacy groups began to challenge the various state aid to education programs in court. The California Supreme Court sent shockwaves across the country on August 30, 1971, when it held that California's school finance system was unconstitutional if, as the plaintiffs in Serrano v. Priest alleged, the quality of

a child's education depends on the wealth of the community in which his/her parents resided. Aftershocks soon followed as Federal courts made similar rulings in Minnesota in October, 1971, and Texas in December, 1971. Early in 1972, a State court in New Jersey held that New Jersey's educational financing system was in violation of both the state and federal constitutions. It was not long before additional suits were brought in other states. The significance of this new chapter in school finance was highlighted in 1972 when the United States Supreme Court accepted the Texas case (Rodriguez v. San Antonio Independent School District) for review during its 1972-73 term.

#### The Process of Financing Public Education: Court Challenges

In the United States, federal courts, especially the United States Supreme Court, make significant decisions that have implications for educational policies and practices throughout the nation. An example of such a decision was the Brown et al v. Board of Education of Topeka decision in 1954.<sup>42</sup> This decision struck down the "separate, but equal" facilities doctrine which had existed since 1898 and thereby opened the way for racially integrating formerly segregated public schools. State Supreme Courts, on the other hand, make decisions that influence directly only the policies and practices of the specific state in which the decision is made. Such decisions of state courts, however, often have indirect impact in other states. For example, the 1872 Kalamazoo case in Michigan,

was the first court case to establish the legal right of school districts to tax the public for support of the public secondary schools in Michigan and it subsequently influenced similar decisions in other states. <sup>43</sup>

Most of the school finance cases that the courts accept concern questions that relate directly to, or require interpretations of, provisions in the federal constitution or in a state constitution. Consequently, unless they are modified or reversed, the decisions tend to become precedents for later decisions. Many decisions made by the courts in recent years have been based on the equal protection clause of the Fourteenth Amendment to the Constitution of the United States. Authorities note that this is due to the efforts on the part of the courts in recent years to reinterpret and expand the concept of individual rights, including the rights of students. Laws and court decisions pertaining to education and student rights have often proven to have major implications for policies and procedures related to the financing of schools. <sup>44</sup>

After a careful study and analysis of court decisions handed down since 1900, Alexander and Jordan have delineated three generations of constitutional development, each of which has had or is having a significant impact on school finance programs. Their observations include the following:

- 1) In first generation cases, taxpayers were the aggrieved parties seeking relief and the cases contested the constitutionality of state finance programs only from the

position of taxation.

- 2) Second generation cases considered the issue of equalization of resources from the position of the aggrieved student who contended that his/her educational opportunities should not be dependent on the fiscal ability of the school district in which he/she lived.
- 3) Third generation cases questioned how far a state must go in providing equal educational opportunity.<sup>45</sup>

One of the earliest and most meritorious attempts by citizens to challenge in court the provisions of a state's aid to education programs occurred in Illinois in 1968. This case, McInnis v. Shapiro, was filed in protest of the provision of unequal revenues per pupil in different school districts of Illinois. A three judge Federal court rejected an appeal in this case for statewide apportionment of school funds based on "educational needs." The court rejected the McInnis contention primarily because:

Unequal educational expenditures per student, based upon variable property values and tax rates of local school districts do not amount to invidious discrimination....There is no constitutional provision that public school expenditures be made only on the basis of pupil's educational needs without regard to the financial strength of local school districts....The allocation of public revenues is a basic policy decision more appropriately handled by a legislature than a court.<sup>46</sup>

This decision was upheld by a summary ruling of the United States Supreme Court in 1969 (McInnis v. Ogilvie).<sup>47</sup> In Virginia, a suit attacking that state's school financing system was turned down, based on the McInnis decision.<sup>48</sup>

The land mark case occurred in 1971. In California, the state Supreme Court was asked to determine "whether the California public school financing system, with its substantial dependence on local property taxes and resultant wide disparities in school revenue, violates the equal protection clause of the Fourteenth Amendment."<sup>49</sup> Plaintiffs in the Serrano v. Priest case argued that the inequity in per pupil expenditures of two school districts in the same county was due to the difference in the assessed valuation of property per pupil in the two districts (\$50,885 in Beverly Hills and \$3,706 in Baldwin Park), even though the tax effort in the poorer district was more than twice that of the wealthier one (54.8 mills in Baldwin Park v. 23.9 mills in Beverly Hills).<sup>50</sup>

The complaint was filed originally in the California Superior Court in 1968 but was dismissed and the California Court of Appeals affirmed the decision. In 1971, the plaintiffs asked the California Supreme Court to remand the case to the trial court and to restructure the finance system if the defendants and the state legislature failed to act within a reasonable time. The court rejected the arguments by Serrano's attorneys that the California state constitution's mandate for a system of common schools requires uniform educational expenditures. However, the court did rule that the state legislature was operating unconstitutionally when it established and followed an educational financing plan which, in

fact, discriminated on the basis of a school district's wealth. The court held further that education is a fundamental interest and therefore subject to equal protection under the law. The California Supreme Court then returned the case to the trial court for further proceedings.

Two legal principles were involved in the Serrano decision. The chief contention of the plaintiffs was that Serrano's right to an education was violated due to the financial system of the state. The court upheld the charges that in fact the school financing system in California did encourage the classification of school districts on the basis of wealth. The court observed in its ruling that the community in which Serrano lived, Baldwin Park, assessed its residents through the tax rate at a rate which was double of another community, Beverly Hills. Because of differences in total property valuation, however, Baldwin Park was to spend less than half the amount of money per pupil which Beverly Hills was able to spend --- even with the wide discrepancy in the tax rate. The position of the court that the school financing process in California was unconstitutional was based upon the equal protection clause of the Fourteenth Amendment, holding that the right to an education simply cannot be predicated on the wealth of the community where a student lives.

The second new legal principle to emerge from the Serrano opinion was that education was a "fundamental interest". The significant role education plays for both the individual and society was cited by the court. It held that education was one of the chief determinants of an individual's chances for economic and social success in a competitive society. It was this elevating of the concept

of what constituted a "fundamental interest" that ushered in a whole new chapter to the question of school financing. In Serrano, the court took the position that the life-time consequences to both the individual and society made education a "fundamental interest," just as the right to a fair trial or the right to vote are "fundamental interests."<sup>51</sup>

In another case heard in 1971, Rodriguez v. San Antonio School District, a federal District Court found that the program for financing public education in Texas was in violation of both the federal and the Texas constitutions.<sup>52</sup> Alexander notes that it is in this case where the principle of "fiscal neutrality" is first introduced into the question of school financing.<sup>53</sup> The court declared that "...plaintiffs have not advocated that educational expenditures be equal for each child.... they have recommended the application of the principle of fiscal neutrality. Briefly summarized, this standard requires that the quality of public education may not be a function of wealth, other than the wealth of the state as a whole."<sup>54</sup>

The case was appealed to the United States' Supreme Court. In 1973, in a narrow decision, the Supreme Court declared that the reliance of public education on the property tax was not, of itself, a violation of the equal protection clause of the U. S. Constitution.

In preparing the opinion of the Court, Justice Powell acknowledged that the case presented special problems to the Court. He wrote:

...While it is no doubt true that reliance on local property taxation for school revenues provides less freedom of choice with respect to expenditures for some districts than for others, the existence of 'some inequality' in the manner in which the State's rationale is achieved is not alone a sufficient basis for striking down the entire system....It may not be condemned simply because it imperfectly effectuates the State's goals... 55

Commenting on the Rodriguez decision, the United States Commissioner of Education, Sidney P. Marland, claimed that the U. S. Supreme Court recognized that its decision might have delayed the advance of necessary fiscal reforms in education. However, the Court was willing to take that chance because it believed that the proper means for action in this issue was through the state legislatures and the proper justification for such action was "the reasoned conviction of responsible state officials, and not a court order."<sup>56</sup>

Shortly after the U. S. Supreme Court's decision in the Rodriguez case in 1973, the New Jersey Supreme Court upheld a lower court decision in Robinson v. Cahill that the school finance plan of New Jersey violated provisions of the New Jersey Constitution.<sup>57</sup>

Johns and Morphet point out that the New Jersey decision is particularly significant because it was not based on "equal protection of the law" but on a specific provision of the State Constitution. The Constitution for the state requires the legislature to establish a "thorough and efficient" system of education throughout the state.

The Court found that the state had failed to define the state's obligation to provide such a "thorough and efficient" education and to insure that all children had an equal opportunity to obtain this education.<sup>58</sup> In response, the State Legislature passed the Public Education Act of 1975, a completely new aid program, but failed to appropriate the money to fund the program fully. In July 1976, the State Supreme Court closed all public schools until the necessary funding was provided. When the legislature enacted an income tax assuring full funding of the program, the injunction was lifted and the schools were reopened.<sup>59</sup>

With the United States Supreme Court decision in the Rodriguez case in 1973, a decision that eliminated the use of the federal equal protection clause to bar inequitable state school finance systems, the role of state legislatures was highlighted once again. But the role of the courts, as was seen in the New Jersey situation outlined above, remains central to the effort to reform the varied systems of financing schools. It may, therefore, be useful to briefly examine the judicial doctrines that have emerged and the impact these doctrines have in the process.

#### The Process of Financing Public Education: The States Respond

The 1971 decision in Serrano, striking down California's system of financing public education on the grounds that it discriminated against those living in property-poor districts and therefore violated the equal protection clauses of both the United States and

and California constitutions, represented the high-water mark for efforts to secure equity in educational finance through the courts. In the wake of that decision, similar suits were brought in thirty-one states. The federal and state courts that considered the question following the Serrano case liberally borrowed both the legal analysis and constitutional conclusions of Serrano.<sup>60</sup>

In 1977 a second Serrano case,<sup>61</sup> decided exclusively on state constitutional grounds, reaffirmed the constitutional necessity for school finance reform. In other states, though, the issue of court-generated reform is not so clear. The Supreme Court's decision in Rodriguez set aside the idea that the courts would lead a school finance revolution of national scope. Although suits premised on equal protection and specific educational provisions in state constitutions have subsequently been filed, the judicial response has been mixed.<sup>62</sup> As the courts involvement in this issue has diminished, legislatures in eighteen states have revised their financing systems to reduce the impact of disparities in local wealth. In most of these states, there has been no authoritative judicial decisions rendered on this issue. The anticipated judicial revolution has been overtaken and diffused by the more commonplace task of securing politically acceptable incremental change.<sup>63</sup>

While the Rodriguez case left little room for further school finance litigation based upon the equal protection clause of the federal constitution, there remained the possibility to renew the same challenge on state constitutional grounds. It has been asserted that finance systems that tie resource availability to local wealth violate both state equal protection clauses and the usual articles in state constitutions which mandate "a uniform system of free schools" or "common schools where all the children of the state may be educated." <sup>64</sup>

In Robinson v. Cahill the state supreme court held that the existing manner of raising and distributing resources failed to satisfy the state constitutional requirement of a "thorough and efficient system" of education. But "victory" in that case will probably give advocates of court-based finance reform more cause for concern than the Rodriguez case. Even after seven separate decisions and innumerable briefs of consent and dissent, the goal of specifying the meaning of the constitutional requirement remains to be reached. The meaning of the "thorough and efficient" standard is still as much a mystery as are the similar standards of "equity" "educational needs" which abound in state finance systems. <sup>65</sup> Just what is to be done to assure, in the Robinson decision, "that educational opportunity which is needed in the contemporary setting in order to equip a child for his role as a citizen, and as a competitor in the labor markets"? Efforts to solve this problem through the political process and extended study and analysis by educators

only served to create more confusion and conflicting policy proposals.

In New Jersey, constitutional confrontation between the court and the legislature did produce legislative action acceptable to the judges although it is not clear whether anyone else will be satisfied. Ironically, in light of the optimism generated by the initial Robinson decision, Kirp notes that the New Jersey equalization statute has had only modest effects to date on correcting the wealth-based disparities and, if anything, the urban plaintiffs who brought the suit are worse off after the reform than before.<sup>66</sup> If Robinson offers any lesson, it is that broad questions involving the distribution of educational equity cannot be resolved by judicial interpretation alone of such ambiguous phrases as "thorough and efficient."

In spite of the apparent leveling off of judicial actions in the area of school finance, constitutional theory continues to be reworked in hopes that a new approach to a more responsive judiciary will overturn the points established in Rodriguez. Finance formulas that do not take into account the great municipal service burdens and higher educational costs of large cities is presently the subject of litigation in New York.<sup>67</sup> Although the present Supreme Court has shown no enthusiasm for a constitutional standard broader than that rejected in Rodriguez, school finance reformers continue to press hoping that perhaps a constitutional argument yet undiscovered will ultimately prevail.

Attention presently must focus upon state legislatures for any action in the areas of school finance, and only tangentially upon the federal government. During the early 1970s school finance reform was an important state issue. In each of the fifty states

appointed study committees evaluated their existing finance systems and new legislation was introduced. Although analysis and the press of state politics often yielded little or no change, eighteen states did enact legislation leading to some degree of adjustments in existing wealth-based disparities and a differently structured allocation of dollar resources. Among the steps taken would include the following:

1. Most states with new laws have assumed greater responsibility for the raising of public school funds --- by using budget surpluses and by raising the rates of traditional state taxes;
2. Many of the states with new laws have cut local tax rates and in several instances have reduced property tax bills substantially;
3. All of the school finance reforms of the past five years have taken steps to insure a closer consideration between the distribution of state school aid and the presence of unusual educational needs or costs -- usually in form of some type of pupil weighting system;
4. The great majority of post-Serrano reforms have imposed systematic controls on the growth of local school budgets, either by setting strict limits on local taxes or by establishing ceilings on school expenditures.<sup>68</sup>

The Process of Financing Public Education: Problems of the Reform Movement

Early in the history of American education the individual states elected to base their local school revenue systems on property taxes. This procedure seemed justified at the time since in a rural society property ownership was considered to be a good measure of the wealth of a community. Burrup outlines the traditional "virtues" associated with the use of property and a locally administered tax on property as the source of school funding. One, its high productivity has made it an appropriate mainstay of local government revenue for generations. Secondly, its high visibility makes it a direct link

For many citizens between services provided by local government on the one hand and the cost of those services on the other.<sup>69</sup>

At one time the property tax was a comprehensive tax on private wealth. Besides real estate, it legally encompassed intangible personal property (such as money, debts, and securities) and tangible personal property (such as household belongings, business inventories and equipment, livestock and machinery).<sup>70</sup> In time, the property tax base was narrowed. Intangible personal property was excluded first since it was difficult to locate and was taxed under federal and some state income laws. Then tangibles which were difficult to locate were excluded. Presently some states exempt all personal property from taxation. Consequently, the property tax has become increasingly a tax on real estate. Assessed valuation data from the 1957, 1962, and 1967 Censuses of Governments indicate further a steady growth in the proportion of taxes attributed to residential property, and a steady drop in industrial and commercial assessments.<sup>71</sup>

The unpopularity and the defects of the property tax have been described in a number of studies. A number of observers indicate that property ownership may no longer be the measurement of tax-paying ability that it was years ago. For example, Burrop points out that an increasing number of elderly citizens who are property owners live on fixed incomes and have great difficulty meeting property tax bill each year.<sup>72</sup>

The Advisory Commission on Intergovernmental Relations (ACIR) also indicates that there is widespread unfairness in assessment practices and inadequate property tax administration in many states. According to ACIR, unequal assessment practices often are found within a single school district; in many states local assessments of property are listed significantly below what is required by law.<sup>73</sup>

In a 1974 publication, The Property Tax in a Changing Environment, ACIR summarizes state-by-state changes which have occurred in property tax reform. Some states have initiated or strengthened the general supervision of assessors or have provided for technical assistance. Others have either started to conduct assessment ratio studies or strengthened such activities that already exist as a means of measuring the quality of assessment and of pinpointing trouble spots.<sup>74</sup> In some states certain classes of individuals (the elderly, low-income families) have been protected from excessive property tax burdens by use of a process called "circuit breaker." Under this provision, property taxes for low income citizens are not to exceed a stated portion or percent of their annual income, regardless of the value of their local tax rate.<sup>75</sup> Odden describes the process whereby some states have developed equalization aid programs that have put the wealth of the entire state, rather than the varying wealth of local districts, behind public education funding.<sup>76</sup>

To begin to address the problem associated with over-reliance on the property tax for local funds to operate public schools, school finance experts have recommended the following ways of improving or replacing the property tax.

1. Institute a site-value or land tax, i.e. a tax on the actual value of the land whether the land is improved or not;
2. Impose a national value-added tax, i.e. a tax on the value of goods at each transaction level from production to consumption;
3. Increase the use of state sales and income taxes.<sup>77</sup>

Proponents and critics of school finance reform point out several other complex issues that decision makers must confront which, they propose, will affect both the pace and the nature of school finance reform in the individual states. Among the issues cited in the various works and literature in recent years are the following:

1. The ability of local communities to raise revenues varies according to the size of the local property tax base, a base that is often inversely related to the educational needs of the community;<sup>78</sup>
2. Equalization formulas have not been successful in equalizing school expenditures because they do not equalize tax levy rates among school districts within a state, nor do they consider that equal dollars do not buy equal amounts of educational services in different districts;<sup>79</sup>
3. Urban school districts experience special problems -- factors such as "municipal overburden," "cost differentials," and the presence of a disproportionate share of children who require compensatory educational services which place cities at a relative disadvantage compared with suburban and rural districts;<sup>80</sup>

4. There is no consensus over what quality education and equal educational opportunity really mean; 81
5. Constitutional and statutory debt and tax rate limitations impose constraints on localities in attempts at finance reform; 82
6. Voter reactions to property tax rates suggest that psychological limits have been reached; 83
7. Rapidly increasing costs for school construction, personnel, and materials have outdistanced increases in revenue potential from property taxes. 84

Callahan and Wilken call upon state, federal, and local governments to work toward improving educational equity through their funding programs. They also advise the general public to demand more fairness in school finance policies, to support the concepts of fiscal redistribution contained in new finance laws, to support state policies that will provide more funds for the educationally disadvantaged, and to continue to demand more funding for those educational programs that hold the promise of raising the economic efficiency and educational effectiveness of local schools. 85

CHAPTER III  
THE PROBLEM AND THE APPROACH

Introduction: The Problem

"Throughout its history this Nation has stressed education as the primary means of guaranteeing every citizen an equal chance at obtaining the rewards of an open society. If educational opportunities are unequal, then the American experiment in equality of opportunity must fail. The evidence indicates that we are indeed failing. Nor is there any strong indication that we are about to correct this failure." 86

The Commonwealth of Massachusetts, like the overwhelming majority of states in America, is helping to prove this observation through the practice of permitting wide variance in the total resources available to support the educational process. A number of studies in recent years have identified the problems of inequity as being those between the ability of wealthy communities to fund high quality school programs and the inability of poorer communities to provide basic skills instruction.

Since 1966 the state of Massachusetts has had a system of financial aid to schools designed to help reduce the reliance upon the local property tax as a primary source of school financing. This program, administered through a complex formula in Chapter 70 of the General Laws of the Commonwealth, is designed to be equalizing -- i.e., to channel more state revenue to poor communities and school districts than to wealthy ones.

In actual practice, Chapter 70 aid -- while designed to be equalizing and to reduce reliance upon the local property

tax -- is basically an incentive formula. The aid program is based upon a reimbursement of local educational expenditures and, to complete the circle, the amount of these expenditures is often determined by the wealth of the community. The wealthier communities can raise and spend more money per pupil than can the poorer communities. Thus, even though the poorer school districts may qualify for a higher aid percentage, it is frequently applied to a lower per pupil expenditure. <sup>87</sup>

In general, studies concerning school finance in recent years in Massachusetts have expanded upon the obvious disparities between communities and the resources available to support the educational programs. A number of recommended changes in the method of allocating state aid for education have been proposed. These recommendations have tended to be in two general categories:

- 1) Upward adjustments to the aid percentage in the Chapter 70 formula;
- 2) Comprehensive tax reforms encompassing extensive adjustments in the state sales tax as well as the personal and corporate income taxes.

A number of educational and fiscal interest groups have made concentrated efforts within the past decade to bring about major adjustments in the existing school aid legislation. The support data for the proposed new legislation has provided much valuable research on the existing situation in financing public education within the state. Legislation resulting from these studies has not resulted in major changes in the state aid to education programs, however. In the several cases where major adjustments

were proposed the legislation was not enacted because the proposal was not politically attractive or substantial additional funding would be required which the political leaders of the state could not support.

It would appear, therefore, that any proposed change in the state aid program should be jointly evolved between political and educational interests and should reflect sufficient changes in the process to insure genuine equalizing provisions.

### The Approach and Methodology

An "article of faith" in this study is that any proposed change in the process of allocating state aid to the communities and school districts of Massachusetts must reflect the attitudes and aspirations of both political and educational interests. Accordingly, the research conducted was to be focused on the collective perceptions of selected groups in both areas. Extensive fiscal analysis was not included as the primary focus of the study. When appropriate, however, such analysis was conducted and included in the study but only to the extent that such data was helpful in explaining the attitudinal responses of the individuals involved.

The important facet in the design and conduct of the study would be the recognition that in the final analysis, the decision to significantly change state funding for education would likely be more of a political concern than an educational one and, therefore, the political needs, attitudes, and opinions of officials representing the cities and towns should be considered from the outset. The rationale for this approach is perhaps best stated in

a study on modernizing school governance conducted by Paul Cook for the Massachusetts Advisory Council on Education.

"Massachusetts seems to have done unintentionally about all it possible could to insure that cities and towns would have bad relationships with their school systems. Cities and towns along with their school districts are responsible to essentially the same electorates, since in the typical case, the city and town is the school district. Issues for school and town appear typically on the same ballots and warrants. This tends to involve the non-parent group in school affairs more than would otherwise be the case, and the result usually is less support for the schools. To counter this, the school system has been given fiscal autonomy, which appears to mean that the school committee can establish whatever budget it wants, and the resulting tax goes on the city or town tax rate, albeit as a separately identifiable item. Fiscal autonomy is generally perceived to be a strongly pro-education measure; probably -- not certainly -- it is, but it is clearly an advantage enjoyed at the price of harmonious relationships. Both in many of the cities and towns and in the Legislature, it produces an annual conflict and acrimonious debate." 88

Unless this institutionalizing of conflict between municipal and educational interests is clearly and skillfully addressed by the Legislature and its leaders, in concert with the concerned interest groups, the likelihood of any real reform of the school aid system in Massachusetts would appear to be remote. It is to this end that this study will be addressed.

The main objectives of this research study were three-fold: (1) to sample political acceptance of existing state aid to education; (2) to ascertain the expectations of both political and educational interest groups for state aid in the future; and (3) to propose a series of recommendations that might assist in the gradual and long-range revision of state aid programs.

In organizing the format for this study, it was decided to have

several components -- developed initially as separate elements and then joined together as a final product. These elements included the following areas of focus.

1. Advisory Committee

A study advisory committee was formed to provide a broad spectrum of counsel to the study director. Members of this committee are listed in Appendix B and included a number of people with expertise and interest in the area of state aid to education. This committee met on several occasions to provide feedback on the progress of the study, to serve as an informal sounding board, and to provide a channel of communications to individuals and groups interested in this area.

2. Comprehensive Questionnaire

A questionnaire was developed and sent to a sample of educators (usually superintendent of schools), state legislators, and municipal officials representing ninety-seven cities and towns in the Commonwealth. The question as to which group within the educational interest area should be included in the study was key. It was decided to use the superintendent of schools in each community because they tended to uniquely represent both the political and policy aspects of the school systems. As the chief executive officer for the individual school committees, the view of the school committee (essentially a political group) would be represented. As the chief educator within a school district, it was most likely

that the views of the school staff would also be represented as well as the synthesized views of parents within the community.

The questionnaire was designed to accomplish the following:

- (a) Sample existing thoughts about the present Chapter 70 disbursement formula and its perceived strengths and weaknesses;
- (b) Pose general and specific questions related to the expectations for state assistance in the area of education;
- (c) Determine what educational programs and services should be funded in the school finance plan and for whom should these programs be provided;
- (d) Ascertain what the financial needs of schools will be in the near and long range future and what financial assistance would be required -- considering the needs for other governmental services and the financial ability of the state;
- (e) Sample opinions on what actions might be possible in a five year period for changing the existing state funding procedures.

Information about the questionnaire, its development, and its tabulated responses is included in Appendix D.

### 3. Personal Interviews

In addition to the questionnaire, personal interviews

were conducted with a sampling of individuals having a vested interest in the funding of education in the state. The scope of these interviews was originally to be similar to that for the questionnaire but pursued in greater depth. Early analysis of the questionnaire returns, however, caused a slight alteration of this intent. The single issue which appeared to be of greater concern to both educational and political leaders than the question of funding was the quality of what the schools were doing.

The quality of public schools -- which is to say the degree to which valid educational results are being achieved -- was a high level concern to over 70 percent of the respondents. Put another way, an overwhelming number of respondents listed the achieving of educational results for all children as one of the most important issues existing in the schools today. This ranked ahead of many of the more popularized issues being discussed regularly in the media -- i.e.,

- Public involvement in schools
- Behavior of youth -- in and out of schools
- Racial and minority group issues
- Funding of education
- Education of youngsters with special needs
- Efficiency of school operations
- Quality of teaching staffs.

In addition, the perceived quality of education was not totally equated to the quality of the schools. For

instance, to the following selected points of view, over two-thirds of the respondents indicated high degrees of support:

- (a) The quality of education a child receives is a product of the quality of life of the whole community-- not just the quality of the schools;
- (b) Equal educational opportunity requires local commitment to the interests of each student more than it requires money;
- (c) Equal educational opportunity requires unequal allocation of funds to local school districts.

Given the concern and interest by all groups, it was decided to alter the focus slightly to concentrate on this issue. Interviews were then scheduled with thirty-seven individuals across the state to discuss in more depth the relationship between allocation of funds and the problems connected with transforming financial resources into educational results.

These interviews were open-ended and conducted without the verbatim recording of responses. The interviews were intended to provide background material and in-depth responses to areas in the questionnaire. Thirty-seven complete interviews were conducted among representatives of the following groups:

State legislators	School administrators
Members of state agencies	Teachers
School committees	Parent groups
Municipal officials	Members of the press
Superintendent of schools	Bankers
Labor union officials	University staff
Advocacy groups	

#### 4. Interview Procedures

- (a) The interviews were conducted to expand upon the data received from tabulating the questionnaire;
- (b) The person being interviewed was encouraged to expand upon areas under discussion -- especially areas from the questionnaire that had been identified as being significant;
- (c) Areas and general topics for discussion were encouraged to include the following items.
  - (1) The question of quality of educational programs.  
How important is it? Will increased funding help local school districts attain higher quality education? What are the impediments to local districts having quality programs? What does the person being interviewed feel is most important in attaining "quality" education? What is "quality" education?
  - (2) The question of equal educational opportunity.  
Does such opportunity exist in Massachusetts schools? Urban schools? Suburban schools? What are the real constraints? Is the integration of urban schools a problem or an opportunity? What new or revised programs would be advantageous? How might different funding patterns help achieve these programs? What evaluation mechanisms should be used?
  - (3) The question of state aid to education.  
How well does the interviewee understand the provisions of Chapter 70? How well does the interviewee understand the other aspects of

school aid? Categorical aid? Due to the technical aspects of school aid, can it ever be understood by the layman? Is this a problem? What revisions may be in order?

(4) The question of school district organization.

Is there an optimum size for efficient and effective school operations? Should regionalization be encouraged through different types of incentives? What are the advantages/disadvantages of small school districts? Should communities be able to maintain small school districts if they desire? What role should the State Board of Education play in this area? What role should the Department of Education play? Regional offices?

(5) The question of special education.

How well is the new special education law (Chapter 766) understood? What changes, if any, should be made in the school aid program because of the new law? Are cost differentials more advantageous than categorical aid? Why?

From the responses to the questionnaire and the interviews, it is possible to evolve some recommendations for further study and possible implementation. It should be noted that this was one of the first times that attitudes and opinions were actively solicited from political leaders and educators in cities and towns across the state. The interesting

element connected to the tabulation results was that the gradients of differences on many items were similar regardless of constituency of the respondents -- be it Boston or a small hill town in the Berkshires.

Upon completion of the sampling and interviews, the data was tabulated and used as a basis for evolving the specific findings and recommendations included in Chapter V of this study. Additionally, a model has been developed and included as Appendix F. While this model is not intended to be a comprehensive foundation to solve all of the problems of school aid in Massachusetts, it is intended to incorporate some of the recommendations of the study, and should be viewed as a working alternative to existing programs of state aid to education.

##### 5. Selection of Cities and Towns in Study

The cities and towns which are included in the study are included in Appendix C. An effort was made to select communities by broad category to insure a balanced coverage but also to include the communities containing the bulk of the state's population.

Categories used in selecting these communities included the following:

- Urban Core Districts
- Central Cities Other Than Core Districts
- Industrial/Commercial Suburbs Adjacent to Urban Core Districts
- Suburban Districts
- Medium-Size City/Town Districts (over 15,000)
- Small Districts (3,000 - 15,000)
- Rural Districts (less than 3,000)

Once the sample of cities and towns had been selected, the decision was made to send the questionnaire to the mayor/head selectman/town manager, superintendent, state representative, and state senator representing the sample communities. In some of the smaller communities, the state representative and senator would be the same for a number of the towns. An effort was made to minimize this problem by trying to have a reasonable geographical separation between the sample communities.

Fiscal and school data for the sample communities are displayed in Appendix E.

The collection of data from the questionnaires proved to be more of a problem than was initially planned. Table 9 shows the returns for the questionnaire. Initially, 406 of the instruments were mailed to the political and educational leaders in the sample communities. The legislators and the municipal officials were particularly slow in responding. The reasons were possibly tied to the political nature of their positions and the apprehension of responding to a questionnaire that asked for opinions on a number of issues that were potentially volatile. A second mailing, a number of telephone calls, and personal visits to the State House finally resulted in the collection of a number of questionnaires sufficient to draw conclusions from the various sample groups. Correspondence related to the questionnaire and its return is provided (samples of each letter) is included in Appendix B.

It is interesting to note that the respondents were not equally distributed among all of the sample groups. A special

effort has been made to report the questionnaire results by sample group instead of by the total. This is due to the wide disparity between the percentage return of the school-related group -- the superintendents (87.04% returns) and the other groups (ranging from 40% to 52% returns).

Table 9

Questionnaire Returns and Tally of Responses

	<u>Total Mailed</u>	<u>Number Returned</u>	<u>Percentage Returned</u>
Educational Community (Superintendents)	108	94	87.04 %
State Representatives	162	66	40.74
State Senators	40	21	52.50
Municipal Officials (Mayors and Selectmen)	96	45	46.88
Total	406	226	55.67

Assumptions of the Study

The mid-1970s were times of rapid change in education and the discussions about how adequate resources might be provided to the schools in order to pursue the oft-stated goal of "equality of educational opportunity." In late 1973 and early 1974, when this study was beginning, a number of groups in Massachusetts were working to change the method of providing state aid to local school districts and communities. In almost every case, the leadership for such

change was easily identified as one of the educational interest groups. Support on a broad political basis was non-existent. An early goal of the study was to try and determine why this situation continued to exist.

Early in the planning stage for the study and as a result of a number of discussions with legislators, state educational employees, and municipal leaders, a series of apparent "truisms" began to emerge. One of the most simplistic was the traditional concept of how education was controlled and funded in the state. The property tax, for good or ill, had always been the principal source of support for locally governed public schools. If the result left something to be desired, either within a school district or the community, the problem was seen as one simply to find a better way to cope with a bad situation. The abuses of the schools in the 1960s and 1970s in expanding their budgets beyond those of the cities and towns was resented by the public and municipal leaders. The major tragedy was that school leaders either did not perceive and understand this resentment or they chose to continue to operate in spite of the resentment. Therefore, the likelihood of a broad based coalition to make a major political effort aimed at redesigning the state aid program was not high.

In seeking guidance and advice about the design of the study, the author was mildly surprised to find that the seeming press for reform and change in the school aid program was not seen as a high priority of people outside the educational community. If one pattern emerged during the construction of the questionnaire, it was that legislators and municipal leaders tended to believe that

other fiscal reforms in the state were needed even more than school aid and that the educational community had failed to make a case in Massachusetts that Chapter 70 needed to be drastically changed. A series of assumptions began to develop as the study design was finalized.

1. A low level of trust and confidence exists between school committees and the officials of towns and cities. The concern primarily was over the high level of competition that was growing for tax resources within local communities and that the schools unfairly had a higher claim on the resources due to the fiscal autonomy which the school committees possessed.
2. Fiscal measures alone will not cause Massachusetts' communities to make substantially equal educational resources available to the schools.
3. Massachusetts communities will not accept a state controlled school system except under duress and will resist moves seen as being in that direction.
4. The question of "fiscal equity" will need to be addressed in terms of how fairly to share the burden of substantially equalized educational resource availability for children, not in terms of how to equalize the ability of a district to raise revenues which it may not choose to raise and spend.
5. The fiscal press on local communities as a result of the increased need to raise funds for the operation of local schools is reaching a critical stage in Massachusetts. Unless the schools can document that the increased funds are helping to improve the perceived quality of education, then the public support for schools in communities with high property taxes will begin to erode --- even in communities with a large tradition for support of public education.
6. The level of understanding of the state's school aid program by municipal officials and legislators will be low. Perceptions of the aid program will be more the result of interest group hand-outs and the media than of analytical understanding of the components, process, and implications of Chapter 70 support to local school districts and communities.

7. Any substantial change in the way Massachusetts supports local education will come about only when the political and financial conditions are right for such a change.
8. The existing educational aid program in Massachusetts has evolved to a point whereby parties that should and must cooperate in day-to-day business (school and municipal leaders) have been placed into adversarial roles in competing for state funds. The interests of the public schools have been placed in direct opposition and competition with other fundamental interests of the communities -- i.e., public works, public safety and assistance, aid to the elderly, and health care.

If the above listed assumptions are correct, they describe relationships which one can predict would lead to an even higher level of polarization and away from any degree of cooperation on matters of common interest. To that end, an obvious bias of the study has been to look for ways that the situation concerning access to adequate and appropriate educational programs might be improved for all students with the minimizing, or elimination, of the fractionalization that exists in the political sphere overseeing the state's aid to education program. After the data began to be collected and analyzed, a conscious decision was made to avoid a lengthy section and time in the manipulation of the data and the conversion of the study into a mathematics exercise. The purpose of the data gathering was to collect information that would enable the author to assess perceptions about education and its financial support from a wide sample. This data was then to be used to evolve a series of recommendations which, if accepted, would become part of a comprehensive foundation of a plan to identify and fund the concept of "equal educational opportunity."

In this study, the author entered the assessment of data with the following pre-established and educated biases:

1. Local control of schools and some sense of local fiscal autonomy is important and must be assured to the various communities in any revision of school aid programs;
2. Proposed changes in the school aid program must not be too complicated or too extensive for people to understand and accept;
3. A series of smaller adjustments may be more palatable in the political realm than a major or complete overhaul of the school aid process;
4. Support of any substantial change in the way state aid is determined -- as well as trust in state government -- varies almost inversely with distance from Boston;
5. Haste in putting together a plan for educational finance reform will most assuredly defeat any plan of substance;
6. The decisions and final judgments on what to include in a comprehensive plan for fiscal reform will be more of a political choice than an educational choice.

At the conclusion of the study, the recommendations show desirable directions for change at times rather than highly specific programs. Since its recommendations would result in some adjustments of power relationships and in compromises that have not been attempted in the past, one can anticipate it to be criticized. This is understandable since a major purpose has been to assess political and educational perceptions and then synthesize those perceptions.

## CHAPTER IV

### FINANCES, SCHOOLS, COMMUNITIES AND THE LEGISLATURE

#### Examination and Analysis of the Data

##### Introduction: General Observations

The topic of school finances in the 1970s brings forth many different responses from different people. To the academician or to the fiscal reformer, the topic is of continuing concern as a pressing issue in educational research and just esoteric enough to remain outside the normal domain of the layman. To the educator, the topic is one of frustration since there is much talk and discussion about fiscal reform and yet school districts remain in the same bind for funding support that has existed for years. A cycle of inflation, increasing costs, and new demands for additional service continue to dominate the school funding stage and in recent years, a new development has begun to emerge --- a lessening of public enthusiasm and support for the schools.

To the layman, the topic of school finances is almost too difficult to comprehend since it is not easy to speak of school aid and reform without resorting to terms designed for the specially initiated few. Terms like "equalized valuation per capita," "fiscal capacity," "revenue per child in average daily attendance," "power equalizing," and local revenue yield for education" fill nearly all books, articles, and studies devoted to the subject. It is almost as if the topic has been declared "off limits" for

discussion or understanding by the public and even many of the public servants in the various cities, towns, and the legislature.

One of the goals of the questionnaire administered and interviews conducted in this study was to sample the attitudes of school administrators, legislators, municipal and town officials, and laymen concerning the process of education in Massachusetts and the methods by which it is financed. A deliberate attempt was made to insure that the questionnaire items and interview questions were posed in a form that would not be confusing to the respondents. From the sampling, we can draw some interesting and enlightening conclusions.

We started our study to see whether or not legislators and municipal officials might share the concern of educators about the relatively low percentage of state aid provided by the state to cities and towns to finance local public education.<sup>89</sup> No effort was made to debate or argue the point as to which level of government -- state or local -- has the responsibility for which level of support. That question -- as to whether the responsibility for education belongs to the state or local government -- has traditionally been resolved in that such responsibility resided with the state. This responsibility is one of those "powers not delegated" to the federal government by the Constitution of the United States and therefore reserved as a function of the state. In Massachusetts, the state legislature, in the absence of specific

constitutional mandate traditionally has had final authority over the financing of public education in the state.

Through a series of legislative actions, the responsibility for education has been delegated to locally elected school committees. The fact remains, however, that the fiscal powers of school districts are strictly controlled by the state and it is the state that guarantees that the city councils and town meetings must appropriate the full amount of funding requested by local school committees for the annual budgets which are required to operate the public schools. Additionally, and in a pure sense, local school districts may be altered, consolidated, or abolished by the legislature. The elected state representatives have the ultimate responsibility for the quality of education in the state. The legislature may have delegated this responsibility to the local school districts but courts have consistently held that the state cannot abdicate its obligation to provide equal access to education for all its citizens.

In a collective sense, the states continue to acknowledge and affirm this responsibility. The National Legislative Conference unanimously adopted in 1972 a statement of policy in this area.

"Brown v. Board of Education set the stage for a new era of thinking as to the availability of certain fundamental rights to all citizens on equal terms. The case was based on two important assumptions:

- (1) Education is perhaps the most important function of state and local government;
- (2) It is doubtful that any child may succeed in life if he is denied the opportunity of an education.

The decision made it plain that there is no compelling state interest which will justify any radically discriminatory policy

in public education.

Today, almost twenty years later, a new challenge is before the public and the courts -- a challenge with ramifications as far reaching as those initiated by the Brown ruling. The courts are now being asked to consider the proposition that education is a fundamental personal right, protected by the state and being asked to rule that the present system of elementary and secondary educational financing, which is conditioned on the wealth of a child's parents and neighbors, is unlawful.

The National Legislative Conference affirms the principle that all states have an obligation to provide an equal educational opportunity and quality education to all children attending public schools within their jurisdiction. We are in agreement with the principle established in Serrano v. Priest that the quality of a student's public elementary and secondary education should not be dependent on the affluence of his parents or school district. Regardless of future court actions, we believe the principle established by Serrano, so far as public education is concerned, is essentially reasonable and equitable and ought to serve as a policy objective for every state." 90

In spite of a growing conviction on the part of researchers that the quality of education is not a factor of finances alone, this particular issue cannot even be debated in a rational forum as long as the imbalance between school districts and the resources they can allocate to the support of local education remains as wide as it is. Local school districts alone do not have the means to correct the imbalance. State assistance, and in a substantive amount, is necessary to provide the additional funding. In Massachusetts, the response from the legislature over the years has been that the state -- through Chapter 70 -- is doing all that it can to augment the difference between communities of a dissimilar level of local wealth. In fact, however, the state of Massachusetts provides

barely thirty percent of the revenue required to support public education in the state. Local communities are required to raise on the average, almost seventy percent of the annual revenues required to operate the local schools, primarily through the local property tax. During the 1974-75 school year, the median nationwide percentage share of total state expenditures for elementary and secondary public education was 50 %. Massachusetts ranked 44th amongst all 50 states in terms of the state share of such costs. Only the states of New Hampshire, South Dakota, Oregon, Nebraska, Connecticut, and New Jersey contributed a lower share of such costs. (See Table 10)

The fact that state government in Massachusetts contributes a much lower percentage of total school expenditures than do most other state governments does much to explain why local property taxes in the Commonwealth are the highest in the country.<sup>91</sup> In analyzing the responses from the questionnaires and in our interviews a pattern emerged as to why the property tax has assumed the role of being the most unpopular of all major taxes. Apart from the reasons given by economists, the school and political leaders participating in this study identified the following characteristics as being the ones which make the property tax so irritating.

1. No other major tax in our public finance system bears down so harshly on low-income households, or is so casually related to the individual's ability to pay taxes.

Table 10

State Percentage Share of Total Expenditures  
Public Elementary and Secondary Education  
1974-75 School Year

<u>State</u>	<u>Percentage</u>	<u>State</u>	<u>Percentage</u>
Hawaii	100 %	Maine	50 %
New Mexico	87	Nevada	48
Kentucky	83	Iowa	48
North Carolina	81	Colorado	47
Alaska	78	Washington	46
Delaware	76	Ohio	46
Mississippi	75	California	45
Alabama	75	Tennessee	44
Idaho	73	Maryland	42
Utah	72	Michigan	41
Minnesota	70	New York	40
North Dakota	67	Kansas	40
West Virginia	65	Missouri	38
South Carolina	65	Wisconsin	36
Arkansas	62	Rhode Island	36
Arizona	61	Vermont	36
Montana	60	Virginia	35
Florida	60	Wyoming	35
Georgia	59	MASSACHUSETTS	31
Louisiana	58	New Jersey	31
Indiana	55	Connecticut	28
Illinois	52	Nebraska	27
Texas	51	Oregon	20
Pennsylvania	50	South Dakota	18
Oklahoma	50	New Hampshire	6

Source: Bureau of School Systems, U.S. Office of Education,  
Public School Finance Programs, 1975-76,  
 Washington: D.C., 1976, p. 10.

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2. The administration of the property tax is far more difficult than is the case with either the income or sales tax. At best, the property tax assessment is based on an informal estimate of the market value of the property. The subjective judgment of market value seems all the more arbitrary during times of inflation and in communities experiencing rapid changes in property values.
  3. The dramatic increase in taxes (and the resultant shock to the taxpayer) that often follows in the wake

of an infrequent re-appraisal has no parallel in the administration of the income or sales tax.

4. The property tax is more painful to pay than the "pay as you go" income and sales taxes. This is especially true for those property taxpayers who are not in a position to pay the tax on a monthly installment basis.
5. The property tax has the worst public image. For more than fifty years, this tax has been cited by both political leaders and tax experts as the most regressive of all taxes.

Despite its obvious defects and poor public image, the property tax has significant political and fiscal virtues. First, it is the one major revenue source directly available to local government and therefore serves as the traditional defense against financial centralization and control by the state legislature. Second, it is the one tax in general use that can reclaim a portion for the community of the property values the community has created. Third, its high visibility makes it a force that works in favor of greater public accountability.

Beyond the considerations listed above, there is the inescapable element of fiscal and political realism -- the local governments simply can not come up with an acceptable means to raise the estimated \$50 billion which is annually produced by this tax. The author was struck by the definite conviction on the part of many municipal and legislative leaders that there was, in fact, a way that the local property tax could be reduced in a major fashion by reordering programs at the state level. Prudent public policy would dictate a more realistic perspective about this tax and would seek to adopt measures which would minimize additional abuse of the property tax and accept the fact that there is little likelihood of complete elimination or even substantial reduction.

Equalization and Quality Education

In the minds of most people, the public education enterprise in Massachusetts gives every indication of being in deep trouble. Obvious strains exist and are reported daily in the media. So much is being written and reported about the schools and the problems of the schools there is always the possibility of the situation becoming self-perpetuating -- problems exist because people expect problems to exist. The factor that has not been clearly established is whether or not the educational outcomes for the students are being affected adversely by these strains. No one really knows whether the indicators of trouble -- i.e., decline in test scores, grade inflation, decline in writing skills, increase in absenteeism, etc. -- indicate a major breakdown of the educational system or if it is just a period of adjustment from one period in our history to another period. It does however seem to be a matter of simple common sense that time and energy that could be devoted to improving educational outcomes are being drained into attempts to cope with an over-burdened system for providing educational services. That system, in the sense of all the financial, managerial, and political relationships built into law and practice (not to mention perception) does appear to be breaking down at times. The question is how to attack the problem so that at very least the time and energy of those concerned with education can be more effectively utilized.

One approach to the problem rests on the proposition that educational and political relationships cannot be studied

with any degree of success in the abstract. There are no universal maxims of organization or analysis, such that one can form judgments about appropriate solutions, unless one has a sense of the perceptions of individual actors in the day-to-day operation of the educational process in its broadest sense. To seek out some indicator of the range and depth of areas of interest, and probably, concern and potential conflict, one section of the questionnaire was designed to identify areas of similar and dissimilar concerns on the part of the educators and the political leaders.

The following question was posed to all individuals who completed the questionnaires:

"In general, what is the level of interest about the following issues concerning schools in recent elections or discussions within your area or constituency?

1. The quality of schools and the achievement of educational results.
2. The racial balance of schools.
3. The annual increases in school budgets.
4. The involvement of the public in the schools.
5. The closing of parochial schools - potential or actual.
6. The adequacy of school facilities, including the physical plants.
7. Fiscal autonomy of the school committee(s).

The range of optional choices in this question were on a five point scale ranging from "low level, not a concern" to "high level, considerable concern." Tables 11 and 12 show the ranking of these issues by the total sample responding to the survey (Table 11) and the political respondents' ranking (excluding the educational responses) in Table 12. Not surprisingly, the highest ranked concern

for both the total sample and the sample excluding educators was the annual increase in school budgets. Right behind this item, however, was the concern over the quality of schools and the achievement of educational results. Taken together, the items provide an opportunity to analyze just how much the difference is financial and how much it is concern over the quality of the school programs.

Table 11

Constituent Level of Interest - Educational Issues

Total Sample (N-226)

<u>Issue</u>	<u>Weighted Ranking</u>
Annual increase in school budgets	4.24
Quality of schools - educational results being achieved	3.86
Adequacy of school facilities	3.65
Fiscal autonomy of school committee	3.55
Public involvement in schools	3.16
Closing of parochial schools	2.31
Racial balance of schools	1.71
1.0 = Not a concern	5.0 = High level of concern

The issue which emerges here, as well as in Table 12, is a reflection of both political reality and the frustrations associated with school financing. School budgets have increased each year and at a rate generally in excess of the growth of the economy in the majority of communities. That in itself would have caused the majority of survey respondents to indicate a high level of concern in most of the cities and towns in the state.

At the same instance, it needs to be highlighted that as the questionnaire was being administered, the state advised all cities and towns that the percentage of state aid which would be available for FY 1975 would have to be decreased from 86.2% of the amount of state aid entitlement in FY 1974 to 83.8 % of the authorized entitlement. This meant that the shortfall between entitlement and distribution would increase from \$64.8 million in FY 1974 to \$74.1 million in FY 1975. Complicating the situation even further was the confusion of shifting from a fiscal year that was concurrent with the calendar year to one that would run from July 1 to June 30. To do this, there had been one fiscal period of 18 months and the distribution of state aid was particularly confusing to the legislators and the officials of the cities and towns.

With the confusion over the distribution of state aid was the beginning realization on the part of the cities and towns as well as the legislators just how much additional money the new special education law that had been mandated to the local school districts was going to cost. (This issue is discussed in more detail later in this chapter.) These two factors occurring at approximately the same time caused an upward skewing of the responses on the questionnaire in this area of annual school district budget increases. The magnitude of this concern was best projected in the context of the interview of Donald Dwight, the Lieutenant Governor.

" Educators need to become more aware of the degree to which the cities and towns are having to make adjustments in their programs to continue the level of educational programs at their existing levels. As long as the school people refuse to give a little on some of their long-standing "sacred cows" and to show some indication that they see the state aid problem as a total problem of the Commonwealth, the city councils and town meetings will continue to lose faith in the schools for they alone are resisting the movement to consolidate some of the state aid programs." 92

Allowing some room for a bit of hyperbole in the statement, it does reflect the sense on the part of the state politicians that the schools were not reflecting the same sense of concern about the growing annual cost of school programs that the city and town officials were doing.

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Table 12

Constituent Level of Interest - Educational Issues

(Political Leaders Only)

Selected Sample (N-132)

<u>Issue</u>	<u>Weighted Ranking</u>
Annual increase in school budgets	4.27
Quality of schools - educational results being achieved	4.05
Adequacy of school facilities	3.78
Fiscal autonomy of school committee	3.56
Public involvement in schools	3.11
Closing of parochial schools	2.69
Racial balance of schools	1.86

1.0 = Not a concern

5.0 = High level of concern

The information in Tables 11 and 12 point up that, in general, municipal leaders and legislators tend to reflect a higher concern on the part of the constituent population about selected educational issues than do school officials. The one area in which this difference of perception is most pronounced is in the area of the quality of schools and the concern that educational results were (or, were not) being achieved. In this regard, a number of the people in our interview sample were asked to comment on this issue. Some of those observations are included below. (Identification of the individuals being interviewed and the dates of the interview are listed in Appendix G.)

Lieutenant Governor Donald Dwight

"The educational community cannot pass legislation to increase aid to the cities and towns alone. In fact, unless the educators across the state are willing to show a bit more humility and candor and accept the fact that 'equal educational opportunity' or any real sense of accountability is not present in many school systems - especially as seen by the public - the educational community may well detract from efforts at fiscal reform."

Representative Michael J. Daly, House Chairman, Education Committee

"We have to understand that the old issues of equalizing funding will not be adequate any longer in the efforts to bring about changes in the state aid programs. The important questions to be addressed now are a little more pointed -- are we providing equal educational opportunity to all students? and with any increased aid, will students learn more? Those are the issues and the people who are pushing for more state aid will have to do a better job of providing answers."

Joseph Cronin, Secretary of Educational Affairs

"The public wants to be assured that every dollar being spent is being well spent. We have to change our objectives from trying to insure that each community has the

same amount of money to spend to providing an equal opportunity for a quality education for all children. Each child and each parent needs to be assured by the schools that the educational programs designed for the children are the best possible and will help the child to develop his or her talents to the maximum degree. If we cannot do this then we have no one to blame but ourselves for the loss of support in the schools by the public."

Muriel Cohen, Education Editor of the Boston Globe

"The major topic that has any sense of urgency among the educational establishment is money. Because of the nature of this establishment - which is a lot like the civil service - there is no objectivity and no real sense of what the public wants from the schools. Educators spend so much time talking to each other, they soon begin to truly believe the things they say in public, even when they know they are not so. The public wants to believe that the schools are doing a good job and that the kids are learning to read and to write. When the school officials can convince the public that that is happening, there will be enough money."

K. Dun Gifford, Chairman, Massachusetts Common Cause

"The state should take a more aggressive and primary role in the educational process of the individual school districts. Local school officials do not have the training or the inclination to do the job that is needed to insure that the schools do, in fact, offer a high quality education to all children. If anything, the wealthy communities would probably lobby against such a move because it might mean a major adjustment in their programs to focus more on things that are basic and less on the things that wealthy communities offer in their schools."

It should be noted that the beginnings of the "back-to-basics" movement in education were emerging at the time the questionnaire was administered. Quite likely, the quick media pick-up of this concept influenced the individuals responding to the survey in a similar manner as the news from Boston that the state was having to underfund Chapter 70 even further in FY 1975. Still, however, the broad questions about the quality

of educational programs emerged from the survey as a persistent area of concern. In every item on the questionnaire concerning "quality" of education or access to equal educational opportunity, the responses indicated overwhelming agreement that the quality of the educational product was a high priority -- i.e., over two-thirds of all respondents reflected a common reply. An analysis of several of the questions and the responses make that point even more clear.

Table 13

Quality of Educational ProgramsSelected Item Responses

1. What is the level of concern in your community over the quality of schools and the educational results that are being achieved?

<u>Group</u>	<u>Weighted Response</u>
Superintendents (N-92)	3.93
State Legislators (N-87)	4.03
Municipal Officials (N-45)	3.49
Total Sample (N-224)	3.86
1.0 = Not a concern	5.0 High level of concern

2. Equal educational opportunity requires local commitment to the interests of each student more than it requires money. What level of support would this statement have in your community?

<u>Group</u>	<u>Weighted Response</u>
Superintendents (N-94)	3.60
State Legislators (N-87)	4.13
Municipal Officials (N-45)	3.91
Total Sample (N-226)	3.86
1.0 = Strongly oppose	5.0 = Strongly support

The responses to the two questions raised above brought forth an interesting perspective. In both questions, the state legislators felt that the issue was more important in their respective communities than did the school officials. Also, while almost two thirds of all respondents indicated that the achievement of educational results was a high level of concern or that it was highly supported in the cities and towns by the public, both legislators and municipal officials reflected a higher degree of interest than did the superintendents.

<u>Questionnaire Group</u>	<u>Percentage Indicating High Level of Concern</u>
Superintendents	59.57 %
State Legislators	75.86
Municipal Officials	60.00

(For the specific break-down of the responses, see the complete questionnaire and the individual areas of each question in Appendix D.)

It would be easy to again observe that those members of our survey sample with a political constituency are more likely to know and understand the concerns of the public than are the superintendents, who routinely serve a more narrow group of interests. This would run the danger of over-simplifying a growing concern on the part of parents and members of the general public - i.e., the schools have not been willing to accept that the education that has evolved in the past twenty years may well not be the most appropriate for the student population to be served. A brief look at this aspect might be in order.

A major purpose of education has always been to prepare a person to relate to others and to the world around him/her. No

one can survive in isolation. It is necessary to deal with others -- often with differing perspectives and beliefs -- to obtain even the basic needs of food, clothing and shelter; a person must offer personal services in society in exchange for compensation to sustain oneself; a person must be sensitive to the effect of his/her actions on others in society; and a person must recognize the role of institutions -- social, religious, economic, and governmental -- in an ordered society.

Technology has been advancing more rapidly than mankind's ability to assess and deal with its consequences. In a society where demands are growing to be unlimited but resources are increasingly being seen as finite, where change is rapid but adaptation to change is slow, our schools must adjust so as to help our youth learn to work together in confronting common problems. The schools have traditionally been the slowest to recognize the need for change and it has frequently been the emergence of pressures brought on by the accumulation of change that have forced adjustments in the educational process. It is axiomatic that the parents of any particular generation as well as the adults in a community wish to maintain the basic integrity of the social and economic order. To the degree that the adults perceive that the schools are not accomplishing the traditional tasks, as the adults believe it should be, pressures will emerge to influence the schools to change. The process is speeded up when the schools are seen as taking increasing portions of the available financial resources and still not measuring up to the public's standards.

There is no one public just as there is no one definition

of what quality education is supposed to be. The President's Commission on School Finance attempted to establish a base-line for "quality" education in its final report.

"In schools where children are encouraged and guided toward healthy and useful maturity, the people, the purposes, and the procedures reflect certain common characteristics:

1. The concept that education aids greater fulfillment of the aspiration of man, and that the educational experience must provide each child, no matter how limited his potential, with a sense of accomplishment.
2. A pupil-teacher relationship reflecting concern, respect, and empathy.
3. Educational techniques leading to the maximum development of each child, enhancing the prospect of responsible self-direction and self-control.
4. Pride in one's own culture and respect for the culture of others.
5. Flexible curriculums to motivate each child, that are adopted, modified, or discarded as empirical evidence dictates.
6. Mastery of basic communication skills such as speech, reading, writing, arithmetic.
7. Acquisition of cultural literacy -- art, language, literature, music -- and recognition of the value of natural and social environments and the need to protect them.
8. Acquisition of skills in both argument and objective inquiry through fact collection, discrimination, and selection.

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In general terms, these characteristics largely identify the quality of an education a school can be expected to provide. However, the revealing test of a school is neither the purposes it claims to support nor the values its leadership and public claims to be present. The only evidence that really counts is the progress

the student makes as a result of the school's influence. No school should be entitled to take credit for what its students learn at home or elsewhere. Conversely, it should not be held responsible for the effects of an inhibiting family or community environment. But the schools are accountable if they fail to build upon a student's resources so as to enable him/her to make the most of whatever advantages one enjoys. Likewise the schools are at fault if they are insensitive to a student's handicaps or they fail to give the special help that the student needs to cope with the handicap. Most of all, schools are at fault when they fail to work with the parents and members of the community to coordinate the many educational and emotional impacts upon the students.

At issue here is the growing concern by all elements of the community that the schools should be less defensive about their role and more "accountable" for the way in which public funds are expended in the educational process. None of the individuals we interviewed would go to the extreme of saying that the schools should guarantee results. However, a widely expressed observation was that the schools should make a more concentrated effort to insure that some reasonable "minimum" level of results - particularly in the area of basic skills - was achieved. A common strain was that quality education should lend itself to substantive evaluation. If schools are saying that they are seeking to achieve "quality" in their programs then they should be willing to undergo an evaluation of how successful they are in that pursuit. The evaluation should include components or criteria which, for the most part, can be identified, observed, and measured. While

no single listing of such components can be assumed to be all-inclusive or applicable to all situations, the schools and the public should be able to agree on what they mutually believe to be generally appropriate and constitute the base upon which certain findings and projections relating to school costs and effectiveness of programs can be measured. <sup>94</sup>

In spite of the views of our survey and despite the expenditure of millions of dollars in educational research over the past few years no conclusive evidence exists that the process of education can be neatly separated out between school influences, home influences, and community influences. What has emerged instead is a sense of cynicism towards the schools and their ability to work with the students enrolled. The schools ask for money to meet the rising costs of the educational process. The public resists the need for more funding because the perception is that there has been no substantial improvement in the educational process over the past ten years yet there has been an annual increase in school costs that has exceeded the rise in other goods and services. <sup>95</sup>

It became apparent that a single definition of even the concept of "quality" education was not likely to satisfy everyone who observes the educational process. In almost every case, the

definitions that were offered tended to reflect value judgments on the part of the respondents more readily than any precise or common understandings as to what elements went into "quality" education or what constituted access to equal educational opportunity. Though the word, "quality," carries a positive connotation to most people, it is ambiguous and encompasses many complicated concepts. What was accepted, however, in the absence of a common definition was agreement on the need for the schools to commit its programs toward the achievement of excellence in all that was undertaken.

The balancing of "excellence" and "equality" has been a difficult task also. According to this view, students may still have different capacities to profit from instruction -- some students may learn more and some less; still, every person is to be given the opportunity to reach the maximum development consistent with his/her limitations. This version of equality of educational opportunity might be called "full opportunity" -- every person is given the opportunity to develop abilities to their maximum limit with the schools providing the means and encouragement to insure that the concept of "maximum" effort is extended. In other words, the schools are to give the student every conceivable assistance in working toward the maximum development of one's abilities. A typical formulation of this definition is John Gardner's:

" Our kind of society demands the maximum development of individual potentialities at every level of ability.

The goal of the American educational system is to enable every youngster to fulfill his potentialities,

regardless of his race, creed, social standing or economic position.

The traditional democratic invitation to each individual to achieve the best that is in him requires that we provide each youngster with the particular kind of education which will benefit him." 96

As a summation of this discussion on the matter of a quality education and the relationship it has to the degree of public support the schools might anticipate, there was another question in the questionnaire that reflects an interesting perspective. While discussion was easy to generate on the issue of quality education and access to equal educational opportunity, there were some subtle differences of opinion on the allocation of funds.

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Table 14

Allocation of Funds to Local School Districts

Equal educational opportunity requires unequal allocation of funds to local school districts. What level of support would this statement have in your community?

<u>Group</u>		<u>Weighted Response</u>
Superintendents	(N-94)	4.23
State Legislators	(N-87)	3.72
Municipal Officials	(N-45)	3.36
Total Sample	(N-226)	3.86
1.0 = Strongly oppose		5.0 = Strongly support

Given all of the concern over differences of expectation for a broad variety of students with a broad variety of different educational needs, this bit of data did not seem to be consistent. James A. Kelly, Chairman of the Senate Ways and Means Committee, and the man most influential in determining the final make-up of the state's budget in recent years offered some perspective.

"Just as the word, "equal," is safe in the political sphere, the word, "unequal," will rarely be used. It is not in the American public's frame of reference to build in a process or procedure that assumes unequalness from the outset. Politicians do not get elected by promising unequal treatment, even when they mean just that. The legislators can probably see the need to provide a different level of resources so their responses are not too far from the educators. The municipal leaders and the selectmen, however, would be very nervous about the likelihood of unequal allocation of funds. To the most of them, that would mean more money for the cities and less for the smaller cities and towns." 97

Another concern expressed by the respondents in the survey was the degree to which the existing state aid program, as coordinated under the provisions of Chapter 70, was meeting the goal that it was established to meet. Concern for inequality of educational opportunity has been a feature of public education in Massachusetts since the publication of the Willis-Harrington Report in 1965.<sup>98</sup> That report began by emphasizing the "two worlds of Massachusetts" in educational and other respects, with the differences being based largely on differences in wealth. The report concludes by stating that "a vigorous program of expansion and growth in educational opportunities for all people

in the state must be undertaken without delay." 99

However, without appearing to recognize the inconsistency, the report suggests that equalization can result from a system that pulls up the lowest commitment communities to a minimum, while encouraging others with the means and the capability to progress as far as is possible. This is the incentive system implemented in the Chapter 70 formula, which ends up providing more reimbursement for otherwise equal communities if they spend more. There is, of course, an element of progressivity in the system, in that poorer communities are entitled to a higher reimbursement rate for any given level of expenditures than are the more wealthy communities. However, communities that are the same in terms of their property base may spend as much or as little as they wish, within fairly broad limits.

Numerous factors have interfered with the working of the state aid formula, in the sense of preventing its having the effect of equalizing the ability of different cities and towns to spend for public education. Principal among these are the minimum limits to the level of reimbursement, the attempt to get indirect aid for either private schools or older, larger cities, and chronic underfunding of entitlements. Furthermore, in any given year, other municipal expenditures may be high or low, affecting the ability of the city or town to spend for education. 100

The analysis outlined above is the more technical way to

observe the problems of Chapter 70 aid and its success or failure at equalizing the resources that various school districts have access to across the state. The technical analysis is usually more complicated than most individuals wish to explore so the perceptions about the state aid formula tend to be based more on the intuitive level than the analytical level. When asked if they thought that the existing state aid program was meeting the goal of helping to provide adequate state support for local education, less than six percent of the respondents indicated that they believed the existing program was meeting this goal. Given the other indications of confusion over the state aid formula and their admitted confusion about the process, this type of overwhelming decision has to be based upon less than conclusive understanding of the aid program.

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Table 15

Effectiveness of Chapter 70 Aid

Chapter 70 aid is designed to help provide adequate state support for local education. In your opinion, to what extent is the aid program meeting this goal?

<u>Group</u>		<u>Weighted Response</u>
Superintendents	(N-93)	2.28
State Legislators	(N-85)	2.52
Municipal Officials	(N-45)	2.33
Total Sample	(N-223)	2.38

1.0 = Not at all

5.0 = To a great extent

The questionnaire ascertained that, by their own admission, almost 40 % of the respondents felt that the state aid program was difficult for them to understand. Also, less than 25 % completing the survey indicated that they understood the aid program and were comfortable discussing it. Of the 35 % in the middle, one can only surmise as to how well they understand the various facets of the formula and its implications. With this in mind, the next table is presented to indicate the very general understanding as to why the Chapter 70 program is not meeting its stated goals -- at least in the minds of the officials who participated in this survey.

Table 16

Problems With Chapter 70 Aid

	<u>Supt.</u>	<u>State Legislators</u>	<u>Municipal Officials</u>	<u>Totals</u>
1. Lack of full funding of Chapter 70	61	23	24	108
2. Inadequacy of equalized property valuation	34	45	25	104
3. Weaknesses in the present funding program (Chapter 70)	43	33	14	90
4. All other factors	7	11	2	20

The degree of understanding about Chapter 70 aid and its effect upon local communities was summed up well by Muriel Cohen in the course of her interview. She has routine and regular access to a wide range of educational officials and political leaders in the state. In her judgment, politicians and educators have a serious

lack of in-depth knowledge of the financing process of public education and a lack of either willingness or ability to discuss the process in anything but the most general of terms. In her opinion, this lack of knowledge is dangerous for it enables the articulate spokesman for the various special interest groups to easily convince most of the decision makers of the "value" of a variety of "improvements" to the aid program.

Even with the non-knowledge about the process which seems to predominate the various levels of school, municipal and legislative deliberations on the issue of school finance, over 80 % of the respondents in the survey identified local school budgets as a high level of concern in their area of constituency. It would appear to be a serious problem when four out of five people in a given political unit view the financing problems of education as an area of considerable concern and three out of four of the educational and political leaders of the same unit admit to less than a clear understanding of the aid program.

Table 17

Public Concern - Increase of School Budget

In general, what has been the level of interest in the size and annual increase in the school budget in recent elections within your area of constituency?

<u>Group</u>		<u>Weighted Response</u>
Superintendents	(N-94)	4.21
State Legislators	(N-87)	4.28
Municipal Officials	(N-45)	4.42
Total Sample	(N-226)	4.28
1.0 = Not a concern		5.0 = High level of concern

Competition for State Aid Funds

Earlier in this study, the point was made that Massachusetts seemed to have done all that was possible to insure that cities and towns would have bad relationships with their school districts. One of the key points in this "apparent" establishment of guaranteed strife and competition has been the state aid program. Consider the following situation.

State aid is allocated on a school aid, not a municipal aid, basis but it is paid to the cities and towns, since school districts are not fiscal agents. (Exceptions to this rule are the regional school districts where part of the reimbursement is paid to the school district and part is paid to the towns.) School aid comes as a reimbursable expenditure, meaning that the amount is determined by what the school districts have spent in a prior year. State aid is not identified with current school budget decisions, since it is the reflection of school budget decisions of previous years. No one knows for certain if the state Legislature will fund state aid entitlements and at what level, and since entitlements are determined in part by averages that no one knows until it is too late, no one can with confidence relate a decision on a new expenditure level to the distribution formula. No one can predict with confidence what school costs the local property tax will have to bear. Furthermore, discussions about state aid reform show no consistent pattern of judgment as to whether any additional aid should go to the schools, to other municipal services, or to property tax relief. Without major reform, increasing aid levels would do nothing to resolve conflicts between the schools

and the city or town governments.

The survey we conducted tended to uncover some attitudes among the legislators and municipal officials that seemed almost contradictory. On the one hand, the position had been expressed that schools had received preferential treatment in Massachusetts for a number of years in the competition for state and local funds. A higher amount of state aid has been the goal for a number of special interest groups but with little definitive indication whether or not the same perceived preferential treatment in the allocation of those funds would continue.

Table 17 reflects the opinions of the survey respondents on the issue of competition for local and state funds. Of special interest here is the perceptions of the different groups. On the issue of schools receiving any sense of priority in a competitive situation, the breakdown follows the lines that one might expect.

Competitive situation - Schools receiving priority

Superintendents	43.01 % say yes
State Legislators	29.88 % say yes
Municipal Officials	77.77 % say yes

Again, the situation lends itself to perpetuating the problem.

If the percentage of municipal officials believing that the schools are getting a priority claim for local and state funds is as high throughout the state as it is in our sample, there is little chance that they would be willing to work with the school officials in any capacity other than striving to capture either more funds or a higher sense of priority. From that starting

point, any hope for cooperation in sponsoring a comprehensive reform package is slight. And the problem is made even more acute if the low percentage of legislators perceiving the schools having a priority are to determine the new aid program as it is promoted by the various lobbying groups.

Table 17 (a)

Competing Demand for Tax Resources

	<u>Supt.</u>	<u>State Legislators</u>	<u>Municipal Officials</u>	<u>Totals</u>
Competitive, priorities established by public	7	10	2	19
Competitive, priorities established by municipal officials	17	22	3	42
Competitive, schools receiving priority	40	32	35	107
Competitive, schools not receiving priority	5	--	--	5
Low level of competition between schools and other services	24	23	5	52

N-225

In our interviews concerning this issue, we asked whether giving more funds to the schools would result in better education. Of the 37 people we interviewed, only 13 expressed any confidence that this would result unless a stronger sense of efficiency and "accountability" was fostered upon the schools. The most prevalent comment stated in this area was the belief that additional

funds to the schools would most likely result in higher teacher and administrative salaries along with the purchase of a number of items that could not be funded at the local level - most mentioned was audio-visual and television equipment. The concern stated was that more money for the same services and staff would not automatically result in better schools. What would be needed would be a better process to determine how the money would be spent as well as a better way established to let the public know how the school funds were being spent.

A related study of this same issue was conducted in 1974 as part of the annual Gallup Poll of Public Attitudes Toward Public Education. When a representative sample of the public on a national survey was asked if doubling school expenditures would make a great deal of difference in student achievement, only 39 per cent indicated that they felt it would result in improved educational results. Forty-eight percent of the sample felt that the additional expenditures would make little or no difference since the majority of the funds would "probably" go for teacher raises with few new programs introduced.

This attitude is from the same sample which, in another part of the Poll, generally gave schools above average marks for the way they were operating. Sixty-four percent of public school parents gave the schools an "A" or "B" grade, with another twenty-four percent grading the schools at "C" or average.

To counter the wide-spread skepticism about how schools use the funds to operate the various educational programs, it would seem prudent to make more people aware of the inner workings

of the schools. This concept of public access to internal school information has received extensive publicity in Massachusetts but it is not a new idea. In 1970, a study conducted by Joseph M. Cronin in collaboration with the Massachusetts Advisory Council on Education proposed that parent groups and school councils ought to be shown each year a profile of their school's resources and performance. Cronin held that they were entitled to this information which should be presented on an easily prepared and easy-to-understand format which would include information to answer the following questions:

- 1) How many teachers are in the school?
- 2) How many years of experience, in local schools and elsewhere, do they have?
- 3) How many are new teachers and how many are tenured? How does this compare with the system as a whole?
- 4) What special programs are allocated to or conducted by the school, and what number of aides and special staff have been made available?
- 5) What are the test scores for each grade or level, by subject or skill level, and what are the patterns of special weaknesses, successes, or problems?
- 6) What are the school's expenditures for:
  - a) Teachers and counselors;
  - b) Custodians;
  - c) Books and materials
  - d) Repairs and alterations
  - e) Special staff
  - f) School lunches and breakfasts.
- 7) What are the projected enrollments for the next three years?

These data, not readily available in a convenient form, should be shared with and discussed with parents who can then help develop and support constructive programs of action. The problems of devising a format to make the information readily available will

be worth the effort if it is able to elicit support for the schools through an honestly perceived "truth in packaging" effort. It is perhaps easy to accept when one sees the school as a business -- a thought repugnant to most educators -- and the data given to the parents as an end of the year balance sheet. The cry for accountability in education is really only a plea for forthright reporting. If it is not given to the community, the parent groups and school councils may well withdraw even further from any serious level of support for the schools. 101

In a similar vein, the Governor's Commission on School District Organization and Collaboration recently issued its report which calls for a regular program of public disclosure. Under this model, each public school district should organize its resources and collaborative efforts to provide its constituents with a minimum of the following information.

1. A results-oriented school management program characterized by needs assessment, goal definition, careful consideration and selection of action or program alternatives, long-range planning, meaningful opportunities for informed involvement of students and other citizens in decision-making, and systematic use of evaluation techniques.
2. A level of economy in school operations that is explained annually for the past fiscal year through a published and widely distributed report on cost comparisons with other districts of similar size and organization. Such annual reports should include at least the following information:
  - a) Ratio of full-time certified staff members or staff member equivalents;
  - b) Total expenditures per full-time student

- c) Staffing and expenditure comparison among schools in the district in terms of disclosing local equalization and specialization of resources. Also, it could include such additional explanatory remarks as seem appropriate to the cognizant school committee. 102

### Special Needs and High Cost Programs

In 1972, the Massachusetts legislature passed into law a comprehensive special educational program (Chapter 766 of the Acts of 1972). The law requires all cities and towns to carefully look at the manner in which students with special needs were being educated. In general, it had been established that "past development of special education programs has resulted in a great variation of services for students with special needs" and that "past methods of labeling and defining the needs of children have had a stigmatizing effect and have caused special education programs to be overly narrow and rigid." 103

The law became effective on September 1, 1974. From that time forward, cities, towns, and regional school districts are required to meet the specific provisions of the law and to develop adequate programs within a reasonable period of time for ALL persons of ages three through twenty-one who have not attained a high school diploma or its equivalent.

The new law has massive implications -- both educationally and financially -- for local school districts. However, the full publicity and impact of this law was only beginning in the spring of 1974 when the questionnaire was administered. The full consequences of the law and its impact were better understood during the period of interviews. This will account for the special consideration that the law and the needs of special programs receive in the model program for school funding that is evolved in Appendix F. The problem of special needs for special students was a focal point of discussion in our interviews. The full understanding of the higher costs was not completely appreciated by anyone at this time, however. It was several years later when educators and politicians began to understand the full implication and cost of the program.

Simply stated, children with special learning deficiencies caused by social or cultural deprivation or mental or physical incapacities can not always be served well in traditional school programs. And, the school programs geared to the needs of these students cost significantly more than regular programs geared to students without any particular learning problems. In our interviews, the question was posed as to whether the state aid program in Massachusetts adequately measured or compensated for these higher cost programs. With the exception of several areas of limited categorical aid programs (Special Education, Occupational and Vocational, Bi-Lingual) funded on a straight percentage reimbursement basis, the general perception was that the state aid program did not adequately measure or compensate the differing

educational needs. The suggestion heard most frequently was to provide proportionately more funds to school districts with large numbers of high cost students.

The phrase "proportionately more funds" presents a broad spectrum of problems to anyone who desires to translate that concept into a specific program of fiscal action. There are essentially three ways in which school districts receive additional funding for high cost students.

1. High cost students are identified according to some clearly defined categories and additional financial support is provided through the general aid fund. This may be through a system of pupil weighting or through some process of per pupil stipend. This can be either through reimbursement of costs or in so-called "front-end" money which anticipates the educational costs.

2. Categorical aid programs can be established to reimburse school districts at some pre-determined percentage amount for legitimate expenses incurred in high cost programs.

3. The state can recognize the extra cost aspect of such programs and assume the costs for properly identified students and programs. This process might be appropriate when the state mandates a minimum standard for such a program.

104

The solution to the question of providing funds for the education of the handicapped has not yet been found. As the federal government and the states expand the quality of their programs in this direction, it should soon be possible to forecast the probable cost.

## CHAPTER V

## PROBLEMS, POSSIBLE SOLUTIONS, AND RECOMMENDATIONS

Introduction

One of the initial goals of this study was to "sample the present acceptance by political and educational leaders of the method of allocating state aid to education in the Commonwealth and to obtain expectation parameters for state aid in the immediate future." As the data from the questionnaire has been reviewed and as the observations from the individuals that were selected for interview have been built into the whole study, the range of problems in the state have begun to come a little better into focus. A recurring point of perspective by the author has been that the issue is much broader than just finding ways to reallocate state funds to help finance the educational process in the state.

In this chapter, some of those broader problems will be identified and a series of recommendations to address the problems will be developed. Throughout all of the discussion will be a continuing effort to focus on two of the most important findings of this study:

1. The effort to equalize educational opportunity -- an avowed goal of all who speak on the subject -- by advising and proposing property tax relief measures alone is not the proper solution and, in fact, is the main policy weakness of all those who profess commitment to the very goal itself;
2. The gulf between the educational community of the state and the political sector is much wider than

most people are willing to admit. As we quoted earlier in the study, the educational community is going to have to show a bit more humility and recognize that the support of a wide range of the public is likely to erode unless there are mutually acceptable efforts to show that the schools are just as concerned about showing improved results for any increase in state (and even local) support and aid.

While the educational leaders throughout the state might wish it otherwise, there will continue to be a call for greater accountability -- in terms of educational results -- in the schools. Such interest in the study of relationships between cost and quality is not a new phenomenon, although the media has made it appear that was. Actually, the issue is one of long standing. Ellwood P. Cubberly, credited with being the father of the study of educational administration as a discipline within itself, noted in 1911:

Of these (norms of expenditure), we know almost nothing today, and the variations between school systems on different items of cost are very large -- too large to be explained on a basis of varying degrees of efficiency. While a certain latitude as to expenditure must always be allowed for between different school systems, the introduction of business methods of estimating and auditing expenditures cannot help but be of service. There can be little doubt but that there are at present many unrecognized financial wastes in the administration of our schools, county and rural as well as city and town, which a study of costs will reveal and correct; and there also can be little doubt but that there is much very unwise expenditure which a comparative study of units of expenditure will lay bare. The purpose of all such studies is not so much to reduce total cost as to secure greater returns from the money expended.... It is one of the most important administrative problems now before us. 105

Almost seventy years later, determination of cost-quality

relationships in education is still one of the most important administrative problems before us. Progress in the study of these relationships has been at a painfully slow rate. Our net progress in education has been substantially less than that made by administrators in business and industry.

It is a shibboleth in education that management techniques designed for business will not work in schools for our problem tends to be much more complex than theirs. There are those who strongly object to the application of such techniques and concepts of the business world to the analysis of educational institutions because their principal objectives are social, not economic. Merrill Douglas, an educator and management consultant with the American Management Association has responded nicely to these objections in a newsletter he publishes.

The reservations of educators to the use of management procedures developed by business interests is understandable but unfortunate. Just because the inventor of the solution to a problem didn't happen to be an educator in no way prevents the use of the solution in a similar situation -- albeit in a school instead of a bank or office. The pursuit of efficiency, or the effort to reach a set of objectives at the lowest cost, is characteristic of most of man's endeavors. 106

It is in that spirit that the problems and recommended courses of action are offered in this chapter. They all come from an interpretation of the survey returns, the sense of the interviews, and the occasional infusion of insight gained from trying to narrow that gulf between educators and the public as represented by the elected official -- local and state-wide.

Problems of Equity

PROBLEM: Traditional efforts in the reform of school finance procedures tend to focus first on fiscal equity and secondly on the specific needs of students.

Equal expenditures alone will not buy equal opportunity for students. This is especially true when one considers the range of local and regional school cost differentials -- a unit of instruction in the Berkshires is not automatically the same cost as a unit of instruction in Boston. Also, equal expenditures for students does not solve the problems caused by a large number of children with different combinations of educational needs. A stronger system is needed to help local school districts guarantee the availability of basic and special services to all its citizens.

School finance programs need to be adjusted to compensate for deficiencies in a school district's fiscal ability if it can be determined that this is a legitimate problem in providing a basic program to the children of the district. Also, programs of state aid should be modified as necessary to insure that some commonly accepted level of equity exists in the basic educational programs of a school district. Some mechanism to reasonably assess the quality of a school district programs and the specific educational needs of its students should be developed.

Simply stated, the existing school finance program in Massachusetts does not have the flexibility to adequately measure or compensate for the differences in the educational needs of

children. Any revision to the financing program should include provisions for providing financing increases to school districts with high incidences of high cost students. The fundamental concern in this approach to state aid is to build in a commitment to be as concerned, if not more so, for the equity of educational opportunity as for the equity for fiscal ability and capacity.

Information and data have been presented in this study to show that the public has a high concern for the quality of educational programs as well as equal access to those programs. In fact, this has been the main theme which ran through both the questionnaire and the interviews. The issue was also a major focus of the report issued by the Governor's Commission on School District Organization and Collaboration. If our focus is excellence of service to all citizens, the state should act to ensure that no matter where a citizen resides he or she will be provided with convenient access to basic, high-quality educational services. <sup>107</sup>

As the state is increasingly called upon to fund greater percentages of the cost of public education in the Commonwealth, pressures will evolve for the state - probably through the State Board of Education - to assume a greater degree of control and regulation over issues which traditionally have been resolved at the local level. A policy issue which would need early resolution if the state aid focus is changed is the nature and scope of the state's responsibility to individual students and how the exercise of that responsibility may effect the role of local school districts.

Every school finance study of any merit has established

the position that local revenues alone cannot equalize educational opportunity for students with special or distinct needs. If there is a commitment to the concept of "equal educational opportunity" then eventually the more equalizing power of state funds will have to be increased in percentage to fund local schools. As the amount of state funding grows there is the very real problem of state controls coming with the funding. The basic issue in the question of increasing state aid soon comes down to the most fundamental one of all -- what is the legitimate responsibility of the state in the process of education....and in its funding?

If a general statement of policy could be established and accepted on the issue of the state's legitimate role, then the other questions of how and when in relation to school aid are made a little less complex. If such a policy could be evolved, then the basic questions of priorities and decisions on aid levels to the different cities and towns, as well as the whole area of social services, could then be made in a more reasoned framework. As an example, if the state share of financing local education was known and a commitment to full funding was established, local school districts could be more involved in the improvement of the educational process and not so heavily involved in the political games necessary to explain and justify school tax impacts in the local towns and cities.

This point was explored in the questionnaire. One of the articles of faith of educators is that if they just did not have to spend so much time in the paperwork and minutia of budgets and justifying every action of the schools, then the quality of

education would improve. We asked our sample of municipal, legislators, and superintendents if they supported this concept. The results are shown in Table 18.

Table 18

Separation of Educational Decisions From Local Tax Issues

Public education in the state would be improved if educational decisions at the local level could be completely divorced from considerations of local taxes.

What level of support would this statement have in your community?

<u>Group</u>		<u>Weighted Response</u>	
Superintendents	(N-94)	4.34	
State Legislators	(N-87)	3.21	
Municipal Officials	(N-45)	3.93	N-226
Total Sample		3.82	
1.0 = Strongly oppose		5.0 = Strongly support	

To pursue the significant difference in response between the local officials and the state legislators, we asked all of the legislators in our interview sample to comment on this item. To the person, they would see it as an indication that the local officials would be delighted if they could transfer all responsibility for taxes to Boston. The legislators did not see the main idea of the question as having anything to do with education -- only taxes. However, if one could get the immediate reactions out of the way and think a bit about long range implications of this suggestion it has a bit more attractiveness. While the strength of Massachusetts schools is still the high visibility in the community and the informal influence the community can have on the schools,

there is much too much time and creativity taken away from the educational process by having key people spend so much time in the annual effort of justifying programs and proposals -- often on grounds that have little to do with education.

It is also this problem of forcing the various units and departments of towns and cities to become competitive and non-supportive with each other that causes inefficiency in the care and concern for all the social needs of children and families. One of the most difficult things for a school system to do is to try and work with children in an educational setting while the family or social problems of the students detract from all that is planned and attempted in the classroom. Relieving the schools from much of the pressure to politicize every educational decision could well have the effect of encouraging cooperation among all social services units within a community as it eliminates the need to be so competitive for resources.

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#### RECOMMENDATION

All future attempts at school aid reform in Massachusetts should be pursued within the framework of organizational reform for the equalization of educational opportunity. To achieve this goal, the State Board of Education should direct that the Department of Education work with appropriate research agencies to develop an ongoing procedure to identify and account for the educational need differentials among students in various school districts.

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Problems of Funding State Aid

PROBLEM: School aid is separate from general aid to cities and towns, thus causing a segmentation of complementary services.

Competition for state funds to aid the cities and towns in the Commonwealth remains at a high level. Too often, educators proposing reforms to the process of school aid have proposed solutions to educational problems which were not seen as "problems" by others and which were not politically or fiscally possible. To avoid this continuing cycle of non-successful efforts to adjust only the educational facet of aid to the cities and towns, future efforts at school aid reform should be coordinated with the input of other governmental services and aimed at adjustment of the overall financial picture, not just education.

Educators and others often become so convinced of the "rightness" of their arguments that there is a tendency to offer simplistic panaceas to solve the problems of financing the schools. Most efforts at revising the aid formula in Massachusetts in the past few years have concentrated on the fact that there is inequity in the amount of money available for education in the various cities and towns because of the inequities in the relative wealth of the towns. The real questions about the educational needs of the children of those towns have not been properly addressed and the shared responsibility for identifying new revenue sources has not been pursued with any sense of aggressiveness. What usually evolves is a mathematics contest with each community playing new combinations

into a computer to see which set of numbers will resort to the largest increase in aid for the individual city or town.

Pragmatically, and although it will not be an easy thing for educators to accept, any major plan to alter the funding of education which involves increased state contribution will most likely be a tax equity question first and an educational equity question in the second instance. It is an issue that is resolved in the legislature and not any place else. Educational interest groups, tax reform groups, and fiscal conservatives can prepare a thousand plans but it is the legislature where the final plan is evolved. In virtually every state where major educational financing reform has been effected, it was legislative leadership which was able to draw together the many disparate elements and groups to forge the many final compromises which had to happen before new legislation was passed. School finance reform legislation alone rarely has sufficient support to be enacted -- particularly when new monies or a major reallocation of funds is required.

This point was the focal spot of a recent study conducted by the Educational Governance Project at Ohio State University. The study concluded that since education dollars inevitably must compete with an expanding public sector, decisions on school finance are normally based on political expediency (i.e., what can pass) rather than on the "best educational arguments.

The Ohio State report also focuses upon the strong influence of personalities and policy influence in any school finance issue. For example, it concludes that state boards of education lack substantive policy influence. Chief state school officers are often

active in policy making but the report concludes that much of this reputation is more perceived than true. Teacher associations are ranked as the most influential at the state level, followed by school boards, administrator groups, and teacher federations where they exist.

Although the traditional fragmentation of education groups has tended to create conflict, the various elements concerned about school finance issues -- educators, legislators, governors, and the general public -- have come to see that they can live with conflict over educational issues and not suffer politically since the supporters of such legislation are almost always balanced off by those who do not wish to see new programs enacted. Finally, the report points out that although school finance reform is broad based, it is also highly technical, and only a few individuals make the key decisions. Since it is a political issue, finance reform ultimately depends on the political leaders. 108

The observations from the Ohio State study are applicable in Massachusetts as well. Despite intensive efforts on the part of various educational interest groups, the basic state aid program has not been changed since 1965. While pressure may be seen as building -- particularly in light of the large number of court cases that are forcing states to adjust their school aid programs -- in the end result, a change in Massachusetts will be made when a combination of factors are seen as being "right". One, a surplus will have to be present so that a major new tax program will not have to

enacted at the same time that the adjustment is made. Two, some form of expedient must be present, such as the situation which will eventually occur when the full impact of the special education law is felt by the cities and towns. Three, it is always helpful to have a major funding bill come before the legislature in an election year. When these three factors are present, then the time is right for a change in the aid-to-education program. And after some adjustment occurs, the initiative for any new change is blunted for at least five years. 109

Table 19, while seeming to expand upon the obvious is a good indicator of the point just made by Senator Kelly. If there had been overwhelming support for school finance reform, then special pressures would have been put on the legislature to "do something." As it is, the legislature can take its time for the indication is that the public recognizes the need for a more all-encompassing program of general fiscal relief. Since any effort at passing an omnibus financial program takes a lot of time, the legislative leaders are secure in waiting for the conditions which Senator Kelly identified to occur.

One of the dangers of pressing for a financial aid program that incorporates all aspects of support to the communities of the state is that the interests of education can be lost in the process -- particularly in the large cities where the mayor has significant influence and power. At the same time, school aid reformers must consider that aid to cities and towns may indirectly go toward solving some of the problems of inequity in education if it goes to help avoid draining of

the general fund and maintain the tax rate at a politically "safe" level. Still, school aid to education should be closely monitored to insure that it does not go entirely to help cities solve problems of fiscal over-burden in other areas. Even if it is to be a part of a general aid program, state aid to education should be carefully allotted so that school districts are able to use those funds directly for the maintenance and improvement of educational services.

Table 19

School Finance Reform and State Aid

In your opinion, which of the following general patterns should the re-examination of school finance programs and the distribution of state funds follow?

N-226	<u>Supt.</u>	<u>Legislators</u>	<u>Municipal Officials</u>	<u>Total</u>	<u>Percent</u>
Equalization of educational opportunity is a high priority and school finance reform should be evolved as soon as possible	40	28	16	84	37.17 %
School finance reform is only a part of general fiscal reform and should be considered as one part of a comprehensive reform package	48	50	26	124	54.87
School finance reform is important but other fiscal reforms have higher priority	2	--	--	2	0.88
The case for changing methods of financing education have not yet been proven	4	9	3	16	7.08

## RECOMMENDATION

All future attempts at school aid reform should be pursued in relation to the total program of providing aid to cities and towns, not as an action focused solely on educational special interests.

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PROBLEM: The level of funding provided by Massachusetts for school aid is inadequate and is well below the median of all other states in the area of support for education.

The level of state aid each state provides is not fixed by any special process. In each state it tends to be a combination of tradition, political judgment, and even a degree of arbitrary expediency. In Massachusetts, however, the level should be based upon several points that are worthy of mention.

1. The level of effort for financing public education by the state in Massachusetts is low even compared to the national picture and, except for New Hampshire and Connecticut, it is low even for New England. The national average for the share of revenue for the states for aid-to-education is right at 50 % and is slowly increasing each year. Massachusetts currently contributes only an estimated 31 % of the cost of operating the public schools.

2. Massachusetts is a comparatively wealthy state with considerable fiscal capacity. An in-depth analysis may be needed to determine the effectiveness of the various revenue sources but only to determine how to raise the funds easier. The state does have the capacity to raise and generate revenue if a commitment

is exacted to do so.

3. The personal tax burden from residential property taxes in Massachusetts is almost sixty percent above the national average. By most measures, the general property tax in this state is the nation's highest. Other factors concerning the state would include the following:

a. In relation to population, Massachusetts stood first in per capita expenditure for property taxes - with \$ 358 per capita, followed closely by Connecticut, New Jersey, and California. The average for the whole of the United States was \$216 per capita.

b. In relation to personal income, the state was also first. Massachusetts property taxes of \$74.11 per \$1000 of personal income far exceeded the national average of \$48.41 per \$1000 of personal income. 110

While a significant reduction in this particular tax burden would not appear likely or even practical, it is reasonable to substantially alter the use of monies raised by the general property tax. If a significant percentage of the school operating expenses were eliminated from the yield of the local tax, it would permit local communities to use more of the property tax yield to raise municipal revenues. Without the heavy school expense, the rate of increase for the local property tax would be slowed considerably.

With all factors taken into consideration, and given the fiscal capacity of the various cities and towns in Massachusetts,

it would appear that the state should move to an annual grant to the cities and towns of an average of fifty percent.

The decision to suggest fifty percent as the average amount for the state to contribute to the communities for school support is based on two factors. One, the amount is a reasonable increase in light of the real world constraints facing the Commonwealth at the present time and in the near future. It is a substantial increase from the present level of funding and would move Massachusetts from its present ranking of 44th to approximately 24th position among the states in percentage support to public education. This, in itself, would be a movement in terms of commitment for the state to assume increasing responsibility for the cost of public education.

In the second instance, the level of fifty percent reflects the median expectation of the respondents to the questionnaire. When asked what level of funding would be the optimum average percentage of state reimbursement, the various groups expressed the following:

<u>Superintendents</u>			<u>Legislators</u>		
45 Percent	11	11.96%	45 Percent	17	20.48%
50 Percent	27	29.35	50 Percent	35	42.17
65 Percent	42	45.65	65 Percent	10	12.05
90 Percent	12	13.04	90 Percent	21	25.30
<u>Municipal Officials</u>					
45 Percent		8	18.60%		
50 Percent		20	46.51		
65 Percent		6	13.95		
90 Percent		9	20.94		

While considerable support is shown for an average level for state support of at least 65 percent, the majority of those respondents are superintendents with an obvious interest (and faith in miracles) for the higher level of state contribution. The amount which tends to represent a more balanced position is fifty percent. It represents the median of all respondents. It also is the level that the highest number of legislators selected as optimum so there must be some sense of political realities in play.

It should be noted that whereas an average percentage increase from 35 to 50 percent would be a substantial increase, full equalization would not result. Considerable fiscal pressure would still remain on the local property tax. Additionally, if no constraint was placed on local spending, the differences between communities would remain although the relative gap would be slightly reduced. The effort to move the state share to fifty percent would represent an increased commitment to the goal of higher support -- both in a total fiscal level and in expanding the resources available to students.

It should also be noted that in formulating any process to increase the state's share of school aid, it would be imperative that the steps to reach the goal be realistic and that the change be a part of a comprehensive revenue bill.

The movement from the existing level of state funding to fifty percent would require a massive increase in school aid if it were to be accomplished in a single or even two steps. Using the 1973-74 distribution year as an example, total new money in the amount of approximately \$200 - \$300 million would be required.

Obviously, this amount of money would not be available without major new state revenue sources. The proposal contained in this study would recommend that the increase be accomplished in the following manner:

<u>Year of Enactment</u>	<u>Percentage of State Aid</u>
1	35 % **
2	38 %
3	42 %
4	46 %
5	59 %

\*\* Legislature would fully fund the existing level of authorized aid.

While it is difficult to precisely project the level of statewide public education expenses over a five year period, it can be assumed that overall expenses will continue to rise at 8 - 10 percent annually. Therefore, using that as a baseline the estimated annual average amount of new funds to raise the level of state aid to fifty percent would be approximately \$70 - 80 million each year for five years.

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#### RECOMMENDATION

The state share of funding public education should be increased through a planned incremental program to an eventual percentage level of fifty per cent after five years.

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PROBLEM: The state legislature traditionally underfunds the authorized state aid-to-education program.

Aid programs to cities and towns are established by statute and represent a fiscal commitment from the state to its communities. Consistent underfunding of the various aid funds only tends to make the inequities which justified the establishment of the aid program more pronounced. As an example, Chapter 70 contains the provisions for general educational aid to the cities and towns and it has been fully funded only twice since it was established.

In the section of the questionnaire which dealt with the existing aid program, 56.95% of all respondents expressed their opinion that Chapter 70 as it was being administered was not doing the job it was designed to do. In a related question as to why this was so, over sixty percent of the individuals responding identified the lack of full funding as one of the most significant reasons for the existing aid program not working as it was designed.

The net effect of this practice can perhaps best be stated by an observation in the study of school finance in Massachusetts conducted by John J. Callahan and William H. Wilken for the Massachusetts Teachers' Association in 1973.

" Though the state does not vigorously participate in educational finance, it does channel its modest State aid in a form that recognizes variations both in educational need and local fiscal capacity. For example, in recent years Massachusetts distributed 97 percent of its support in a form which recognized educational need or fiscal capacity, or both. Contrast this percentage aid figure with that of the national average of 77 percent.

While Massachusetts has a form of equalizing aid system, its underfunding of that program permits the state to have a school support system that is disequalizing in practice. As noted by the National Education Finance Project, Massachusetts ranked 33rd among all states in its equalization performance. Indeed, 6 of the 7 other states that had a state aid program in the form of Massachusetts' had higher equalization scores. Massachusetts has a state aid vehicle which could put substantial equalization into its school finance system. However, it simply chooses not to use it." 111

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#### RECOMMENDATION

As part of a coordinated study to aid cities and towns, the General Court should undertake a process whereby legitimate and authorized aid programs are fully funded.

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PROBLEM: The existing aid-to-education program in Massachusetts does not have the flexibility to provide for the broad range of students to be educated.

As the structure of society has become more complex, so has the problem of identifying specific needs for specific children in a changing social environment. School officials are forced to plan programs which are undercut by continuing movement and shifting of students, by increasing social malaise and discontent, and by high concentrations of students with serious educational handicaps located in urban areas. A reduction of this population in rural areas coupled with a statewide stabilizing or declining birth rate, has had an uneven and artificial inflationary effect on per student cost in many districts. All of these factors have added to the difficulties in keeping up-to-date in the measurement of educational and financial needs in the state.

Increasingly, school aid programs are attempting to measure the financial costs of designated program categories. These programs can then be described in terms of comparable work or service of the school staff, the target population served, as well as their relationships to other programs. In this regard, the total educational program can be broken down into programs as functional components which can then be related to students, their needs and development. <sup>112</sup>

To enable the local school district to better plan for the educational programs of the varied students that routinely

enroll in schools today, it is proposed that cost differentials be established that would be expressed in terms of weighted ratios. As a minimum, these differentials would include the following types of educational programs:

1. Regular day, basic elementary, grades 1-6
2. Regular day, grades 7-9
3. Regular day, grades 10-12
4. Kindergarten
5. Programs for students with special learning needs
6. Other special programs under Chapter 766, Special Educational Law
7. Bi-Lingual programs
8. Occupational and vocational training
9. Continuing education programs
10. Programs for disadvantaged students.

The concept that there be at least ten categories of educational programs in any new school aid program in the Commonwealth includes those categories in current use around the country and in Massachusetts. Those might be altered or modified as future needs of students might dictate. The procedure is designed to identify the target population through diagnosis of student need rather than using other indirect methods of cost estimation such as trying to estimate, in advance, the number of students having special educational needs or who might come from low income families.

An example of these categories in a model funding program is described in Appendix F.

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#### RECOMMENDATION

The Department of Education should establish a procedure whereby educational program cost differentials are computed bi-annually and are used to determine aid to cities and towns.

Problems of Local Control

PROBLEM: An increased involvement of the state on the funding level will invariably lead to an increased involvement of the state in all levels of education. Fiscal autonomy of local school committees may well be eliminated.

In paraphrase, the New Jersey case of Robinson v. Cahill may have established the basic tenet for school finance reform -- the education of a community's youth is too important to be left to the fluctuating moods, and in some cases, the low aspirations, of the taxpayers in a school district.

Much has been said about the question of fiscal autonomy for the school committees of Massachusetts. While the "taxpayers' revolt" has not hit Massachusetts with the severity it has in other states, it may be assumed that a round of new taxes in the state could cause an increased demand for budget cuts in all areas but particularly in education. Here, frustrations over not being able to control or cut local school budgets reaches an annual crescendo each spring. An indication of the extremes to which this frustration might go is indicated below.

"Individual school districts use a bevy of administrative practices that were never taught in educational administration courses. Several years ago, in Champaign, Illinois, teachers were paid with vouchers that local banks agreed to cash on the understanding that bonds could be sold to redeem the scrip. In big city districts where the crises has been most acutely felt in recent years, teachers have been laid off in Cincinnati, New York, Chicago, Los Angeles, and Detroit. Schools have seriously considered closing early (in Philadelphia), class size has been increased (in Detroit and New York), experimental programs have been eliminated, school hours have been shortened, libraries closed, and the

next year's revenues in New York City were used to pay the current year's payrolls. 113

In Massachusetts, considerable interest and concern has been shown over this issue in local communities. Table 20 shows two perspectives about the issue of fiscal autonomy.

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Table 20

Fiscal Autonomy of School Committees

In general, what is the level of interest over the issue of fiscal autonomy of the school committee within your area of constituency?

<u>Group</u>	<u>Weighted Response</u>
Superintendent (N-94)	3.54
State Legislators (N-83)	3.62
Municipal Officials (N-45)	3.44
1.0 = Not a concern	5.0 Considerable concern

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Fiscal autonomy of the local school committee provides a means to avoid local underfunding of school programs. Such fiscal autonomy should be retained.

<u>Group</u>	<u>Weighted Response</u>
Superintendents (N-93)	4.73
State Legislators (N-87)	3.08
Municipal Officials (N-45)	2.86
1.0 Strongly oppose	5.0 Strongly support

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The different responses by the three groups - educators,

state legislators, and municipal officials - perhaps reflect better than any other indicator the frustrations over the issue. All groups have indicated an overwhelming support for education. In the area of fiscal autonomy, however, the separation between municipal officials and superintendents is particularly telling. While one can assume that the superintendents would want to retain the concept of fiscal autonomy and the municipal officials would lean on the side of eliminating it, the viewpoint of the legislators comes closest to reflecting the realities of the current political feeling about the issue. About 53 % of the legislators support the idea of fiscal autonomy while 43 % opposed it. This percentage breakdown closely parallels the recent votes in the state legislature over the issue. The school officials overwhelmingly supported the issue, the municipal officials are split but tend to oppose the matter, and the legislators are closely divided.

In many instances the opposition of fiscal autonomy reflects a genuine concern for the growing tax burden on the cities and towns and the frustration of not being able to do much about it. It is especially important in times of financial tightness to recognize that education, like other social services, is expensive. The danger of sacrificing good programs to the conservative winds is very real and communities need to insure that even if fiscal autonomy is adjusted, the legitimate and proper delivery of educational programs to students is of special importance and should not be subverted or reduced by emotional pressures independent of educational considerations.

This is as good a place as any to reassert the felt concern

that the days of fiscal autonomy as it has been known are probably numbered. What is needed is a clear articulation of the state and local spheres of responsibilities in public education. One of the most tried "truisms" is that control of a process is vested in the hands of the funding source. What is likely to happen is that the buffer of autonomy will be removed from the school committees, the cities and towns will begin adjusting the resources of the schools, and then the state will gradually increase its role in the local schools. Hopefully, the local school systems will retain enough autonomy to assume responsibility for the operation of the local schools while adjusting to the new role. With the passage of some time it is likely that the local communities will slowly regain more and more influence in the schools. The tradition of strong local control of local institutions will eventually prevail in most areas of Massachusetts.

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#### RECOMMENDATION

The state legislature and all educational agencies should work to establish a clear understanding of the areas of responsibility between the state and local educational authorities. The concept of fiscal autonomy should be retained in some fashion to assure appropriate local control over those areas of local schools' use of resources and local instructional programs.

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PROBLEM: School districts in Massachusetts are often too fragmented and too small to provide a full range of instructional programs.

In the general area of local control of schools, there has been a long tradition of permitting local communities to make their own decisions about schools and school districts. As a result, Massachusetts -- one of the smallest states -- has more school districts than states five and ten times the size of the state.

The Governor's Commission on School District Organization found that there was much inefficiency in many of the small school districts and superintendency unions. It recommended that incentives be established to encourage small school districts to join regional school districts and to consolidate many of the out-moded and ineffective schools within districts. The problem is fairly clear -- many of the smaller schools and school districts do not have the resources or the student population to provide a full range of instructional programs. As a result, no adjustments or changes in the school aid program will benefit these districts as much as they should. Inequities will continue to exist so long as the organization of schools take precedence over the scope of instructional programs.

Incentives mentioned above could take many forms. It is proposed that they include provisions which plan for the overall educational needs of school districts for a period of at least ten years. Such incentives might encompass but not be limited to the following areas of financial and instructional

support over a period of time:

1. Guarantees that local school districts will not completely lose their identity in the larger regional district. Maximum citizen involvement should be sought in the development of plans, establishing school composition and representation, and to develop proposed legislation (if required);
2. Optional provisions for regional school districts to assume bonded debt and receive state support for retiring debt previously incurred by smaller districts prior to regionalization;
3. Increased percentage of state assistance for school or facilities construction which might be needed as a result of regionalization;
4. Incentive bonus aid in the form of reimbursed per-pupil costs for regionalized school districts;
5. Fully funded transportation reimbursement aid to cover the costs of transporting students within the regionalized school districts;
6. Provisions that guarantee a level of school aid which would be no less than the total amount which would have been received by the local school districts prior to regionalizing.

There was a direct question in the survey on this issue.

In general, there was support from the superintendents and the state legislators but a lack of such support from the municipal officials. When questioned in succeeding interviews, members of this group explained that the "incentive features" known or suggested all were seen as aid that would be sent directly to regional school districts and might be seen as potential reductions in aid to the cities and towns. Both mayors and selectmen were strong in their suspicion of state plans that would move more and more communities into regional school districts. This was seen as one more way to remove the schools from the influence of the city

and town governments.

In spite of the opposition of the municipal officials, the potential benefits from consolidating smaller schools and school districts as well as the removal of continuing problems for ever reaching any sense of equalization with the school finance aid program would lead me to recommend that incentives be increased to encourage districts to consolidate.

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#### RECOMMENDATION

Any proposed changes in the state funding program for aid to cities and towns should continue to include some form of incentive to encourage small school districts to form or join regionalized school districts.

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## C H A P T E R VI

### SUMMARY AND POSTSCRIPT

#### Summary

This study was concerned with the question of equity in education. An effort was undertaken to expand this idea of equity to include much more than just the equalizing of funds available for educational support. Much of the data from the questionnaire was analyzed to determine if the political leaders -- both on a statewide basis and in the local communities -- along with the school officials were as concerned with providing high quality educational programs as they were with increasing the amount of money that was available to each city and town under the existing state aid process in Massachusetts. In large part, it was obvious that they were. The options available under the current financial and political constraints in the state, however, are limited. And, it is likely that they will become even more limited as the schools and educational interest groups become more conservative in a period of tight resources.

As the study was being organized, a series of assumptions were present. Briefly, these assumptions included the following:

1. A low level of trust and confidence exists between school committees and the officials of the cities and towns.
2. Fiscal measures alone will not cause the communities in Massachusetts to make substantially equal educational

resources available to the schools of the state.

3. Massachusetts communities will not accept a state controlled school system except under duress and will resist moves seen as being in that direction.
4. The perceived fiscal press on local communities as a result of the increased need to raise funds for the operation of local schools is reaching a critical stage in Massachusetts.
5. The level of understanding of the state's school aid program by municipal officials and legislators will be quite low.
6. Any substantial change in the way Massachusetts supports local education will come about only when the political and financial conditions are right for such a change.

The responses to the questionnaire and the free exchanges that took place in the follow-up interviews tended to prove that the assumptions were fundamentally sound -- but with some interesting shadings and gradations.

1. The general level of trust between the school officials and the community leaders is probably better than we had assumed. In cases where there was substantial rancor or mistrust, the issue was more often personality based than institutional.
2. There was a general sense of malaise on the issue of state versus local control of school programs. Whereas I had traditionally accepted the idea that the local partisans would rise up and do battle with the state in any move to increase state control of/in the schools, there appeared to be a growing sense of resignation that with any increase in state aid would come more

state control. It was only in the smaller communities that the old "yankee" independence on local issues was projected.

3. The level of understanding of the state's school aid program by all respondents was lower than expected -- despite the assurances of a goodly number of the individuals that they "understood" the subtle distinctions of Chapter 70. This would appear to be particularly troublesome in working out any major new aid system. With only a few people capable of discussing or debating the issues, full disclosure of the potential ramifications of any proposed aid revision would be minimal. In the end, the elected officials would be forced to be concerned only with the level of increase/decrease for their respective community.

One factor that was of greater intensity than we initially projected was the degree of political awareness -- "savvy," if you will -- on the part of the school officials. As a group, most of the superintendents...and many of the spokespersons for the various educational interest groups...were incredibly naive about the political sphere -- especially on the state level.

An article of faith in undertaking this study was that when the time came to adjust the state aid program, it would be a political decision and not necessarily an educational one. The rationale for that idea was quite simple. Funding is the endproduct of compromise in the legislature -- in Massachusetts as well as in all other states. Advocacy groups can bring political pressure or can call in prior commitments of support from individual legislators, but in the final decision it is no one

but the legislature that can establish the revised aid formula. The members of the Senate and House of Representatives we interviewed all showed moderate bemusement at the ineffective job of lobbying and/or preparing legislation that was politically acceptable. In most cases, the proposed revisions to existing state law were either simplistic adjustments designed to favor a particular interest group or unrealistic efforts to garner new funds without addressing the problem of new revenue. The admonition of Senator James A. Kelly, the Chairman of the Senate Ways and Means Committee, kept coming to the forefront as I reviewed some of the efforts at change in the school aid program over the past few years.

"The school finance people have to understand that when the time is right, the Legislature will make the adjustments in the aid programs. And the time will not be right if we have to come up with new taxes to fund any increase in aid. Tell them to watch for a year in which there is a surplus and then come in with a good bill. All we get from them are pages and pages of computer runs. Hell, we probably have better computer runs than they do...and we trust our own data a lot more than we trust theirs. What they need is a good ex-politician to look out for their interests in the State House and to get rid of the amateurs they have fronting for them." 114

Educators and special interest groups need to accept the fact that the most troubling constraint to reform is, and will likely be far into the future, fiscal. In the past, state legislators have been asked to establish new aid programs which would end up requiring them to appropriate additional funds for education. The increases in the need for revenue would not be

for the purposes of increasing productivity or to compensate for documented increased costs, but to eliminate or at least reduce local expenditures and tax burden disparities among communities. What the unknowing in the political sphere fail to recognize or acknowledge is the simple fact that everyone does not share the conviction that education is the most needy of the state's services when added state aid is considered. Rapidly escalating welfare costs, prison reform, new transportation costs, health services, urban renewal, and the like all need new monies. As has always been the case, the resolution of competing demands will be a function of the political process. It should be a high priority of all educational interest and advocate groups to become much more skilled in that process.

One of the anticipated outcomes of this study was to identify some consensus about the issue of "quality" education. In almost all instances the term was offered to explain what people wanted and expected from their schools. The precise definition of this concept or any simple understanding of exactly what it meant to the majority of the people did not emerge. The problem of definition is probably one of trying to be too inclusive and evolve a simple concept that would mean the same to all people. To pursue that goal would be to pursue the "impossible dream."

A more pragmatic task might be to identify the elements of a school and educational program that most people in the community would accept as being part of a high-quality education. A number of these elements became obvious as we analyzed the data and conducted our interviews. While not attempting to be

all-inclusive, some of these elements would include the following:

1. Opportunity would be provided to establish early childhood educational programs for all students commencing at age 4. This would prepare students to adjust to the educational environment before the beginning of formal schooling.
2. To insure that children are not handicapped in their ability to learn, the school and the community should work together to provide the following services, in addition to sound instructional programs:
  - a. Hot breakfast and lunch programs;
  - b. Periodic physical examinations along with remedial visual, auditory, dental, and disease treatment;
  - c. Safe, sanitary, and appropriate buildings and equipment.
3. To insure that children are, in fact, learning, systematic evaluations in skills and subject fields should regularly and should include appropriate support for students with special needs.
4. School systems and teachers must accept the fact that they are responsible to the public, parents, and children for the students effective performance in identified skill subjects, assuming that the community provides a reasonable level of resources.
5. To provide necessary resources, children with educational needs greater than others should receive special attention and remedial programs when required.

There should be no question that equal educational opportunity and quality education should be part of the same concept. It may be, however, given the fact that formal education is only part of the total learning experience and is not the sole contributor to the child's growth -- that, under some arrangements

which might be beyond the control of the school and community, equal educational attainment might not be possible. The responsibility of the community is to provide the opportunity for all children to have access to quality educational programs. Since some family and background situations can affect the degree to which individuals can profit from education, a commitment to equal achievement would not be a milestone that the schools could ever hope to reach.

In conclusion, the lessons to be learned from a study such as this one are not always the ones that one thinks one is going to resolve. The most serious doubt that should haunt anyone who enters into the field of educational finance and its reform is one of great seriousness. Even after the political and educational problems have been solved and new aid programs are enacted, there is still the nagging concern that we can never be certain that changes in school finance systems will bring about more stimulating, more challenging, and more effective education to the public school children. It would, however, be a great injustice to all of the people who took the time to respond to the lengthy questionnaire and to those who were willing to spend the time to talk about the subject if we did not end the discussion with some sense of hope. Although the relationship between available resources and excellence of education may remain unclear, scholarship, research, and policy making in recent years in the field of school finance has provided the technical foundation to begin to at least eliminate the inequitable distribution of tax burdens and resource allocations for

public education. We now have to have the wisdom, the political acumen, and the conviction to effect the compromises in the legislature to enable that technical foundation to become the basis for providing the resources to make the schools and the product of those schools the very best that we can develop.

### Postscript

The research for this study was completed during the 1974-75 fiscal periods. Much of the data was made available to the Massachusetts Advisory Council on Education in exchange for the Council's support in printing, postage, data processing, and in helping to open the many doors necessary to even get an appointment with many of the key individuals we were able to interview. A number of recommendations were published by MACE in conjunction with the Report of the Governor's Commission on School District Organization and Collaboration.

At the same time that this study was being conducted, the Legislature established a Special Commission on Unequal Educational Opportunity to look into all aspects of the public school situation and problems in Massachusetts. This Commission worked for the better part of three years and eventually put together a major revision of Chapter 70 and the state aid to education program. The new Chapter 70 was approved by the Legislature and signed into law by Governor Michael J. Dukakis on July 10, 1978. This law, the Boverini-Collins School Finance Bill, was enacted as part of

Chapter 367 of the Acts of 1978, the general appropriations act for fiscal year 1979.

It should be noted that several factors came together at this time to enable the aid program to be changed. The burdens of the special education law (Chapter 766) had been felt for three years and there was the beginnings of discontent about the reimbursement of special educational funds reducing the total amount of the general aid to cities and towns. Many legislators began to call for some adjustments to the aid program. In fiscal 1978, a surplus had been accumulated in the state treasury. The incumbent governor was facing a tough race in 1978 and he wanted to try and get some political mileage from an increase in state aid to the cities and towns. The House of Representatives was to be reduced from 240 members to 160 in the 1978 elections and there was a strange "let's do it now" attitude in the House, especially among the members who would not be returning in 1979.

The final element in the matter was the fact that the legislative leadership decided to make the revision a part of the general appropriations act during the final two weeks of the legislative session. This decision eliminated the lengthy and potentially fatal debates and arguments which would have ensued if the bill had been brought up simply as an effort to reform the aid-to-education process.

The new law incorporated a number of adjustments to some of the so-called "problem areas" of the old Chapter 70. On paper, the new process is more equalizing than the old. The

key element for the new law, however, is the same as for the old law -- i.e., will the legislature fund the aid program fully or will it continue its tradition of under-funding the law? Still, the revised Chapter does have the possibility of being a much improved vehicle to begin addressing some of the equity and quality issues raised in this study. Some major elements of the new law are described below.

1. The stated purposes of the new law are "to promote the equalization of educational opportunity in the public schools of the Commonwealth, to reduce the reliance upon the local property tax in financing public schools, and to promote the equalization of the burden of the cost of school support to the respective cities, towns, regional school districts and independent vocational schools."
2. The new Chapter 70 completely replaces the old Chapter 70 aid program for regular day program expenditures and also replaces the program reimbursements for special education, bilingual education, and vocational education. All these programs will now be aided under a single equalizing formula.
3. Differences in the relative costs of the programs will be accounted for through a system of pupil weights, (similar to those proposed in the sample model aid program detailed in Appendix F of this study). This ensures districts with relatively more pupils in high cost programs will receive more aid than districts that are otherwise equivalent in terms of size and wealth.
4. The new law provides for current funding of educational programs by using the current year's pupil counts in each district; this replaces the two year reimbursement cycle used in the old Chapter 70 program and the

- one year lag for special, bilingual and vocational aid.
5. The equalizing mechanism in the new formula uses an equalized property wealth per person measure rather than a school attending child measure. The new law also provides an additional weight for low income pupils. These aspects of the new law provide assistance to poorer city school districts.
  6. The new Chapter 70 aid for a particular district will not be based on what that district can currently afford to spend. Aid will be based instead on the statewide average current operating expenditure per regular day pupil in the previous year.
  7. Aid under the new formula will be credited directly to school districts to offset local school expenditures and the local tax rates. Regional school districts also will receive the new Chapter 70 aid directly. This provision will result in a reduction in regional school district assessments to member cities and towns.
  8. The new law establishes a permanent save-harmless level for all school districts at 107% of the pro-rated aid due in fiscal year 1978 under the programs replaced by the new formula.
  9. Aid entitlements under the new law will be computed each year depending on the level of the state appropriation. This will remove the need for the old pro-ration system under which poorer districts lost relatively more aid than wealthier districts.
  10. The new law provides a statewide standard for a minimum level of educational spending. This "leveling up" provision will take effect in the third year after the state share equals at least 35% of total educational expenditures. At that time the law will require that each school district expend on direct services at least 85% of the statewide average for such services from the

previous fiscal year. Failure to comply with this requirement will result in a proportional reduction in state aid.

11. The new Chapter 70 also requires that 70% of the aid paid on account of pupils in each program be spent for instructional services, attendance services, health services, fixed charges and food services in that program. This provision goes into effect immediately.

While it is difficult to know the source of materials used to draft the final legislation, the findings and recommendations of this study were transmitted to all members of the Legislature and to the Special Commission on Unequal Education. Additionally, staff members from the Commission interviewed the author in February and March of 1975 concerning the findings of this study.

## FOOTNOTES

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APPENDIX A

EXPLANATION AND ANALYSIS  
CHAPTER 70 OF THE GENERAL LAWS OF THE  
COMMONWEALTH OF MASSACHUSETTS:  
THE STATE AID FORMULA FOR EDUCATION

Chapter 70 Funding in Massachusetts: Components and Problems

The educational system in Massachusetts is supported by three major sources of revenue: local taxes, federal grants, and state grants. The effect of each on the level of school spending varies throughout the 351 cities and towns of the Commonwealth. One reason is that the local school tax rate on property is set by the city or town and determined independently of any external norm. The federal aid is made up of grants for particular purposes: aid to the disadvantaged, aid to minorities, purchase of special educational materials, etc. Although this categorical aid is distributed with the advice and review of the state Department of Education, a good portion of federal aid goes to cities and towns as a result of a specific eligibility formula. Similarly, the state has a number of categorical aid programs of its own; the most notable being Vocational Education, Special Education, and Construction Aid Programs. In many of the categorical programs there are often proportional matching funds constraints so that the aid often goes where it is already abundant.

As might be seen from the brief outline above, the funding system(s) in Massachusetts provide opportunities for an unequal distribution of funds. The Commonwealth recognized this problem and, in 1966, established an "equalization" aid program. Through this vehicle the state attempts to equalize the ability of school districts to provide quality education programs despite differences in the relative wealth of their inhabitants. The basis for determination of aid is the relation of property valuation per school child in a particular city or town to the state average property valuation

per school child. One can recognize why this particular basis is used when you realize that most local taxes are real estate taxes. In order to support a school expenditure of some number of dollars per child, the city or town must set a tax rate such that, when applied to its local property valuation, will provide sufficient funds (in addition to any possible other grant revenue) to operate the schools. Because property valuation per school child varies so broadly across the state,\*\* it can be assumed that there will be corresponding tax rate variations if all localities spent the same amount per child. Since this would result in the poorest towns paying the highest tax rate, school quality (as measured by expenditures) is often sacrificed to obtain a lower tax burden. This is the combined problem that state equalization aid, as determined by the Chapter 70 formula, was designed to solve -- i.e., to provide sufficient aid in proportion to each city or town's equalized property valuation such that there would be an equal expenditure on the part of the schools at an equal tax rate.

The formula is based on the assumption that those cities and towns which can least afford to pay for schools should be given a greater share of the state funds available. Chapter 70 equalization aid is distributed as a percentage of the expenditures of the school district that are not supported by other state or federal grants. These expenditures are known as "reimbursable

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\*\* See Appendix E where the variation among the cities and towns included in this study ranges from an equalized valuation per school attending child of \$8,003 to \$153,631.

expenditures" and generally account for about 80% of the total school system's cost. The "school aid percentage" varies from community to community according to the perceived ability to pay for the cost of education in each community. This "ability" is measured by a "valuation percentage", which is in turn determined by comparing the local propertywealth per child with the weighted average of all such property wealth per child in the entire state. The resulting school aid percentage is then multiplied by a city or town's expenditures on those educational services defined as reimbursable under the provisions of the law. The resulting product is the community's Chapter 70 aid entitlement.

The entire formula can therefore be expressed in the following manner:

$$\text{Aid Entitlement} = \left[ 1.00 - \left( .65 \times \frac{\text{LOCAL EQ. VAL. PER SAC}}{\text{STATE AVG. EQ. VAL. PER SAC}} \right) \right] \times \left[ \text{Local Reimbursable Expenditures} \right]$$

(Part 1) (Part 2)

where: Equalized Valuation (EQ. VAL.) = the State Tax Commission's biennial estimate of the total "full-market value" of the taxable property wealth of each city and town; this estimate is usually derived independently of the property valuations set by local assessors for the purpose of computing local property tax rates;

School Attending Child (SAC) = the number of pupils residing within a city or town and attending private or public schools anywhere as of October 1 of each school year, as reported to the State Department of Education.

The school aid percentage assigned to any city or town, determined to the nearest tenth of a percent by Part 1 of the above formula, may not be less than 15 % nor more than 75 %. A simple study of Part 1 will show that without such limits a "wealthy" community might be assessed an aid percentage of zero or less, while

a "poor" municipality might receive a school aid percentage which would approach 100 %. During any given year, a city or town with an equalized valuation per school attending child equal to the statewide weighted average equalized valuation per school attending child will be assigned a school aid percentage of 35 %.

Part 2 of the formula contains the total reimbursable expenditures reported by a city or town, subject to the following limitations. If the total of such reported expenditures, when divided by the average number of pupils enrolled in the community's public schools during the school year, exceeds 110 % of the statewide average of such expenditures per pupil so enrolled in all of the state's local public schools during the same year, the amount of such per pupil expenditures used in the formula for computing that city or town's aid entitlement will be reduced to 110 % of the statewide weighted average expenditures per pupil times the number of pupils enrolled in its public schools. On the other hand, if the reported expenditures per pupil so enrolled in the community's public schools falls below 80 % of that same statewide average, the amount of such expenditures included in Part 2 of the formula for that city or town will be raised to 80 % of that average times the number of pupils enrolled in its public schools. Thus, a low-spending community is assigned a higher aid entitlement and a high-spending community is assigned a lower aid entitlement than each would receive if no such limitations existed. \*\*

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\*\* This paragraph was quoted directly from a publication of the State Department of Education, "Taxes, Schools, and Inequality in Massachusetts: Chapter 70 School Aid and School Finance", June 1977.

Finally, no city or town may be assigned a state aid entitlement that would exceed 75 % of its total reported, unlimited reimbursable expenditures, nor may it receive less than 115 % of the aid it received during 1965 under the aid program replaced by the enactment of Chapter 70 in 1966.

#### How Well Has Chapter 70 Worked?

In all but two years since Chapter 70 was first enacted in 1966, there have not been sufficient monies made available to fully fund the total of the aid entitlements computed for the various state aid programs. Funding for Chapter 70 school aid has always been drawn from the same source as state aid for special needs and bilingual education. Whenever the total amount of money available for allocation to the three aid programs is insufficient to fully fund the allocations, state law required that available funds first be used to distribute the full amounts of special and bilingual education entitlements due to be paid during the year. The amount remaining in this fund after the distribution of such aid was then divided by the total of the Chapter 70 aid entitlements computed for all cities and towns for that year. The resulting quotient is termed a "proration" percentage. Each city or town then receives an amount equal to that percentage of what would otherwise be its fully funded Chapter 70 aid entitlement. The following chart lists the "proration" percentages applied since the process began in 1966.

In analyzing the data in the chart, one additional bit of information is important. Almost all state aid takes the form of reimbursements to cities and towns for past expenditures on

local services. For example, a city or town which expended funds for local school services will not receive reimbursement for those expenditures until the fiscal year after they are reported. The net result of this procedure is that there is a potential delay of up to two years for Chapter 70 reimbursement of previous local expenditures on schools. Thus, the problems of applying a "proration" percentage of less than 100 % to the expenditures and the problem of an extended "lag" time for reimbursement both work to intensify the question of resources available to augment the local contributions in support of the local public schools.

<u>DISTRIBUTION PERIOD</u>	<u>PRORATION</u>	<u>DISTRIBUTION PERIOD</u>	<u>PRORATION</u>
1966	39.5 %	1971	100.0 %
1967	55.9 %	1972	85.0 %
1968	70.1 %	1973	86.2 %
1969	65.0 %	1974	83.8 %
1970	100.0 %	1975	61.2 %

Source: State Department of Education

Even if more money were to be made available for distribution by the Legislature, cities and towns still have to wait for up to two years to receive the increases in Chapter 70 reimbursements for the previous increases in their local expenditures. Although the problem is particularly acute when there are unusually sharp increases in local costs, such as those due to new state mandates requiring the provision of additional educational services (e.g., Chapter 766), even the steady increase in local school costs which occurs as a result of general inflation must always be initially financed entirely from local property tax revenues. This is due to the fact that Chapter 70

is a reimbursement program, in which increases in aid lag behind previous increases in local costs, and not a "current funding" aid program, which would increase state aid at the same time as local costs go up. Wealthier communities with low tax rates can more easily afford to increase their expenditures of local property tax revenues in anticipation of later state reimbursements than can poorer cities and towns with higher tax rates. This encourages a higher rate of growth in per pupil expenditures in wealthier towns than in poorer communities, thereby increasing the inequitable differences in per pupil expenditures between the two groups of communities.

In analyzing whether Chapter 70 state aid has been successful in equalizing the resources available for local school districts to operate the local schools, several points need to be emphasized.

1. The equalizing factors of Chapter 70 are heavily diminished by the 15% and 75% limits on school aid percentages. The very wealthy communities are guaranteed 15% state aid when ideally that money should go to the poorer communities.
2. The time lag between the expenditure of local funds and the eventual state reimbursement under Chapter 70 imposes an unjust additional fiscal burden upon all communities as the result of normal inflation and/or the implementation of more expensive educational programs. This additional burden is more pronounced in the poorer communities.
3. The annual rates of growth in the tax revenues that govern the size of the fund from which state aid to education is allocated have not increased at the same rate as have educational expenses.
4. Since the Chapter 70 formula produces higher aid entitlements per pupil for poorer communities than for more wealthy communities of equal size, the level rate of proration for aid entitlements which results from underfunding the state aid program causes the poorer communities to lose more state aid per pupil than the wealthier cities and towns.

5. The largest problem with the formula is that it provides only an average of 35% of local education costs. The rest of the burden is mostly on the local communities which depend on the local property tax.

By simple virtue of the fact that Massachusetts has a state aid program which, by definition, is designed to eliminate inequities in the amount of resources which are available to run the public schools, many in the state have come to believe that the problem of educational inequality is, in fact, being dealt with through the state's financial aid formula. The great political clamor with which this formula was developed gave the impression that its implementation would mean that the amount of money spent on each pupil would tend to equal out and converge toward the middle or upper end of the prevailing expenditure range. It was assumed that increased state aid to local communities, with provisions that poorer communities would get proportionately more aid for any given levels of expenditures, would induce these cities and towns to increase their educational efforts. But, in fact, the convergence has not taken place; the state aid program serves more as a moderate source of property tax relief for local communities and not as any incentive to move toward increased equality of educational opportunity for the students.

Though the state made the policy decision that educational resources should be equalized, the accompanying decision to leave the level of commitment in the hands of the local communities has acted against achieving this policy. Compounding the problem has been the history of the Legislature in fully funding its own school aid formula only twice in over ten years. The financial potential of the poorer communities may have been increased, but the problems

of the state aid program as outlined above have not caused the actual spending and actual resources available to public schools often has not changed significantly. On a relative basis, wealthy communities and people tend to spend more for education and the state aid program has not been very effective in closing the gap between the rich and poor school systems.

Educational interest groups in Massachusetts must recognize that they have actually done little to effectively equalize educational opportunities. The present definition of equality in terms of fiscal potential is simply not adequate, especially if the definition is in word only and the goals of the state aid program are consistently being subverted.

APPENDIX B

ADVISORY COMMITTEE

AND

QUESTIONNAIRE CORRESPONDENCE

Study Advisory Committee

- Richard J. Clark, Jr., Assistant Dean for Teacher Education,  
University of Massachusetts, Amherst
- Sean Dunphy, Mayor, City of Northampton (now Presiding Justice,  
Hampshire County Probate Court)
- Ronald J. Fitzgerald, Director of Research, Massachusetts Advisory  
Council on Education (now Superintendent-Director,  
Minuteman Regional Vocational School District, Lexington)
- Paul Gordon, Massachusetts Association of School Committees
- Allan Hartman, Associate Director of Research, Massachusetts Advisory  
Council on Education (now Director of Research, Massachusetts  
Department of Education)
- Ramona Hilgenkamp, Executive Office of Educational Affairs, Common-  
wealth of Massachusetts
- George Hill, Executive Director, Massachusetts Association of School  
Superintendents
- Kevin Jones, Staff Member, Committee on Education, General Court of  
the Commonwealth of Massachusetts
- Connie Kaufman, Senior Researcher, Committee on Education, General  
Court of the Commonwealth of Massachusetts
- Catherine Minicucci, Associate Planner, Massachusetts Department of  
Education
- John Olver, State Senator, Commonwealth of Massachusetts
- H. Felix de C. Pereira, Chairman, The Governor's Commission on  
School District Organization and Collaboration
- Florence Rubin, President, Massachusetts League of Women Voters
- Charlotte Ryan, President, Massachusetts Congress of Parents,  
Teachers and Students
- Felix Zollo, jr., Director of Research, Massachusetts Teachers  
Association

Copy of Initial Letter Sent to Legislators, Municipal Officials,  
and Superintendents

Dear \_\_\_\_\_:

The question of school finance has been repeatedly raised at local, state, and federal levels over the past few years. In general, these questions have tended to be related either to equity in the educational process or in determining the most appropriate source of funds for local education.

Massachusetts, like the overwhelming majority of states in America, is undergoing a period of analysis to determine whether the process of funding local education needs to be changed. This study has been developed to sample political acceptance of existing aid to public education and to ascertain the expectations for state aid to education in the future. The Advisory Council on Education has partially funded the study and it is being supported by a wide range of agencies and associations in the state. (A listing of these organizations is attached.)

This questionnaire is one portion of this study. It is designed to sample the present acceptance by political and educational leaders of the method of allocating state aid to education in the Commonwealth and to obtain some expectation parameters for state aid in the immediate and near future. The questionnaire is being sent to a random sampling of legislators, school officials, and municipal and town officials.

Data obtained from the questionnaire and other elements of the study will be submitted to municipal and educational groups as well as to legislative commissions and committees. The results and recommendations of the study will then be available as one source of information to help guide future deliberations and actions in the area of school finance.

We have included a brief synopsis of the existing state educational financing program for your review. The questionnaire itself is not overly long and should not take too much of your time to complete. Hopefully, you can find the opportunity to give us your opinions and return the completed questionnaire in the enclosed stamped envelope.

Thank you in advance for your help and cooperation in this study.

Sincerely,

John E. Heffley

Copy of Follow-up Letter Sent Four Weeks After Initial Letter to Legislators, Municipal Officials, and Superintendents Who Had Not Returned the Questionnaire

Dear \_\_\_\_\_:

We recently mailed a questionnaire on school finance to you as part of a selected sample of state, municipal, and school officials.

Our returns on this questionnaire have been good but we would hope that you could complete your copy of the form and return it to us in the near future. Your opinions and observations will be helpful in completing the study.

If you have mailed the completed questionnaire and we have crossed in the mail, thank you for your time and interest. If, by chance, you have not received the questionnaire or have misplaced it, we would be pleased to mail another one to you. Please call us collect at (413) 253-9786 and we will send out a copy.

Thank you again for your help and cooperation in this study.

Sincerely,

John E. Heffley

APPENDIX C

CITIES AND TOWNS INVOLVED IN STUDY

There are 351 cities and towns in the state of Massachusetts. The most effective survey would have included all of the communities. However, resources and the fact that a disproportionate number of the cities and towns are small, sparsely populated, and not as politically influential as the larger communities -- particularly in the eastern half of the state -- precluded the collection of data from all of the cities and towns. An effort was made to select communities by broad categories to insure a balanced coverage but also to include the communities containing the bulk of the state's population.

The Governor's Task Force on Metropolitan Development had devised a grouping of communities that appeared to meet the sampling plan which would meet the objectives of this study. The staff of the Task Force assisted me in selecting both the number and types of communities to be included in this study. Categories used in selecting these communities included the following:

Urban Core Districts	3 cities
Central Cities Other Than Core Districts	7 cities
Industrial/Commercial Suburbs Adjacent to Urban Core Districts	11 communities
Suburban Districts	34 communities
Medium-Size City/Town Districts (over 15,000 population)	12 communities
Small Districts (3,000 - 15,000)	14 communities
Rural Districts (less than 3,000)	15 communities

In addition to the selection of communities which fell into the categories listed above, an effort was made to select cities and towns from a broad geographical base in the state. A final factor was to selectively insure that the communities represented by the most influential legislators were included.

CITIES AND TOWNS INVOLVED IN STUDY  
GROUPING BY CATEGORIES

1. Urban Core Districts

035 Boston  
281 Springfield  
348 Worcester

2. Central Cities Other Than Core Districts

044 Brockton  
095 Fall River  
097 Fitchburg  
128 Haverhill  
160 Lowell  
201 New Bedford  
236 Pittsfield

3. Industrial/ Commercial Suburbs Adjacent to Urban Core Districts

049	Cambridge	229	Peabody
061	Chicopee	243	Quincy
093	Everett	248	Revere
163	Lynn	258	Salem
165	Malden	308	Waltham
176	Medford		

4. Suburban Districts

008	Amherst	159	Longmeadow	285	Stoughton
009	Andover	166	Manchester	287	Sturbridge
023	Bedford	171	Marshfield	288	Sudbury
025	Bellingham	198	Natick	290	Sutton
042	Bridgewater	199	Needham	294	Templeton
046	Brookline	207	Newton	305	Wakefield
056	Cheimsford	208	Norfolk	326	Wenham
067	Concord	220	Norwood	336	Weymouth
072	Dartmouth	264	Scituate	341	Williamstown
082	Duxbury	265	Seekonk	347	Woburn
131	Hingham	270	Southwick		
155	Lexington	280	Spencer		

5. Medium-Size City/Town Districts (over 15,000)

016	Attleboro	209	North Adams
020	Barnstable	210	Northampton
096	Falmouth	239	Plymouth
107	Gloucester	293	Taunton
114	Greenfield	325	Westfield
153	Leominster		
170	Marlborough		

6. Small Districts (3,000 - 15,000)

019	Ayer	113	Great Barrington	259	Salisbury
121	Barre	144	Ipswich	310	Wareham
024	Belchertown	191	Monson	326	Westford
055	Chatham	197	Nantucket		
074	Deerfield	227	Palmer		
		242	Provincetown		

7. Rural Districts (less than 3,000)

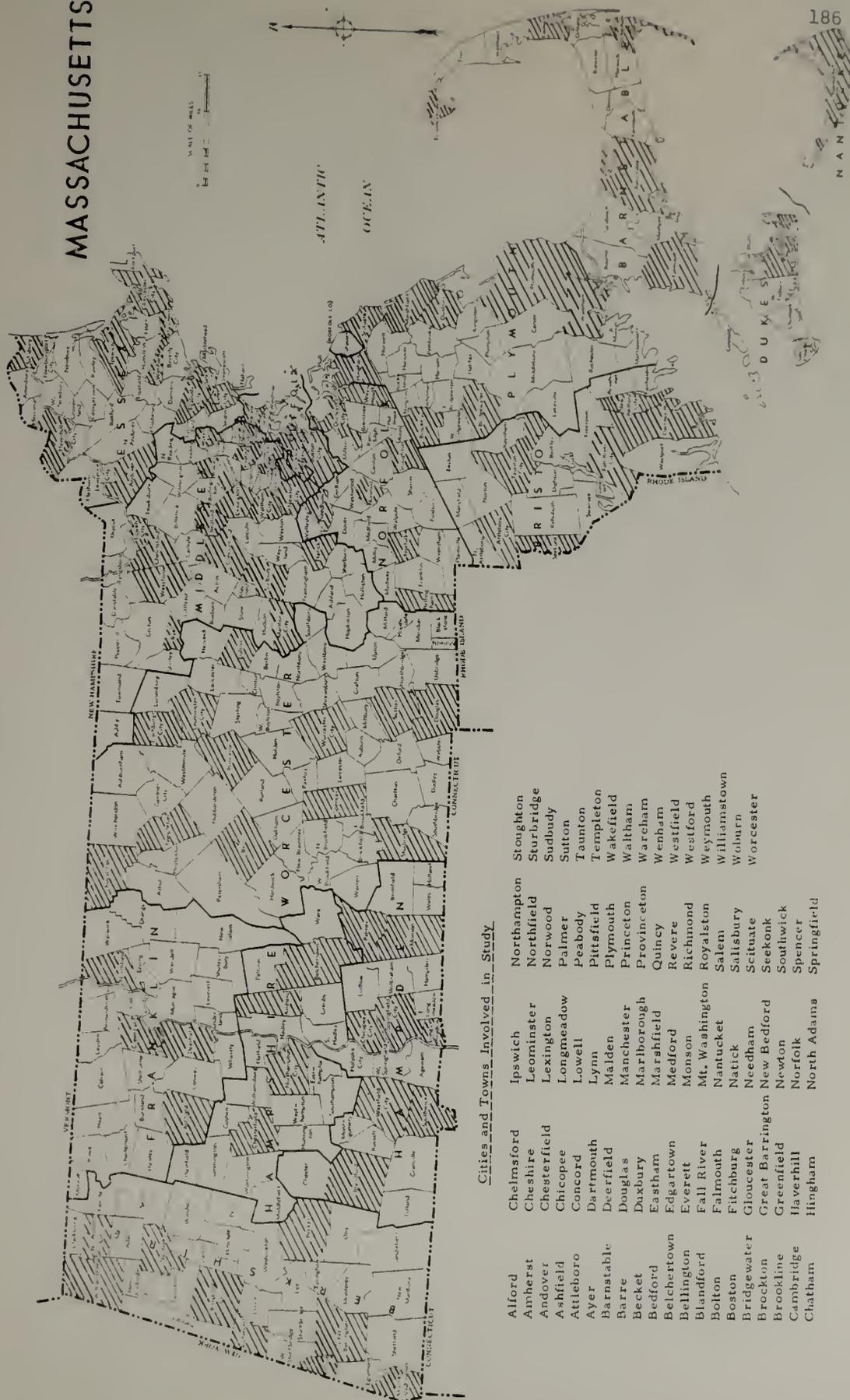
006	Alford	085	Eastham
013	Ashfield	089	Edgartown
022	Becket	195	Mt. Washington
033	Blandford	210	Northfield
034	Bolton	241	Princeton
058	Cheshire	249	Richmond
060	Chesterfield	255	Royalston
077	Douglas		

# MASSACHUSETTS

SCALE OF MILES  
0 10 20



ATLANTIC OCEAN



Cities and Towns Involved in Study

- |             |              |                  |              |              |
|-------------|--------------|------------------|--------------|--------------|
| Alford      | Chelmsford   | Ipswich          | Northampton  | Stoughton    |
| Anherst     | Cheshire     | Leominster       | Northfield   | Sturbridge   |
| Andover     | Chesterfield | Longmeadow       | Norwood      | Sudbury      |
| Ashfield    | Chicopee     | Lowell           | Palmer       | Sutton       |
| Attleboro   | Concord      | Lynn             | Peabody      | Taunton      |
| Ayer        | Dartmouth    | Malden           | Pittsfield   | Templeton    |
| Barnstable  | Deerfield    | Manchester       | Plymouth     | Wakefield    |
| Barre       | Douglas      | Marlborough      | Princeton    | Wakfield     |
| Becket      | Duxbury      | Marshfield       | Provincetown | Wareham      |
| Bedford     | Eastham      | Medford          | Quincy       | Wenham       |
| Belchertown | Fdgartown    | Monson           | Revere       | Westfield    |
| Bellingham  | Everett      | Mt. Washington   | Richmond     | Westford     |
| Blandford   | Fall River   | Nantucket        | Royalston    | Williamstown |
| Boston      | Falmouth     | Natick           | Salem        | Woburn       |
| Boston      | Fitchburg    | Needham          | Salisbury    | Worcester    |
| Bridgewater | Gloucester   | Great Barrington | Scituate     |              |
| Brookline   | Greenfield   | New Bedford      | Seekonk      |              |
| Brookline   | Haverhill    | Newton           | Southwick    |              |
| Cambridge   | Hingham      | Norfolk          | Spencer      |              |
| Chatham     |              | North Adams      | Springfield  |              |

APPENDIX D

STUDY ON FINANCING PUBLIC EDUCATION  
QUESTIONNAIRE AND TALLY OF RESPONSES

Study on Financing Public Education  
Questionnaire and Tally of Responses

	Total Mailed	Number Returned	Percentage Returned
Total	406	226	55.67%
Educational Community (Superintendents)	108	94	87.04
State Representatives	162	66	40.74
State Senators	40	21	52.50
Municipal Officials (Mayors & Selectmen)	96	45	46.88

A. General Information

1. Your position:
- |                           |       |
|---------------------------|-------|
| Legislator (Senate)       | _____ |
| Legislator (House)        | _____ |
| Mayor                     | _____ |
| Selectman/Town Manager    | _____ |
| Superintendent of Schools | _____ |

2. Years in present position \_\_\_\_\_

3. In general, what is the level of interest over the following issues concerning schools in recent elections within your area or constituency? Circle the appropriate number:

	Low Level Not a Concern			High Level Considerable Concern	
	1	2	3	4	5
(a) Quality of schools- educational results being achieved					
Superintendents	3	6	29	14	12
Representatives	1	6	12	20	27
Senators	-	-	2	6	13
Municipal Officials	-	3	15	10	17

(b)	Racial balance of schools	1	2	3	4	5
	Superintendents	72	12	5	2	2
	Representatives	41	10	4	4	7
	Senators	9	6	-	3	3
	Municipal Officials	28	5	5	5	2
(c)	Increase of school budget	1	2	3	4	5
	Superintendents	-	5	13	33	43
	Representatives	-	4	7	29	26
	Senators	-	-	3	2	16
	Municipal Officials	-	4	4	14	23
(d)	Public involvement in schools	1	2	3	4	5
	Superintendents	5	17	44	15	12
	Representatives	7	13	32	10	4
	Senators	-	3	13	2	3
	Municipal Officials	-	4	21	13	2
(e)	Closing of parochial schools-potential or actual	1	2	3	4	5
	Superintendents	56	19	8	9	3
	Representatives	18	9	27	6	6
	Senators	3	3	9	3	3
	Municipal Officials	13	11	5	9	7
(f)	Adequacy of facilities (including physical plant)	1	2	3	4	5
	Superintendents	7	15	19	32	21
	Representatives	2	8	8	26	22
	Senators	-	3	6	7	5
	Municipal Officials	2	8	8	11	16
(g)	Fiscal autonomy of school committee	1	2	3	4	5
	Superintendent	5	11	28	28	22
	Representatives	3	4	19	27	9
	Senators	-	2	5	9	5
	Municipal Officials	3	7	15	7	13

(h) Other Issues	1	2	3	4	5
Superintendents	-	-	-	5	6
Representatives	-	1	2	2	1
Senators	-	-	-	-	-
Municipal Officials	-	-	-	1	2

4. In the school budget process within your area, to what extent do you think municipal officials trust the school committee(s)?

	<u>Not at all</u>			<u>Great Extent</u>	
	1	2	3	4	5
Superintendents	1	21	33	32	7
Representatives	4	18	29	13	2
Senators	-	6	12	3	-
Municipal Officials	7	13	13	9	3

5. To what extent do you think the school committee(s) trust the municipal officials?

	<u>Not at all</u>			<u>Great Extent</u>	
	1	2	3	4	5
Superintendents	2	16	46	25	4
Representatives	7	24	23	4	3
Senators	-	12	6	3	-
Municipal Officials	3	15	19	5	3

6. The cost of providing public services tends to rise at a faster level than the public funds readily available for distribution. In your opinion, what is the level of competing demand for tax resources between schools and other municipal services within your area of representation?

	<u>Supt.</u>	<u>Rep.</u>	<u>Sen.</u>	<u>M. O.</u>
(a) competitive, priorities established by public	7	7	3	2
(b) competitive, priorities established by municipal officials	17	13	9	3
(c) competitive, schools receiving priority	40	26	6	35
(d) competitive, schools <u>not</u> receiving priority	5	-	-	-
(e) low level of competition between schools and other municipal services	24	9	5	5

7. In your opinion, which of the following general patterns should the re-examination of school finance programs and the distribution of state funds follow?

	<u>Supt.</u>	<u>Rep.</u>	<u>Sen.</u>	<u>M. O.</u>
(a) equalization of educational opportunity is a high priority and school finance reform should be evolved as soon as possible	40	19	9	16
(b) school finance reform is only a part of general fiscal reform in the Commonwealth and should be considered as one part of a comprehensive reform package	48	42	8	26
(c) school finance reform is important but other fiscal reforms have higher priority and should be considered first	2	-	-	-
(d) the case for changing existing methods of financing education has not yet been proven	4	5	4	3

B. Information About Educational and Political Attitudes

1. Listed below are a series of statements about the public and education. Please indicate your opinion of each statement by circling the number in the column which comes the closest to representing your acceptance or non-acceptance of the statement.

	<u>Strongly Support</u>	<u>Mildly Support</u>	<u>No Oppose</u>	<u>Mildly Oppose</u>	<u>Strongly Oppose</u>
(a) Residents and voters who have children in school are more likely to support school budget increases than those who do not have children in school	1	2	3	4	5
Superintendents	44	44	3	3	-
Representatives	32	27	2	5	-
Senators	0	11	2	-	-
Municipal Officials	18	18	2	7	-

(b)	Residents and voters who own their homes are more likely to support school budget increases than renters	1	2	3	4	5
	Superintendents	4	26	15	35	13
	Representatives	2	18	3	31	12
	Senators	1	8	2	10	-
	Municipal Officials	1	3	7	27	7
(c)	Middle-aged citizens are more likely to show a high degree of interest in school related issues than either the very young or the very old	1	2	3	4	5
	Superintendents	21	35	6	22	9
	Representatives	4	22	7	29	4
	Senators	1	8	6	6	-
	Municipal Officials	11	22	7	5	-
(d)	The greater a resident's educational attainment, the more likely he will actively participate in resolving school related issues	1	2	3	4	5
	Superintendents	41	42	2	5	4
	Representatives	13	38	5	6	1
	Senators	9	8	2	2	-
	Municipal Officials	15	13	7	7	2
(e)	The greater an individual's attachment to a community, the more active he will be in school related issues	1	2	3	4	5
	Superintendents	26	43	11	12	2
	Representatives	13	34	5	13	1
	Senators	6	9	3	2	1
	Municipal Officials	13	24	3	5	-

(f)	The smaller the size of a school district, the higher will be the percentage of involvement in school related issues.	1	2	3	4	5
	Superintendents	24	42	16	8	3
	Representatives	10	19	13	11	4
	Senators	6	2	7	5	1
	Municipal Officials	9	19	9	5	3
(g)	Non-voting by residents is a reflection of the stability of the political system and is a response to the decline of major social conflicts	1	2	3	4	5
	Superintendents	6	16	16	31	25
	Representatives	7	4	7	19	26
	Senators	-	2	5	6	8
	Municipal Officials	4	9	2	13	17
(h)	When local elections generate a substantial increase in turnout, one can infer that the election is a symptom of a deeply felt community conflict	1	2	3	4	5
	Superintendents	39	34	6	14	-
	Representatives	23	26	-	13	4
	Senators	8	3	1	9	-
	Municipal Officials	13	17	5	5	5
(i)	The greater the degree of organized opposition to school related issues, the more likely is defeat of incumbents or school bond (construction) elections	1	2	3	4	5
	Superintendents	56	28	1	5	3
	Representatives	52	17	4	12	-
	Senators	12	3	2	3	-
	Municipal Officials	10	10	2	6	2

(j)	School districts receiving "favorable local newspaper support" are more likely to have taken opposition to school related issues	1	2	3	4	5
	Superintendents	20	55	8	4	7
	Representatives	7	44	3	8	4
	Senators	3	14	1	3	-
	Municipal Officials	5	19	11	7	3
(k)	Citizens who display attitudes toward school officials are more likely to vote against incumbents and school related issues than those who support school officials	1	2	3	4	5
	Superintendents	44	43	3	1	2
	Representatives	33	26	4	3	-
	Senators	9	6	3	2	1
	Municipal Officials	15	24	3	3	-
(l)	Equal educational opportunity requires unequal allocation of funds to local school districts	1	2	3	4	5
	Superintendents	54	21	9	7	3
	Representatives	21	22	3	13	7
	Senators	12	5	1	3	-
	Municipal Officials	13	7	11	11	3
(m)	Educational programs are influenced more by actions taken at the national and state level than at the local level	1	2	3	4	5
	Superintendents	10	33	3	20	19
	Representatives	17	23	-	17	9
	Senators	9	3	-	3	0
	Municipal Officials	13	11	3	13	5

(n)	Public education in the state would be improved if educational decisions at the local level could be completely divorced from considerations of local taxes	1	2	3	4	5
	Superintendents	22	19	-	9	4
	Representatives	19	14	6	23	4
	Senators	3	2	6	9	1
	Municipal Officials	19	15	2	7	2
(o)	The quality of education depends upon the preservation of local control of the schools	1	2	3	4	5
	Superintendents	38	35	2	13	5
	Representatives	21	18	3	21	3
	Senators	8	3	1	9	-
	Municipal Officials	19	8	3	9	5
(p)	The quality of education a child receives is a product of the quality of life of the whole community -not the quality of his schools	1	2	3	4	5
	Superintendents	33	41	2	12	5
	Representatives	22	34	4	4	2
	Senators	12	9	-	-	-
	Municipal Officials	16	13	5	11	-
(q)	Education is a fundamental right of all children	1	2	3	4	5
	Superintendents	90	3	1	-	-
	Representatives	64	2	-	-	-
	Senators	21	-	-	-	-
	Municipal Officials	37	5	3	-	-

(r)	Equal educational opportunity requires local commitment to the interests of each student more than it requires money	1	2	3	4	5
	Superintendents	42	29	4	7	10
	Representatives	26	29	3	4	4
	Senators	5	11	3	2	-
	Municipal Officials	13	11	7	13	1
(s)	Fiscal autonomy of the local school committees provides a means to avoid local underfunding of school programs. Such fiscal autonomy should be retained	1	2	3	4	5
	Superintendents	72	19	1	-	1
	Representatives	19	14	3	7	23
	Senators	8	5	1	1	6
	Municipal Officials	9	11	2	9	13
(t)	Education is the most important function of state and local government	1	2	3	4	5
	Superintendents	72	20	1	1	-
	Representatives	17	11	12	19	7
	Senators	7	3	6	5	-
	Municipal Officials	9	12	9	7	7
(u)	In today's society, it is doubtful that any child may succeed in life if he is denied the opportunity of an education	1	2	3	4	5
	Superintendents	63	25	4	1	1
	Representatives	25	28	2	7	3
	Senators	9	8	2	2	-
	Municipal Officials	27	11	3	3	-
(v)	Education is the responsibility of the state and not of the local cities & towns	1	2	3	4	5
	Superintendents	40	22	1	21	7
	Representatives	7	10	10	23	16
	Senators	-	3	3	6	2
	Municipal Officials	7	9	2	9	17

2. Listed below are problems and issues which most school districts and communities face in regard to education. Additional spaces have been included in which you might wish to indicate additional problems and issues.

FIRST, be sure that the list contains those issues which you feel to be of major importance for schools in the 1970s.

THEN, identify the five most important issues which you feel exist in the schools today by placing a (1) beside the most important, a (2) beside the second most important, and so on through (5).

Issue	RANK					IMPORTANCE				
	Superintendents	Representatives	Senators	Municipal Officials		1	2	3	4	5
(a) Public involvement in schools	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5		1	2	3	4	5
(b) Basic skills instruction	5 7 1 8 2	6 4 3 3 3	3 1 2	-	2 3 4 2 3 1					
(c) Behavior of youth-in and out of school	12 6 7 11 8	6 10 3 3 6	3 2 1 1 3	8 3 2 2						
(d) Racial & minority group issues	2 12 3 6 7	- - 3 13 3	1 -	-	2 1 4 1 5 3 1					
(e) Educational results being achieved	1 - 5 4 5 4	- - 9 9 2	-	2 1 1 2 4 2 2 1						
(f) Funding of education	17 20 16 7 7	19 16 1 7 8	2 9 3 2	8 6 8 6 12						
(g) Occupational & vocational ed.	33 12 17 3 6	16 12 9 6 6	9 3 4 2 1	11 5 7 3 -						
(h) Education of youngsters with physical handicaps	- 6 8 12 9	7 7 7 13 8	1 1 2 9	-	2 2 9 7 7					
(i) Efficiency of school operation	1 6 12 12 11	4 4 10 3 3	2 1 2 1	2 1 3 2 2 9						
(j) Evaluation of school operations	- 6 7 8 11 4	- 4 6 9 -	1 1 1 3	3 6 1 5 2						
(k) Ability of teaching staff	3 7 5 12 12	- 3 11 -	3 - 1 3	- 2 1 2 2 6 3						
(l) Problems of school "drop-outs"	16 7 7 8 6	- 9 12 -	3 - 3 -	2 6 4 3 2						
(m) Other Issues	- - - 2 -	- - 3 3 3	- - -	- - 2 1 -						
	3 3 3 - 4	- 1 - -	- 1 - -	- 3 - 1 -						

C. Information Regarding Present School Funding

1. Under Chapter 70 of the General Laws, each city and town receives from the state a certain amount of money for the support of its schools. This state aid is based upon a formula. Ideally, such a formula and program for state aid should be easy to understand so that everyone concerned knows exactly what the program and formula accomplish.

FIRST, Would you indicate your general level of understanding of the Chapter 70 state aid program and the formula.

	<u>Supt. Rep. Sen. M.O.</u>			
(a) Understand the aid program-comfortable in discussions about it	29	10	6	9
(b) Generally understand the intent and workings of the aid program	43	22	12	9
(c) Aid program and formula are confusing	17	32	3	24
(d) The school aid program and formula are incomprehensible	5	2	1	3

THEN, would you indicate, in general terms, your level of support and acceptance of the Chapter 70 aid program as it is currently administered. (Check as many items as required).

	<u>Supt. Rep. Sen. M.O.</u>			
(a) Aid program is acceptable as it currently exists	-	2	-	2
(b) Aid program is unacceptable. Major revisions are necessary	46	27	11	14
(c) Aid program is generally acceptable. Should be modified as indicated below:				
(1) to reflect variations in total local tax efforts	18	18	7	14
(2) to remove minimum and maximum percentages from state aid computations	14	6	3	4
(3) to raise the overall average level of state aid	42	12	-	24
(4) to include existing special category aid funds under the general school aid fund (i. e., school construction, transportation, special education, occupational and vocational aid)	15	3	-	8

	<u>Supt.</u>	<u>Rep.</u>	<u>Sen.</u>	<u>M. O.</u>
(5) to include supplementary aid for regional school districts	12	3	-	4
(6) to establish a minimum level of mandatory educational expenditures for each city and town	19	9	3	3
(7) to reflect variations in educational need among different school districts	21	21	9	6
(8) to include provisions for cost differentials in different cities and towns (i. e., the cost of similar services may differ from town to town)	17	21	8	8
(d) Aid program is generally acceptable. Full funding by the legislature of Chapter 70 is required	22	12	6	12

2. Chapter 70 school aid is designed to help provide adequate state support for local education. In your opinion, to what extent is the aid program meeting this goal?

	<u>Not at all</u>		<u>To a great Extent</u>		
	1	2	3	4	5
Superintendents	13	45	32	2	1
Representatives	3	31	24	6	-
Senators	1	9	10	1	-
Municipal Officials	7	18	18	2	-

3. In your opinion, is the existing school aid program encouraging effort on the part of all cities and towns to provide the best possible education?

	<u>Not at all</u>		<u>To a great Extent</u>		
	1	2	3	4	5
Superintendents	25	35	26	5	1
Representatives	7	23	23	11	-
Senators	3	3	9	6	-
Municipal Officials	7	22	11	5	-

4. The existing state aid program is designed to take into consideration the fact that some towns do not have the same ability to pay for educational programs as other towns do. To what extent is this provision working?

	Not at all		To a great Extent		
	1	2	3	4	5
Superintendents	14	44	25	8	1
Representatives	2	32	13	17	-
Senators	1	11	3	6	-
Municipal Officials	7	22	11	5	-

5. If your choices above tend to reflect that the existing school aid program is not meeting its designed goal, which of the following conditions might be responsible for this?

	Supt.	Rep.	Sen.	M.O.
(a) Lack of full funding of Chapter 70	61	18	5	24
(b) Inadequacy of equalization in property valuation	34	31	14	25
(c) Weaknesses of the present funding program (i. e., Chapter 70)	43	24	9	14
(d) Other factors	7	6	5	2

D. Information on Possible Revised School Funding Provisions

1. Listed below are a series of possible guidelines related to school district organization which might be established to restructure a program to finance public education. Indicate whether you would attach Considerable (C), Much (M), Little (L), or No (N) importance to each possible guideline by circling the appropriate letter.

- (a) Changes to state aid programs may necessitate some school district reorganization. State-wide studies should be instituted to determine the extent of the need for re-organization.

	C	M	L	N
Superintendents	31	39	14	5
Representatives	11	11	31	11
Senators	3	7	6	5
Municipal Officials	10	8	18	8

- (b) On both the local and state level, maximum citizen involvement should be sought in the development of plans, criteria for school district reorganization, and proposed legislation.

	<u>C</u>	<u>M</u>	<u>L</u>	<u>N</u>
Superintendents	26	34	23	6
Representatives	17	34	9	4
Senators	6	12	3	-
Municipal Officials	15	12	13	4

- (c) Reorganization of school districts should result in an equalization of fiscal resources insofar as this is feasible.

	<u>C</u>	<u>M</u>	<u>L</u>	<u>N</u>
Superintendents	44	27	11	6
Representatives	10	23	17	14
Senators	6	10	5	-
Municipal Officials	13	19	9	2

- (d) New legislation should provide "bonus" aid for reorganized districts on a per pupil basis.

	<u>C</u>	<u>M</u>	<u>L</u>	<u>N</u>
Superintendents	31	26	21	11
Representatives	4	14	32	14
Senators	3	1	9	6
Municipal Officials	4	9	17	13

- (e) Incentive features should be maintained at a support level high enough to encourage school district reorganization.

	<u>C</u>	<u>M</u>	<u>L</u>	<u>N</u>
Superintendents	41	31	11	7
Representatives	15	24	15	8
Senators	8	11	--	-
Municipal Officials	2	13	19	8

- (f) Provisions should be included which would enable small school districts to continue if the citizens so desired.

	<u>C</u>	<u>M</u>	<u>L</u>	<u>N</u>
Superintendents	19	23	32	18
Representatives	15	29	15	5
Senators	7	7	9	-
Municipal Officials	13	7	21	2

- (g) Minimum standards for school district operation should be issued as guidelines by the state - specific local standards would remain a factor of local option.

	<u>C</u>	<u>M</u>	<u>L</u>	<u>N</u>
Superintendents	38	30	12	9
Representatives	26	26	11	1
Senators	11	9	1	-
Municipal Officials	8	15	13	6

2. The following types of special category aid exist in addition to Chapter 70 aid. Check whether you believe each type of aid should be transferred into a general aid fund or remain as special categorical aid.

	Transfer to General Aid Fund			Remain as Categorical Aid				
	Suppl.	Rep.	Sen.	M. O.	Suppl.	Rep.	Sen.	M. O.
(a) School Construction-Capital Outlay and Debt Service Fund	10	7	3	14	81	56	17	30
(b) Transportation Expense	33	17	10	19	57	46	10	25
(c) Special Education	38	17	10	15	51	46	10	29
(d) School Lunch Fund	37	13	7	19	51	50	13	25
(e) Occupational and Vocational Aid	51	17	9	16	38	46	11	28
(f) State Ward Fund	32	7	3	14	53	56	17	29

3. At the present time, Chapter 70 aid is supposed to provide an average of 35 percent of the reimbursable expenditures of the cities and towns. In recent years the actual percentage has ranged between 25 and 28 percent. If the level of aid was to be changed, what, in your opinion, would be the optimum average percentage of the state reimbursement?

	Suppl.	Rep.	Sen.	M. O.
(a) Less than 35 per cent	--	--	--	--
(b) 45 per cent	11	14	5	8
(c) 50 per cent	27	23	12	20
(d) 65 per cent	42	8	2	6
(e) 90 per cent	12	17	4	9
(f) Present funding is adequate	--	--	--	--

4. If an increased state funding level was effected, there would likely be some movement to increase the degree of state control and regulation over local educational issues. Please indicate whether you believe the degree of state control should be increased or whether local control should continue in each of the following categories.

	Increase in state control/ regulation			Local control to continue				
	<u>Supt.</u>	<u>Rep.</u>	<u>Sen.</u>	<u>M.O.</u>	<u>Supt.</u>	<u>Rep.</u>	<u>Sen.</u>	<u>M.O.</u>
(a) Educational goals and priority setting	38	17	10	15	56	46	11	29
(b) Minimum standards established	86	49	18	32	8	14	3	12
(c) Budget review and approval	16	11	6	5	78	52	15	39
(d) Academic proficiency levels	33	29	18	21	60	33	3	21
(e) Evaluation of programs	47	42	12	19	47	21	9	25
(f) Staff and teacher's salaries	41	13	9	7	52	50	12	35
(g) School District size and organization	60	17	8	21	33	46	13	23

3. Listed below are a number of possible tax and fiscal reforms which might be implemented to raise additional revenue for possible school funding assistance. Additional spaces have been provided in which you might wish to indicate additional reforms.

FIRST, be sure that the list contains those reforms which you feel to have potential for increasing state revenue.

THEN, in rank order, identify the three items which you believe to have the most merit by placing a (1) beside the most important, a (2) beside the second most important, and (3) beside the third most important.

Areas of Possible Reform	R A N K			I M P O R T A N C E		
	Superintendents	Representatives	Senators	Municipal Officials		
(1) Expanded use of state share of federal revenue-sharing	1 2 3	1 2 3	1 2 3	1 2 3		
(2) Increase in taxation of corporate income	33 15 19	18 12 9	3 6 7	12 9 4		
(3) Elimination of state sales tax	11 12 13	2 3 6	- - 3	1 4 4		
(4) Extension of state income tax	11 20 13	9 21 12	8 5 2	6 9 2		
(5) Increase of fuel and gasoline tax	28 15 7	27 9 9	9 5 2	12 7 12		
(6) State-wide property tax	- 1 4	- 2 2	- - -	1 1 2		
(7) State-wide value-added tax	6 8 7	2 2 6	1 2 3	2 2 2		
(8) State tax on private non-profit educational institutions	1 2 4	1 4 3	- 1 2	1 1 4		
(9) State (local) assessment and taxation of utilities and industrial facilities	1 13 12	1 4 6	- 2 2	2 2 2		
(10) Other areas of possible reform	1 3 -	3 2 2	- - -	4 2 2		

## APPENDIX E

FISCAL AND SCHOOL DATA

CITIES AND TOWNS IN STUDY SAMPLE

# Fiscal and School Data Cities and Towns in Study Sample

Year Ending June 30, 1973

City/Town	System Number	Region Member	Pop. 1970	- Net Average Membership -			- Special Ed -			Voc. Total	Eq. Val. 73 / 74 (000 Omitted)	Eq. Val. 75 / 76 (000 Omitted)	SAC 10/1/72	Eq. Val. per SAC	Ch. 70 Aid 73 / 74	- Tax Rates 1973 -			
				Elem.	Junior	Senior	Total	Elem.	Junior							Senior	Total	School	General
Allied	006	765	302	17	13	16	46	--	--	4	4,700	8,800	92,157	6,417	21	12	9	21.00	
Ainherst	008	605	26,331	1942	798	677	3417	45	21	4	150,000	201,300	41,551	528,749	37	26	11	37.00	
Andover	009	824	23,695	3329	1508	1376	6213	180	179	5	240,000	350,600	32,899	1,043,809	81	49	32	49.70	
Ashfield	013	717	1,274	132	--	152	284	8	--	8	10,000	19,500	33,223	45,371	30	22	8	30.00	
Attleboro	016	---	32,907	3218	2568	1319	7125	102	36	6	187,000	277,000	8,551	3,197,521	40	29	31	57.60	
Ayer	019	---	7,393	2227	543	702	3472	21	--	3	32,500	60,000	4,061	794,877	124	46	78	52.10	
Barnstable	020	815	19,842	2894	866	1408	5168	20	9	17	350,000	807,300	5,483	756,679	15	9	6	14.80	
Barre	021	753/832	3,825	462	--	409	871	5	--	6	18,000	25,000	1,009	360,583	252	170	82	57.96	
Becket	022	635	929	138	21	68	227	6	--	2	14,500	32,200	271	35,005	4	--	--	30.90	
Bedford	023	871	13,513	2026	632	1328	3988	25	3	2	130,000	171,700	4,151	723,127	78	49	29	48.40	
Belchertown	024	860	5,936	672	240	403	1315	63	--	63	24,000	47,600	1,357	624,913	10	36	31	47.00	
Bellingham	025	805	13,967	2111	--	1557	3668	35	--	35	81,500	108,000	4,467	1,473,749	39	13	20	39.00	
Blandford	033	672	863	90	83	76	249	--	--	2	6,200	12,800	246	75,510	160	--	--	48.10	
Bolton	034	725	1905	391	--	179	570	42	--	42	21,000	31,600	643	32,659	35,684	15	13	47.10	
Boston	035	--	641,071	55,580	15,837	16,858	88,275	949	852	--	2,100,000	2,600,000	126,648	52,850,674	107	43	164	163.30	
Bridgewater	042	625/810	11,829	2,268	--	781	3,049	11	--	7	52,000	104,300	3,224	1,623,980	72	48	24	70.60	
Brockton	044	872	89,040	10,774	3,494	5,209	19,477	200	45	34	350,000	697,000	20,173	1,757,059	180	84	96	65.40	
Brookline	046	--	58,886	3,998	--	2,129	6,127	31	--	41	512,000	709,000	7,431	947,265	73	25	48	63.50	
Cambridge	049	--	100,361	6,737	--	2,750	9,487	272	--	--	520,000	838,300	13,208	1,467,351	153	51	101	94.40	
Chatham	055	815	4,554	469	159	342	970	14	--	14	110,000	230,500	995	149,947	75	37	18	26.20	
Chelmsford	056	852	31,432	4,922	2,124	1,557	8,603	74	--	74	240,000	309,000	9,435	2,545,589	44	31	13	44.00	
Cheshire	058	603	3,006	379	127	222	728	16	4	3	15,000	23,000	752	19,947	299,574	4	--	--	41.03
Cherterfield	060	683	704	137	--	89	226	19	--	19	7,200	11,700	247	29,150	50,288	47	36	11	40.90
Chicopee	061	--	66,676	4,471	3,818	3,584	11,903	--	112	40	256,000	420,000	15,643	5,210,734	137	57	80	53.48	
Concord	067	640/830	16,148	1,825	1,193	1,401	4,419	21	--	21	186,000	272,100	4,896	885,199	5	35	16	50.38	
Dartmouth	072	825	18,800	1,850	1,321	1,176	4,347	41	15	17	190,000	263,000	4,821	500,134	30	19	11	38.88	
Deerfield	074	670	3,850	463	--	363	826	10	--	5	19,000	42,400	914	325,206	71	47	24	42.68	
Douglas	077	805	2,947	440	--	279	719	14	--	14	15,000	28,400	772	19,430	22,715	14	11	38.00	
Duxbury	082	--	7,646	2,063	--	708	2,771	11	--	8	97,000	153,000	2,888	33,567	57,259	44	26	18	44.00
Eastham	085	660/815	2,043	190	188	185	563	19	2	2	55,000	113,300	579	87,043	2	14	14	25.81	
Fdgartown	089	700	1,481	249	--	93	342	13	--	13	55,000	104,900	368	153,831	52,875	10	40	21.20	

City/Town	System Number	Region Member	Pop. 1970	- Ret Average Membership -			- Special Ed -			Voc. Total	Eq. Val. 73 / 74 (000 Omitted)	Eq. Val. 75 / 76 (000 Omitted)	SAC 10/1/72	Eq. Val. per SAC	Ch. 70 Aid 73 / 74	- Tax Rates 1973 -			
				Elem.	Junior	Senior	Total	Elem.	Junior							Senior	Total	School	General
Everett	093	-	42,445	3,958	1,497	1,276	6,711	62	-	62	219	400,000	46,976	1,037,554	108	58	50	44.12	
Fall River	092	821	96,808	8,697	3,142	1,975	13,814	275	69	90	833	285,000	14,504	7,347,587	157	51	106	86.35	
Falmouth	096	879	15,942	2,370	1,275	1,217	4,862	22	11	13	46	210,000	39,466	589,390	87	54	33	42.39	
Fitchburg	097	832	43,343	4,085	1,806	1,350	7,241	103	14	13	130	260,000	26,165	1,992,063	55	28	27	53.54	
Gloucester	107	854	27,941	2,822	1,189	1,667	5,678	91	-	91	123	184,000	27,811	1,646,345	63	32	31	59.22	
Great Barrington	113	618	7,537	865	284	408	1,557	21	5	7	33	58,000	34,462	235,719	48	32	16	48.00	
Greenfield	114	-	18,116	1,764	901	845	3,510	46	12	9	179	122,000	4,108	29,698	784,209	52	25	27	52.00
Haverhill	128	885	16,120	6,025	-	2,419	8,444	103	-	8	475	200,000	19,894	3,400,227	150	64	66	64.00	
Hingham	131	-	18,845	2,918	1,311	1,129	5,358	24	11	6	41	160,000	27,425	1,629,798	63	32	31	55.44	
Ipswich	144	835	10,750	1,223	402	790	2,415	258	33	8	18	75,000	26,233	798,148	56	27	24	51.15	
Leominster	153	-	32,439	3,824	1,694	1,359	6,877	70	18	23	275	195,000	22,207	2,242,425	45	22	23	44.55	
Lexington	155	830	31,886	4,424	2,243	2,121	8,788	49	35	10	94	280,000	30,290	2,074,234	70	51	19	58.63	
Longmeadow	159	-	15,630	1,790	1,070	1,318	4,178	31	8	7	46	196,000	41,836	645,940	40	26	15	34.13	
Lowell	160	828	94,239	9,314	2,944	3,659	15,917	141	12	8	161	530,000	21,858	15,097	7,347,732	148	52	46	73.70
Lynn	163	-	90,294	7,560	3,626	2,702	13,888	201	86	-	909	500,000	19,676	4,723,955	237	83	154	68.73	
Malden	165	853	56,127	5,600	2,561	1,617	9,578	110	22	30	162	470,000	20,622	3,739,490	158	59	90	77.42	
Manchester	166	854	5,151	713	-	544	1,257	53	-	-	8	64,500	42,002	194,339	48	24	24	42.24	
Marlborough	170	801	27,936	4,127	997	1,450	6,574	37	24	-	113	140,000	7,446	2,572,348	160	71	89	69.85	
Marshfield	171	-	15,223	2,584	822	1,314	4,720	76	8	12	109	105,000	5,256	2,119,802	100	58	42	66.88	
Merrid	176	-	64,397	5,841	1,606	3,328	10,775	25	55	38	430	330,000	23,614	3,899,195	147	68	99	66.80	
Milton	191	860	7,355	890	292	448	1,630	7	-	-	7	34,000	1,612	594,317	48	42	6	45.88	
Mt. Washington	195	-	52	5	1	7	-	-	-	-	-	4,500	7	214,286	1,062	38	11	25	36.00
Nantucket	197	-	3,774	545	155	229	929	3	-	-	3	90,000	941	127,663	62	29	53	24.00	
Natick	198	-	31,057	4,267	2,003	1,845	8,115	33	25	12	70	375,000	31,326	1,410,720	73	42	31	58.37	
Needham	199	-	29,738	3,639	1,874	1,852	7,365	43	27	3	22	340,000	40,631	1,138,666	48	25	20	41.48	
New Bedford	201	825	101,777	10,383	3,403	2,521	16,307	429	44	23	496	180,000	17,644	7,363,178	144	49	85	75.82	
Newton	207	-	91,066	8,290	3,945	3,852	16,137	99	26	22	332	680,000	19,272	2,494,861	202	107	95	71.34	
Norfolk	208	690	4,656	654	462	226	1,142	5	5	2	24	28,000	1,294	4,461	47	28	19	47.68	
North Adams	209	851	19,195	2,074	594	826	3,494	34	10	-	236	80,000	4,217	1,354,076	68	28	38	62.48	
Northampton	210	-	29,664	2,407	1,173	949	4,429	74	13	14	101	160,000	29,575	1,115,114	84	32	22	68.96	
Northfield	216	750	2,631	310	-	271	581	10	-	-	8	22,000	639	34,429	89,582	42	24	14	41.58
Norwood	220	806	30,815	2,878	1,824	1,927	6,629	21	17	13	146	200,000	8,103	2,435,246	77	41	18	71.00	
Palmer	227	860	11,680	1,464	-	938	2,402	34	-	13	75	75,000	28,842	507,886	161	12	72	44.46	
Peabody	229	851	48,090	5,946	2,703	1,966	10,615	113	47	11	373	315,000	12,895	1,898,143	50	27	25	92.88	
Pittsfield	236	-	57,020	6,178	2,411	2,260	11,249	107	81	45	530	350,000	14,262	3,875,799	107	33	33	57.88	

City/Town	System Number	Region Number	Pop. 1970	Net Average Membership			Special Ed -			Voc. Total	Eq. Val. 73 / 74 (000 Omitted)	Eq. Val. 75 / 76 (000 Omitted)	SAC 10/1/72	Eq. Val. per SAC	Ch. 70 Aid 73 / 74	Total School General	Tax Rates 1973 - Full Value				
				Elem.	Junior	Senior	Total	Elem.	Junior	Senior	Total										
Plymouth	239	751	18,606	2,183	1,112	1,263	4,558	38	19	32	89	6	220,000	474,400	5,052	43,325	552,810	76	38	38	53.48
Princeton	241	777	1,681	349	-	145	494	17	-	-	17	1	13,500	19,700	547	24,680	156,690	44	30	14	44.00
Provincetown	242	315	2,911	219	203	208	630	4	8	3	15	-	66,000	87,200	638	103,448	97,101	54	21	33	31.60
Quincy	243	-	87,966	8,451	3,672	3,370	15,493	73	34	38	145	651	515,000	807,800	1,036	27,054	4,082,214	155	66	89	75.61
Revere	248	853	43,159	3,787	1,858	1,593	7,238	82	-	-	82	145	215,000	349,000	8,433	25,495	2,618,533	253	147	106	74.18
Richmond	249	-	1,401	211	83	88	381	2	-	-	2	15	7,500	23,400	384	19,531	107,391	136	104	22	59.84
Royalston	255	615/832	809	83	37	28	148	2	2	3	7	11	3,800	7,800	193	19,689	76,119	132	85	47	55.44
Salem	258	854	40,556	5,155	-	1,879	7,034	254	-	19	273	130	260,000	427,600	8,460	30,733	1,494,069	152	64	88	69.92
Salisbury	259	773/885	4,179	710	-	542	1,252	23	-	11	35	15	56,000	72,500	1,362	41,116	144,148	43	27	16	42.57
Seituate	264	873	16,973	2,917	968	1,526	5,411	51	4	7	62	69	125,000	205,800	5,744	21,611	2,047,527	67	31	36	61.02
Seekonk	265	-	11,116	1,718	513	827	3,058	30	9	12	51	-	75,000	145,100	3,271	22,929	1,145,964	32	21	11	32.00
Southwick	279	-	16,330	1,353	-	523	1,876	24	-	7	31	10	39,500	74,600	1,941	20,350	771,755	34	24	10	34.00
Spencer	280	767	8,779	921	523	582	2,026	12	-	-	12	46	45,000	63,300	2,284	19,702	757,826	47	24	23	42.77
Springfield	281	-	163,905	16,926	6,957	5,048	28,931	307	-	-	307	1155	600,000	950,000	38,585	17,105	14,254,490	74	34	40	73.76
Stoughton	285	872	23,459	3,566	1,049	1,816	6,431	79	8	11	98	128	159,000	232,500	6,876	23,124	2,016,180	47	29	18	47.00
Sturbridge	287	770	4,878	882	-	586	1,468	12	-	-	12	2	42,000	71,500	1,538	27,308	380,763	46	29	17	46.00
Sudbury	288	695/830	13,506	3,576	-	1,474	5,050	20	-	-	20	-	155,000	216,100	5,140	30,156	1,177,653	44	34	15	49.00
Sutton	290	805	4,590	542	-	576	1,118	5	-	1	6	40	20,000	46,500	1,236	16,181	492,775	120	83	37	68.48
Taunton	293	810	43,756	5,172	-	2,245	7,417	106	-	-	106	202	160,000	291,400	9,595	16,675	3,202,415	161	68	93	64.14
Templeton	294	720	5,863	737	-	726	1,463	19	-	16	35	3	22,000	35,700	1,550	14,194	824,931	58	33	25	46.48
Warefield	305	853	24,402	2,521	903	1,634	5,058	38	9	23	70	280	200,000	267,000	6,072	33,087	752,930	127	63	64	49.51
Waltham	308	-	61,582	5,760	2,667	2,504	10,931	152	-	-	152	196	560,000	692,500	12,407	45,136	1,603,146	44	23	21	34.42
Wareham	310	879	11,492	2,228	-	920	3,148	68	-	-	68	140	138,000	229,100	3,352	41,169	353,401	34	20	18	38.00
Wareham	320	675/854	3,849	389	155	303	847	40	-	-	40	-	38,000	55,800	1,016	37,402	114,165	37	23	14	35.61
Westfield	325	-	31,433	3,902	1,286	1,645	6,833	53	26	29	118	267	155,000	305,000	8,080	19,183	2,821,277	54	26	26	53.00
Westford	326	852	10,368	1,703	612	753	3,068	130	16	1	147	180	62,000	115,000	3,767	16,459	1,395,338	51	30	23	53.40
Weymouth	336	-	54,610	6,381	3,592	3,022	12,995	99	35	39	173	352	386,000	546,500	15,440	24,490	4,026,416	51	34	29	62.80
Williamstown	341	715/851	8,454	765	-	763	1,528	40	-	11	51	2	70,000	79,900	1,701	41,152	225,920	36	28	11	39.00
Woburn	347	853	37,406	4,299	2,356	2,021	8,676	64	15	8	87	117	240,000	406,300	9,885	24,279	2,765,341	117	49	68	61.00
Worcester	348	-	176,572	16,579	6,646	4,901	28,126	298	131	42	471	63	683,000	1,000,000	36,379	18,775	15,132,562	151	63	68	44.88

Column Explanations

Net Average Membership      The net average membership is the average membership for a given school year as shown by the school registers. It is adjusted to reflect students attending regional schools and students in a tuition status. The apparent inconsistencies in the data above under elementary, junior high, and senior high are caused by a lack of consistency in reporting. The "total" figures are accurate according to the school registers.

Eq. Val. 73-74  
(Equalized Valuation, 1973-74)      The equalized valuation of the aggregate property in a city or town subject to local taxation, as reported by the state tax commission to the General Court under the provisions of Section 10 C of Chapter 58 of the General Laws for the period indicated.

SAC (10 / 1 / 72)      School Attending Child as reported by the town on October 1, 1972. "School Attending Child" includes any minor child in any school kindergarten through grade twelve who is a resident in the city or town as reported by the superintendent of schools in accordance with the requirements of Section 2 A of Chapter 72 of the General Laws.

Eq. Val. per SAC (73-74)      Equalized Valuation per School Attending Child (1973 - 74) is the computed equalized property per school attending child as reported in the "Analysis of School Aid to Massachusetts Cities and Towns - Distribution Years 1973-74."

Ch 70 Aid (73 - 74)      State Aid to Education entitlement to the cities and towns under the provisions of Chapter 70 of the General Laws for distribution years 1973-74

Tax Rate 1973      Official tax rate per \$1000 assessed valuation for the 1973 twelve-month period of the 1973-74 transitional fiscal year in Massachusetts. The figure listed under the column "Full Value" is the estimated tax rate per \$1000 assessed valuation if all property in the state was assessed at 100 percent of its value.

Source of Data

- (1) Department of Education, Annual Report for the year ending June 30, 1973.
- (2) Massachusetts Teachers Association Research Bulletin 734-9 "Background Data for Massachusetts School Districts, 1973"
- (3) Department of Education, "Analysis of School Aid to Massachusetts Cities and Towns, Distribution Years 1973 - 74"
- (4) State Tax Commission proposed equalized valuations for the period 1974 - 76 (as amended by the Appellate Tax Board)

APPENDIX F

MODEL SCHOOL AID PROGRAM

## MODEL SCHOOL AID PROGRAM

The school aid program described in this model would combine the existing aid programs currently funded under the following areas:

General Aid	Chapter 70
Special Education	Chapter 69 and 71
Transitional Bilingual Education	Chapter 71 (A)
Vocational Education	Chapter 74

The state aid percentage for funding public education would increase to 50 percent after five years. The transition to this level would be enacted as follows:

Year 1	35	percent
Year 2	38	percent
Year 3	42	percent
Year 4	46	percent
Year 5	50	percent

Cities, towns, and regional school districts would receive state aid for reimbursement of normal operating expenses according to the following formula:

$$1.0 - \left[ .65^* \frac{\text{Equalized Val. / SAC local}}{\text{Equalized Val. / SAC state}} \right] \times \frac{\text{Sum of Weighted Pupil Units}}{\text{State Average - Per Pupil Cost}} \times$$

\*Note: This percentage would change in each of the succeeding years -  
 Year 2 (.62), Year 3 (.58), Year 4 (.54), Year 5 (.50)  
 to reflect the gradual increase of the state's share to 50 percent of the normal operating cost of the local schools.

The term "weighted pupil units" in the model formula refer to cost differentials for a number of differing types of educational program. For purposes of this model, the cost of providing a unit of instruction for a single pupil in grades 1 through 6 is established as 1.0. Other types of "pupil unit" are weighted in terms of full-time equivalent as listed below:

<u>Type of Program</u>	<u>Weighted Per Unit</u>
Regular Day, Basic Elementary Grades 1-6	1.00
Regular Day, Grades 7 - 9	1.25
Regular Day, Grades 10 - 12	1.35
Kindergarten	1.25
Special Education	
Integrated Programs	2.50
Substantially Separate	3.50
Tuitioned Out - Day Programs	5.00
Residential placement	6.00
Bi-Lingual	1.40
Vocational Training	2.10
Occupational Training (Approved Programs)	1.60
Continuing Education	.20
Programs for Disadvantaged Students (Title I definition)	.30

(Note: The weighted pupil units in this model are "best judgments" of the current full-time equivalent costs and are based upon data available in the Department of Education's Annual Report for the period ending June 30, 1973. We have recommended that up-dated equivalents based upon current cost differentials for the categories listed above be established by the Department of Education bi-annually.)

For purposes of this model, \$1000 is established as the "state average - per pupil cost." This is the approximate state average expenditure for regular programs - all categories - on a full-time

equivalent basis for the 1972-73 school year. In future years, this state average would be based upon the most current year's state average expenditure.

This model operates under the assumption that no city or town will receive less total state educational aid than it did in the fiscal year immediately preceding the enactment of a new state aid formula.

### Example of Model Aid Computation

$$\text{Aid} = 1.0 - .65 \frac{\text{Eq. Val/SAC local}}{\text{Eq. Val/SAC state}} \times \frac{\text{Sum of Weighted Pupil Units}}{\text{Pupil Units}} \times \$1000$$

### Andover

$$\text{Aid} = 1.0 - .65 \times \frac{32399}{25551} \times \frac{\text{Sum of Weighted Pupil Units}}{\text{Pupil Units}} \times \$1000$$

### Sum of Weighted Pupil Units

<u>Program</u>	<u>No. of Students</u>	<u>Weight</u>	<u>Weighted Pupil Units</u>
Reg. (1 - 6)	2790	1.0	2790.00
Reg. (7 - 9)	1519	1.25	1898.75
Reg. (10 - 12)	1381	1.35	1864.35
Kindergarten	558	1.25	697.50
Sp. Ed. - Int	40	2.50	100.00
Sp. Ed. - Separate	12	3.50	42.00
Sp. Ed. - Day	12	5.00	60.00
Sp. Ed. - Residential	4	6.00	24.00
Vocational	59	2.10	123.90
Occupational	110	1.50	165.00
Cont. Education	450		0.00
Bi-Lingual	0	1.40	0.00
Disadvantaged	167	.30	50.10
Total			\$7916.60

$$\text{Aid} = .164 \times 7916.60 \times \$1000$$

$$\text{Aid} = \$1,298,322$$

Compared to Existing Aid Entitlements

Chapter 70 Aid (1974)	\$1,043,809.46
Special Education Aid (1973)	162,454.00
Aid to Vocational Education (1973)	<u>3,851.00</u>
Total	\$1,210,114.46

(Note: The above computation incorporated the 1973-74 Equalized Valuation per School Attending Child figures. If the proposed 1974-75 figures are used the aid under this model would be approximately \$50,000 more. The exact figure here is impossible to project until all up-dated data is available.)

Model School Aid Program  
Effects of School Aid Formula on  
Selected Communities

City / Type	Aid Percentage	Sum of Weighted Popul Units	State Aid Projected - Year 1	Chapter 70	State Aid Special Education	1973		Total
						State Aid	74	
						1973	74	Total
Albany	16.4	\$ 7,916.60	\$ 1,298,322.00	\$ 1,043,809.46	\$ 162,454.00	\$	3,851.00	\$ 1,210,114.46
Albany	57.9	118,212.60	68,445,095.00	52,880,673.79	3,169,832.00	3,399,620.00		59,150,125.79
Albany, City	55.0	10,646.75	4,045,765.00	2,545,588.46	166,203.00			2,711,796.46
Albany, Sub	59.0	8,562.15	1,254,801.20 (1)	1,037,554.20	156,449.00	60,801.00		1,714,304.20
Albany, Town	69.0	5,352.90	774,509.75 (1)	645,939.75	126,845.00	1,725.00		777,309.75
Albany, Total	59.2	21,392.00	11,808,384.00	7,363,178.30	470,630.00	588.00		7,833,376.30
Albany, State	37.6	15,016.00	5,646,016.00	3,875,709.11	308,614.00	422,841.00		4,607,164.11
Albany, Sub	56.6	38,106.60	21,568,355.00	14,259,490.34	29,200.00	712,686.00		15,001,376.34
Albany, Town	41.6	10,647.60	4,965,081.00	2,755,341.17	41,074.00			2,806,419.17
Albany, Total	52.2	35,438.10	18,534,126.00	15,152,502.30	710,821.00	15,110.00		15,863,433.30

\* at 45% - Year 1  
 (1) Safe Harbors - Guarantee of state aid funds at the same level as the preceding fiscal period.

APPENDIX G

LIST OF FOLLOW-UP INTERVIEWS

In an area as specialized as school finance and aid to cities and towns, there are a limited number of individuals who have the technical understanding of all facets of the subject. There are, however, a rather large number of individuals and groups who have influence on the political decisions and compromises that would go into any revision of existing aid programs. Taking the raw data from early returns of the questionnaire, personal interviews were scheduled and conducted with a sampling of individuals having either a vested interest in the funding of education in the state or who were perceived (or identified by other interviewees) as being influential in the process of legislative revision.

The interviews were open-ended and conducted without the verbatim recording of responses. An early goal was to have about twenty-five interviews. As the list grew by referrals from one individual to another, the author finally decided to include background material and responses from thirty-seven of the interviews. An additional eight interviews were conducted but the individuals either had little to add to our study or were very reticent to be identified in print or by inference. Where it was not possible to clearly identify these individuals, it was decided to not include them in the list of interviews.

The broad categories for the interviews were identified on page 65 of the basic study. At least one interview was conducted with someone whose interest or profession was identified in each of those categories.

List of Follow-up Interviews

As the questionnaires were being tabulated, a series of interviews were conducted with the individuals listed below. The criteria for selecting these individual was rather informal. Some have special expertise in the area of school finance, some are articulate leaders of advocate and interest groups, some are political leaders and/or members of their staffs, and some are individuals known to have a sound background in the whole area of education and/or finance. The focus of the interviews was outlined on pages 63-68 of this study.

Walter J. Boverini, Senate Chairman, Education Committee,  
February 24, 1975

John Callahan, Analyst, Advisory Commission on Intergovernmental Relations, February 17, 1975

Robert T. Capeless, Attorney and Member, Master Tax Commission, May 16, 1974

Alton Cavicchi, Massachusetts Association of School Committees, January 16, 1974

Rose Claffey, Executive Secretary of the Massachusetts Federation of Teachers, August 8, 1974

Muriel Cohen, Education Editor, Boston Globe, August 22, 1974

James G. Collins, House of Representatives and Chairman, Special Commission on Unequal Educational Opportunity, February 24, 1975, and a number of subsequent informal interviews

Constance Cox, Chairperson of the Educational Advisory Council for the Massachusetts League of Women Voters, November 13, 1974

Joseph Cronin, Secretary of Educational Affairs, Commonwealth of Massachusetts, November 13, 1974

- John J. Curran, President of the Bay State Savings Bank and Member of the Executive Committee of the Massachusetts Taxpayers Foundation, December 10, 1974
- Michael J. Daly, House Chairman, Education Committee (now Deputy Commissioner of Education, Commonwealth of Massachusetts), November 22, 1974
- Evan Dobbelle, Mayor of Pittsfield, February 23, 1975
- Sean Dunphy, Mayor of Northampton (now Presiding Justice of The Hampshire County Probate Court), November 13, 1974
- Kurt Durrschmidt, Educational Psychologist, Nicholls College, January 12, 1975
- Donald Dwight, Lieutenant Governor, Commonwealth of Massachusetts, November 22, 1974
- William Dwyer, Superintendent/Director of Blue Hills Regional Vocational High School and President, Massachusetts Association of Vocational Administrators, August 8, 1974
- K. Dun Gifford, Chairman of Massachusetts Common Cause, May 22, 1974
- Romona Hilgenkamp, Executive Office of Educational Affairs, Commonwealth of Massachusetts, October 16, 1974
- George Hill, Executive Secretary, Massachusetts Association of School Superintendents, July 18, 1974
- James A. Kelly, Chairman of the Senate Ways and Means Committee, November 22, 1974
- John F. Maloney, Superintendent of Schools, Oxford, Massachusetts, July 31, 1974
- Paul M. Mitchum, Superintendent of Schools, Chatham, Massachusetts, August 6, 1974
- Robert H. McClain, Jr., Staff of the Speaker of the House of Representatives (now Undersecretary, Executive Office for Administration and Finance, Commonwealth of Massachusetts), November 22, 1974, and November 17, 1978
- Frank Nolan, President of the Massachusetts Federation of Teachers, May 6, 1974
- Vincent Nuccio, Chairman of the Legislative Committee for the Massachusetts Association of School Committees, April 18, 1974



