

# Paying for Public Schools

## Financial Challenge to Southern Governments

Education is a process through which we acquire facts, skills, and sometimes even wisdom. It begins at birth, goes on in school, and continues throughout life in one form or another. The knowledge absorbed through formal instruction in public elementary and high schools is only part of our education but often it may be a crucial part. For some, this instruction may be their only exposure to organized thought; for others, it may stimulate or discourage further study in particular subject-matter areas. Public education, therefore, is of paramount importance to all, since it may influence the direction in which our lives are started and may play a large part in determining our future.

The importance and desirability of a public education system of high quality is generally accepted by parents, governments, and just about all other segments of our society. As a concept, education is as unassailable as motherhood and the flag. Unlike these other totally endorsed symbols, however, public education is something that must be bought and paid for. Taxpayers and governments are becoming increasingly conscious of this as ever-higher levels of spending are required to keep up with existing school needs.

### The Size of the Financial Load

Current and capital spending for public elementary and secondary schools by state and local governments that lie wholly or partly within the Sixth Federal Reserve District—Alabama, Florida, Georgia, Louisiana, Mississippi, and Tennessee—amounted to about \$1.2 billion for the school year ending 1959, more than twice the amount spent in 1950. Current expenditures—spending to finance daily school operations—have risen sharply and steadily in recent years and, in an average year, account for about

80 percent of total spending. Capital outlays for school sites, buildings, and equipment vary much more from year to year than current expenditures because they are to some extent postponable. Despite year-to-year variations, however, there has been a definite upward trend in capital outlays in most District states.

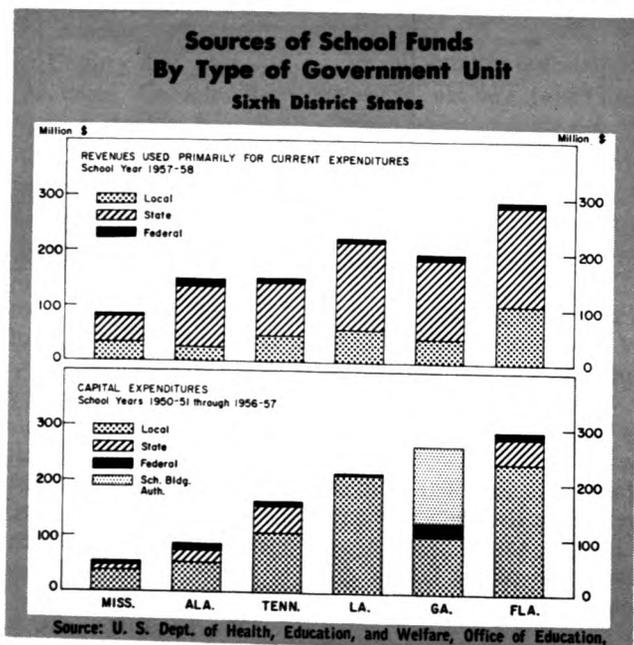
The rate of increase in total spending for schools since 1950 has varied considerably by District state. There have been developments common to many states, however, which have stimulated an ever-increasing volume of spending. The clamor to upgrade the quality of education by raising standards of teaching, expanding curricula, and improving facilities and the rising school costs associated with an increase in the general price level have created pressures for more spending in all District states. In addition, increases and shifts in population, particularly in Florida, Louisiana, and Georgia, have made the financial burden of these states even heavier. How to pay for an expanding public education system is a question many state and local government officials are pondering over.

### Sources of Funds

State governments are bearing the major share of current school expenditures in all District states. Estimates of revenue for all public elementary and secondary schools in District states for the school year 1957-58 indicate that state governments accounted for 66 percent of all revenue; local municipalities and the Federal Government accounted for 29 percent and 5 percent, respectively. Funds from state and Federal sources are grants provided through appropriations by state legislative and national boards from their respective tax sources. School funds from local sources are derived chiefly from property taxes.

Alabama, Georgia, and Louisiana state governments each accounted for about 70 percent of total school revenue in the school year 1957-58; the Tennessee and Florida state governments made up 60 percent, and the Mississippi state government accounted for only 55 percent of total school revenue. The share of school revenue derived from District state governments was much greater than in most other states throughout the nation. Thirty-seven state governments provided a smaller proportion of total school revenue in 1957-58 than any District state, with shares ranging from 7 percent in Nebraska to 53 percent in Texas. The greater reliance outside the South on local governments as a source of school revenue implies a property base of higher value or a tradition of higher assessment rates in relation to market value of property or both.

In states inside and outside the District, however, there appears to be a definite trend toward greater reliance on state governments as a source of school revenue. Over the two decades 1937 to 1957 the proportion of total school revenue from state sources throughout the nation increased from 30 percent to 41 percent; the proportion from Federal sources increased from 1 to 3 per-



cent, and the proportion from local sources declined from 69 to 56 percent.

Funds for capital outlays, in contrast to current expenditures, are provided primarily from local sources. Of the more than \$1.0 billion of capital outlays made by governmental units in District states during the period 1950-57, almost 70 percent represented expenditures by local governments financed mainly through the sale of bonds. Each District state relied primarily on local financing except Georgia, which made extensive use of the device of school building authorities. Capital spending in individual states was closely correlated with increases in school enrollment and ranged from \$54 million in Mississippi to \$294 million in Florida.

### A Pertinent Question

The increase in spending in southern schools in recent years has been associated with the need to provide a better education for a larger number of students. States outside the South have also been working and spending to raise public education standards. Therefore, a pertinent question to ask ourselves is, Where do we stand now? How does spending for schools in the South compare with that in other states, and what do such differences as may appear imply about differences in the quality of education?

Sixth District states were spending less per pupil in 1958-59 than the national average, as measured by average current expenditures per pupil in average daily attendance. The average amount spent per pupil in District states ranged from \$164 in Alabama to \$330 in Louisiana, compared with an average of \$340 for the nation.

Part of the variation in the average current expenditure per pupil among states reflects differences in teachers' salaries. The average salary for teachers in Florida and Louisiana is somewhat above the national average of \$4,775. Average salaries in the other four District states are substantially below the national average, and range from \$3,575 in Tennessee to \$3,885 in Alabama.

Variations in average expenditures among states are not, of course, synonymous with differences in the quality of education, because of differences in the abilities of instructors, curricula, and facilities. Quality of education is a rather intangible concept which cannot be precisely quantified. Nevertheless, differences in average expenditures, and particularly differences in teachers' salaries,

raise some questions that should not be ignored. Perhaps the major question is whether states in which teachers' salaries are substantially lower than the national average can retain and attract instructors of a caliber essential to an education system of high quality.

### States' Ability to Pay

Although the average current expenditure per pupil in District states still lags behind the average for the nation, intensive efforts have been made to catch up. Mississippi, for example, which was the second lowest state in terms of average expenditures in 1958-59 had, nevertheless, increased expenditures at a faster rate than any other state in the nation over the last decade. Mississippi's performance in terms of "rate of increase" is typical of the other District states.

Efforts to raise the average expenditure per pupil in District states closer to the national level are hampered because the District has a larger number of children to educate in relation to population than the nation as a whole and has a smaller income base from which to obtain school revenue. School enrollment as a percent of civilian population in Georgia, for example, was higher in 1957-58 than in any other state in the nation and in all other District states was higher than the national average. Per capita District income, however, amounted to \$1,511 in 1958, compared with \$2,057 for the nation; it varied considerably among District states moreover, ranging from \$1,053 in Mississippi to \$1,876 in Florida.

The ability of governments to spend on schools or to provide any other public services is closely related to the income and wealth of the state. Thus, even though District states in the aggregate have spent a larger share of their total income on schools than the nation, their average expenditure per pupil has been smaller.

### Pressures for Spending Continue

It would appear that District governments must continue to run fast just to keep up with the needs of an expanding school population. If Census projections are on the mark, the District school population, children between the ages of 5 and 17, will rise about 17 percent between 1957 and 1963, with particularly sharp increases forecast for Florida, Louisiana, and Georgia. School problems would, of course, be further complicated by a continuation of the movement of families from rural to metropolitan areas, and pressures for additional improvements in education programs.

Where will the funds needed to finance an expanded school program come from? Can we ask a generation of youngsters to wait for a better education until the South's economic fortunes improve further? Or, should taxpayers and governments count the cost of the education program they want and make sacrifices necessary to attain it?

The ideological values of the democratic and communist systems are now being heatedly debated on the world stage. We must be prepared not only to defend our way of life intellectually, but to take the offensive. And to do battle in the world of ideas requires a well-informed, educated population.

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