

PUBLIC SCHOOL FINANCE PROGRAMS IN THE SOUTHERN REGION  
OF THE UNITED STATES: 1986-87

by

Christina M. Dawson

Dissertation submitted to the Faculty of the  
Virginia Polytechnic Institute and State University  
in partial fulfillment of the requirements for the degree of

DOCTOR OF EDUCATION

in

Educational Administration

APPROVED:

---

Richard G. Salmon, Chairman

---

David J. Parks

---

Wayne M. Worner

---

Steve R. Parson

---

Lloyd D. Andrew

---

Victoria R. Fu

July, 1987

Blacksburg, Virginia

1-16-87 10-21-87

PUBLIC SCHOOL FINANCE PROGRAMS IN THE SOUTHERN REGION  
OF THE UNITED STATES: 1986-87

by

Christina M. Dawson

Committee Chairman: Richard G. Salmon

Educational Administration

(ABSTRACT)

This study describes the current status of the state aid programs in the Southern Regional Education Board (SREB) membership: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia. The financing of educational programs in the SREB states in 1986-87 was compared to the financing of educational programs in 1978-79.

When making decisions concerning funding and program design for public elementary and secondary education systems, state legislators and education interest groups often compare the information available from other states to the proposals for their particular state. If other states have enacted similar proposals

or have considered them and not implemented them, the inquiring state will use this information to guide the decision-making process.

American Education Finance Association (AEFA) members physically located in the states were recruited to provide a detailed description of their respective public school finance programs. When AEFA members were not available, the chief school officer was asked to provide the description. The information in the descriptions was verified by each state's school finance office.

A portion of the funds supporting change efforts flowed through traditional school finance formulae. Many of the states expanded basic funding and categorical programs. Much of the funding for new efforts was allocated outside of the equalization formulae used to provide the bulk of school support.

## ACKNOWLEDGEMENTS

The completion of a doctoral program is both exhilarating and saddening. This author is pleased with her accomplishment but slightly troubled at the closing of this episode of her life. A number of people have had active roles in making the pursuit of a doctorate a surprisingly pleasant endeavor.

I would like to thank Dr. David Parks for getting me into this; his understanding, encouragement, and friendship have kept me going when I felt like quitting. Dr. Richard Salmon offered me a great opportunity this past year, and I truly appreciate his trust and friendship. Dr. Victoria Fu has seen me through the majority of my academic career, and although she may have thought I would never finish, she didn't let me give up. Drs. Wayne Worner, Loyd Andrew, and Steve Parson have also played important roles in making both my classwork and my time spent in the division interesting and enjoyable. My thanks to all.

My friends also provided great support and shoulders to cry on when needed; we also had great fun. Thanks to the members of Pi Pi Beta Mu and to \_\_\_\_\_ and everyone! Thanks especially to \_\_\_\_\_ for all her help: her typing, her patience, and her ability to keep me straight. If I have left anyone out, please forgive me.

Thanks also go to my husband for keeping me honest and for helping me pay for all of this. Ask me this Friday so I can tell you I am finished!

## TABLE OF CONTENTS

	<b>Page</b>
Abstract	ii
Acknowledgements	iv
List of Tables	viii
List of Figures	ix
<b>CHAPTER 1 INTRODUCTION</b>	<b>1</b>
Purpose of the Study	3
Research Questions	4
Definition of Terms	4
Background	7
Data Collection & Analysis	9
Overview of the Dissertation	11
<b>CHAPTER 2 REVIEW OF THE RELATED LITERATURE</b>	<b>12</b>
Change and the Financing of Education	12
State School Finance Plans	16
The Evaluation of State Finance Plans	19
Program and Organizational criteria	19
Financial Criteria	20
Classification of Funds	21
Evaluating Taxation	22
<b>CHAPTER 3 PRESENTATION OF THE DATA</b>	<b>25</b>
1986-87 Status of State School Finance Plans	25

	<b>Page</b>
Alabama	25
Arkansas	26
Florida	28
Georgia	29
Kentucky	30
Louisiana	31
Maryland	31
Mississippi	32
North Carolina	33
Oklahoma	33
South Carolina	34
Tennessee	36
Texas	36
Virginia	38
West Virginia	39
The Southern Region	40
School Finance System Changes in the Southern Region	41
Funding Changes	41
Equalization Changes	49
Taxation Changes	52
Control Changes	56

	<b>Page</b>
<b>Appropriations for Selected Purposes</b>	<b>57</b>
<b>Summary</b>	<b>58</b>
<b>CHAPTER 4 DISCUSSION, CONCLUSIONS, AND IMPLICATIONS</b>	<b>60</b>
<b>Discussion</b>	<b>61</b>
<b>Conclusions</b>	<b>66</b>
<b>Implications</b>	<b>68</b>
<b>Limitations of the Study</b>	<b>69</b>
<b>REFERENCES</b>	<b>70</b>
<b>APPENDIX A</b>	<b>74</b>
<b>VITA</b>	<b>84</b>

## LIST OF TABLES

	Page
Table 1 Enrollments for Public Schools	42
Table 2 State Appropriations for Public Schools (current dollars)	43
Table 3 State Appropriations for Public Schools (constant dollars)	44
Table 4 State Appropriations for Public Schools Per Pupil (current dollars)	46
Table 5 State Appropriations for Public Schools Per Pupil (constant dollars)	47
Table 6 State Contributions to State and Local Revenues	48
Table 7 Percentage of State Funds Distributed Through Equalization Formulae	50
Table 8 State Tax Structure	53
Table 9 Local Tax Structure	54
Table 10 Overall Tax Structure	55
Table 11 Summary of Change Activity	62



## LIST OF FIGURES

	Page
Figure 1 State Participation in Educational Change Activities	65

# **Chapter 1**

## **INTRODUCTION**

Systems of school finance are designed to accomplish certain broad objectives and to respond to the history, the economics, and the political issues of each state. Each public school finance system reflects a balance among the following competing factors: state support and local support, statewide equity and local control, basic services and special services, personnel costs and nonpersonnel costs, reimbursement of districts for actual expenditures and the provision of incentives to improve quality or efficiency, current expenditures and capital expenditures, support of public and private schools, and support of elementary/secondary education and higher education (Augenblick, 1984).

School finance policy may be considered as a set of three sub-policies: revenue policies which prescribe the sources from which school funds are derived; expenditure policies which prescribe the purposes, functions, and distribution criteria for state educational expenditures; and governance policies which prescribe the division of authority between states and localities (Brown & Elmore, 1982). The way in which revenue, expenditure, and governance issues are

addressed in school finance measures is determined by the extent of tax and expenditure inequities, by the legal and fiscal constraints under which policy makers operate, and by the mix of interest groups represented. The combination of these factors is unique to each state, and their relative influences determine the content of the measures.

When educational reform appears on the political agenda, certain limits are set on what constitutes a reasonable proposal. Those limits are determined by the existing laws, the amount of money available, the interest groups whose preferences must be taken into account, and the existing disparities in tax effort, wealth, and expenditures (Brown & Elmore, 1982). School finance systems are not merely mechanisms for raising and distributing revenue; they are ways of expressing the states' political and administrative roles in education. They are also the articulation of political compromise.

When making decisions concerning funding and program design for public elementary and secondary educational systems, state legislators and educational interest groups often compare the information available from other states to the proposals for their particular state. If other states have enacted similar proposals or have considered them and not implemented them, the inquiring state will use this information to guide the decision-making process. Having an accurate and readily available data source from which to gather this information is critical to timely responses when planning to address the educational needs of the state.

### **Purpose of the Study**

From the mid-1960s through the 1970s the most comprehensive technical description of individual state public school finance systems was the Public School Finance Program Series, published initially by the United States Office of Education. Legislators, researchers, students, and citizens found this series a valuable resource in the conduct of research projects, policy analysis, and policy formation. The United States Department of Education ceased publication of the Public School Finance Program Series in 1980; since that time there have been many requests to resume publication. The American Education Finance Association has funded the republication of this series commencing with the 1986-87 edition. For the first time in nearly a decade, school finance program data will be available on a state-by-state basis. Ten Canadian provinces will also be included in the new series. This dissertation focused on the school finance programs in the states in the southern region of the United States.

The purposes of this study were:

- 1) to describe the current status of state aid programs in the Southern Regional Education Board (SREB) membership: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia;
- 2) to describe the changes in state aid programs in the SREB states from 1978-79 to 1986-87; and

- 3) to describe the current status of state aid programs in the southern region in the context of the educational reforms of the last decade.

### **Research Questions**

What is the current status of the financing of educational programs in each of the Southern Regional Education Board member states and in the region as a whole?

How does the financing of educational programs in 1986-87 differ from the financing of educational programs in 1978-79?

### **Definition of Terms**

Equity. Equity refers to the fairness, impartiality, justice, efficiency, effectiveness, uniformity, and objectivity of economic or educational distributions.

Flat grant. A formula in which a fixed amount per unit is provided regardless of local education agency (LEA) fiscal capacity. It may be weighted or unweighted.

Unweighted grant. A formula that provides a fixed amount per funding unit regardless of variation in educational need or cost of services to the LEA.

Weighted grant. A formula that provides for variation in educational need and cost to the LEA by varying the amount per funding unit.

Fiscal capacity. The ability of the local school district to generate tax revenues for supporting public education, often measured in terms of property values.

Tax. A tax is a compulsory payment by a person to a government for the purpose of providing for the general well-being of society.

Minimum foundation program. This formula allows LEA fiscal capacity to be considered when allocating funds to ensure a minimum level of funding for education in each LEA as follows:

$$S_i = P_i F - r V_i;$$

where  $S_i$  = state equalization to the  $i$ th district;  $P_i$  = pupils in the  $i$ th district;  $F$  = foundation program dollar value;  $r$  = mandated tax rate; and  $V_i$  = assessed valuation of property of the  $i$ th district. The state contribution equals the cost of the foundation program less revenue collected through a uniform local tax levy.

Percentage equalizing formula. A formula in which the state allocation is a percentage cost of education, adjusted for LEA fiscal capacity.

$$S_i = ADM (1 - CxV_i/V_s)E_i;$$

where  $S_i$  = state aid to the  $i$ th district;  $C$  = constant arbitrarily selected having a value between 0 and 1.0;  $V_i$  = assessed valuation per pupil in the  $i$ th district;  $V_s$  = assessed valuation per pupil in the state; and  $E_i$  = educational expenditure level selected in the  $i$ th district. An equalization grant allocates state funds in inverse proportion to LEA fiscal capacity.

Matching formula. A formula in which the state pays a percentage of LEA expenditures for education with no consideration of LEA fiscal capacity.

Tax effort. The extent to which a state utilizes its fiscal or tax capacity to support public schools. Often tax effort is determined by calculating the relationship between state and local revenue or expenditures and the state's tax capacity.

Basic aid. The formula allocating the major portion of state aid to the general education program.

Categorical aid. Also referred to as a targeted assistance program, state aid that is designed specifically for a special educational purpose is allocated through a separate formula from other education funding.

Appropriations. Money allocated by either a state or local government for educational programs.

Average daily membership. A method of counting pupils in which the number of pupils eligible to be considered as members is counted and averaged.

Average daily attendance. A method of counting pupils in which the number of pupils in attendance at school over a specified period of time is counted and averaged.

Fiscally dependent school districts. Districts whose funds for school operation are provided by a separate governmental body.

Fiscally independent school districts. School districts who are given legal power to raise funds required for operation.

Progressivity. The extent to which a tax is levied based upon the taxpayer's ability to pay.

## **Background**

Over the last thirty years numerous efforts have been made to improve schools. In the late 1950s, efforts focused on desegregation, curriculum development, and teacher training. In the 1960s, programs for special high-cost pupil populations were implemented. In the 1970s school finance reform dominated the attention of policy makers. Each of these movements was stimulated by specific events. The Brown case of 1954 stimulated the effort to integrate the schools. The passage of the Elementary and Secondary Education Act in 1965 stimulated interest in, and a significant response to, the concerns of pupils with special needs. The Serrano case of 1971 initiated the school finance reform movement. School finance programs were required to provide for the equitable distribution of the fiscal burden for education as well as for the equitable distribution of educational opportunity. The release of A Nation at Risk in 1983 served as the stimulus of the recent educational reform effort.

Each of these movements evolved in a particular social and economic context. Each was buffeted by other events such as the launching of Sputnik in 1957, the civil rights movement of the 1960s, the tax limitation and competency testing movements of the 1970s, and the poor fiscal condition of the states coupled with the withdrawal of federal fiscal support in the early 1980s. While each of these movements focused on a particular aspect of the educational system, all had to deal to some extent with school finance systems because all increased the cost of education and all required that resources be redistributed.



Williams (1979) stated that the southern states had made much progress in educational reform, but that there was still a long way to go. She argued that the southern region had been slow in fiscally supporting its constitutional and other commitments to education. She also charged that the minimum foundation programs in the South had been amended until they were difficult to understand and to administer. Williams recommended that the southern states make a greater overall investment in their educational programs.

A combination of factors within the past five years had created a powerful incentive for political leaders to act upon educational reform (McDonnell & Fuhrman, 1986). The first was the direction and intensity of citizen opinion: although criticism of the schools was high in 1983, the public believed that education could be improved and appeared willing to pay for such improvement. This support was quite consistent across political parties and age groups, and it included people without children in public schools (McDonnell & Fuhrman, 1986). In South Carolina respondents were asked if they would be more or less likely to vote for legislators who supported a tax increase to improve the quality of public education. Seventy-five percent of those who responded indicated that they would be more likely to vote for such legislators (South Carolina Governor's Office, 1983). The business elite were also concerned about the quality of education in this country based upon their concern about competition in world markets (McDonnell & Fuhrman, 1986). The effect of this combined pressure was to provide strong support for policy makers who wished to initiate educational reform and to make it difficult for those who tried to ignore the issue.

Educational reform appeared as a major story at least once in every national newsmagazine in the early 1980s, and the condition of the public schools was highlighted in numerous television programs. National associations that represented state policy makers, including the Education Commission of the States, the National Conference of State Legislatures, and the National Governors' Association, played a critical role in recommending specific policy directions, translating research into information policy makers could use, providing technical assistance in formulating legislation, and publicizing states that had already formulated reform agendas (McDonnell & Fuhrman, 1986). Just as the media focused attention on the educational reform issue, these organizations provided needed expertise and incentives for state policy makers based upon the support of professionals across the country.

### **Data Collection & Analysis**

There are fifteen states included in the southern region as served by the Southern Regional Education Board: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia. The public school program data for 1986-87 for these states was used to analyze how the states funded education. Included in the analysis were the funding for general education and for special categories. The analysis covered types of grants-in-aid provided to localities by states, types of funding formulae, funding structures,

total appropriations, state contributions (in dollar amounts and by percentages) to the state/local school revenue, and the existing tax structures.

American Education Finance Association members located in the states were recruited to provide a detailed description of their respective public school finance programs. When AEFA members were not available, state school finance officers were asked to provide the descriptions. The information in the descriptions was verified by each state's school finance office.

The public school program data for the fifteen states as provided in Public School Finance Programs, 1978-79 were analyzed and compared with the 1986-87 data. The questions addressed were:

1. what differences existed in the dollar amounts of appropriations (actual and adjusted dollar amounts were analyzed, as were total appropriations and appropriations per pupil);
2. what differences existed in the state contributions in dollar amounts and in percentages to state/local school revenues;
3. what differences existed in legislated tax structures and types of state grants used which might indicate changes in pupil and taxpayer equity;
4. what differences existed in the balance of state and local control as evidenced by state grant structure and state mandates;
5. what differences existed in appropriations for selected purposes (early childhood education, gifted and talented, at risk, and other items of interest were addressed)?

## **Overview of the Dissertation**

This dissertation is presented in four chapters. The first chapter has introduced the subject area, defined important terms, provided a statement of the purpose of the study and the research questions addressed, and outlined the data collection and analysis procedures.

A review of related literature is presented in Chapter 2. Included in the chapter are a discussion of change and the financing of education, a brief history of the development of state school finance plans, and a description of the method used to evaluate school finance plans.

Chapter 3 describes the current status of the state school finance programs and presents the results of the data analysis. Chapter 4 includes a discussion of various aspects of the study, the implications and conclusions derived from the investigation, and suggestions for further study.

## **Chapter 2**

### **REVIEW OF THE RELATED LITERATURE**

This review is divided into three sections. The first section describes the background of change within which the financing of education will be discussed. The second section gives a brief history of the development of state school finance plans. The third section describes the process used to evaluate school finance plans.

#### **Change and the Financing of Education**

The financing of public schools is embedded in a societal matrix. Larger social and economic forces, such as the size and distribution of populations and the political context within which decisions are made, influence the amount of money appropriated for schools.

The decade of the 1970s produced a \$23 billion growth in educational expenditures despite a downturn in enrollment (Kirst & Garms, 1980). This impressive fiscal growth was deemed unlikely to be continued in the 1980s. Shifting social and demographic patterns placed education in a weakened

political bargaining position for funding increases in the early 1980s (Kirst & Garms, 1980). Disillusionment with professionals in general and with educators in particular became popular at the end of the 1970s. The demand for accountability began to grow. Public institutions were expected to be more responsive to forces outside their usual coalitions.

Patterns of migration had seen the industrial northeastern and north central states lose population to the southern and western states. It was difficult to predict whether these regional population shifts would overbalance general declines in the school age population in the South (Kirst & Garms, 1980).

The number of people with a direct stake in education was declining. Although enrollments were increasing in Hispanic and low income groups, these groups traditionally have had little political influence. The older population was increasing dramatically, and older Americans had been more likely to vote than had members of any other group. Older voters also had been more likely to vote against increased school funding. Nearly one-half the population over sixty-five never attended high school (Katz, 1976). The elderly had been more likely to own homes than had child-bearing age groups, and they recognized the direct impact of local school expenditures on their property taxes (Kirst & Garms, 1980). Education faced increased competition for funding from the elderly and their needs for services. Educators were advised to form coalitions and include allies such as child care and child health advocates so forces for children's services would present a united request for action and funding. It was predicted that

political activity would focus at the state level and that fiscal outcomes would depend on state-by-state developments (Kirst & Garms, 1980).

Burrup and Brimley (1982) reviewed the school finance reforms of the 1970s and made predictions concerning the future of such reforms in the 1980s. Further improvements in financing practices were deemed necessary in all states. Even after the extensive revisions of the 1970s, some state finance programs did not comply with prevailing educational finance theory. Obsolete and unfair methods of obtaining and allocating funds still discriminated against poorer school districts, and some school systems still did not provide for equitable and adequate services for students. An important outcome of the school finance reform movement, however, was the building of a coalition of divergent groups who worked with enthusiasm and apparent success in improving the quality of the educational financing systems of the various states (Burrup & Brimley, 1982).

School financing reform did not result in a perception that schools were performing adequately (Sherman, Tron, & Williams, 1983). The public and the policy makers shifted their attention from equity to excellence. The reform movement of the 1980s reflected this new emphasis.

For the school reforms of the 1980s and the financing decisions accompanying them, the policy-making system continued to expand beyond the actors typically involved in routine school finance decisions. The action was substantially removed from the usual legislative arena, and strong governors and business leaders assumed central roles. Business leaders saw that they had a stake in school reform for a number of reasons, including the need for an

adequately prepared workforce. Political leaders perceived the possibility for political gain. Some governors, particularly those in states with school systems poor in quality and finances, understood the critical importance of education for the economic development of their states. The crisis perception encouraged by A Nation At Risk generated many policy alternatives and made education a media event. Extensive changes in educational systems were politically possible for the first time, particularly in the southern states (Inman, 1987). The southeastern states were behind other states at the beginning of the reform movement and could use reform to close the gap.

Sherman, Tron, and Williams (1983) evaluated public school funding prospects for each of the fifty states. An index of educational need--based upon counts from 1980-81 of children in poverty, handicapped children served under PL 94-142, and children with limited proficiency in English--indicated that the states with the highest educational need were located in the southeast. States in the southeast were also identified as having been well below the national average in the level of state-local expenditures per capita (Sherman, Tron, & Williams, 1983). While effort remained below average in most southern states throughout the 1970s, it generally moved closer to the national average because of the sharp decline in effort in states outside the region. States in the south were relatively dependent upon federal aid (more than 10%) and had high state shares of funding. Maryland was considered to have favorable funding prospects; Florida, Oklahoma, Virginia, and West Virginia were considered to have average funding prospects. The other ten states--Alabama, Arkansas, Georgia, Kentucky,



Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, and Texas--were considered to have unfavorable funding prospects.

### **State School Finance Plans**

The basic concept of state aid to education evolved from the works of Cubberley, Strayer and Haig, Mort, Updegraff, and Morrison, all writing in the period 1905-1933. Their basic argument was that substantial interdistrict variations in educational expenditures represented differences in community wealth and tax efforts that created a situation in which some pupils did not receive adequate education (Cohn, 1979).

States began setting standards for public schools in the early 1900s, although schools were locally funded (McQuain, 1984). Not all districts could afford to maintain a school system commensurate with state standards, however, and state aid to enable districts with limited fiscal capacity to meet standards was provided. It then became necessary to determine which districts had need of state funds and how much each should receive.

In 1905 Cubberley was the first to propose the number of teachers as an objective measure of need. He advocated a state-funded foundation program for all schools, with a reward for districts that exceeded the minimum (Cubberley, 1905). Updegraff elaborated upon the teacher measure by counting the number of pupils per teacher. He suggested that standards be set for class sizes for various programs and grade levels (Johns, Morphet, & Alexander, 1983).

Strayer and Haig (1923) have been credited with operationalizing the concepts of equal educational opportunity and objective measures of need. They theorized that both tax burden and educational opportunity should be equalized by requiring the same tax effort of all districts and by using state funds to alleviate deficiencies in the poorer districts (McQuain, 1984). Mort (1924) then attempted to refine the minimum program. In his research the average daily attendance provided an estimate of the number of teachers needed; teacher units could be converted into weighted-pupil units. The work of Strayer, Haig, and Mort resulted in the adoption of the minimum foundation program in a number of states (Johns, Morphet, & Alexander, 1983).

In 1922 Updegraff proposed the guaranteed yield formula. His formula rewarded local tax effort as well as providing proportionally more aid to districts with lower fiscal capacity (McQuain, 1984). In 1930 Henry Morrison proposed full state funding. Morrison reasoned that since local districts had been unsuccessful in achieving equal educational opportunity, a state system supported by income taxes would be appropriate (McQuain, 1984).

In the intervening years others have refined the classification and description of school finance formulae. A useful classification of state aid systems was developed by the National Education Finance Project. As described by Johns and Salmon (1971) this classification includes flat grants, equalization grants, and nonequalizing matching grants. Flat grants are funds that are channeled to school districts on a per student or classroom unit basis, and they may be unweighted or weighted. In the case of unweighted flat grants account is taken

of neither variation in educational needs nor community financial capacity. Weighted flat grants do attempt to compensate for differing classroom needs, but do not compensate for financial capacity differences. In addition to flat grants certain additional state funds are available on a matching basis: The district must match dollar for dollar, or in some other proportion, funds supplied by the state. Such grants are not equalizing with regard to financial capacity. Equalization grants may be foundation programs, percentage equalization programs, or guaranteed valuation programs.

A primary purpose of the school finance reform of the 1970s was to equalize the resources available for education across the numerous school districts of each state. School finance reform had other objectives, some of which were more explicit than others. Taxpayer equity was a major objective; another objective was to assure that adequate resources were available for education. States developed sophisticated indicators of need, measured the excess costs of serving special student populations more carefully, studied geographic price differences, and began to define basic education and its costs.

All states now have systems of providing aid for the current operating revenues of school districts; they differ in regard to what revenue they include in this system. The approaches used by states to allocate support to local school districts have become increasingly complex in order to meet the needs of all districts (Augenblick, 1984). Policy makers recognized the importance of tying state aid to fiscal capacity of the school district, to the cost of providing a wide range of educational programs, to the size of the school district, and to other

factors which vary across school districts. The most popular funding system used by states has been the foundation program. As of 1983 twenty-two states used this system, under which the state sets both a minimum revenue level and the required local tax effort and pays the difference between the guaranteed revenue level and the amount that districts raise at the required tax rate. In ten states the basic aid program was some form of guaranteed tax base approach. Under this system the state specifies a rate at which it will match local taxes; the rate varies inversely with the fiscal capacity of the school district. Fourteen states have combined these two approaches into multiple tiers, usually by providing a guaranteed tax base superimposed on a foundation program. The purpose of this two-tiered approach was to specify a minimum revenue level as well as an associated requirement of a minimum local tax effort while helping to equalize the ability of districts to fund beyond the minimum level.

### **The Evaluation of State Finance Plans**

A comprehensive state school finance plan should deal with three major types of public policy issues: the scope, content, and quality of the public school program; the organizational arrangements for providing public schooling; and the level and method of financing public schools. The National Educational Finance Project (NEFP) generated the following checklist of criteria for evaluating school finance programs (Johns & Alexander, 1971).

**Program and organizational criteria.** The state school finance plan should provide local school systems a level of support for an educational program

commensurate with the financial ability of the state while substantially equalizing educational opportunity throughout the state. The state plan should include provisions for innovation and improvement in instructional programs and for the identification and evaluation of alternative methods for accomplishing educational objectives. States should also provide a system for local districts to develop program and financial data which permit accountability to the public. The state school finance plan should not encourage the establishment or continuation of inefficient school districts or school districts which segregate pockets of wealth or leave pockets of poverty in the state, and should not support the continuation or establishment of school districts which result in the segregation of pupils by race, religion, or socioeconomic class.

**Financial criteria.** The state school finance plan should be based upon a productive, diversified, and equitable tax system. Equitable budgetary planning by the local school districts should be facilitated by utilizing objective measures in allocating state funds to local school districts, and by including all current expenditures as well as capital outlay and debt service in the state school finance plan. Variations in per pupil program costs associated with specialized educational activities needed by some but not all students (vocational education, education of exceptional or handicapped pupils, and compensatory education) and in per pupil district costs associated with factors such as sparsity and density of population (pupil transportation, extra costs of isolated schools, variations in cost of living) should be recognized and incorporated into the plan.

**Classification of funds.** The NEFP also created a typology for classifying local and state funds into five levels of equalization. This typology is based upon the assumption that financial equalization is most nearly accomplished when the varying educational needs of the student population are taken into consideration in the method of allocation of funds and when the variation of the ability among the local school districts to support education is reduced or eliminated through the utilization of state resources (Johns & Alexander, 1971).

State funds are classified according to the following:

**Level 0 of equalization:** State funds are allocated in such a manner as to leave districts with the same or greater differences in local financial capacity to support education as they were before receiving state allocations.

**Level 1 of equalization:** State funds are allocated on an unweighted unit basis or some other method which ignores unit cost variations in meeting the needs of students, and a required local share in proportion to the taxpaying ability of the local districts is not deducted before the apportionment is made. Neither taxpayer nor pupil equity is considered.

**Level 2 of equalization:** State funds are allocated on a weighted unit basis or some other method that recognizes unit cost variations, and a required local share in proportion to the taxpaying ability of the local districts is not deducted before the apportionment is made. Pupil equity, but not taxpayer equity, is considered.

**Level 3 of equalization:** State funds are allocated on the basis of unweighted pupils or some other method that ignores unit cost variations, but a required local share in proportion to the taxpaying ability of the local districts is deducted

before the apportionment is made. Taxpayer equity, but not pupil equity, is considered.

**Level 4 of equalization:** State funds are allocated on a basis that recognizes unit cost variations in meeting the educational needs of the students, and a required local share in proportion to the taxpaying ability of the local districts is deducted before the apportionment is made. Both taxpayer and pupil equity are considered.

A state advances toward the equalization of financial resources available for education when it increases the percentage of school revenue provided from state sources, apportions the state funds available in inverse proportion to the taxpaying ability of local school districts, and makes allowances in its apportionment formula for the variations in costs per unit of educational need.

**Evaluating taxation.** Since the public is also greatly concerned about the types of taxes being used to support the public schools, the NEFP also proposed a method for measuring the relative progressivity of tax structures (Johns & Alexander, 1971). The progressivity value (T) of state revenue is computed:

$$T_1 = \frac{(X_5 \times 35) + (X_6 \times 15) + (X_7 \times 14) + (X_8 \times 50) + (X_9 \times 14)}{R_5}$$

The T value for the local taxes may be computed:

$$T_2 = \frac{(X_{10} \times 14) + (X_{11} \times 14)}{R_3}$$

The following formula can be used for computing the T value of federal, state, and local revenue provided for the public schools in each state:

$$T_s = R_1/Rx39.90 + R_2/RxT_1 + R_3/RxT_2$$

In the above formulae the following symbols were used:

$R_1$  = federal school revenue receipts

$R_2$  = state school revenue receipts

$R_3$  = local school revenue receipts

$R_5$  = total state revenue for all purposes

$R$  = total school revenue receipts ( $R_1 + R_2 + R_3$ )

$X_5$  = state income taxes

$X_6$  = state sales taxes

$X_7$  = state property taxes

$X_8$  = state estate and gift taxes

$X_9$  = other state taxes

$X_{10}$  = local property taxes for schools

$X_{11}$  = other local school revenue

The NEFP typology has been identified as a largely descriptive way to study state school finance systems; its primary utility has been seen in indicating the strengths and weaknesses of such systems (Johns, 1977). Johns and Magers (1978) criticized it as an imprecise measure, but called it an ingenious attempt to index both pupil and taxpayer equity levels using only state aggregate data. Using the above methods for calculating tax progressivity and equalization trends



for each state, this author made general comparisons among states and assessed the movement of each state toward pupil and taxpayer equity.

## **Chapter 3**

### **PRESENTATION OF THE DATA**

This chapter is presented in two sections. The first section summarizes briefly the 1986-87 status of the state school finance plans in each of the fifteen states in the southern region of the United States and in the region as a whole. The second section presents the changes in the school finance systems between 1978-79 and 1986-87.

#### **1986-87 Status of State School Finance Plans**

**Alabama.** There were 129 fiscally dependent school districts in Alabama. State aid to public schools was provided through annual appropriations. Approximately 75% of the state-local revenue for elementary and secondary education was provided by the state. Almost all of the state revenue distributed to the school districts was provided by taxes earmarked for the Education Trust Fund. These taxes were levied on beer, tobacco, express companies, hydro-electric companies, insurance premiums, iron ore, leasing of property, store licenses, railroad companies, telephone companies, and lodging. Also included

were the state sales tax, state income tax, a use tax, and a utility tax. A one-mill statewide property tax was distributed to the districts on the basis of the census count of children 7-20 years of age.

The share that each school district was required to raise was determined by a county index of tax-paying ability, based upon an index of county assessed valuations and a county economic index. Localities were required to levy the equivalent of ten mills for full participation in the Minimum Program Fund. Local governments were allowed to levy up to an additional five mills for school purposes. Between 60% and 70% of the local school revenues were derived from property taxes. Local non-property taxes were dedicated for school purposes; these included sales, beer, tobacco, and occupation taxes.

**Arkansas.** There were 333 fiscally independent school districts in Arkansas. State funds for public schools were derived from biennial appropriations. Approximately 62% of the revenue for elementary and secondary education was provided by the state. The state provided the difference between a calculated equalization rate and a calculated local charge derived from a set of millages for each district. A few districts no longer qualified for state aid; they were receiving a decreasing portion of the aid allotted prior to 1983 as part of a phasing-out process.

Property taxes accounted for 98% of local school revenue; severance taxes and payments in lieu of taxation provided the remainder. An annual vote on the district levy and the school budget was required. Districts with an annual millage

less than 16 mills on real property lost the funds generated by add-on weights for vocational education, gifted and talented, and school size.

The Minimum Foundation Program accounted for 79% of state aid to localities. The average daily membership of each district in the state was calculated, and add-on weights were applied for the education of the handicapped, vocational education, and education of the gifted and talented. A total weighted average daily membership (WADM) was then calculated for each district. Each district was charged 19 mills on its real property and 45 mills on its personal, utility, and carrier property. This sum was then divided by the WADM to determine local revenue per pupil. The entire state-calculated local tax charge was added to the state appropriation for the Minimum Foundation Program (MFP) and divided by the state WADM. Districts whose local revenue per pupil exceeded this state figure were removed from the calculations and the funds per WADM were recalculated. Districts then received the dollar difference between their local revenue and the state equalization rate. A second tier for equalization was based upon a three-mill added charge. Districts were ranked on the yield produced per WADM and extra aid was added to the bottom districts. This additional aid was limited to a one-percent increase in total MFP funding.

The state of Arkansas also funded such programs as economic education workshops, grants to start gifted and talented education programs within the districts, teacher and student recognition programs, special supervisors for reading and special education, human development centers, and an information

center to assist districts with the purchase of educational computer hardware and software. Most of these programs were provided at little or no cost to the districts.

**Florida.** There were 67 fiscally independent school districts in Florida. State appropriations were planned on a biennial basis and appropriated annually. Approximately 63% of the state-local revenue for elementary and secondary schools was provided by the state. Fund sources included general revenue sharing, a small state school trust, and two capital outlay and debt service trusts.

The Florida Education Finance Program was a modified minimum foundation program that equalized a uniform levy by districts to the base student support level after program weights were applied. Categorical and other state allocations were not equalized. The state adjusted each district's tax rate required for participation in the equalization program based upon the property appraisal of the districts. The state-wide requirement for 1986-87 was 5.235 mills. All local receipts were provided by property taxes except for minor fees paid for adult programs. County commissions could apportion all or part of their racing commission receipts to their school boards.

Florida also funded District Quality Instruction programs such as an incentive program for merit schools, summer inservice institutes for teachers, science laboratories, K-3 improvement, safe schools, school volunteers, student development services and guidance counselors, writing skills, and reading resource specialists. Most of these programs did not require local funds; the

school volunteer program required matching funds from the districts and included contributions from private industry.

**Georgia.** There were 159 fiscally independent and 27 fiscally dependent school districts in Georgia. State funds for public schools were derived solely from annual appropriations from the general assembly. The state provided approximately 60% of the state-local revenue for elementary and public schools. Quality Basic Education (QBE), adopted in 1986, replaced The Adequate Program for Education in Georgia which had been in use since 1975. The QBE formula was based upon full-time equivalent enrollment (FTE). As the most recent counts became available, the state board requested any necessary additional funds from the General Assembly. The QBE Act also had a provision for state supplements to the lowest property-wealth districts. For each of the first three mills levied beyond the required local share, the state provided funds to make the amount raised per student equal to the amount raised per student in a district from the ninetieth percentile.

Each local system was required to spend at least 90% of the funds designated for direct instructional costs on these programs. A minimum of 90% of the total system-wide funds designated for media and staff development must have been spent for these purposes. The local systems could decide what portions were spent for salaries, instructional materials, and other expenses within each program.

Approximately 80% of the local revenue was generated through local property taxes. The minimum required contribution for participation in the QBE

program was an amount of money equal to the amount that could be raised by levying four mills on the forty-percent equalized tax digest. The property tax digests were developed by state auditors. The maximum local board levy without voter approval was twenty mills; additional levies required a simple majority vote by the district voters.

**Kentucky.** This state had 178 fiscally independent school districts. State public school funds were derived from general fund appropriations which were made for the biennium. Approximately 73% of the state-local revenue for elementary and secondary public schools were provided by the state. The state provided full state funding for the Basic Support Program as well as for the gifted fund, textbooks, and for educational programs for pupils in state-operated institutions, day treatment centers, and hospitals. Kentucky also funded an essential skills remediation program and a teacher testing and internship program.

Kentucky employed an equalization formula entitled District Power Equalization. Technically this program was not a DPE formula because a uniform tax rate was required for all districts. The Kentucky district power equalization program for the 1986-87 school year required a minimum twenty-five-cent-equivalent local tax rate. Approximately 73% of local revenue was derived from the property tax. Three districts levied occupational taxes which accounted for an additional 13% of total local revenue; another 13% of total local revenue was raised from taxes on utilities.

**Louisiana.** There were 66 fiscally independent school districts in Louisiana. State funds for public schools were appropriated annually. Approximately 55% of the school districts' revenue for the elementary and secondary public schools were provided by the state. The state used a minimum foundation program which required a five-mill (13 mills in Orleans Parish) levy by the local school districts for participation. Voter approval was required for any additional levy, which could have been as much as 70 mills for periods not to exceed ten years. Optional local sales taxes had been imposed in all 66 districts with voter approval. These sales taxes accounted for almost one-half of the total local revenues.

**Maryland.** The state had 24 fiscally dependent school districts. State school funds were derived annually from state appropriations. Approximately 42% of the state-local revenue for the elementary and secondary public schools was provided by the state.

The local contribution rate for the basic current expenses was calculated as follows: Each district multiplied \$624 by the full-time equivalent enrollment (FTE) and calculated 45% of that product; added to that figure was 50% of the product of \$1027 times the FTE; that sum was divided by the wealth of all of the local districts. The local rate was applied to the wealth and income measure, which was the assessed value of real property and the net taxable income.

Financial support from local sources was derived mainly from general fund revenues in the localities. All of the subdivisions were allowed to levy an income tax based upon the Maryland state tax liability. They were permitted to levy



surtaxes of any percentage falling within the range of 20 to 50 percent in even multiples of five percent. No limit was specified for the tax rate which could be levied to support public education. Tax rates required the approval of the local governing body; there was no provision for voter approval. Tax rates were levied on the valuation of property, which was assessed under the supervision of the state.

**Mississippi.** There were 154 fiscally dependent school districts in Mississippi. State revenues were derived solely from annual appropriations. The state provided approximately 69% of the state-local revenue for elementary and secondary public schools. There was no required minimum tax rate for school purposes. Districts were required to raise the amount necessary to meet the required local contribution to the Minimum Education Program. This required amount was determined by an index of financial ability, which was a composite of the assessed valuation of public utilities, motor vehicle license receipts, total value of farm products, personal income taxes, gainfully employed workers, and retail sales tax. One-half of the oil, gas, and timber severance taxes collected by the state and returned to the county boards of supervisors had to be paid to the boards of education as an additional local contribution to the cost of the Minimum Education Program. The maximum board levy for school current operation could not exceed a levy that would produce more than a ten percent increase over the previous year's actual collections. Additional mills could be levied for capital outlay needs and bonded indebtedness. A district could issue

bonds for school purposes up to 15% of its assessed valuation. This was changed to 20% effective July 1, 1987.

**North Carolina.** There were 141 fiscally dependent school districts in North Carolina. State funds were appropriated annually. Funds were distributed according to personnel allotments without regard to local school system wealth or tax effort. The state paid the total calculated amount for the Basic Support Program. Expenditures in excess of the state program were permitted, but the localities were obligated to cover the additional costs. There was no required local contribution to the basic support program; the law specified no maximum tax rate or levy. Of the total expenditures for public education, 65.5% was derived from state sources. Approximately 71.4% of local funds for schools was derived from county appropriations and supplemental property taxes. Taxes on sales and intangibles provided additional revenues. Other receipts were from fines and forfeitures, Alcoholic Beverage Control revenues, and other sources.

**Oklahoma.** There were 457 fiscally independent and 154 fiscally dependent school districts in Oklahoma. State public school aid was derived from annual appropriations (flat grants and competitive grants) and dedicated revenues (school land earnings, gross production, driver education, motor vehicle tax stamp, REA tax, and auto license fees). The state provided an estimated 65% of the state-local revenue for elementary and secondary public schools. Oklahoma also had a hold-harmless provision involving 236 districts. Each district's allocation of state aid represented the greater of the amount generated by the basic formula or the hold harmless provision.

Each county levied four mills for a Common School Fund and distributed the revenue to the school districts in the county on the basis of their respective number of pupils. The county was required to apportion to the school districts no less than the proceeds of five mills from the county's general levy. The sum of all district and county levies for local operational support was 44 mills. District revenue for the general and building funds was derived from the application of a 35-mill levy on the assessed valuation of the district's real, personal, and public service property. The assessment ratio utilized was at the discretion of the state. Local boards of education had the authority to levy 15 mills. The other twenty mills required an affirmative vote of the voters. A county apportionment derived from a mortgage tax in each county was distributed to districts on the basis of enumeration.

Oklahoma's competitive grant program addressed a variety of educational interests. Grants were available for community education, early childhood education, alternative education, career education, arts-in-education, computer services, and small school cooperatives.

**South Carolina.** There were 40 fiscally independent and 52 fiscally dependent school districts in South Carolina. State funds were provided through annual appropriations. The state provided approximately 74.4% of the state-local revenue for elementary and secondary public schools. Funding was accomplished through the Education Finance Act of 1977, the Education Improvement Act of 1984, and other Appropriation Act grants. The Education Finance Act (EFA) established a school financing system which supported the state's foundation

program. The EFA established funding levels for students after they were transported to school, had been provided textbooks and food services, and were housed in a school building. The EFA was funded through the state's general revenue and funds were appropriated from the general fund. The Education Improvement Act (EIA) financed the state's efforts toward public school improvement in South Carolina. The EIA consisted of specific provisions and programs for improving the quality of the educational process. The EIA was funded through a one-cent sales tax increase.

Required local financial support of the district's program was calculated as follows: The total number of weighted pupil units statewide was multiplied by the base student cost; this product was multiplied by the 30% state-wide local support level; the result was multiplied by the district's index of taxpaying ability. The index of taxpaying ability was computed yearly by the South Carolina Tax Commission and represented a district's percentage of the state's local equalized assessed valuation contained in the district. Eighty-five percent of the funds generated by a program area were required to be expended district-wide for direct and indirect support for the program.

Property tax revenues provided approximately 87% of district income; the balance was provided from tuition, fees, local government appropriations, rentals, and interest income. Revenues were usually raised by board levies without voter approval. The taxing authority for each dependent school district fell into one of two categories: (a) all levies were approved by the local governmental unit, or

(b) a maximum levy was specified and the approval of the voters was required for any increase.

**Tennessee.** There were 141 fiscally dependent school districts in Tennessee. Approximately 84% of state revenue for public education was derived from retail sales and tobacco taxes dedicated to public education. The remainder was provided by annual appropriations. The state provided 52% of the state-local revenue for elementary and secondary public schools.

The Tennessee Foundation Program was funded 92.5% by the state and 7.5% by the local governments; this foundation program guaranteed each district a uniform dollar amount equal to an estimated 39% of statewide average expenditures per pupil. The contribution of each district to the foundation program was determined as follows: The adjusted county property value, which was the sum of the total equalized real property assessed value plus the equalized public utility assessed value, was divided by the adjusted state property value; the county local contribution was calculated by applying the relative property value to the total local funding for the foundation program; if two or more districts existed within a county, each was responsible for a proportionate share of the county contribution.

Counties were required to apportion to their school districts at least 50% of the local optional sales tax. There was no maximum general purpose tax rate or levy in effect for local governments.

**Texas.** There were 1061 fiscally independent and 26 fiscally dependent school districts in Texas. State funds were appropriated on a biennial basis with

the Foundation School Program Committee certifying estimated program costs. The state provided approximately 49% of the state-local revenue for elementary and secondary public schools. The state's constitution mandated the adoption of a balanced budget for the beginning of the biennium. General revenue funds and a state trust provided state revenue sources.

The state support plan was a modified minimum foundation program; a modified percentage equalization component of the program was funded at 96% based upon a pro-rata share. An equalized transition program was in its final year and compensates districts for lost state aid under the new state finance formula introduced in 1984. Categorical and other state programs were not equalized.

County-wide appraisal had been established to provide uniform appraisal of property. The state property tax board conducted an annual study of appraisal practices and standardized property values to 100% of market value. These standardized values were used for state funding calculations. All local receipts were provided by property taxes except for minor fees and intermediate revenues of \$24,571,630 for 1986-87. Local funds included the local share of the foundation program, leeway funds, and debt service. The local fund assignment (LFA) was based upon the value of property in the district: The district property value was divided by the state property value; this quotient was multiplied by one-third of the total cost of the foundation program. A total of 1,061 independent districts and eight dependent districts participated in the Foundation School Program. Eighty-eight districts were budget-balanced and did not receive

foundation program funds. A budget balanced district was one in which the local share plus the per capita allocation exceeded the calculated amount of the Foundation School Program.

Voter approval was not required for financing current operations in local school districts. If the increase in levy was over 8%, the voters could petition for a rollback election. The maximum tax rate for current operations was \$1.50 per \$100 assessed valuation.

A state district court in the recent court case Edgewood vs. Kirby had declared the Texas school finance system unconstitutional. The court found that the Texas Education Code did not provide equitable financing for poor districts. The decision was currently being appealed.

**Virginia.** There were 139 fiscally dependent school districts in Virginia. State funds were derived from appropriations for the biennium. The state provided an estimated 47% of state-local revenue for elementary and secondary public schools. This included the state sales tax rebate: 1% of the state sales tax was returned to school districts on the basis of school-age population.

The basic aid program in Virginia was the Standards of Quality Program (SOQ). This program provided funds for the operational standards for grades kindergarten through twelve as prescribed by the Board of Education and subject to revision by the General Assembly. The total cost of the minimum foundation program for the first year of the biennium was determined by multiplying \$2044 by the average daily membership (ADM). The required local share was determined by calculating the total cost of the program, subtracting the

one-percent sales tax revenue, and multiplying the resulting figure by the local composite index. The local composite index was the sum of one-third of the index of wealth per pupil and one-sixth of the index of wealth per capita.

The majority of locally raised revenue for schools was derived from property taxes, but localities are not limited to property taxes. The local governing boards approved school budgets. There was no maximum local government tax rate or levy.

**West Virginia.** There were 55 fiscally independent school districts in West Virginia. The state funds were derived from annual appropriations. The state provided an estimated 62.8% of the state-local revenue for public schools.

The basic school support program in West Virginia included provisions for professional educators, service personnel, fixed charges, pupil transportation, administrative costs, other current expenses and substitutes, and improvement of instructional programs. Required local support for participation in the state foundation program ranged from \$.225 per \$100 to \$.90 per \$100 depending upon the class of property. The Basic Foundation Program provisions charged each county with a computed local share which resulted in a net state aid allowance. The counties did not transfer any of their local revenues to this aid program. The charge was actually borne by the school districts.

Property taxes constituted the sole source of local tax revenues for the public schools. Of the locally raised revenue 54% was levied by school boards without voter approval and 46% was additional levies which required a simple majority vote. Counties could adopt for a period of not more than five years an added tax



levy of up to 100% of the authorized rates for specified operating and/or capital expenditure purposes; a simple majority vote of the electorate was required.

**The Southern Region.** All but two of the states in the southern region used some type of minimum foundation program for funding public schools. Kentucky and North Carolina provided flat grants from the state to fund basic support programs for education. The southern states used various combinations of categorical flat or matching grants to fund additional parts of their educational programs.

The percentage of funds provided by state contributions to state and local revenues in the states of the southern region of the United States exceeded the national average. States in the nation as a whole were providing approximately 50% of the total funds for education and slightly over one-half of the state and local funds. In the southern region the states were providing an average 61% of state and local funding. The funds were raised using both general revenues and taxes levied specifically to support public education.

Although some of the states in the southern region had suffered large declines in enrollment, the average state enrollment for public and secondary schools (941,424 students) exceeded the national state average of 780,404 pupils. The states in the southern region were providing less than the national average expenditure per pupil (\$1,735 as compared to \$2,021).

The local property tax continued to be the primary source (86%) of local public school funds for the southern states. Other local funding sources included payments in lieu of taxation, severance taxes, fees for specific programs,

occupational taxes, taxes on utilities, local income taxes, and other types of taxes specifically levied to support education.

### **School Finance System Changes in the Southern Region**

**Funding changes.** One of the important finance changes that took place was the increase in state support for education. Although most of the states in the region had suffered a net decline in the number of students enrolled in the public schools since 1978-79 (Table 1), the amount of money appropriated for elementary and secondary education had increased. A number of states had begun to provide large amounts of funds to improve the quality of educational programs. The information shown in Table 2 indicates that states in the nation had increased their appropriations for public schools by 96%. The states in the southern region had exceeded the national average, and they had increased appropriations by 117% since 1978-79. Georgia, Virginia, South Carolina, North Carolina, Florida, and Texas had more than doubled the amount of state school spending. Arkansas had almost tripled the amount of state funds dedicated to elementary and secondary public schools. State education authorities contributed three of every five new dollars for schools even during the recession of the early 1980s. Even when adjusted for inflation (Table 3), the regional average for state appropriations had increased 26%. Alabama, Tennessee, and Kentucky had lost purchasing power since 1979. Maryland and Louisiana had maintained stable funding, but had made no real gains in purchasing power. Arkansas, Texas, and

Table 1

Enrollments for Public Schools

State	1978-79	1986-87	% Change
Alabama	753,200	733,735	-3%
Arkansas	456,698	437,438	-4%
Florida	1,525,540	1,607,320	5%
Georgia	1,080,021	1,067,000	-1%
Kentucky	692,999	642,778	-7%
Louisiana	819,346	794,000	-3%
Maryland	812,110	675,747	-17%
Mississippi	491,436	498,569	1%
North Carolina	1,174,972	1,091,552	-7%
Oklahoma	588,870	603,132	2%
South Carolina	629,603	610,700	-3%
Tennessee	871,261	823,283	-6%
Texas	2,867,254	3,209,515	12%
Virginia	1,055,238	974,754	-8%
West Virginia	395,271	351,837	-11%
Regional Average	947,588	941,424	-1%
National Average	836,645	780,404	-7%

(National data from the National Education Association)

Table 2

State Appropriations for Public Schools (current dollars)

State	1978-79	1986-87	% Change
Alabama	666,448,051	1,040,653,486	56%
Arkansas	289,019,187	854,344,881	196%
Florida	1,368,197,614	3,549,835,610	159%
Georgia	859,494,382	1,757,378,711	104%
Kentucky	646,997,900	1,107,177,200	71%
Louisiana	716,114,772	1,282,996,990	79%
Maryland	773,436,534	1,345,888,163	74%
Mississippi	372,521,611	733,100,619	97%
North Carolina	1,086,069,884	2,536,343,252	134%
Oklahoma	369,120,630	725,960,355	97%
South Carolina	509,887,487	1,182,216,466	132%
Tennessee	480,924,934	754,077,961	57%
Texas	2,184,031,022	5,697,449,393	161%
Virginia	806,650,710	1,699,991,308	111%
West Virginia	375,729,314	738,506,607	97%
Regional Average	766,976,269	1,667,061,400	117%
National Average	806,430,039	1,577,120,176	96%

(National data from National Education Association)

Table 3

State Appropriations for Public Schools (constant dollars)

State	1978-79	1986-87	% Change
Alabama	666,448,051	602,538,368	-10%
Arkansas	289,019,187	494,665,686	71%
Florida	1,368,197,614	2,055,354,818	50%
Georgia	859,494,382	1,017,522,274	18%
Kentucky	646,997,900	641,055,599	-1%
Louisiana	716,114,772	742,855,257	4%
Maryland	773,436,534	779,269,246	1%
Mississippi	372,521,611	424,465,258	14%
North Carolina	1,086,069,884	1,468,542,743	35%
Oklahoma	369,120,630	420,331,046	14%
South Carolina	509,887,487	684,503,334	34%
Tennessee	480,924,934	436,611,139	-9%
Texas	2,184,031,022	3,298,823,199	51%
Virginia	806,650,710	984,294,967	22%
West Virginia	375,729,314	427,595,325	14%
Regional Average	766,976,269	965,228,551	26%
National Average	806,430,039	913,152,582	13%

Florida had increased the purchasing power of their school appropriations, but the gains were not as impressive as when the raw dollar figures were compared.

The situation was similar when appropriations per pupil were compared for 1978-79 and 1986-87. The raw dollar figures (Table 4) show a 115% increase for the states in the region, with Arkansas spending 209% of the amount appropriated earlier and Alabama experiencing an increase of 60%. When inflation was taken into consideration (Table 5), Alabama had lost 7% of its per pupil purchasing power, and Arkansas had gained only 79%. The southern region had experienced a net gain of 24% in appropriations per pupil, but the region had not kept pace with the national average of 36%.

State governments had continued to assume higher percentages of fiscal support for public elementary and secondary education (Table 6). The national average for state support was approximately 50%, which was a 2.9% increase from 1978-79. The states in the southern region continued to exceed the national average; they were supplying 61.4% of the state and local revenues for public education. The gain in the southern region was only .7%, however, and many states had not increased the state share of state and local revenues. The percentage of state support had decreased in Louisiana, Texas, Kentucky, Georgia, West Virginia, Mississippi, and North Carolina. These states, exclusive of Texas, still provided over 50% of state and local revenues, but the localities had been forced to accept greater funding responsibilities. Louisiana and Texas especially could be forced to reduce their state contributions further if economic conditions in those states do not improve.

Table 4

State Appropriations for Public Schools Per Pupil (current dollars)

State	1978-79	1986-87	% Change
Alabama	885	1,418	60%
Arkansas	633	1,953	209%
Florida	897	2,209	146%
Georgia	796	1,647	107%
Kentucky	934	1,722	84%
Louisiana	874	1,616	85%
Maryland	952	1,992	109%
Mississippi	758	1,470	94%
North Carolina	924	2,324	151%
Oklahoma	627	1,204	92%
South Carolina	810	1,936	139%
Tennessee	552	916	66%
Texas	762	1,775	133%
Virginia	764	1,744	128%
West Virginia	951	2,099	121%
Regional Average	808	1,735	115%
National Average	862	2,021	134%

Table 5

State Appropriations for Public Schools Per Pupil (constant dollars)

State	1978-79	1986-87	% Change
Alabama	885	821	-7%
Arkansas	633	1,131	79%
Florida	897	1,279	43%
Georgia	796	954	20%
Kentucky	934	997	7%
Louisiana	874	936	7%
Maryland	952	1,153	21%
Mississippi	758	851	12%
North Carolina	924	1,345	46%
Oklahoma	627	697	11%
South Carolina	810	1,121	38%
Tennessee	552	530	-4%
Texas	762	1,028	35%
Virginia	764	1,010	32%
West Virginia	951	1,215	28%
Regional Average	808	1,005	24%
National Average	862	1,170	36%



Table 6

State Contributions to State and Local Revenues

State	1978-79 Percent	1986-87 Percent	Change
Alabama	75.0	75.0	0.0
Arkansas	61.0	62.0	1.0
Florida	61.0	63.0	2.0
Georgia	64.0	60.0	-4.0
Kentucky	78.0	73.0	-5.0
Louisiana	65.0	54.0	-11.0
Maryland	34.0	42.0	8.0
Mississippi	70.0	69.0	-1.0
North Carolina	73.0	72.2	-0.8
Oklahoma	57.0	65.0	8.0
South Carolina	61.0	74.4	13.4
Tennessee	52.0	52.0	0.0
Texas	57.0	49.0	-8.0
Virginia	37.0	47.0	10.0
West Virginia	65.0	62.8	-2.2
Regional Average	60.7	61.4	0.7
National Average	47.1	50.0	2.9

(National data from National Education Association)

**Equalization changes.** The state governments had continued to use grant structures composed of a single large fiscal equalization program followed by a series of smaller categorical flat and/or matching grants. Only two states in the southern region did not use a minimum foundation program; North Carolina and Kentucky continued to provide the bulk of their state support through flat grants.

Using data collected from 44 of the 50 states in the nation the ratio of state equalization aid versus non-equalization aid was calculated. This ratio remained fairly stable, decreasing from 69.7% in 1978-79 to 68.2% in 1986-87. Individual states within the southern region had experienced wide fluctuations in the flow of state aid through their grant structures (Table 7). Oklahoma had redesigned its program funding so that 96% of the state aid was allocated through equalization formulae; this was a substantial increase over the 51% of 1978-79 funds channeled in such a manner. Alabama had decreased the amount of money flowing through its equalization formulae from 84% in 1978-79 to 53% in 1986-87. Maryland had experienced an increase in funds allocated in an equalized manner, while Texas had experienced a decrease. West Virginia had also increased the percentage of funds it allocated under its equalization program. Other southern states had experienced changes but had remained fairly stable in the percentage of state funds allocated through equalization formulae; the regional percentage had increased from 64.8% to 67.4%.

Equalization formulae may incorporate either variations in educational need or allowances for variations in the abilities of districts provide fiscal support for education, or both. Most of the equalization formulae in the southern region

Table 7

Percentage of State Funds Distributed Through Equalization Formulae

State	1978-79 Percent	1986-87 Percent	Change
Alabama	84.0	53.0	-31.0
Arkansas	76.0	79.0	3.0
Florida	85.0	80.0	-5.0
Georgia	79.0	76.0	-3.0
Kentucky	3.0	6.0	3.0
Louisiana	86.0	81.0	-5.0
Maryland	41.0	56.0	15.0
Mississippi	84.0	81.0	-3.0
North Carolina	0.0	0.0	0.0
Oklahoma	51.0	96.0	45.0
South Carolina	68.0	65.0	-3.0
Tennessee	91.0	97.0	6.0
Texas	99.0	84.0	-15.0
Virginia	50.0	59.0	9.0
West Virginia	75.0	98.0	23.0
Regional Average	64.8	67.4	2.6
National Average	69.7	68.2	-1.5

(National data based on 44 of 50 states)

were based on a district's ability to pay; some also included weights for pupils of varied educational needs. Most of the state funds for education in the southern region were identified as level 3 funds under the National Education Finance Project (NEFP) typology. Some funds, those distributed in a fashion which accounted for pupil equity but not taxpayer equity, fell into level 2. Smaller amounts were categorized as level 4; these funds were those distributed in a manner which accounted for both pupil and taxpayer equity. There had been little overall advancement toward the equalization of financial resources, but some small gains had been made.

The majority of the school funds for North Carolina and Kentucky were categorized as level 0 funds under the NEFP (National Education Finance Project) typology. Their funding programs did not take local financial capacity into consideration at all. These states did provide the bulk of the financial support for education, however, and in practice the distribution of funds was not considered inequitable. North Carolina had some funds which fell under level 2 of the typology; the state had some new programs designed to fulfill special educational needs. Kentucky had an even smaller percentage of funds (2%) so allocated.

In Alabama, Arkansas, Oklahoma, Virginia, and West Virginia the majority of school funds were allocated on bases which resulted in taxpayer equity but not pupil equity (level 3). Unit cost variations were not incorporated into their formulae in any effective fashion. Most of the other states in the southern region showed a trend toward the equalization of resources expended based upon

educational need. Florida, Georgia, South Carolina, and Louisiana had incorporated more weights into their funding formulae. All of the southern states except North Carolina and Kentucky distributed their foundation program funds using some measure of local fiscal ability.

**Taxation changes.** Using the formulae shown in Chapter 2, T-values were calculated for each of the 15 states. When interpreting T-values as measures of the progressivity of tax structures within a state, the higher the T-value is the more progressive the tax structure is considered to be. The goal is to have as progressive a tax structure as possible. State T-values for 1978-79 and 1986-87 are presented in Table 8; local T-values are presented in Table 9, and overall T-values are shown in Table 10.

Kentucky had experienced a substantial decline in the progressivity of its state tax structure as indicated by the T-values. Only Texas and West Virginia showed positive changes in their state tax structures; all the other states had decreased T-values.

None of the states had experienced any real change in the progressivity of the local tax structures. The local tax structures were less progressive as a whole than were the state-level tax structures.

Kentucky, Mississippi, North Carolina, and Virginia experienced substantial declines in their overall T-values since 1978-79. The other states in the southern region experienced relatively small changes in overall tax progressivity measures. State-level tax structures seemed to be more progressive than did structures which included federal, state, and local taxation.

Table 8

State Tax Structure

State	1978-79	T-value	1986-87
Alabama	19		18
Arkansas	20		20
Florida	15		15
Georgia	22		20
Kentucky	31		20
Louisiana	18		17
Maryland	23		20
Mississippi	17		17
North Carolina	22		22
Oklahoma	18		18
South Carolina	20		20
Tennessee	17		16
Texas	13		15
Virginia	23		20
West Virginia	18		19

Table 9

Local Tax Structure

State	T-value	
	1978-79	1986-87
Alabama	12	16
Arkansas	12	14
Florida	11	10
Georgia	13	15
Kentucky	14	12
Louisiana	12	14
Maryland	13	14
Mississippi	14	14
North Carolina	13	10
Oklahoma	14	14
South Carolina	11	14
Tennessee	13	14
Texas	11	14
Virginia	14	13
West Virginia	11	14

Table 10

Overall Tax Structure

State	1978-79	T-value	1986-87
Alabama	20		19
Arkansas	18		17
Florida	13		12
Georgia	19		16
Kentucky	29		20
Louisiana	17		15
Maryland	13		11
Mississippi	23		18
North Carolina	22		17
Oklahoma	18		15
South Carolina	18		17
Tennessee	15		14
Texas	12		10
Virginia	15		10
West Virginia	17		17



**Control changes.** The balance of state and local control was estimated by examining the types of funding formulae in use and by noting any restrictions placed on specific funds or programs. In the states of the southern region there was a mix of local and state control, with perhaps a slight increase in state-level influence.

Alabama had not changed the percentage of state-level funds provided since 1978-79. A larger proportion of state money was being allocated through specific categorical programs in 1986-87 than had been done in 1978-79. This indicated that the state had increased the amount of state control exercised over how the districts spent their funds.

Arkansas had not changed substantially the percentage of state funds or the portion of state funding committed through the basic aid formula. Arkansas had enacted several small categorical grants.

Florida had funded a number of categorical grants, but had not made any real change in the percentage of state-share funding. Georgia had established mandates that limited the flexibility of funding across programs. Kentucky's and North Carolina's flat grant programs placed few restrictions on their localities. It seemed that Oklahoma and West Virginia decreased the amount of state control because their basic support programs, which had been expanded, were not restricted. Texas had created more categorical grants and had decreased the percentage of funds expended through its basic program; this indicated an increased level of state control.

**Appropriations for selected purposes.** When the educational needs of students were being discussed, there seemed to be three main topics receiving publicity: early childhood education, gifted and talented programs, and programs for at-risk students. Between 1978-79 and 1986-87 programs identified under these headings were adopted or expanded by almost all of the states in the southern region. Tennessee was the only state whose program descriptions made no specific mention of these issues. West Virginia funded early childhood aides in 1978-79; these were included under the improvement of instructional programs fund in 1986-87.

Alabama had 1.5% of its funds available for additional teachers for elementary grades in order to reduce class size in 1986-87; North Carolina and Louisiana had similar provisions, but no funding levels were specified. Mississippi had earmarked 9% of its funds for the primary grades. Arkansas had allocated 5.36% of its funds for new kindergarten programs in 1978-79; kindergarten was funded as part of the basic support program in 1986-87. The state of Arkansas also mandated that all districts had a gifted and talented program by 1987; .17% of the state funds were earmarked for these programs.

Florida funded a K-3 improvement program at 2.8% and a safe schools program for high-crime districts at .3%; Florida used weights for gifted and talented in the basic support formula. Georgia expanded its funding for kindergarten from 2.7% to 5.7%; the gifted program was funded at .5% of total state appropriations. Kentucky funded its kindergarten program as part of its basic educational program; the gifted fund for the state was .51% of total state

appropriations. A dropout prevention program was mentioned but not funded in the Kentucky description.

Maryland funded programs for four-year-olds (.17%), for gifted and talented (.05%), and for disruptive youth (.04%) in 1986-87. Oklahoma had competitive grants available for early childhood educational (.11%) and alternative education (.03%) programs. No specific budget figure was given for gifted and talented in the 1986-87 description; in 1978-79 .61% of Oklahoma's funds had gone to gifted and talented education.

South Carolina had funded 16 pilot programs for gifted and talented students in 1978-79 (.06%); the state expanded this effort to 1.27% in 1986-87. South Carolina also funded an early childhood education line item (2.89%). Texas funded a gifted and talented program (.12%) and a program for four-year-olds (.7%). Virginia funded various gifted and talented programs (.73%) and a dropout prevention program (.02%). Programs for four-year-olds had been recommended by the Virginia Governor and his task force on education, and related proposals were being generated at the time this document was completed.

## **Summary**

Within the decade the southern states altered what they funded in education and how they funded it. Previously the states allocated the largest portion of state education revenues to the general aid formulae and small portions to categorical programs. This strategy provided relatively unrestricted funds to help

support the general educational programs designed by local districts and targeted a few areas which received inadequate local attention. While the general aid formulae still consumed the bulk of state appropriations for education in 1986-87, new programs had been developed. A portion of the funds supporting these efforts flowed through traditional school finance formulae. Many of the states have expanded both basic funding and funding of categorical programs. Much of the funding for the new efforts was allocated outside of the equalization formulae used to provide the bulk of school support.

## **Chapter 4**

### **DISCUSSION, CONCLUSIONS, AND IMPLICATIONS**

The intent of this study was to provide an informational resource for state legislators and education-related interest groups who participate in decision-making processes concerning funding and program design for public elementary and secondary systems in the southern United States. The purposes of the study therefore included describing the current status of the state school finance systems of the Southern Regional Education Board membership, describing the changes in those school finance programs from 1978-79 to 1986-87, and describing both the current status and the changes in the context of the educational reforms of the last decade.

The preceding chapter presented a description of the current status of the school finance programs and reviewed some of the financial changes that had occurred during the early part of this decade. The specific research questions which guided the study were addressed in that chapter. This chapter presents the third focus of the study: the discussion of the changes in relationship to the educational reform movement of the 1980s. In the latter part of this chapter are

the conclusions and implications derived from this study as well as suggestions for further investigation.

## **Discussion**

The early 1980 encompass the most intense and potentially far-reaching period of educational change in the history of the United States (Mueller & McKeown, 1986). The educational reform movement has moved faster than any public policy reform in modern history (Odden, 1986). The reform studies placed pressure on the states to assume greater fiscal and governance responsibility for education. The majority of the states undertook measures to revise their elementary and secondary education systems.

The major foci of the reforms of the 1980s seem to be teachers and students (Pipho, 1986). Educational change activity from the first half of the 1980s is summarized in Table 11. Although most of the changes recommended in the national reports were intended initially to benefit secondary students, the recommendations can be applied to students of all ages and needs. Some of the changes are particularly aimed at the younger student--early intervention programs, prekindergarten programs, mandatory kindergarten programs, extending existing kindergarten programs to full-day, and smaller classes for the early elementary grades. Older students are intended to gain from programs for at-risk youth, expanded guidance and counseling programs, computer and technology-based programs, changes made in curriculum and placement policies, competency testing and increased requirements for graduation, home instruction

Table 11

Summary of Change Activity

TOPIC	TYPE OF ACTIVITY
STUDENTS	programs for at-risk youth changes in curriculum increased requirements for graduation competency testing academic recognition changes in placement, promotion, retention home instruction alternative instructional programs mandated discipline programs adult literacy programs computers/technology programs programs for special populations expanded guidance/counseling programs prekindergarten programs mandatory and/or full-day kindergarten early intervention programs smaller classes, especially for early years
TEACHERS	protection of instructional time changes in certification preservice training alternate certification competency testing/evaluation career ladder and merit pay programs staff development programs forgivable loans to attract new teachers salary increases
ADMINISTRATION	changes in certification competency testing/evaluation assessment centers training for school board members district consolidation or reorganization long-range planning academic bankruptcy/accountability incentive programs for districts, schools governance changes changes in length of school day, year parental involvement programs

(adapted from Piphó, 1986)

or other alternative instructional programs, and mandated discipline programs. Successful students will be recognized and encouraged. Programs for adults and other special populations are also included in the changes various states have made.

The expansion of the pool of teachers available and the development of increased opportunities for teachers now in the profession have both been addressed by the state educational reform interests. Changes in certification requirements and alternative certification provisions have been mandated. Forgivable loans and salary increases have been proposed. Increased training programs and increased testing requirements for teachers have been enacted. Career ladder and merit pay plans have been widely publicized. Some states have encouraged the protection of instructional time; this measure is intended to be of benefit to both teachers and students.

Changes have also been made which influence the administrative functions in public schools. Training programs for school board members have been proposed. Assessment centers for principals and other administrators have been established. Proposals to change certification and evaluation procedures for administrators are being addressed. Plans to encourage parent and community involvement have been enacted. Overall changes such as district consolidation or reorganization, lengthening the school day and school year, creating long-range planning efforts for educational personnel, and redesigning governance structures have been suggested. Incentive systems to recognize successful schools and



academic bankruptcy reprimands have been created. The early 1980s have been an active period for state-level change agents in the public school systems.

A key issue in maintaining the momentum of the reform movement is funding. As recently as April of this year officials in many of the southern states were agreeing that the main threat to the continuation of change was insufficient funding of educational programs (Mirga, 1987). Despite uncertain economic climates, the southern states have been at the forefront of educational change. A breakdown of the participation by the southern states in various educational change activities during the early 1980s is depicted in Figure 1.

For example, in 1983 Mississippi infused millions of dollars into its educational system with much of the new funds designed to increase services, lower pupil-teacher ratios, and raise teacher salary levels. In 1984 other states began making changes in their educational systems. Tennessee raised teacher salaries in an effort to attract highly qualified personnel, created a career ladder program as a retention incentive, provided funds for teacher aides, and funded a series of categorical programs. South Carolina passed legislation that increased high school graduation requirements, created a comprehensive pupil testing program, raised teacher salaries, and provided fiscal incentives for teachers, administrators, and schools. Florida and Texas emphasized teacher pay and more state control over the education program.

States that enacted comprehensive educational changes usually increased state taxes to finance them. Arkansas, Tennessee, and South Carolina each increased the sales tax by a penny, yielding from \$155 million to \$325 million in

State	Student-based								Teacher-based						Administrative								
	reduced class size	testing	gifted and talented	at-risk	early childhood ed.	computers	reading/writing	career education	increased graduation requirements	salary increase	career ladder	testing	training	certification requirements	incentive program	more free time	more personnel	incentive program	salary increase	community educ.	increased training	accountability	
AL	✓									✓													
AR		✓	✓			✓	✓				✓	✓					✓						✓
FL	✓			✓			✓	✓			✓	✓					✓						
GA	✓	✓	✓					✓			✓	✓							✓				
KY			✓	✓							✓	✓							✓				
LA	✓					✓	✓																
MD																							
MS	✓			✓	✓		✓																
NC	✓																						
OK	✓	✓		✓		✓																	
SC		✓	✓		✓																		
TN																							
TX		✓	✓		✓																		
VA		✓	✓	✓			✓																
WV	✓																						

Figure 1. State Participation in Educational Change Activities

1985. Texas increased its sales tax from 4% to 4.125% and expanded its base to provide its largest new individual revenue source: \$305 million. Texas increased several other taxes, including those on motor fuels, corporate franchises, insurance companies, and on the sale of motor vehicles. Kentucky restructured the depreciation schedule for its corporate income tax and increased the business inventory and corporation license taxes. Florida made numerous adjustments to the way business income is taxed and to the general sales tax. Georgia enacted no changes in the tax code and funded educational changes from natural revenue growth, but delayed implementation of the changes for one fiscal year.

### **Conclusions**

State legislatures have tended to address the issues of educational reform and school financing separately. Funds for educational reform often have been allocated outside of formulae used to distribute the vast majority of state aid. While the strategy of funding educational reform programs separately has been successful in the short run, it is less likely to be successful in the long run for two reasons: Isolating the funding of educational reform programs may threaten the availability of funding in the future, particularly if such programs do not yield the desired results quickly, and providing funds outside of traditional formulae may exacerbate or even create inequities in the distribution of state funds similar to those found in per pupil expenditures before the 1970s reform of school financing systems. Educational reform programs and school financing are inextricably linked since almost any significant educational change plan will require the

expenditure of considerable state and local funds. School financing systems should be capable of addressing educational reform programs, and school financing policy issues are likely to shape and be shaped by continued school improvement. The quest for adequate and equitable funding has been rejuvenated by the desire to improve the effectiveness of the schools.

States have been aggressive in finding new sources of revenue for public schools. They have increased tax rates, expanded tax bases, adopted lotteries, and pledged natural revenue increases for their schools. They have taken these steps at a time when tax increases are unpopular, although public support seems to be available if tax increases are specifically aimed at improving the quality of public education.

Changes in educational funding were not accompanied by mandatory increases in local property tax rates of the same order of magnitude as increases in state taxes, which changed as much as 25% in some states. The property tax is still an unpopular tax, and higher property taxes are unlikely to be a source of new revenues for the schools. Potential sources of local revenue growth include local option sales and income taxes. The popularity of the sales tax at the state level usually carries over to the local level; when the issue is voted upon, taxpayers have supported a local sales tax. In Tennessee, for example, the sales tax provides about 40% of local school revenues. Although local sales and income taxes are not widespread today, a number of communities are opting for their use, and they offer potential for generating significant revenue in states where it would be virtually impossible to increase local property taxes.

## **Implications**

The issues related to public school finance have expanded rapidly and now include the financing of numerous specific components of the educational enterprise in local districts as well as the financing of education in general. A major problem for policy planners is how to sustain the flow of state dollars to education. In addition to the changes already being implemented, there will be the cost of an increase in school-age population as well as more demands for early childhood education. These factors, along with inflation and a desire to increase teacher salaries, suggest increasing demands on state education budgets. Federal tax reform will place a greater burden on state taxes for education in conjunction with decreasing support from the federal level. The competition for state dollars is going to become more intense.

Politicians are already clamoring for results and are demanding evaluations of the recently-enacted educational reforms. The public wants the relationship between levels of funding for schools and measures of academic success investigated. State legislators and taxpayers want to know if the new "sintaxes" (lotteries, gambling) have had any impact on school funding levels. Kirst (1986) suggested that the states need to know which educational programs have been implemented and whether or not a program resulted in initial and/or long-term effects. States need to know the amount of money actually required for change. Issues considered should include the current focus of state educational reform and the effects of the specific initiatives (McGuire, 1986).

School finance research will need to identify the characteristics of school districts receiving funding and the patterns of dollar usage within these districts. The rationale for increasing funds for schools was to finance programs that would improve the educational system. Identifying which objectives received fiscal support in the districts is a key element in the assessment of the impact of the changes.

### **Limitations of the Study**

This study was based on information supplied by school finance experts from individual states in the southern region. Each state may have defined what was included in state school appropriations differently. Comparing data among states is difficult to accomplish with great certainty or accuracy. This researcher read each description carefully and tried to make the information used and presented as parallel as possible. Recommendations established by the National Education Association and by the American Education Finance Association to guide school finance research were followed as closely as possible.

The data used was state-level information; no attempt was made to investigate district-level activity. This researcher would like to suggest that the school districts' reactions to funding changes and reform emphases at the state and federal level require detailed investigation.

## REFERENCES

- Augenblick, J. (1984). The states and school finance: Looking back and looking ahead. Phi Delta Kappan, 66(3), 196-201.
- Augenblick, J. (1986). The current status of school financing reform in the states. In V. Mueller & M. McKeown (Eds.) The fiscal, legal, and political aspects of state reform of elementary and secondary education (pp. 107-138). Cambridge, MA: Ballinger.
- Brown, P., & Elmore, R. (1982). Analyzing the impact of school reform. In N. Cambron-McCabe & A. Odden (Eds.) The changing politics of school finance (pp. 107-138). Cambridge, MA: Ballinger.
- Burrup, P. E., & Brimley, V. (1982). Financing education in a climate of change. Boston: Allyn and Bacon.
- Cambron-McCabe, N., & Odden, A. (1982). The changing politics of school finance. Cambridge, MA: Ballinger.
- Cohn, E. (1979). The economics of education. Cambridge, MA: Ballinger.
- Cubberley, E. (1905). School funds and their apportionment. New York: Teachers College, Columbia University.
- Inman, D. (1987, March). The fiscal impact of educational reform. Paper presented at the meeting of the American Education Finance Association, Washington, DC.
- Johns, R. (1977). Analytical tools in school finance reform. Journal of Education Finance, 4, 499-508.

- Johns, R., & Alexander, K. (1971). Alternative programs for financing education. Gainesville, FL: National Education Finance Project.
- Johns, R., Morphet, E., & Alexander, K. (1983). The economics and financing of education. Englewood Cliffs, NJ: Prentice-Hall.
- Johns, R., & Salmon, R. (1971). The financial equalization of school support in the United States for the school year, 1968-69. In R. L. Johns, K. Alexander, and D. Stollar (Eds.) Status and impact of educational finance programs (pp. 119-191). Gainesville, FL: National Education Finance Project.
- Johns, T. L. & Magers, D. A. (1978). Measuring the equity of state school finance programs. Journal of Education Finance, 4, 373-385.
- Johnston, A., & Moore, J. (1986). Policy planning and state educational reforms of the 1980s. Educational Planning, 5(2), 4-12.
- Katz, M. (1976). Demographic changes and school finance. Croton, New York: Hudson Institute.
- Kirst, M., & Garms, W. (1980). The political environment of school finance policy in the 1980s. In J. W. Guthrie (Ed.) School finance policies and practices, the 1980s: A decade of conflict (pp. 47-75). Cambridge, MA: Ballinger.
- Kirst, M. (1986). Sustaining the momentum of state education reform: The link between assessment and financial support. Phi Delta Kappan, 67(5), 341-345.



- McDonnell, L., & Fuhrman, S. (1986). The political context of reform. In V. Mueller & M. McKeown (Eds.) The fiscal, legal, and political aspects of state reform of elementary and secondary education (pp. 43-64). Cambridge, MA: Ballinger.
- McGuire, K. (1986) Implications for future reform: A state perspective. In V. Mueller & M. McKeown (Eds.) The fiscal, legal, and political aspects of state reform of elementary and secondary education (pp. 107-138). Cambridge, MA: Ballinger.
- McQuain, S. (1984). An analysis of state special education formulas. Unpublished doctoral dissertation, Virginia Polytechnic Institute and State University, Blacksburg.
- Mirga, T. (1987, April 15). Vitality of excellence movement is debated. Education Week, pp. 1, 14-15.
- Mort, P. (1924). The measurement of educational need. New York: Teachers College, Columbia University.
- Mueller, V., & McKeown, M. (1986). The fiscal, legal, and political aspects of state reform of elementary and secondary education. Cambridge, MA: Ballinger.
- National Center for Education Statistics. (1981). Digest of education statistics 1981. Washington, DC: United States Government Printing Office.
- National Education Association. (1980). Estimates of school statistics 1979-80. Washington, DC: Author.

- National Education Association. (1987). Estimates of school statistics 1986-87. Washington, DC: Author.
- Odden, A., & Odden, E. (1984). Education reform, school improvement, and state policy. Educational Leadership, 42(2), 13-19.
- Odden, A. (1986). Sources of funding for education reform. Phi Delta Kappan, 67(8), 335-340.
- Pipho, C. (1986). States move reform closer to reality. Phi Delta Kappan, 68(4), K1-K8.
- Sherman, J. D., Tron, E. O., & Williams, M. F. (1983). National setting for school finance in the 1980s. Journal of Education Finance, 8, 343-359.
- Strayer, G., & Haig, R. (1923). The financing of education in New York. New York: Macmillan.
- Tron, E. (1980). Public school finance programs 1978-79. Washington, DC: United States Government Printing Office.
- United States Department of Commerce. (1980). State government tax collections in 1980. Washington, DC: United States Government Printing Office.
- United States Department of Commerce. (1987). State government tax collections in 1986. Washington, DC: United States Government Printing Office.
- Williams, L. (1979). School finance patterns in the south: Reform efforts, current problems and prospects for the future. Washington, DC: George Washington University Institute for Educational Leadership.

**APPENDIX A**

**Virginia Public School Finance Program, 1986-87**

**VIRGINIA  
PUBLIC SCHOOL FINANCE PROGRAM, 1986-87**

---

John B. Rickman served as State Authority for review of this program with Myron E. Cale  
Deborah A. Versteegen and Richard Salmon served in preparation and as authors

---

**Selected School Finance Facts**

**State Support**

1. The state provided an estimated 47 percent of State-Local revenues for elementary and secondary public school in 1985-86. This amount includes the state sales tax rebate.
2. State funds for public schools were derived from appropriations for the 1986-88 biennium.
3. One percent of the state sales tax is returned to school districts on the basis of their school age population. These amounts are subtracted from Basic Aid prior to the calculations of the state and local share.
4. The state set the basic operations of the Standards of Quality Program at \$2,044 per pupil for 1986-87.

**Local Support**

1. The State has 139 fiscally dependent school districts.
2. Locally raised revenues for schools are not limited to property taxes. The local governing boards approve school budgets. There is no maximum local government tax rate or levy.
3. Local debt issues are limited to 10 percent of assessed valuation for cities only. County governments do not have this restriction.

State Support, 1986-87

VIRGINIA

Name of program; Legal citation; Amount appropriated for 1986-87; Percent of state funds allocated; Program description	Calculation of state and local shares of program cost; Extent of school district participation
TOTAL	\$1,699,991,308 (100%)
I. STATE SALES TAX	\$369,900,000 (21.76%)
II. STANDARDS OF QUALITY PROGRAM	\$995,752,167 (58.57%)
BASIC AID PAYMENTS	\$829,754,410 (48.81%)

This program entitled "Standards of Quality" (SOQ) provides funds for operation standards for grades kindergarten through 12 as prescribed by the Board of Education subject to revision by the General Assembly. This fund includes "Basic Operation Cost" which is a provision for personnel at a ratio of 51 professional positions for each 1,000 pupils, or a proportionate number thereof, in Average Daily Membership (ADM) for the same fiscal year for which the costs are computed. This fund includes provisions for driver education, gifted and talented, occupational-vocational, and special education, library materials and other teaching materials, teacher sick leave, duty free lunch which is discretionary at the State and local level, general administration, Division Superintendent's salaries, free textbooks (including those for free and reduced price lunch pupils), operation and maintenance of school plant, transportation of pupils, instructional television, professional and staff improvement, remedial work, increased costs due to new accreditation standards, fixed charges and other costs in programs not funded by other state and/or Federal aid.

The calculation of the statewide cost of the aggregate personnel standard does not include the costs from supplemental retirement, social security and group insurance programs from state funds appropriated by other items of the Biennial Appropriations Act.

"Average Daily Membership" (ADM) except as used in the "composite Index of Local Ability-to-Pay", is the average daily membership for grades K-12 including handicapped students aged 5-21, for the first seven (7) months (or equivalent period) of the school year in which state funds are distributed.

State share: Total cost of the Basic Operation Cost for the locality less the locality's revenues from state sales and use tax returned on the basis of total school age population for sales in the fiscal year in which the school year begins and less the required local expenditure. This is a sum certain appropriation with across-the-board reduction if ADM estimates are exceeded.

Local share: Total cost of the Basic Operation Cost for that locality less the locality's revenues from state sales and use tax returned on the basis of school age population for sales in the fiscal year in which the school year begins, the result of which is multiplied by the localities composite index. The state and local share may be computed as follows:

1. Basic Cost per pupil \$2,044 x ADM = Total Cost of Program
2. Deduct 1% sales tax revenue from Total Cost of program.
3. Multiply remainder by Local Composite Index = Local Share
4. Deduct Local Share from Total Cost of Program, minus one percent of total statewide sales tax = State Share

In order to determine if a school division has met its required local expenditure, deduct from the locality's total cost of operation, all capital outlay and debt service expenditures, receipts from state categorical aids (other than capital outlays), receipts from Federal categorical aids (other than

Name of program; Legal citation; Amount appropriated for 1986-87; Percent of state funds allocated; Program description	Calculation of state and local shares of program cost; Extent of school district participation
<p>Basic aid, retirement, social security and group life insurance are calculated using ADM adjusted for half-day kindergarten at 85% of ADM.</p>	<p>Public Law 95-561) and for capital outlays, receipts for gasoline tax refunds, tuition from another county or city, other payments from other state agencies and others. From this amount will be deducted the state share of the basic operation cost and the state sales and use tax returned (on basis of school age population) for sales in the fiscal year in which the school year begins. The result of the above calculation must be equal to or greater than the required local expenditure. Should the remainder be greater than the required local expenditure; this amount may not be reduced unless the locality first complies with all of the prescribed Standards of Quality.</p>
<p>*Composite index of local ability-to-pay* is an index figure computed for each locality. The composite index is the sum of 1/3 of the index of wealth per pupil in ADM unadjusted for half-day kindergarten computed for the first seven (7) months of the 1983-84 school year and 1/6 of the index of wealth per capita (1985 census estimate); the state average in the composite index is .50. The indices of wealth are determined by combining the following constituent index elements with the indicated weighting: (1) true value of real estate and public service corporations as are reported by the State Department of Taxation for the calendar year 1983--50 percent; (2) individual income level for the calendar year 1983 as determined by Tayloe Murphy Institute at the University of Virginia--40 percent; (3) the sales for calendar year 1983 which are subject to the state general sales and use tax, as reported by the State Department of Taxation--10 percent. Each constituent index element for a locality is its sum per ADM, or per capita, expressed as a percentage of the State average per ADM, or per capita, for the same element. The index has a ceiling at .80 for purposes of distributing basic aid payments, and a floor or minimum of .20.</p>	<p><u>Other Provisions to Basic Operation Cost.</u> In the event the total state sales and use tax revenues distributed to localities is less than that estimated by Department of Taxation, the state share and the required local expenditure shall not be increased. Estimates of state sales and use tax are furnished to localities not later than April 1 in the year in which the school year begins.</p> <p>Any sum which a locality, as of the end of the school year, has not expended out the state share and the required local expenditure shall be paid by the locality into the general fund of the state treasury. Such payments shall be made no later than the end of the school year in which the underexpenditure occurs.</p>
<p>*Required Local Expenditure* is defined as the locality's composite index times the excess of its basic operation cost over its revenues from state sales and use tax returned (on the basis of school age population) in the fiscal year in which the school year begins.</p>	<p>The per pupil cost of \$2,044 in 1986-87 is based on: (a) an instructional personnel component of \$1,192 per pupil--this represents 51 professional personnel for each 1,000 pupils in ADM, at an estimated statewide average salary of \$23,372--and (b) a support component of \$852 per pupil.</p>
<p>*Basic Aid Payments* represent basic operation cost and payments in addition to that cost. Basic operation cost is established at \$2,044 per pupil in ADM for the 1986-87 year. However, if a locality determines that it can maintain an educational program meeting the prescribed Standards of Quality at a lesser cost per pupil, such locality may claim a lesser allocation of state funds, but no locality shall spend less than \$1,942 per pupil.</p>	

Name of program; Legal citation; Amount appropriated for 1986-87; Percent of state funds allocated; Program description	Calculation of state and local shares of program cost; Extent of school district participation
-------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------

General conditions of the Standards of Quality (SOQ) Funding: Each locality shall offer a school program which is acceptable to the State Department of Education as conforming to the SOQ program requirements.

Other funding provisions affecting Basic Aid Payments are as follows:

**No Loss Payments**

This is included in the Basic Aid payment. No locality shall receive from the total of the Basic Aid Payments (i.e., Basic Operations Cost, \$2,044 per pupil) a lesser amount than it would have received for the last year of the previous biennium for the same purposes from the state fund appropriation including the Standards of Quality program, employee fringe benefits and the estimated sales and use tax.  
Vocational Education

This is included, in part, in the Basic Aid payment.

**Special Education**

This is included, in part, in the Basic Aid payment.

**Driver Education Payments**

(a) This payment shall be made only from non-general funds collected and paid into the Driver Education Fund established pursuant to specific general laws of Virginia.

(b) Notwithstanding any contrary provisions of law, the apportionment to localities of this payment shall be made as an undesignated component of the state share of the basic operation cost. Revenues collected in excess of the amount listed in this subprogram shall be subject to rules and regulations of the Board of Education.

State Share: An amount of \$125,000, included in the Basic Aid appropriation, for the first year of the biennium (1986-87).

For SOQ support, \$17,500,000 is included in the Basic Aid Payment.

For SOQ support, \$71,800,000 is included in the Basic Aid Payment.

Fund Source: Ihighway maintenance and Construction Fund; \$2,022,000 considered as part of the Standards of Quality amount. School divisions may not charge supplemental fees for behind-the-wheel phase of Driver Education except with prior approval of the Board of Education. Such fees will not be cause for pro rate reduction in Basic Aid payments to school divisions.

Name of program; Legal citation; Amount appropriated for 1986-87; Percent of state funds allocated; Program description	Calculation of state and local shares of program cost; Extent of school district participation
----------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------

III. ADDITIONAL STANDARDS OF QUALITY FUNDING

\$165,997,757 (9.76%)

These are programs mandated by the Constitution, defined by the Board of Education and revised by the General Assembly.

Transitional Personnel Payments

72,885,537 (4.29%)

Based on \$146 per pupil per year with the state/local share determined in the same manner as Basic Aid Payments, i.e., in accordance with the composite index. For special education, \$8,400,000 is included; \$6,400,000 is included for occupational-vocational education.

This payment is made to provide additional state support to assist localities in achieving the state's goal of improving teacher salaries and includes related fringe benefit funding. Receipt in the second year is conditioned on a locality increasing salaries an average of 10 percent in the previous year, unless an exception is granted by the Governor.

Education of the Gifted

11,481,965 (0.68%)

State/local share: To be paid in accordance with each locality's composite index in the same manner as Basic Aid payments are made to each locality.

A state share of Education of the Gifted payment which cost per pupil in ADM is established for the school year 1986-87 as \$23, is based on 1 professional personnel for each 1,000 students in ADM at an estimated statewide average salary of \$22,530.

Occupational-Vocational Education Payment

\$29,556,886 (1.74%)

State share: An additional state payment for each full-time equivalent pupil enrolled in a vocational program approved by the Department of Education. The specific amount for each pupil in ADM will be determined by the Department on the basis of the individual program.

The statewide appropriation represent the state of share of funding for 2.6 professional instructional positions per 1000 pupils in ADM at an estimated statewide average salary of \$23,613 for 1986-87.

Special Education Payments

31,191,212 (1.83%)

The specific amount to be allotted for each condition of exceptionality, as defined by Department of Education, shall be determined by Department of Education on the basis of the individual program required. Payments are based on the prior year costs and vary by type of handicap for each pupil in ADM who is enrolled in an approved program of special education.

The statewide appropriation represents the state share of funding for 3.4 professional personnel and 0.3 aides for each 1,000 pupils in ADM at an estimated statewide average salary of \$22,530 and \$8,164, respectively, for 1986-87.

Remedial Education Payments

\$17,477,577 (1.03%)

State share: Shall not exceed, in 1986-87, the per pupil amount of \$29 for the primary standard and \$630 for the secondary standard. No county or city school division with a qualifying program as determined by the Department of Education shall receive

An additional state payment for each locality with 20% of fourth grade pupils achieving one or more years below grade level; and for each eighth and/or ninth grade pupil



State Support, 1986-87

VIRGINIA

Name of program; Legal citation; Amount appropriated for 1986-87; Percent of state funds allocated; Program description

Calculation of state and local shares of program cost; Extent of school district participation

achieving three or more years below grade level; based on a school division's achievement test scores for the 1984-85 school year.

less than \$16,500 in each year of the biennium, and no town school division with a qualifying program shall receive less than \$8,250, in each year of the biennium. No school division within a city of at least 100,000 with a qualifying program shall receive less than \$300,000, in each year of the biennium. This provides an additional state payment of 1.2 professional instructional positions per 1000 pupils in ADM.

Foster Home Children

\$3,404,600 (0.20%)

This appropriation also provides for a funding level of \$1,990,780 to support handicapped children attending public schools who have been placed in foster care or other such custodial care across jurisdictional lines. This funding constitutes the educational costs of operating an interagency assistance fund for non-educational placements.

An additional state payment for the prior year's local operations cost, as determined by the Department of Education, for each pupil who is attending public school in the locality although previously a resident in another locality, because of placement in a foster home by authorized State and local agencies, or because of placement in an orphanage or children's home which exercise legal guardianship rights.

IV. AID TO LOCALITIES OTHER THAN STANDARDS OF QUALITY

Categorical Aid

\$68,754,698 (4.04%)  
\$63,177,378 (3.72%)

The following categories provide additional state aid to localities:

Special Education

\$20,232,613 (1.19%)

This appropriation also provides for funding to support the direct instructional cost of handicapped children who have been placed in special education facilities, residential or day schools, by public agencies authorized to do so if there is no less restrictive appropriate program available for this purpose in the public schools. This funding constitutes the tuition portion of an interagency assistance fund for noneducational placements of such children.

Vocational Education

\$8,824,525 (0.52%)

State funds are distributed to localities for the following vocational activities: local administration, extended contracts, travel.

State Support, 1986-87

VIRGINIA

Name of program; Legal citation; Amount appropriated for 1986-87; Percent of state funds allocated; Program description	Calculation of state and local shares of program cost; Extent of school district participation
<p><b>Adult Education</b></p> <p>State funds shall be used to reimburse general adult education programs on a fixed cost per pupil or cost per class basis. No state funds shall be used to support vocational non-credit courses other than those related to cultural transition.</p>	<p>\$474,825 (0.03%)</p>
<p><b>Pupil Transportation Payments</b></p> <p>This total amount is available as reimbursement to the localities for the transportation of pupils to and from school, under guidelines established by the Department of Education.</p>	<p>\$33,030,415 (1.94%)</p> <p>State share: Board of Education regulations provide, among other specifics, that for eligible localities, 40% of the appropriation available is to be distributed on the basis of the number of pupils transported, 40% on the number of miles traveled by each bus, and 20% on the number of buses meeting state standards.</p>
<p><b>Text Rental Payments</b></p> <p>Out of the appropriation for assistance for general instruction an estimated \$615,000 will be available for distribution. This provides an amount not exceeding \$2.00 per pupil enrolled in a school division, on a one-time basis during the biennium. This payment is made in support of centrally operated free textbook systems at contiguous grade levels. Prior school year data are used to calculate disbursement to individual localities.</p>	<p>\$615,000 (0.04%)</p>
<p><b>V. SCHOOL FOOD</b></p> <p>State funds are provided as a state match to federal revenues and are allocated to localities on the basis of actual lunches served in the prior year.</p>	<p>\$5,801,750 (0.34%)</p> <p>Subject to implementation by the Superintendent of Public Instruction, no disbursement shall be made from this appropriation to any locality in which the schools permit the sale of competitive foods in food service facilities or areas during the time of service of food funded under this item.</p>
<p><b>VI. EMPLOYEE BENEFITS</b></p> <p>The total of a portion of the costs from Supplemental Retirement, Social Security and Group Insurance programs paid by the state (and including literary funds), for fringe costs, approximate an additional \$280 per pupil based on adjusted ADM, or an additional salary increment of \$2,007 for each professional instructional position.</p>	<p>\$259,782,693 (15.28%)</p> <p>State share: Payment by the state for a local school board shall be limited for professional instructional staff members to the employer's cost for a number not exceeding \$8.3 per 1,000 pupils in ADM, and for their salaries not exceeding an average of \$23,372 for Basic Instructional staff; \$23,613 for Vocational Instructional staff; \$22,530 for Gifted and Special Education Instructional staff; \$8,164 for Special Education Aides.</p>

Name of program; Legal citation; Amount appropriated for 1986-87; Percent of state funds allocated; Program description	Calculation of state and local shares of program cost; Extent of school district participation
<p><u>Social Security</u></p> <p>The program includes reimbursement to each local school board of the actual employer's Social Security payments made by it, on behalf of teachers, to the Contribution Fund pursuant to the Code of Virginia.</p>	<p>\$101,531,490 (5.97%)</p>
<p><u>Group Life Insurance</u></p> <p>The program includes the state contribution on behalf of teachers who participate in group insurance.</p>	<p>\$4,110,672 (0.24%)</p>
<p><u>Teacher Retirement Payments</u></p> <p>The program includes the state contribution, on behalf of teachers, to the retirement allowance account as provided by the Code of Virginia.</p>	<p>\$154,140,531 (9.07%)</p>
<p><b>VII. DISCRETIONARY PROGRAMS</b></p>	
<p><u>Project Discovery</u></p> <p>The program addresses drop-out prevention and the direction of students into college preparatory work that will enable them to succeed in higher education.</p>	<p>\$5,577,320 (0.33%) \$277,000 (0.02%)</p>
<p><u>Apprenticeship Programs</u></p>	<p>\$580,000 (0.03%)</p>
<p><u>Reading to Learn</u></p>	<p>\$156,000 (0.01%)</p>
<p><u>Mathematics and Science Summer School Program</u></p> <p>This provides scholarships to Virginia students who attend the summer academic program in mathematics and science conducted by the Rickerover Foundation.</p>	<p>\$25,000 (0.00%)</p>
<p><u>Field Studies in Marine Science</u></p> <p>On-the-water field studies conducted by the Chesapeake Bay Foundation.</p>	<p>\$90,000 (0.01%)</p>

State share: Set at 50 percent of program cost at eight state high schools located at Abingdon, Charlottesville, Alexandria Newport News, the City of Richmond, the City of Roanoke and Norfolk.

State Support, 1986-87

VIRGINIA

Name of program; Legal citation; Amount appropriated for 1986-87; Percent of state funds allocated; Program description	Calculation of state and local shares of program cost; Extent of school district participation
<u>Pilot Studies</u>	\$125,000 (0.01%) Subject to implementation by the Superintendent of Public Instruction.
<u>Principal Assessment Centers</u>	\$105,850 (0.01%) Centers operated at George Mason University, Virginia Polytechnic Institute and State University, based on a contracted agreement to increase participation to 60 per year and matching institutional funds for the Director's salary.
<u>Governor's School</u>	\$496,300 (0.03%)
Supports Gifted and Talented Summer School at regional localities.	
<u>The Model High School Program</u>	\$310,020 (0.02%) Varina High School in Henrico County
<u>Magnet Schools</u>	\$1,179,000 (0.07%) Norfolk
<u>The Model Elementary School</u>	\$340,000 (0.02%) Southwest Virginia
<u>The Electronic Classroom</u>	\$235,000 (0.01%) King William County
<u>Cultural Transition</u>	\$29,800 (0.00%)
This funds the local costs to educate Indian children.	
<u>Beginning Teacher Assistance Program</u>	\$1,615,050 (0.10%)
Funds awarded to colleges and universities for assistance with beginning teachers.	
<u>Employment Services</u>	
Jobs for Virginia graduates.	\$13,300 (0.00%)

Source: Chapter 723, General Appropriations Act, 1987 Session, Department of Education (Richmond, VA: State Capitol, Approved April 28, 1987).

**The vita has been removed from  
the scanned document**