



League of Women Voters of Minnesota Records

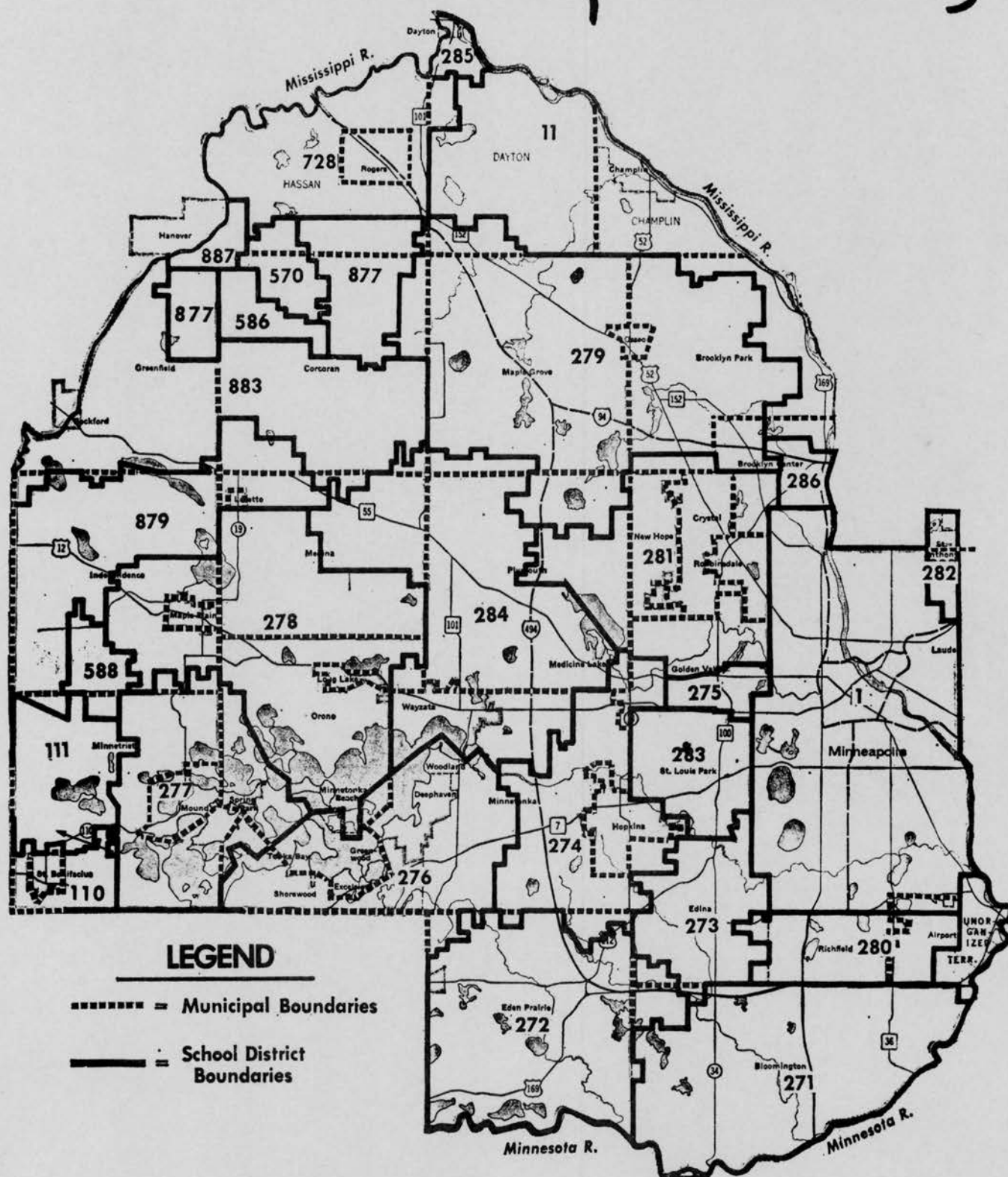
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Public Law 89-10

*Human
Resources*

● Elementary and Secondary Education Act of 1965 in Hennepin County



prepared by the Ad Hoc Human Resources Committee of Hennepin County
League of Women Voters of Minnesota February, 1967

The Elementary and Secondary Education Act of 1965 (Public Law 89-10) aims to attack poverty through aid to "educationally deprived children." According to guidelines set up to administer the act, the term was defined as "those children in a particular school district who have the greatest need for special educational assistance in order that their level of educational attainment may be raised to that appropriate for children of their age. The term includes children who are handicapped and children whose need for such special educational assistance is the result of poverty or cultural or linguistic isolation in the community at large."

Most of the money (\$1.2 billion out of a total of \$1.46 billion for the first year) is appropriated for Title I, which is aimed directly at these groups. Although its purpose is to help the children in large poverty pockets in the big cities, it has provisions for poor children in more affluent districts -- those with 3% or 100 (whichever number is smaller) of their school children qualifying are entitled to funds. Furthermore, the guidelines state that "no child in a project area should be denied the benefits of a project because his family does not qualify as 'poor' by some definition. But projects should be so limited in size and so focused in the schools that those educationally deprived children who most need the services or opportunities offered will be adequately served."

How much help is a school district eligible to get? In Minneapolis, for example, there were about 94,000 children ages 5 to 17 in public and non-public schools, according to the 1960 census. Of these, 9,002 were determined as coming from families who qualified as low-income (\$2,000 or less income a year or receiving Aid to Families with Dependent Children). The Title I allotment (an approximation) for this district was calculated by multiplying 9,002 by \$276 (one-half of the state's yearly expenditure per pupil). Allotments for other districts are computed in the same way.

Title II provides aid for the purchase of instructional materials for all children in the district. The materials are to be supplementary (not textbooks, encyclopedias or religious materials) and, although shared with non-public schools, must remain the responsibility of the public agency. Districts receive between \$1.25 and \$2.25 per child depending on the assessed wealth of the community as determined by property valuation. Projects within Titles I and II must be approved by the State Department of Education which distributes the money. Provision is made for federal review.

Title III authorizes grants for supplementary, community-wide services the schools cannot afford. Such projects are recommended by the State Department of Education but final approval rests with the U.S. Commissioner of Education. Titles IV and V expand grants for educational research and authorize funds to help strengthen state departments of education.

RECENT AMENDMENTS

As amended in November, 1966, the act:

- 1) retains the basic aid formula but takes into account the number of children in homes for neglected and delinquent children. It raises the definition of "low-income" from \$2,000 to \$3,000 per family for Fiscal Year (F.Y.) 1968;
- 2) raises the ceiling for grants in F.Y. 1967 to a maximum of 50% of the school agency's budget instead of 30%;

3) permits states, beginning in F.Y. 1968, to use the national average spent per pupil, if this is higher than that of the state, in computing the aid;

4) makes local school districts with 10 or more eligible children (rather than 100) qualify for Title I beginning in F.Y. 1968;

5) authorizes \$30 million for F.Y. 1967 and \$50 million for F.Y. 1968 to strengthen state departments of education;

6) adds funds under Title IV to help states initiate or expand education programs for handicapped children;

7) prohibits the federal government from requiring "assignments or transportation of students or teachers to overcome racial imbalance." This section is regarded as redundant because the Civil Rights Act, which orders enforcement of legal desegregation of school districts, specifically states that the federal government is not authorized to demand racial balance;

8) transfers the adult basic education program of the Economic Opportunity Act to this act;

9) provides some funds for dissemination of information on projects under this act;

10) requires hearings to be held before the federal government is permitted to delay payment of funds to districts that violate the desegregation guidelines.

VIEWS OF HENNEPIN COUNTY CONGRESSMEN

Fifth District Congressman Don Fraser voted for the package of amendments as it came from conference committee, as he had for the original 89-10 in 1965. Third District Congressman Clark MacGregor was paired against the amendments, as he had previously been paired against 89-10 (This is similar to voting against them.) Senators McCarthy and Mondale voted for the amendments.

In an interview, Congressman Fraser emphasized the importance of strengthening state government to enable it to exert more leadership in education. He is in favor of the Heller plan whereby the federal government would return some tax money to the states which could provide programs themselves instead of receiving money through federal legislation.

Fraser sees government innovation in education as a catalyst for improvement of quality in local school districts. He says he feels there will be changes in the law and would be in favor of changing the formula for aid under Title I in order to give more aid to the large poverty areas.

He sees annual Congressional appropriations as a limitation on the effectiveness and long-range planning of the projects. Making appropriations a year ahead could be of some help, he said.

Fraser said he is pessimistic about chances for legislation which would deal with de facto segregation.

Although Congressman MacGregor's critics accuse him of being a foe to federal aid to education, he said he is not and defends his vote against the 89-10 and its amendments by saying he is against federal aid for wealthy districts "at the expense of needed help for poorer districts." In a speech on the floor of the House last October 6, he called 89-10 "Robin Hood in reverse." He cited figures which showed

some wealthy school districts getting much more federal assistance per impoverished child than some very poor districts, which were mainly in states with low per pupil expenditures. MacGregor says he would support changes in the Title I formula to consider not only personal income but the condition of the district.

In his speech, MacGregor also complained that his district's share of 89-10 allocations was only three percent of the allocation to Minnesota. One-fifth of Minnesota state aids go to his district which most needs money for school construction, not a part of the 89-10 program.

MacGregor said he foresees some cuts in appropriations for Title III but felt Congress would leave the overall appropriations the same. He said he doubted there would be any legislation concerning de facto segregation but felt some of the civil rights amendments will be reintroduced.

WHAT HENNEPIN COUNTY HAS DONE

What are the 16 school districts whose boundaries lie within Hennepin county doing as a result of the Elementary and Secondary Education Act? These are the completed or continuing projects for children in public and non-public schools, the first (Title I) focused on educationally deprived and handicapped children.

TITLE I

BLOOMINGTON, DISTRICT 271*

\$95,715 (\$83,691 spent as of 11-1-66)

Kindergarten

summer, 1966

approx. cost \$69,200

This project was designed to provide pre-school instruction for children of low-income families, handicapped children, children with less than six weeks of private kindergarten and all other children in the proper age range whose mark on the Metropolitan Reading Readiness Test was below the fiftieth percentile. 438 children attended the eight-week program in three schools. The staff included 15 teachers and 6 teacher aides. There will be follow-up comparison with other first grade children, parents' conferences and evaluation of academic progress during first grade.

When the Bloomington school board first approved the program, the local newspaper objected that the funds would not be used entirely for youngsters from poor families. The Chamber of Commerce was opposed and the issue was discussed throughout the spring school board campaign.

The program will be continued next summer.

Adaptive Physical Education

September, 1965 and continuing

\$14,491 spent (\$34,600 this year)

The purpose of this program is to assist students who cannot participate in

*School districts are listed alphabetically by name rather than by number. Unless otherwise mentioned, funds are from 89-10, are for the first year of program (Fiscal Year 1966) and are allocated amounts reported by school district officials.

Title I

the regular physical education program because of limitations, i.e. orthopedic, cardiovascular, etc. The objectives include improvement of student's capabilities and socialization and better ability to cope with his limitations. Individual programs and instruction fit each student's needs.

54 junior high school students participated in the program which took place in three junior high schools. Two non-public schools in the district were invited to participate but did not do so.

This year the program is for senior high school students. All non-public schools of high school level were requested to participate. 46 students are participating in the program.

BROOKLYN CENTER, DISTRICT 286

<u>Summer program</u>	Summer, 1966	\$9,375
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34 children, kindergarten through third grade, received special help in a summer program.

<u>Slow Learners Program</u>	September, 1966 and continuing	\$6,800
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A program to help slow learners in elementary schools.

EDEN PRAIRIE, DISTRICT 272

The Eden Prairie school district elected not to apply for any federal funds under 89-10. They do not believe in federal assistance, a school official said.

EDINA-MORNINGSIDE, DISTRICT 273

Edina-Morningside elected not to apply for Title I funds.

HOPKINS, DISTRICT 274

\$75,000 (about \$68,000 spent)

<u>Remedial Reading</u>	Summer, 1966
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<u>Post-kindergarten</u>	Summer, 1966
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Post-kindergarten program for educationally deprived students who had completed kindergarten and were going on to first grade but needed additional help.

GOLDEN VALLEY, DISTRICT 275

\$7,445

<u>Remedial Reading</u>	Summer, 1966	cost \$700
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<u>Counseling</u>	September, 1966, and continuing	\$6700
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This project is aimed at junior and senior students in high school who do not plan on going to college. Industries are being contacted to join in a work-study program. It is hoped that upon graduation the students will find full time employment with the companies. Job placement is a goal of this project.

MINNEAPOLIS, SPECIAL DISTRICT 1

\$2,482,301

In order to give Title I programs the focus indicated in the guidelines, the Minneapolis public schools decided to aim its program at those schools in which more than 15% of the children qualified as educationally deprived or handicapped. The elementary schools are Adams, Blaine (74%), Clinton, Corcoran, Emerson, Grant (74%) Greeley, Hall, Harrison, Hawthorne, Hay, Irving, Madison, Mann, Marcy, Monroe, Pierce, Warrington, Webster and Willard. Secondary schools in this category were Franklin, Lincoln, Phillips and Sheridan junior high schools and Central, North and South high schools. Programs were not limited to these schools, however. Nine Catholic and two Lutheran schools with attendance areas partly or wholly within the areas of the cited elementary schools were part of the focus on poverty areas. Also part of the program were undistricted schools serving handicapped children: Dowling, Holmes, Whittier and Agassiz. The research and evaluation required by the law is handled by a research team for all Title I programs in order to achieve maximum co-ordination. Superintendent of Schools, Dr. Putnam, remarked that the first year emphasized the use of sub-professionals, the development of existing staff competencies and an extensive summer program because funds were not available until October, 1966, when very few certificated personnel were available. Reduction in class size, extra services and special programs are an added focus in the second year of the program.

Teacher Aides November 1, 1965, and continuing

\$287,420 (\$241,759 this year)

About 200 aides were hired last year (somewhat over 130 this year) under 89-10. They are mostly low-income residents employed to assist in non-professional tasks and give supportive adult friendship to the children. Restricted in use of aides in parochial schools by federal directive, the schools sought guidance from a Minnesota attorney general's opinion and after a delay are now moving ahead in providing aides to these schools.

Higher Incentives November 1, 1965, and continuing

\$172,239 (\$129,038 this year plus \$43,200 from state)

Targets of this program are students with high absenteeism and low aspirations and self-concept. To combat these problems, 60 home visitors (parents in the school's district) and 28 health and welfare aides were hired to serve as a liaison between the school and its community, try to stimulate youth to stay in school, help parents understand what the schools offer and offer social services. Ten social group workers were added to the program this year. One parochial school is presently being served.

Experimental Junior High November 1, 1965, and continuing

\$40,479 (plus \$69,445 from Economic Opportunity Act totals \$109,924)

(\$67,406 this year plus \$42,247 from Economic Opportunity Act totals \$114,279)

A store-front school (at 1713 Plymouth Avenue) serving 45 children selected as potential dropouts, the school has developed new approaches to junior high curriculum for these youngsters.

Grant Breakfast Program January, 1966 to June, 1966

\$16,081 (plus \$9,666 private foundation grants totalled \$25,747)

Breakfast and mid-morning snacks were served at Grant School to 500 children for five months. This was a University of Minnesota research project, the results of which are pending.

School Rehabilitation Project March, 1966 and continuing

\$36,450 (\$22,656 this year plus \$13,426 from state totals \$36,082)

The project created a rehabilitation center in Washington school, a vacant downtown school, to which all Minneapolis children are eligible to go if they are educationally handicapped. It offers the handicapped young person the combined potential of special education and vocational rehabilitation at the terminal phase of his school program. A state grant operates the vocational rehabilitation part of the program.

Project Communication January, 1966, continuing in Communication and Audio-Visual Van this year. \$60,452 (\$33,838 this year)

The first part is a pilot program at Harrison elementary school in the use of audio-visual equipment and development of materials to use with this equipment. The materials, with their multi-media approach, are particularly useful for teaching children who lag in language development. In-service training is provided for teachers to stimulate their creative thinking in uses of these materials.

The second part of the program centers on in-service training for target area school teachers. A van furnished with equipment and a master teacher moves from school to school.

Symphony for Twenty Elementary Schools March through June, 1966

\$4,000

Quartets and quintets from the Minneapolis Symphony performed in the schools, explained their instruments and answered children's questions in order to stimulate their interest in music.

Scholarships for Remedial Reading Teachers March through August, 1966

\$22,700

The scholarships provided the course work to train ten teachers in remedial reading. Three of the teachers were added to the staff of three junior high schools, two were tutors, two were to be available to parochial schools or to replace other staff people and three were assigned to the senior high schools where remedial reading teachers were not available. (See next item)

Secondary Reading Program February, 1966, and continuing

\$14,736 (\$16,468 this year)

Developmental reading centers at North, South, and Central high schools and several junior high schools under direction of a resource teacher with the help of six teacher aides. The project aims to improve the capacity of all classroom teachers to teach reading skills, lack of which contribute to drop-out and occur with frequency in target areas. A teacher has not yet been found to serve parochial schools.

Observation and Interpretation March, 1966, and continuing

\$33,988 (\$27,521 this year)

Closed circuit television of demonstration teaching and student activities in target area schools. Depending on the desired purpose, both students and/or teachers can observe class activities in this adaptable program -- to learn how to teach unmotivated or culturally different children, to improve communication techniques of educationally disadvantaged children or perhaps to improve the learning of functional non-readers. Permission of parents is obtained when children are to be observed.

Special Education Staff Augmentation March, 1966, and merged into other programs for the handicapped: \$65,146

Special Learning Disabilities (S.L.D.) Augmentation and Staff Development Facilitation (\$104,481 and \$16,680 this year, respectively)

Children with special learning problems in 20 target area elementary schools may spend part or all of the school day in classes of from 5 to 8 children with specially trained teachers.

Foreign Language Camp Summer, 1966

\$25,225 (a proposal is being written for summer, 1967)

Not all junior high schools offer foreign language programs; those target area schools that do, have very low enrollment. This may be due to the fact that students' backgrounds don't prepare them for this type of experience. The camp, considered an "exemplary project" by the State Department of Education, was for students at Franklin, Lincoln, Phillips and Sheridan junior high schools. With new methods of teaching, disadvantaged youngsters appear to do well in attacking a new language.

Fine Arts Field Trips June, 1966, and continuing

\$19,421 (\$28,824 this year)

Fifth and sixth graders in target area public and parochial schools are provided transportation and tickets for a Minneapolis Symphony and a theater performance geared to young people.

Urban Area Summer Program Summer, 1966

\$1,432,627 (a proposal is being written for summer, 1967, which would request \$500,000, \$18,000 local which would be an "in kind" contribution in use of buildings and equipment and \$50,000 from the state)

The 1966 Urban Area Summer Program was submitted as four projects: staff preparation and programs for both elementary and secondary schools. The staff training programs aimed to modify teacher attitudes toward low-income, disadvantaged people; develop the ability to establish rapport, understand them and teach them; and encourage teachers to remain in their assigned schools (where the staff turnover is high).

About 6,000 students attended sessions for seven weeks in 25 elementary schools, nine secondary schools and two summer camps. Classes met for half-days and were limited to 20 students, 69% of whom came from impoverished families. The majority of the remaining 31% met definitions of being educationally disadvantaged by reason of remedial or developmental problems.

There were programs of enrichment, field trips, reading helps, special projects in drama, art, science and social studies. The camps were in French language and in preparation for entrance into junior high. The school programs opened gyms and

swimming pools all day and during the evenings, had evening recreational programs with parents, team-teaching, "docu-drama" and experimental curricula. An evaluating committee organized by the Hennepin County Economic Opportunity committee education task force and the schools found "desire to learn stimulated and attitude toward school markedly improved."

The committee reported rifle shboting safety as part of a unit on hunting and fishing, a shop class studying and making lawn chairs according to mass production methods, individual sports like bowling and roller skating emphasized in physical education (and the teacher inviting the class to his house for volley ball, badminton and tetherball), team teaching in English and social studies, guitar and combo classes.

The committee commented on the elementary program: children had built a model airport, studied plants and animals, had singfests and hootenannies, took pictures of themselves to take home, went swimming, had field trips to factories, stores and hotels and had cook-outs.

Suggestions included new approaches to get needy children enrolled, more water safety, swimming and boating, a curricula differing more from the regular school year, use of more minority teacher aides, circulation of school library books in the summer, a year-round director and citizens committee, and more shop and vigorous exercise in elementary program.

The committee said teachers sometimes had too many volunteers to coodinate and that in most cases one aide could serve two teachers at the secondary level. They also noticed that home visitors, nurses and social workers sometimes overlap in their home visits.

Headstart Summer, 1966

\$33,725 (with \$181,447 from Economic Opportunity Act and \$21,968 local "in-kind" through use of buildings totalled \$237,140)

(proposal for summer, 1967, will be for \$189,898 from Economic Opportunity Act and \$47,138 local "in kind" through use of buildings and volunteer time totals \$237,036)

Headstart was a seven-week program for 1,140 children, 78% of whom were from impoverished families. It was held in the 25 elementary schools which housed the Urban Area Summer Program. The Headstart program included health exams and immunizations, social services, and field trips. The classes were small and there were classroom aides for each teacher, audio-visual materials and exhibits. The children had breakfast together which the evaluating committee found to be a great success, many children having two or three helpings. They noted that some had never seen oranges and bananas before and didn't know the peel had to be removed.

The summer, 1967, proposal calls for a six-week program serving about 100 fewer children. The higher allocation would allow for a training program for 329 persons to be employed and addition of aides to meet children at schools from which they would be bused. Under the Economic Opportunity Act, 90% of the children would have to be from impoverished families.

Improved Instructional Program - Elementary

September, 1966 and continuing	\$271,881
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Improved Instructional Program - Secondary

September, 1966 and continuing	\$531,062
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Title I

These two programs are the result of staff suggestions and reflect needs the district had previously been unable to meet. Expenditures are going mostly for about 100 staff persons who are being used in special ways. At North high school, the improvements are focused on English language programs. At Central high school, a school within a school (complete with interim principal) is working with sophomore students. At South high school, the program is reflected in all departments in a reduction of student-staff ratio.

School Lunch Program

November, 1966, and continuing

\$277,747

The program is now in operation in six target schools -- Grant, Blaine, Hall, Hay, Adams and Greeley. Lunches are served free in case of need or at a cost of \$1 per week for the first child in the family and 50¢ for each additional child. The program involves a change in school schedule (a shorter lunch hour) and the addition of personnel to serve and supervise the children.

Instrumental Music for Junior and Senior High

Summer, 1966, and continuing

\$32,349

Musical instruments were rented by the schools and lessons are given after school and on Saturday mornings. Parochial school students are welcome to participate.

MINNETONKA, DISTRICT 276

\$20,392 received

The money was used primarily for salaries of two full-time and one half-time staff persons. Last spring the district used \$7,000 for films and equipment for the senior high school.

MOUND, DISTRICT 277

\$34,500 for period February, 1966 to July, 1966

(\$26,800 approved for this year)

The money was used for nine projects including remedial reading, equipment, supplies and salaries, including that of a psychologist.

ORONO, DISTRICT 278

\$13,500 (\$12,400 this year)

This money was used primarily for salaries of a social worker and two special service secretaries to relieve specialists of paper work.

OSSEO, DISTRICT 279

\$50,186, of which \$43,308 was spent (\$36,400 this year)

Classroom for Socially Maladjusted and/or Emotionally Disturbed

\$4,370, of which \$1,363 spent (\$8,187 this year)

Title I

This program is for children who because of their emotional status cannot function adequately in the regular classroom and therefore need special help either in a special classroom or supplementary to the regular class. This project was in operation for only one month of the 1965-66 school year, so no formal evaluation was made. It is being continued.

Classroom for Visually Handicapped Children

September, 1966

\$2,809 (\$6,460 allocated this year)

This program did not get started in the spring because a professionally trained teacher was not available. In the fall, a teacher was hired and five children from kindergarten to senior high participate. The student is in the program daily for one hour and in his regular classroom the remainder of the time.

Summer School Summer, 1966

\$17,985 of which \$17,953 was spent

This was a summer reading clinic for educationally deprived children with supplemental activities in physical education, library services, guidance, music and art. The program was designed to help those children who function inadequately in the regular classroom because of their reading disability. Sixty children in grades 2-6 took part in this six-week program. The average gain in oral reading was 3.9 months, in developmental reading, 3.5 months. The director was pleased most with the enthusiasm and attitude of the students.

Counselor In-Service Training

\$6,637 of which \$5,545 was spent

The project was set up to upgrade counselors' competency with educationally deprived children. The sources of their training were a National Testing Laboratory (skills of human collaboration and self-understanding) and The American Institute of Family Relations (practical counseling techniques and principles specific to marriage and family counseling). The Osseo program director felt the counselors had gained much to improve their techniques in upgrading social and learning behavior of educationally deprived children. The counselors presented a sex education program for parents and junior and senior high school students in an evening course.

Summer Production of Television Curriculum Materials

Summer, 1966

\$18,385 of which all was spent

The goal of the program was to provide video-tapes of cultural and informational programs. Resource personnel in fields such as music, drama and art were used. Osseo has closed-circuit television and a teacher can request a certain program be sent to any one of the 10 elementary schools at a specified time. The program cannot be evaluated until the tapes have been used for some time. Two examples of the program are tapes of an art lesson by a superior art teacher and a history of the Indians in Minnesota showing and quoting from materials not obtainable in any other way. (After lack of approval of a joint Title III proposal for closed-circuit television, Osseo went ahead on its own with a less elaborate system.)

Senior High School Reading Program

September, 1966, and continuing

\$7,914

Visiting Teachers

September, 1966, and continuing

\$16,953

Two social workers help teachers identify children whose difficulty is related to social problems. They make home visits, counsel parents and help initiate needed visits to a social agency or mental health service.

RICHFIELD, DISTRICT 280*

\$34,000

Compensatory Language Arts in Junior High

January, 1966, and continuing

\$17,500 (about same amount this year)

Daily classes for junior high school students unsuccessful in school due to reading problems were held in both junior high schools. About 100 students participated last year; the same number are involved this year. Each class has about 25 students and two teachers. Non-public schools participated in the program; their students were bused.

Summer Reading Center

Summer, 1966

\$14,000

72 grade school children (56 from public schools and 16 from non-public schools) were bused to an elementary school. These were children who were reading below grade level and needed special help.

Special Education Curriculum Program

Summer, 1966

\$2,500

A team of teachers developed a program for teaching trainable retarded children.

ROBBINSDALE, DISTRICT 281

\$45,850

RISE Program

approximately \$23,000

90 first and second graders whose achievements did not warrant promotion to the next grade level were given intensive remedial reading during the summer for six weeks in the RISE (Rehabilitation Instruction in Summer Education) program. Twenty five percent of the children made dramatic improvement either in attitudes or in academic achievement. Some forty to sixty percent made gains in one area but fell off in the other.

Curriculum Writing

Teachers attended the University of Minnesota for studies in improving curriculum in such fields as science, language arts and math.

Auditory Testing

1965-66 school year

Each child in the district was provided the opportunity to have a hearing examination. Over 8,500 youngsters were examined. Money was also available to those unable to pay for corrective services.

Remedial Reading Centers

September, 1966, and continuing

\$79,800 (plus \$25,000 from school district totals \$105,000)

*Through contract, Richfield serves children in the unorganized Fort Snelling district.

Title I

Three centers are set up in churches to serve 180 children in groups of five. Because funds were limited, it was decided that second, third and fourth grades were most important to work with. The children are bused to the 1½ hour sessions which are for non-public as well as public school children.

ST. ANTHONY, DISTRICT 282

Officials of this district said they felt too much time would be required to apply for funds under Title I for their district. (District 282 is small, encompassing 2 3/4 square miles, and has only 25 children eligible compared to 399 for Robbinsdale and over 9,000 for Minneapolis.)

ST. LOUIS PARK, DISTRICT 283

\$74,000

Addition of Specialists to Staff

A counselor for a junior high school, a social worker for an elementary school, a psychologist for secondary schools and a consulting psychiatrist (half a day every three weeks) were added.

Summer Kindergarten

Summer, 1966

A kindergarten program for those who had completed kindergarten but would have been "poor risks" in first grade.

WAYZATA, DISTRICT 284

\$39,900

The projects for this district included expansion of programs of supplemental instruction, remedial reading, speech therapy, psychological services and testing, in the regular and summer programs for children in non-public as well as public schools. The district employed personnel, operated a special summer program, transition room and equipped a junior high reading laboratory.

HENNEPIN COUNTY DISTRICTS 285, 570 and 586

District 285 at Dayton participated in Title I by sending some students to Elk River for a summer program. District 570, Oakdale School at Rogers, and district 586, Burschville School at Rogers, did not participate in any Title I programs. These common districts have been served by the Hennepin county superintendent of schools who has resigned as of March 1. The districts will consolidate.

TITLE II

(No figures were available for 1966-67 school year)

BLOOMINGTON, DISTRICT 271

\$38,404

Resource materials include library books, films filmstrips, transparencies, recordings and tapes. Three non-public schools participated in the program and were loaned materials worth \$2,352. One private school did not wish to participate.

BROOKLYN CENTER, DISTRICT 286

\$5,418

Library books and audio-visual supplies were purchased. Officials hope to get \$2.25 per student next year (about \$4,500).

EDEN PRAIRIE, DISTRICT 272

Eden Prairie did not participate in any part of the 89-10 programs.

EDINA-MORNINGSIDE, DISTRICT 273

\$15,800

The district's allowance was \$1.50 per student. Half of the funds were for library books and half for audio-visual materials. No evaluation of the material has been made yet. Three non-public schools participated and were loaned materials worth \$935.

HOPKINS, DISTRICT 274

\$20,000

The district's allowance was \$1.75 per student. The money was spent for library books and aids.

GOLDEN VALLEY, DISTRICT 275

\$2,900

This money was used to purchase library books and aids.

MINNEAPOLIS, SPECIAL DISTRICT 1

\$118,635

The money was spent for books and audio-visual materials. The allowance per student was \$1.25. Instructional materials for non-public schools are deposited at near-by public high schools and are loaned for a year at a time and delivered to the non-public schools. The lack of approval of the school bond referendum in November, 1966, "may have a grave effect" on whether the school district can qualify for Title II funds next year, according to a school official.

MINNETONKA, DISTRICT 276

\$15,470

This amount was used for resource materials.

MOUND, DISTRICT 277

\$6,750

This amount was spent for library books and the school district was waiting in November, 1966, to be reimbursed for this 1965-66 expenditure.

ORONO, DISTRICT 278

\$3,500

The total amount was used for library books.

OSSEO, DISTRICT 279

\$20,000

Library books and visual aids were purchased for this allocation although the district had not been reimbursed as of December, 1966. A district official commented that this title is a great help to them and a very good section of 89-10.

RICHFIELD, DISTRICT 280

About \$29,250

The allotment was \$2.00 per child.

ROBBINSDALE, DISTRICT 281

\$52,000 (approx.)

This district's allowance was \$2.00 per pupil. About half was spent on audio-visual materials and half on library books. About 300 new filmstrips were added to each elementary school and additional films and records to each secondary school. Four non-public schools borrow materials which they selected.

ST. ANTHONY, DISTRICT 282

\$4,800

The money was used for books and aids.

ST. LOUIS PARK, DISTRICT 283

The district's allotment was \$1.75 per child. The money was used for educational material for each student.

WAYZATA, DISTRICT 284

\$11,500

Library books, audio-visual and other instructional materials were purchased for use of public and non-public schools in the district.

HENNEPIN COUNTY, DISTRICTS 285, 570 and 586

\$819.40

The money was spent on audio-visual aids. They are kept in the county superintendent's office library at the court house and the teachers make arrangements to borrow these aids for their school use.

TITLE III*

BLOOMINGTON, DISTRICT 271

A number of proposals were made last year but none were approved. This year the district is requesting an operational grant for an instruction and resource center at the Hubert Olson elementary school scheduled to open in the fall of 1967. Bloomington is also participating in co-operative projects listed below.

BROOKLYN CENTER, DISTRICT 286

The district submitted a proposal last year for a cultural center in co-operation with some other suburbs. This was not approved and the district decided not to reapply.

HOPKINS, DISTRICT 274

Hopkins has received a \$42,763 planning grant for modular scheduling. School officials consulted with other schools in the country which have adopted this type of scheduling and spent considerable time at Stanford University studying how the plan would work. The concept of modular scheduling discards the time-honored school day of an hour for each class. Instead, it utilizes the best lecturing teachers for lectures to large groups of students, freeing other teachers for close work with small groups. It schedules varying numbers of modules (units of time) for various types of studying and gives the student a much greater amount of freedom to spend his time where he feels he needs it most. If the program is adopted, it will be started in the senior high school only. Hopkins is also participating in co-operative projects listed below.

GOLDEN VALLEY, DISTRICT 275

Golden Valley received a planning grant of \$37,800 to be used to plan an area Science and Biological Laboratory. An operational grant is being sought. Golden Valley is also participating in co-operative programs listed below.

MINNEAPOLIS, SPECIAL DISTRICT 1

Minneapolis has received a planning grant of \$15,174 for a Talented Youth Project which would be a summer program for exceptionally gifted and able students from Minneapolis and St. Paul. Modelled on St. Louis' Mark Twain Institute, it would offer college-level studies in humanities, arts, and sciences to talented youth. Applications for an operational grant were submitted under both Title III and Title IV. When the \$90,300 grant was approved under Title IV, the other application was withdrawn. However, Title IV funds are temporarily frozen and the project has been resubmitted under Title III. In spite of the seemingly precarious position of the application, a State Department of Education official says he feels funds will be forthcoming.

An operational grant of an amount expected to be about \$57,839 has also been announced for a curriculum research enrichment program. Under the program, volunteers would visit classrooms to talk about their jobs, hobbies or travels.

A grant of \$16,600 has also been approved to operate an in-service training center in music for elementary school teachers.

* Amounts of grants cited are from State Department of Education

MINNETONKA, DISTRICT 276

Minnetonka, received \$48,770 last year to set up closed-circuit television. During the current year the district received \$12,248 which was used for technicians' salaries.

ROBBINSDALE, DISTRICT 281

The Robbinsdale district received a planning grant of \$26,600 to plan an Earth-Space Science Laboratory Demonstration Center. The proposal is based on the premise that there is a need for specialized facilities where students can come to observe and do experiments which require special equipment or guidance. A director and an assistant have been employed to implement the planning grant. Application for an operational grant will follow. Robbinsdale also participates in co-operative projects listed below.

ST. LOUIS PARK, DISTRICT 283

St. Louis Park received a planning grant of \$1,442 to develop a program which would help junior high students who have academic and emotional problems. There would be parent involvement in the project. An operational grant of \$31,553 is being sought. St. Louis Park is also participating in co-operative projects listed below.

WAYZATA, DISTRICT 284

District 284 applied for about \$52,931 to develop a computer instructional center. However, the project was quite expensive in relation to enrollment and cost per pupil, and it was not approved.

EDEN PRAIRIE, (DISTRICT 272), MOUND (DISTRICT 277), ORONO (DISTRICT 278), ST. ANTHONY (DISTRICT 282), and HENNEPIN COUNTY DISTRICTS 285, 570 and 586 did not apply for funds under Title III.

CO-OPERATIVE TITLE III PROGRAMS

Several co-operative Title III programs are being tried by school districts. One joint venture, however, was turned down three times. It would have set up a closed circuit television system for Osseo (district 279) and Robbinsdale (district 281). School officials complained that they had never received an explanation for the refusal by federal authorities. The project had been approved by state officials.

Two other joint proposals are for a data-processing service facility and a mental health center. The planning has been done by the staff of the Educational Research and Development Council, a University of Minnesota-based council of which 41 school districts are members. The Edina, St. Louis Park, Hopkins, Richfield and Bloomington school superintendents, acting as a joint board for the Suburban School Service, received planning grants of \$56,225 for the computer center and \$27,630 for the mental health center and hired the council to do the planning.

The computer center, to be developed during the next five years, would offer data processing services in twelve fields including student and faculty records, accounting, budgeting, equipment inventory and business office information. Initial services would be in student attendance, scheduling, grade reporting and guidance.

The mental health center would serve public and non-public school students. Part of the program would be in-service training for teachers to increase their sensitivity to mental health principles, a parent education program and the development and strengthening of existing counseling and guidance services.

Federal grants might pay for part of the costs and a system of dues from participating schools the remainder.

WHAT DO EDUCATORS THINK OF 89-10?

These comments were typical. A program director of a suburban school wrote: "We have been very thankful for Public Law 89-10 and the benefits our children have already received under Title I. We are now beginning to provide services that we knew we needed but did not have the finances to offer. We are just making a dent in these needs and we hope that Congress will not only continue this law, but will increase the monies to be allocated to these programs so that children will receive the full extent of the services they require to become mature responsible citizens in our country."

The Rt. Rev. R. J. Connole of the Catholic Archdiocesan bureau of education said he feels the co-operation between the Minneapolis school system and his office has been excellent. He said he had heard no complaints from the suburban Catholic schools although Minneapolis is the only Hennepin County district with which he deals directly.

A superintendent wrote: Some have "the wrong idea of the purpose of this federal aid. It is aid to economically and educationally deprived children and not to school districts or taxpayers. It is my opinion that it is paid to schools because there is no better way of making these children self-supporting than to give them an education that will make them able to support themselves . . . We should see that it isn't spent for (luxuries). We school people have been so concerned about our money problems that we believed the aid was for us and not the poor children . . . If school superintendents do not use the money for the purposes for which it was intended the error is theirs. If they use it for luxuries they and not the government that sought to help the impoverished are at fault. Poor school districts and poor children are not the same."

A program director said, "For the first time in the history of federal programs we have to set up criteria and really evaluate our projects, not just subjectively but objectively as well."

From an administrative aide: "We would like to see some of the procedures for getting federal funds simplified. It is important to have proper accounting of these funds, but perhaps this can be accomplished even if much of the red tape is eliminated. We feel very definitely that the decisions of how the federal funds can best be spent should be left to the state departments of education and local school districts."

A Minneapolis school official involved in Title II programs: "The allowance for each school child in a district is determined by a formula taking into account the assessed wealth of the community as determined by property valuation. I feel it would be much more fair if the formula were based on the level of income of the community."

Additional copies of this report may be ordered for 25¢ each from:

The League of Women Voters of Minneapolis
84 S. 6th St. Room 414
Minneapolis, Minnesota 55402
Phone: 333-6319

STATE FINANCING OF PUBLIC ELEMENTARY AND SECONDARY SCHOOLS

State assumption of primary responsibility for public elementary and secondary school financing stands out as one practical way to achieve substantial parity of resources behind each pupil. As long as local school districts have wide latitude in setting their own tax levels, great variations in both wealth and willingness to tax will produce significant differences in the amount of resources behind each student and consequent differences in the quality of education itself.

Increasingly, the cost and economic consequences of high quality and low quality education are felt well beyond the boundaries of the local school district. No student should be denied an adequate educational opportunity because of the accidents of local property tax geography.

Equality of educational opportunity is of critical importance in a democratic society dedicated to the proposition that all persons should have an equal chance to develop their potentialities to the fullest. This objective takes on a particular urgency as technological advancement causes employment opportunities to become increasingly restricted to persons with professional and technical skills.

Heavy reliance on the property tax for local school support can contribute to severe fiscal tensions in the intergovernmental financing system. Since 1942, local schools have increased their share of receipts from local property taxes from less than one-third to slightly more than one-half of all local property tax revenue. Local non-educational functions have become inferior claimants in the competition for the local property tax base. Counties and cities have been constrained from adequate use of the local property tax through heavy use of the tax by school boards. An increasingly skewed system of financing has developed, one in which costs for a major function of widespread benefit are largely localized.

This suggested legislation would relieve local property taxpayers of substantially all of the burden of underwriting the cost of education. Several States, including North Carolina and Delaware, have approached the goal of complete State assumption of financial responsibility. Hawaii has assumed complete financial and administrative responsibility for local public schools.

Budgetary considerations may dictate a somewhat gradual rather than an immediate substitution of State tax dollars for local property tax receipts. However, there is evidence to suggest that perhaps as many as 20 or more States could assume responsibility for substantially all public school financing if they made as intensive use of personal income and sales taxes as the "heavy-user States" now make on the average. When viewed alongside the potential decrease in the local property tax, State assumption of financial responsibility loses its idealistic cast and takes on the appearance of a realistic and equitable readjustment of the total tax burden.

This legislation restricts the amount of local supplementation to not more than 10% of the State outlay for local schools. Failure to do this would undermine the objectives of creating a fiscal environment more conducive to equal educational opportunity and of making more of the property tax base available to finance the general functions of local government.

Suggested State Legislation

[Title should conform to state requirements. The following is a suggestion: "An Act to Provide for the Financial Support of Public Elementary and Secondary Schools."]

(Be it enacted, etc.)

1 *Section 1. Purpose.* The purposes of this act are: to achieve high quality elementary and
2 secondary educational programs for all children in this state; to assure substantial parity in the
3 financial support of public elementary and secondary schools, while taking due account of the
4 differences among pupils in their educational needs; and to relieve the local property tax base of
5 substantially all of the financial burden of elementary and secondary education, thereby releasing
6 local property tax resources for the support of other local public services. To accomplish these
7 purposes the legislature declares it to be a responsibility of the state to provide substantially all the
8 financial support for public elementary and secondary schools, with appropriate educational policy-
9 making authority to be exercised by local school [districts] as provided by law.

10 *Section 2. State School Support Plan.* (a) The [chief state school officer] shall prepare a
11 State School Support Plan for inclusion in the [annual] budget submitted by the Governor to the
12 Legislature. The State School Support Plan shall include:

13 (1) Information required to determine an adequate level of State financial support for public
14 elementary and secondary education for each local school [district]; and

15 (2) Amounts of State funds recommended to be allocated to each public school [district] to
16 implement an elementary and secondary educational program that meets all requirements of State
17 law.

18 (b) In developing the State School Support Plan, the [chief state school officer] shall identify
19 and estimate for each public school [district] (1) the cost of providing elementary and secondary
20 educational services and facilities, including special educational services and facilities and the number
21 and kinds of instructional and other personnel; and (2) the cost of acquiring and maintaining land,
22 buildings and equipment, including transportation equipment. In determining the cost of special
23 educational services, the [chief state school officer] shall take into consideration such factors as:

24 (1) The number of pupils falling below minimum educational competence as established by
25 standardized tests;

26 (2) The number of children under [19] not attending school who have not completed
27 twelve grades; and

(3) The number of children¹ counted in determining a grant from the Federal government under Title I of Public Law 89-10, 20 U.S.C.A. 241c, as amended.

Section 3. School [Districts] to Provide Information. Upon request of the [chief state school officer], the [superintendent] of each public elementary and secondary school [district] shall provide any information, including financial records, which the [chief state school officer] requires for the development of the State School Support Plan.

Section 4. Payments to School [Districts]. The funds provided by the state for the support of public elementary and secondary education shall be allocated by the [chief state school officer] to the several public elementary and secondary school [districts] of the state in a manner that will carry out as nearly as may be the State School Support Plan. The [chief state school officer] shall notify the [state disbursing officer] of the amounts allocated to each local [district] and shall notify the [superintendent] of each local district of the amount allocated to it. The [state disbursing officer] shall make [quarterly] payments to the [districts] of the amounts so allocated.

Section 5. Local Levies for School Purposes. In addition to the amount allocated pursuant to section 4, any public elementary and secondary school [district] may spend for school purposes, from the levy and collection of taxes and charges authorized by law to be imposed in the jurisdiction, an amount not to exceed [10] percent of the amount so allocated.

Section 6. Repeal of Conflicting Acts or Sections of Acts. [Insert repealing clause.]

Section 7. Separability. [Insert separability provision.]

Section 8. Effective date. [Insert effective date.]

¹From low income families and from families receiving payments under the state program of aid to families with dependent children.

OUTLOOK FOR WORK - June 1969

EDUCATION

Education: The role of the state in creating and financing equal educational opportunities for all Minnesota children.

We will begin by studying and discussing the state's role in education - what the state regulations are, what financing the state provides, what the state is doing to overcome discrimination, etc. We will try to discover what children are being neglected and where the problems are. Then we can try to determine what changes should be made and what the state should be doing to assure equal educational opportunities for all.

The state resource committee is now working on the publication which we plan to have ready in February. This means that education can be scheduled for your April or May unit meetings.

Don't wait until February to start working, however. Watch the newspapers and magazines for articles and start clipping now. We'll send you a suggested bibliography in the fall.

Before the publication comes out and we start studying the whole state, you might want to look at your own school district. Are all children in your district being given the opportunities they need to realize their greatest potential? Consider all races, all income levels, the mentally or physically handicapped, the gifted, migratory workers' children, etc. What children are being neglected? Where are the problems? Look in the School Survey Guide (national) and try to answer the pertinent questions - no need to do a complete survey. This might be done during the summer while other League work is not quite so pressing. Many of you have already done a school study and probably already have the information. This is not a required project but would enrich your study and would help you relate the state study to your own community. Your findings might also be useful to the state committee.

We are planning a sort of "how to" meeting for resource chairmen and their committees in March. It will probably be in the metropolitan area. We'll have more details on this later.

Many, though not all Leagues, have held meetings this spring discussing the proposals set out for executive reorganization by the Governor's Council and by the Governor in his special message to the legislature. The League has been observing hearings on bills proposing reorganization.

The League will continue to work to implement its consensus on strengthening the legislature. Hopefully there will be a ballot question allowing the legislature greater flexibility in setting length of session and/or permitting annual sessions. As 1971 approaches the League will be working with newly elected legislators for rule changes in the 1971 Legislature.

SCOPE:

The state Board is proposing that we continue with our study of the executive branch, and attempt to reach consensus.

We conceive of a League study building on proposals outlined by the Governor's Council, the Governor, and legislators. We would examine recommendations in terms of state needs. We would expect to develop general criteria for reorganization and examine such questions as the short ballot, the Governor's cabinet, co-terminous terms. We would not expect members to concern themselves with such specifics as whether the Grain Inspection Division belongs with Agriculture or with the Public Service Commission.

We would envision a study of the executive by League members being coupled with a program of public education where Leagues would sponsor meetings in their local communities. This will give League members a chance to join with other citizens in discussion of how state government may be made more viable and better serve its people.

We would expect that with the background League members now have, a limited study could be completed in one year. In the second year there would be no new study at all unless members choose to study in detail an area of special League concern such as water.

II. Education: The role of the state in creating and financing equal educational opportunities for all Minnesota children.

BACKGROUND:

League interest in this topic developed out of our work on two other items - Financing Government and Equality of Opportunity. After concentrating on the revenue side of financing with a look at the three major taxes and a special study of property taxes, League members expressed a desire to extend our property tax study to cover the largest expenditure of property tax monies - that going to schools. Many people believe the state is not adequately or equitably carrying out its financial responsibility for public education. It is believed that because of this and the existing fiscal disparities among school districts, some children are not being offered equal educational opportunities.

The word "education" was added to our Equality of Opportunity item to conform to the national consensus and to provide the option of a state study if desired. As yet, no general state study of education has been made. Our very limited study in 1966 using Project Update: The Minnesota School System - Equal for All? and national material on Human Resources covered only two factors affecting equality - segregation and school size. League members believe there are many other factors involved, both financial and otherwise. Our solutions and actions could be much more meaningful if we made a complete study - identifying the problems, considering alternative solutions and reaching consensus as to the best solutions.

We have studied equality of opportunity in education at the national level and many local Leagues have actively worked toward this goal in their own communities. Many local Leagues having reached positions after study of their own school system have been unable to act - particularly concerning financing - because of the lack of a state position. State consensus under this item might reduce their frustration.

Now, while our work with finances is still fresh in our minds, a study of today's most important financial issue would make our finance study more meaningful and at the same time we could fill in the gaps in the equality item to allow significant action toward real equality of opportunity in education.

SCOPE:

Does every Minnesota child have an opportunity to receive the kind of education he needs to realize his potential? If not, why not? What can be done to provide it?

What can the state do to eliminate discrimination in our schools? Could teacher training improve teachers' attitudes toward minority students? Should textbooks be improved?

What does the state do to assist school districts that don't have the resources to raise enough money to operate quality schools? Is state aid adequate? Who should pay for compensatory education for socio-economically deprived children? Are all students needing compensatory education receiving it? How much extra does it cost to educate a physically or mentally handicapped child? Who should pay for it? Should the state pay a larger share of school expenses than they do now? Is present state aid distributed in such a way as to permit equality of educational opportunities in all schools? If not, how should it be changed to accomplish this goal?

Should fiscal disparities among school districts within a metropolitan area be reduced by changes in the property tax system as well as by the distribution of state aids? To more equitably disperse available resources, should the tax revenue from commercial and industrial property or from utilities be distributed over a broader base than is presently the case?

What should the state do to insure equal opportunities for the non-college-bound student? How can the state solve the problem of the too small school which cannot provide qualified teachers for a range of courses comparable to that offered in larger schools?

These are some of the types of questions we would expect to investigate under this study. Be prepared to tell us at Convention what direction and scope you wish for this item.

III. Financing Government in Minnesota: Support of property tax reform.

POSITIONS:

The League of Women Voters of Minnesota supports property tax reform through equitable assessments, fewer classifications, and more restrictive criteria for determining exemptions. We also advocate less dependence on the property tax as a source of revenue.

We support equitable assessments by professionally trained, adequately paid assessors with districts large enough to warrant their full-time employment. Periodic reappraisals should be mandatory. The state should be responsible for achieving uniform standards for assessment and should assess industrial property. There should be fewer classes of property for taxing purposes.

We believe the criteria for determining property tax exemption should be more restrictive. Property that is profit-making or in competition with private taxpaying enterprises should be taxed regardless of ownership. There should be periodic reconsideration of each exemption and owners of exempt property should pay enough taxes, or a charge in lieu of taxes, to cover the costs of local services. Tax exemptions as socio-economic incentives should be used sparingly and for a limited time in each case.

We believe that dependence on the property tax should be diminished because it does not necessarily reflect ability to pay and equitable administration is difficult. Local services such as police and fire protection, streets, parks, and sewers are the services most appropriately financed by the property tax. Services of broader than local significance such as welfare are less appropriately financed by the property tax. Education is appropriately financed partly by the property tax and partly by revenue from other sources.

BACKGROUND:

Since this item was first adopted in 1965, we have had the opportunity to learn where the state, counties, townships, cities, villages, school districts, and other special districts get their money and how they spend it. Financing Public Services in Minnesota was the basic publication for this study. Next we considered various criteria for judging taxes and applied them to the three major sources of revenue using Property, Income and Sales Taxes. The 1967

State Convention readopted the item with emphasis on the property tax. Two Facts and Issues publications have been printed since then.

Property Taxes: Probing Some Options gave us information on exemptions, classifications, and assessments. A supplementary piece, Some Property Tax Flaws and Options, was concerned with exemptions, classifications, effects of property taxes, and alternative property taxes. Consensus on property tax reform was reached April 1968.

During the current legislative session the League is lobbying to reduce the amount of tax exempt property. We are supporting a constitutional amendment to allow the legislature to define or limit tax exempt property except churches, houses of worship, and property used solely for educational purposes. We are also lobbying for more full-time, better trained assessors.

SCOPE:

The Board anticipates no new study under this item at this time (see item II of the Proposed Program) and recommends maintaining our support of the above positions.

- IV. Equality of Opportunity: A. Support of policies to ensure equality of opportunity in employment, housing, public accommodations, education and other public services for all citizens. B. Support of commission administration of anti-discrimination laws. C. Support of state responsibility for Indian citizens.

POSITIONS:

1. The belief that the state is responsible for all its citizens on an equal basis and should work to ensure equal treatment for all citizens by all levels of government.
2. The belief that anti-discrimination legislation is a necessary means of eliminating discrimination.
3. Support of legislation to ensure employment on merit regardless of race, color, creed, national origin or age.
4. Support of the principle of fair housing and anti-discrimination laws governing transactions of all real property regardless of whether the financing is public or private.
5. Support of commission enforcement of anti-discrimination laws dealing with employment, real property and public accommodations.
6. Support of legislation to ensure services for Indian citizens which are equal to those provided for other citizens. Where Indians are singled out for special attention, that attention should be directed toward solving existing jurisdictional conflicts in order to guarantee equal treatment of Indian citizens by all levels of government.
7. Support of a state agency of Indian affairs which meets the following criteria: acceptable to the Indians themselves, permanent, staffed by professionally qualified people, authorized to act in setting up, carrying out and coordinating programs, empowered to use the services of other existing agencies, and provided with adequate funds.

1969 change in MAXIMUM EFFORT
SCHOOL LOAN FUND
AN ACT

Read 1-1-69
PAFT
S.F. No. 1879

CHAPTER No.
1036

relating to school district indebtedness and limitations thereon, including bonds and debt service loans and capital loans from the maximum effort school loan fund of the state; authorizing the issuance and sale of school loan bonds of the state and appropriating the proceeds and the income from the investment thereof for the making of debt service loans and capital loans to school districts and for the payment of said bonds and interest thereon; amending Minnesota Statutes 1967, Section 124.38, Subdivisions 7 and 8; Section 124.42, Subdivisions 1 and 4; Section 124.43, Subdivisions 1 to 5; and Section 475.53, Subdivision 4; repealing Minnesota Statutes 1967, Section 475.533.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1967, Section 124.38,

Subdivision 7, is amended to read:

Subd. 7. "Maximum effort debt service levy" means a levy in a total dollar amount computed as 5-1/2 6.3 mills on the ~~correct-full-and-true~~ market value; except that the maximum effort debt service levy of any school district having received a debt service or capital loan from the state before January 1, 1965, shall be computed as 4 1/10 mills on the ~~correct-full-and-true~~ market value in each year, unless the district applies or has applied for an additional loan subsequent to January 1, 1965, or issues or has issued bonds on the public market, other than bonds refunding state loans, subsequent to January 1, 1967; and except that the maximum effort debt service levy of any school district granted a debt service or capital loan between January 1, 1965, and July 1, 1969, shall be computed as 5-1/2 mills on the market value in each year, until and unless the district receives an additional loan. The acceptance of a loan or the sale of bonds on the public market by any district except for the purpose of refunding

For the future
Changed
from 5 1/2 to
6.3 mills

on mkt
value
instead of
correct full
& true.

Loans
Before Jan 1, 1965
Computed at 4.1
mills on mkt.
value

Loans
Between
Jan 1, 1965 & July 1, 1969
at 5.5 mills

Continued - See File

hibit cities and counties from spending the money for a purpose that conflicts in whole or in part with a State's plan dealing with the utilization and development of its human or physical resources.

(4) Confirmation by report to the Secretary that in each of the first three years after the effective date of the act that the State did not reduce its grants out of its own funds to eligible cities and counties because of the Federal aid assured to these governments under this act. It is thus the intent of the act that the States not reduce their grants out of their own funds to eligible cities and counties.

(5) Adherence to all Federal laws in connection with any activity or program supported by funds provided in this Act so that these funds do not perpetuate practices that conflict with national policy.

(6) Submission of reports as necessary to the Secretary, the Congress, and the Comptroller General to help them carry out their responsibilities under this act;

(7) Distribution of the funds within the State required under other provisions of Section 106, described below.

Distribution of State entitlement

Section 105 (b) requires each State to pay over to cities and counties of 50,000 population a portion of the State entitlement in accordance with a formula that varies the payment to each city and county on the basis of its local revenue ratio, i.e., the ratio between its tax receipts and the total tax receipts of the State and its localities plus State liquor store profits. The amount of local tax receipts is assumed to implicitly reflect variations in local tax effort.

Specifically, the pass-through requirement in this act provides that (a) cities and counties of 100,000-plus population receive an amount equal to the product of multiplying the State entitlement by two times the local revenue ratio, and (b) cities and counties of 50,000-plus population receive an amount equal to the product of multiplying the State entitlement by two times the local revenue ratio multiplied further by the percentage by which the city or county population exceeds 50,000. This population modification for the cities and counties in the 50,000 to 100,000 size class avoids the possibility of drastically different treatment for cities and counties just below and just above the minimum population of 50,000.

The 50,000 population cutoff figure is designed to reconcile the competing demands of "federalism" and "urbanism." By drawing the line at 50,000, Congress still leaves each State with considerable discretion in the allocation of revenue sharing payments to its units of local government, a policy that accords with the tenets of federalism.

By specifying payments to the 872 counties and cities above the 50,000 mark which account for approximately 75 percent of the nation's population, Congress includes virtually all of the local jurisdictions experiencing the most severe fiscal tensions. The use of the multiplier of two times the local revenue ratio is designed to reflect the national urgency of the urban fiscal crisis.

It is estimated that on a nationwide basis, this formula allocates 22 percent of the trust fund to cities and 13 percent to counties.

To encourage States to take the initiative in strengthening the fiscal position of cities and counties and to maximize flexibility in the use of general support payments for meeting the particular needs of differing State-local fiscal systems, this section requires the Secretary to accept an alternative State plan that meets either of two conditions:

- (1) Each city and county will receive more under the State alternative plan than it is entitled to under the statutory formula; or
- (2) An alternative State plan is accepted by formal resolution of the city and county legislative bodies representing, at one and

the same time, half of those entitled to receive payments under the statutory formula, and those entitled to receive at least 50 percent of the amount designated by the statutory formula for cities and counties.

Under the second of these conditions, a State with the concurrence of cities and counties, may carry out a plan that would shift financial responsibility for a major function such as support for public schools or public assistance from the local governments to the State.

In recognition of the contribution that locally imposed school taxes make to aggregate State and local tax effort, Section 105(e) further designates part of the State entitlement for support of local schools. The amount spent for this purpose is determined by multiplying the payment to the State (after subtracting the amount allocated to cities and counties) by the ratio of separate school taxes to State and separate school taxes. It is estimated that on a nationwide basis this requirement allocates 16 percent of the trust fund to school support.

Powers of the Secretary

Section 106 directs the Secretary to obtain the requisite statistical data, reports and other materials he needs to discharge his responsibilities under this title. This section also gives the Secretary authority to reimburse Federal agencies for the cost of providing any data necessary to the administration of this act from the funds allocated for the Secretary by a percentage set aside in the first three years following the enactment of the act. It further authorizes appropriations after the first three years to support the continuing information requirements of the Secretary under this act.

This section also empowers the Secretary, after giving notice and conducting a hearing, to stop payments to a State that fails to comply with the agreements required under the act until such time as corrective action is taken.

Judicial review

Section 107 permits a State to file a petition for review of the Secretary's action in the appropriate United States Court of Appeals. The scope of the judicial review authority is spelled out and includes final appeal to the Supreme Court.

Report by the Secretary

Section 108 requires the Secretary to report to the Congress on the operation of the trust fund for the preceding and current fiscal years. He must file a statement of the actual and estimated appropriations and disbursements from the trust fund and may recommend changes in its operation.

Congressional study

Section 109 charges the respective Appropriations and Legislative committees of both the House and the Senate to conduct a full and complete study with respect to the operation of the trust fund at least once during each session of Congress. This section explicitly provides that the Congress retains the same rule-making authority with respect to these rules as it does with other rules.

TITLE II—PARTIAL FEDERAL INCOME TAX CREDIT FOR STATE AND LOCAL INCOME TAX PAYMENTS

Section 201 amends the Internal Revenue Code by renumbering Section 40 as 41 and inserting a new Section 40 that permits individuals to elect, in lieu of deductions, to take full credit against their Federal income tax liability an amount equal to 40 percent of their State and local income tax payments. The section defines State and local income taxes so as to include only those that apply to net income (after personal exemptions and dependent allowances). It pins down the period in which the taxpayer changes his election of the Section 40 credit or deduc-

tions. It spells out the methods to be used in accounting for adjustments on payments of accrued taxes claimed as Section 40 credits. It also incorporates cross references and the necessary technical and conforming amendments to other sections of the Internal Revenue Code.

The effect of the partial Federal tax credit on State use of the income tax cannot be predicted with certainty. Nonetheless, the thrust of the credit will be to encourage greater State use of this revenue source. Assuming the credit stimulates State income tax effort to a moderate degree, the Federal revenue foregone during the second year of the operation of the credit may be more than offset by the increasing State income tax receipts. Once State income tax receipts pass this threshold, State gains should overshadow Federal revenue loss because the States will be collecting one dollar for each forty cents of Federal credit.

Section 202 contains technical amendments.

Section 203 makes the amendments to the Internal Revenue Code contained in this title effective with taxable years beginning after the date of the enactment of this act.

TITLE III—FEDERAL COLLECTION OF STATE INCOME TAXES

Section 301 adds a new section to Chapter 77 of the Internal Revenue Code to allow the proper officials of any State and the Secretary of the Treasury to enter into an agreement for Federal administration and enforcement of that State's income tax. It requires that the State pay to the Treasury Department the cost of any work or services performed as a result of the agreement.

If the States, on their part, evidence a willingness to enter into the agreements authorized under this section, the day may come when taxpayers of a State can discharge both Federal and State tax liabilities with a single set of tax officials. States have tended increasingly to conform their income tax laws to the Federal Internal Revenue Code. The prospects of working out a mutually accepted agreement have thereby been enhanced. Currently, several States are considering the enactment of a personal income tax for the first time. If the Secretary of the Treasury had this authority, one or more of these States might immediately take steps to enter into an agreement in order to avoid the cost of establishing its own income tax administrative machinery.

TITLE IV—LARGER FEDERAL CREDIT FOR STATE DEATH TAX PAYMENTS

Section 401 amends the Internal Revenue Code by adding a new subsection at the end of section 2011 to restructure and liberalize the Federal credit for State death tax payments in return for State enactment of: (a) an estate tax in States now using an inheritance tax in order to ease taxpayer compliance and tax administration burdens; and (b) revised estate tax rates to pick up the increases in the Federal credits so that their effect is to raise State revenue rather than to reduce State taxes.

Taxpayer compliance and tax administration are frequently difficult under the present system of Federal estate and gift taxes and State estate, inheritance, and gift taxes. Jurisdictional conflicts frequently arise. State revenue from death taxes fluctuates from year to year. This section replaces the present Federal estate tax credit for State death tax payments with a two-bracket credit. This two-step credit gives the States a larger part of the revenue produced by the lower tax brackets—taxable estates up to \$50,000—and reserves for the Federal government the portion of the revenue produced by the larger estates. This section would make the liberalized credit applicable to decedents dying after December 31, 1972 to give States time to make appropriate ad-

<u>Col. 1</u>	<u>Col. 2</u>	<u>Col. 3</u>	<u>Col. 4</u>	<u>Col. 5</u>	<u>Col. 6</u>	<u>Col. 7</u>	<u>Col. 8</u>	<u>Col. 9</u>	<u>Col. 10</u>
	1966			Dollar		General			School
Community and School District	Agg. Sales Ratio	Total S. D. # Mills	School Debt Mills	Tax for Debt	\$ Value of 35% Credit	Tax after Credit	School Tax	Total Tax	Tax as % of Total
<u>HENNEPIN COUNTY</u> (cont'd.)									
Golden Valley #275	30.6	154.60	38.69	\$62.02	\$ 65.03	\$120.77	\$183	\$288	63.5%
Hopkins #274	32.6	186.05	27.45	47.96	96.97	180.09	228	357	63.9
Minnetonka #276	31.7	231.17	44.40	74.68	109.95	204.19	279	391	69.8
Mound #277	29.8	235.29	41.42	63.45	104.90	194.82	258	375	68.8
Richfield #280	30.2	174.90	28.48	44.83	80.66	149.81	195	313	62.3
Robbinsdale #281	29.9	163.56	35.53	55.18	69.59	129.23	184	298	61.7
St. Louis Park #283	31.7	184.97	29.65	49.87	91.44	169.81	220	335	65.5
Wayzata #284	29.7	199.18	46.65	71.75	82.11	152.48	224	329	68.0
<u>RAMSEY COUNTY</u>									
Arden Hills #621	31.0	174.86	39.99	65.26	77.04	143.07	208	317	65.6
North St. Paul #622	33.1	201.38	37.97	67.70	101.97	189.38	257	378	83.9
Falcon Heights #623	29.8	170.65	33.08	51.00	74.39	138.16	189	287	65.8
Roseville #623	32.6	170.65	33.08	57.79	84.12	156.21	214	342	62.5
White Bear Lake #624	35.5	202.82	43.98	86.02	108.74	201.94	288	420	68.6
St. Paul #625	27.9	93.38	10.70	15.08	46.05	85.52	101	257	39.3
<u>SCOTT COUNTY</u>									
Shakopee #720	28.8	176.33	33.62	49.52	73.57	136.64	186	263	70.7
<u>WASHINGTON COUNTY</u>									
Stillwater #834	30.3	189.50	30.72	48.60	87.92	163.27	212	412	51.5
Forest Lake #831	30.0	178.21	55.69	86.88	66.90	124.23	211	410	51.5

1969 Round-up of School Legislation

A round-up of legislation passed by the Minnesota State Legislature during its recent session provided financial aid for the Minneapolis Public Schools in many categories, but fell short in the broad area of Foundation Aids to be paid over the next two years, a report filed today indicated.

Highlights of the new aids to the Minneapolis Public Schools are as follows:

FOUNDATION AID PROGRAM

The Board's legislative program called for a substantial increase in the amount of foundation aid payments enjoyed by Minneapolis Public Schools from the State. The Legislature did not respond although small increases were provided.

The Foundation Aid Program, adopted by the Legislature for the next biennium, provides for an increase in payments under the "B" Formula from \$127 to \$133 per pupil unit in the first year of the biennium and an increase from \$133 to \$141 in the second year of the biennium. However, "pupil unit" was redefined in the second year from 1.5 to 1.4 for secondary pupils — which reduces the amount to be paid to the Minneapolis Public School District. The total formula, as it relates to the Minneapolis Public School District, is as follows:

Year	"A" Formula	"B" Formula	Amount Paid to Mpls.	Increase Over Previous Year
Now	\$355 minus .19 EARC	\$127	\$ 9,629,775	—
1970	\$365 minus .19 EARC	\$133	\$ 9,972,340	\$342,565
1971	\$404 minus .20 EARC	\$141	\$10,002,117	\$ 29,777

AIDS FOR HANDICAPPED CHILDREN

The current formula for providing aids for handicapped children is to support 66% of the salaries of teachers of handicapped children up to a limit of \$4,400. The Minneapolis Public Schools had asked that this program be supported on the basis of 80% of the salary of essential personnel. The conference committee report, which was accepted by both houses, will provide 60% of the support of salary of essential personnel up to a limit of \$5,300.

Initial calculations indicate that the Minneapolis Public Schools will receive approximately \$330,000 per year in additional revenue.

NEW SOURCE OF NON-PROPERTY TAX REVENUE

There were no new sources of non-property tax revenues made available for school districts. There was enacted legislation for additional taxing sources in the form of taxes on amusements and hotels and motels for the city. This will have an indirect impact on the schools as it will place less pressure on the property owner.

TRANSPORTATION AIDS

There were two major pieces of legislation in this area. The "fair bus bill" will mean that those school districts receiving transportation aids will have to provide transportation to private and parochial school youngsters. The bill to provide transportation aid for all districts did not pass. The "fair bus bill" will, therefore, not have an impact on Minneapolis Public Schools.

TAX RELIEF FOR THE ELDERLY

Tax relief for the elderly was expanded to eliminate the provision that the elderly could not enjoy the homestead relief and special relief for those over 65.

SPECIAL AID FOR ECONOMICALLY DISADVANTAGED STUDENTS

The Minneapolis Public Schools worked with the superintendents throughout the state to develop an "overburden" bill. Bills were introduced in the House and the Senate, which would have looked at a number of factors of overburden including: lack of financial resources, rapidly growing or declining school populations, and social problems. The Legislature felt that the overburden bills introduced were too complex.

The Senate "overburden" bill was amended to include two portions to provide aid to the core cities. An AFDC amendment was added, which would provide \$30 per year per student in those schools with 20% or more of their student body from the AFDC families. The Minneapolis Public Schools will receive approximately \$140,000 each year of the biennium because of this amendment.

(Continued on page 8)

Lyell H. Charleston Honored June 4



Lyell H. Charleston, payroll supervisor, will resign from the Minneapolis Public Schools on June 25, 1969. Charleston started work with the Minneapolis Park Board in 1937, then transferred to the school system in September, 1943, and has been instrumental in giving school employees "good green service."

Charleston was honored at a dinner held at Jax Cafe June 4th.

Lyell and his wife Connie will be at their cottage on Little Long Lake, doing some remodeling and trying to catch some big fish.

Next fall they will return to their home at 5149 Washburn Avenue South.

NEOLA S. REED

(Continued from page 1)

Dr. John B. Davis Jr., in speaking of Mrs. Reed's resignation, said, "I will miss her. We'll all miss her . . . her liveliness and her humor. Her contributions to education, of course, are well known and established. I have had the opportunity to observe the contributions made by Mrs. Reed to the education of boys and girls in this city — and that contribution has been significant. Her loss will be felt by faculty, community and especially those associates who have worked so closely with her in the past."

Mrs. Reed plans to travel when she leaves her position, which will take place before Dec. 31, 1969. In looking back over her extended career as an educator, Mrs. Reed expressed the highest esteem for the Minneapolis system and added that she has told the Minneapolis school story with pride throughout her career. "I feel only the greatest respect and admiration for the people with whom I've had contact in the Minneapolis Public Schools. My decision to resign has not been a hasty action, but rather a planned one which has been known to my associates for many months."

Mrs. Reed lives at 6201 Excelsior Boulevard.

H. Borg

TAKING ADVANTAGE OF THE DISADVANTAGED

BY MARIO D. FANTINI
AND GERALD WEINSTEIN

A FORD FOUNDATION REPRINT

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H. Berg X
CITIZENS LEAGUE
545 Mobil Oil Building
Minneapolis, Minnesota 55402

ESTABLISHING A METROPOLITAN EDUCATIONAL
EQUALIZATION AUTHORITY

By: ADVISORY COMMISSION ON INTERGOVERNMENTAL
RELATIONS

Copied by Citizens League July 10, 1968

Shortcomings in educational programs resulting from the unequal distribution of tax resources and the unequal cost of educating children can be tackled by marshaling resources within a region rather than involve the entire state. If a state is unwilling to provide an effective statewide program for equalizing opportunity, a limited or metropolitan approach offers a "first-rate" method for supplementing a deficient state aid program. This metropolitan educational finance measure is designed to deal with one of the most pressing social problems of our time--the need to design a system for financing education that enables all school districts within the metropolitan area to implement the concept of equal educational opportunity. While the disparities between central city and suburbs claims most public attention, anyone familiar with the fiscal landscape of suburbia is keenly aware of the fact that it does not present a uniform picture of affluence. On the contrary, suburbia fairly bristles with contrasts between rich, poor, and middle income jurisdictions.

To create a financial environment that is more conducive of equality of educational opportunity, four remedial financial steps should be taken.

1. To eliminate the accidents of local property tax geography, this measure would subject all taxable property within the metropolitan area to a basic school levy and thereby largely remove the possibility that industrial enclaves and local fiscal zoning will shield certain property from the legitimate burdens borne by the wider community for public schools.
2. To provide special assistance to those school districts confronted with the task of educating a disproportionately large number of "high cost" students (the educational over-burden problem), the formula for distributing the proceeds of the areawide tax would recognize and compensate for the unequal distribution of socially and culturally deprived students among the school districts within the metropolitan area.
3. To provide special assistance to those school districts hampered in their efforts to finance an acceptable level of education due to extraordinary tax demands for their municipal-type functions such as public safety, public welfare, and other public services and facilities (the municipal over-burden problem), the formula for distributing the proceeds of the areawide tax would give due weight to the overall local tax burden (school and non-school) borne by taxpayers in each local school district.
4. To insure that state aid to local school districts within the metropolitan area reinforces this compensatory approach, this measure would direct the superintendent of public instruction to channel all general aid compensatory state aid funds for local school districts within the metropolitan region through the regional

financing authority. These state aid funds could then be distributed in the same equalizing fashion as the locally derived funds are distributed among local school districts.

The proposal embodied in the following legislation would increase fiscal support of the schools in greatest need while keeping school policy and school administration in the hands of the area's individual school districts. It will not interfere with the right of each local school district to (a) select its own superintendent, (b) to chart its own educational policy consistent with state law or (c) to impose a supplemental rate if it wants to underwrite a program above the areawide standard.

In order to bring resources and educational needs into closer alignment, this legislation directs the Governor to create a metropolitan educational equalization authority if there is a finding on the part of the chief educational officer of the state that significant disparities exist among school districts that comprise the metropolitan district. The legislation sets forth specific guidelines for determining the existence of significant disparities in resources and educational needs.

In addition, the legislation provides equalization guidelines for the members of the metropolitan equalization authority to be followed in drawing up a specific formula for distributing the proceeds of the areawide tax among the constituent districts. The guidelines place heavy emphasis on the need to compensate for both educational and municipal overburden factors.

To insure that a substantial degree of equalization is affected, the legislation sets forth a "standby" distribution formula that becomes operative unless representatives of the local school boards representing at least 80 percent of the school children within the metropolitan area concur in their own formula for interdistrict equalization. As an additional incentive to obtain a local formula, the legislation provides that state aid be channeled to local districts in accordance with the local formula that achieves a high degree of concurrence.

In some states, a constitutional amendment may be necessary prior to the enactment of this legislation. Therefore, a suggested amendment is set forth below, following the proposed legislation.

- 1 (1) equalized property tax value per pupil;
- 2 (2) current operating expenditures per pupil;
- 3 (3) proportion of students who fall below minimum
- 4 educational competence as determined on the
- 5 basis of the standardized tests authorized
- 6 for use by (chief state school officer);
- 7 (4) proportion of school age population not
- 8 attending school;
- 9 (5) proportion of educationally deprived
- 10 students as defined under Title I of
- 11 Public Law 89-10, 20 U.S.C.A 241c.

12 Section 4. Metropolitan Educational Financing Districts.

13 Whenever, pursuant to section 3, an urban-metropolitan school district
14 is reported to fall at least (25) percent below the average of all
15 urban-metropolitan school districts within a SMSA with respect to
16 any of the indicators of resources and needs contained in subdivision
17 (1), (2), (3), (4), or (5) of section 3, the governor shall establish
18 a metropolitan educational financing district consisting of all
19 urban-metropolitan school districts within the SMSA.

20 Section 5. Metropolitan Educational Equalization Authority.

21 The governor shall create, for each metropolitan educational financing
22 district, a metropolitan educational equalization authority that shall
23 be comprised of (at least one) school board member appointed by the

1 Representation should be consistent with the requirements of each state law regarding proportional representation.

1 school board of each urban-metropolitan school district in the
2 metropolitan educational financing district. The authority shall
3 convene for purposes of carrying out the provision of this act upon
4 notification by the governor that a metropolitan educational equali-
5 zation authority has been created.

6 The authority shall meet annually at the time and in the place
7 its members may determine. From time to time, the members of the
8 authority may elect a chairman and make and alter by-laws for its
9 organization and the conduct of its affairs. A majority of the
10 members from the urban-metropolitan school districts represented in
11 the authority, constitute a quorum for the transaction of the business
12 and the exercise of the power of the authority.

13 Section 6. Determination of Levy Rate. A metropolitan
14 educational equalization authority shall levy a tax rate which when
15 applied to the equalized assessed value of taxable property in the
16 metropolitan educational financing district will produce an amount
17 equivalent to the combined amount required to be raised from local
18 revenue sources in each urban-metropolitan school district. ¹

19 Section 7. Distribution Formula. (a) Adoption of Formula.
20 The metropolitan educational equalization authority shall distribute
21 the proceeds of the levy to each urban-metropolitan school district
22 in accordance with a formula adopted by its membership. The formula
23 shall equalize as nearly as possible, educational opportunity by

¹ Some states may wish to permit metropolitan educational equalization authority to piggy-back local levies on state income and sales taxes.

1 taking into account educational cost and tax burden differentials
2 among local school districts within the metropolitan area.

3 (b) Consideration of High Cost Students. In order to
4 compensate the urban-metropolitan school districts which have a
5 disproportionately large number of high cost students, the
6 distribution formula shall give due weight to the relative pro-
7 portion of school age children in each district that: (a) fall below
8 minimum educational competence, (b) fail to complete twelve grades
9 prior to reaching age (19) and (c) are counted as educationally
10 deprived children for purposes of determining a grant from the
11 Federal Government under Title I of Public Law 89-10, 20 U.S.C.A.,
12 241c or as hereafter amended.

13 (c) Consideration of Local Tax Burdens. In order to com-
14 pensate the urban-metropolitan school districts hampered in the
15 competition for tax dollars by demands for expenditures on public
16 safety, public health, public welfare, and other municipal-type
17 services and facilities, the distribution formula shall also give
18 due weight to the overall local tax burden in each urban-metropolitan
19 district.

20 (d) Lack of Concurrence on a Formula. Unless representatives
21 of urban-metropolitan school districts containing at least (80)
22 percent of the combined pupil enrollment concur in a formula, the
23 proceeds of the levy provided for in section 6 shall be distributed

1 among urban-metropolitan school districts as follows:

2 (i) (50) percent of the proceeds in the proportion that
3 the school age population in each school district bears to the
4 total school age population in the metropolitan educational
5 financing district, and

6 (ii) (50) percent of the proceeds in the proportion that
7 each district shares in the funds for educationally deprived
8 children provided to all districts comprising the metropolitan
9 educational financing district under Title I of Public Law 89-10,
10 20 U.S.C.A. 241c.

11 (e) State Educational Aid Funds. If a metropolitan
12 educational equalization authority approves a formula with the
13 concurrence of representatives of urban-metropolitan school
14 districts containing more than (80) percent of the combined pupil
15 enrollment the (chief state school officer) shall disburse any
16 state educational aid entitlement of an urban-metropolitan school
17 district to the metropolitan educational equalization authority for
18 distribution in accordance with the approved formula.

19 Section 8. Responsibilities of the (chief state school
20 officer). The (chief state school officer) shall collect, compile,
21 and make available to a metropolitan educational equalization
22 authority all records necessary to determine an equitable dis-
23 tribution formula. The records shall include, for each local

1 among urban-metropolitan school districts as follows:

2 (i) (50) percent of the proceeds in the proportion that
3 the school age population in each school district bears to the
4 total school age population in the metropolitan educational
5 financing district, and

6 (ii) (50) percent of the proceeds in the proportion that
7 each district shares in the funds for educationally deprived
8 children provided to all districts comprising the metropolitan
9 educational financing district under Title I of Public Law 89-10,
10 20 U.S.C.A. 241c.

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12 educational equalization authority approves a formula with the
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17 district to the metropolitan educational equalization authority for
18 distribution in accordance with the approved formula.

19 Section 8. Responsibilities of the (chief state school
20 officer). The (chief state school officer) shall collect, compile,
21 and make available to a metropolitan educational equalization
22 authority all records necessary to determine an equitable dis-
23 tribution formula. The records shall include, for each local

1 school district: (1) the number of pupils falling below
2 minimum educational competence as established by standardized
3 tests, (2) the number of children under (19) not attending school
4 who have not completed twelve grades, (3) the number of children
5 counted in determining a grant from the Federal Government under
6 Title I of Public Law 89-10, 20 U.S.C.A. 241c or as hereafter
7 amended and (4) the relative local tax burden for education and
8 noneducational purposes.

9 Section 9. Tax Collections. The taxes levied pursuant to
10 this act shall be assessed and collected in the same manner as
11 other taxes and the proceeds shall be deposited to the credit of
12 the metropolitan educational equalization authority.

13 Section 10. Permission to Levy Additional Taxes. Nothing
14 in this act shall preclude any individual school district or
15 municipality within a metropolitan educational financing district
16 established by this act from levying additional taxes for the
17 support of its own school program.

18 Section 11. Separability (Insert separability clause).

19 Section 12. Effective date (Insert effective date).

Suggested Constitutional Amendment

1 Section 1. The (legislature) may authorize the establish-
2 ment of educational financing districts consisting of one or more
3 counties or parts thereof and may authorize a unifrom property tax
4 rate within the districts for the support of public education.

5 Section 2. (All parts of the Constitution in conflict
6 with this amendment are hereby repealed.) (Sections (identity
7 those sections of Constitution to be repealed) are hereby repealed.)

8 Section 3. (Insert appropriate language, consistent with
9 state election laws, for submission of the proposed amendment to
10 the electorate.)

H. Berg

FISCAL DISPARITIES COMMITTEE

Dept. of Ed.
swh by S. Walter Harvey

Citizens League
545 Mobil Oil Building
Minneapolis, Minnesota (02)

PRESENT FOUNDATION AID PROGRAM

DOMIAN REPORT
PROPOSALS

NOW: PHILOSOPHY 1

PHILOSOPHY 1

Minimum program paid for LOCALLY with some STATE support.

Minimum program paid for by STATE with some LOCAL support.

PHILOSOPHY 2

PHILOSOPHY 2

Wealthy districts need little or no aid to pay for LOCAL school programs.

Every district, regardless of wealth, is entitled to SUBSTANTIAL STATE assistance.

MINIMUM PROGRAM

MINIMUM PROGRAM

Only maintenance (operational) costs are concern of STATE.

Maintenance, capital outlay, & debt service should all be STATE subsidized.

BASIS FOR COMPUTATION OF PAYMENT

BASIS FOR COMPUTATION OF PAYMENT

P.U. in average daily attendance.

P.U. in average daily membership.

DEFINITION OF PUPIL UNIT

DEFINITION OF PUPIL UNIT

Weighting--

Weighting--

- $\frac{1}{2}$ unit/kindergarten pupil in a.d.a.
- 1 unit/elementary pupil in a.d.a.
- $1\frac{1}{2}$ units/secondary or AV pupils in a.d.a.

- $\frac{1}{2}$ unit/kindergarten pupil in a.d.m.
- 1 unit/elementary pupil in a.d.m.
- $1\frac{1}{2}$ units/secondary pupil in a.d.m.
- $1\frac{1}{2}$ units/AV pupil in a.d.m.

BASIS FOR FORMULA CHANGES

BASIS FOR FORMULA CHANGES

FORMULA base amount should be related to adj.maint.cost/
P.U. in average daily attendance in the MEDIAN district maintaining graded elementary or secondary schools.

FORMULA base amount should be related to AVERAGE TOTAL
COST/P.U. in average daily membership for NORMAL districts enrolling 1,500 pupils or more and in the MIDDLE 20% bracket on basis of EARC:wealth/P.U. in a.d.m.

Median
Adjusted Maintenance Cost

a.d.a. 1965-66 \$402/P.U. in a.d.a. (Gr.El&HS Dist)
a.d.a. (AVERAGE for HS Dist. only = \$431/P.U.)

MEASURE OF NEED

Adj. assessed value/P.U. in average daily attendance.

ADJUSTMENT FOR NEED

"A" aid reduced 19 mills in adjusted assessment value.
(INCREASE in adjusted assessed value reduces a district's aid) "B" aid not affected by changes in adjusted assessed value.

ADJUSTMENT FACTORS

Aid reduced--

If expenditures previous year did not equal base "A" amt.
If LOCAL EFFORT during current year for MAINTENANCE does not equal 19 mills on adj. assessed value.
If STAFF is not properly CERTIFICATED.
If school year does not encompass 170 days.

Estimated 1965-66 Costs

Maintenance	\$495/P.U. in a.d.m.
Capital Outlay & D.S.	\$ 83/P.U. in a.d.m.
TOTAL	\$578/P.U. in a.d.m.

MEASURE OF NEED

Adj. assessed value/P.U. in average daily membership.

ADJUSTMENT FOR NEED

INDEX OF SUPPORT reduced as E.A.R.C. values increase

ALL DISTRICTS treated alike under ONE formula index.

Wealthiest district:	support index .30
Poorest district:	support index .90

31 gradations between wealthiest & poorest to minimize impact of being just above or below the adjacent wealth category.

ADJUSTMENT FACTORS

Aid reduced--

If expenditures do not equal BASE amount.
If LOCAL EFFORT does not equal approx. 25 mills/a.a.v*
If STAFF is not properly CERTIFICATED.
If school year does not encompass 175 days.

ADJUSTMENT FACTORS (continued)

If pupil/certificated employee ratio exceeds 23.5/1.
If district has fewer than 1,500 ENROLLED students
and is not a COUNTY-WIDE system.
If district does not maintain BOTH secondary & elementary schools, 1968-69 aid/P.U. shall be maximum available.

AID INCREASED--

If school year exceeds 175 days.
If STAFF is ESPECIALLY WELL-QUALIFIED.
If district is in a CITY OF THE FIRST CLASS.

*Exact mill rate cannot be calculated until effect of personal property exemptions under Art. IV of Ch. 32, Laws of 1967, on adjusted assessed valuations can be determined.

NOW

Extra aid for districts with non-taxable railroad, airport, forest, & state-owned property; taconite companies pay no direct taxes, but production & other taxes go partly to dist.

Agricultural property must be taxed at 25 mill lower rate than non-ag (if N.A. rate exceeds 50 mills); homestead property & farm property taxed at lower %age than other property.

Some personal property exempted by local action & property newly exempt by Act of 1967 still used in EARC valuations.

EARC ratio fixed annually; three-year old values used in computing aids (1964 values used in computing aids (1964 values for 1967-68 school year, etc.)

State support about 48% of maintenance (operational) costs ONLY (no aid for capital outlay or debt service). Trans. & other special aids payable over & above maint. aid.

About \$20 per eligible census child and revenue from taxes on certain newly exempt properties as of 1966 tax year contributed from sales tax revenues to county treasurer to reduce local tax rates. (Wealthy districts tend to benefit most.)

ONLY local taxable (real & personal) property valuation (as adjusted by equalization aid committee to reduce local assessor's variations) used to determine ABILITY to support educ.

Some districts now have per capita limitations.

Districts of fewer than 12 sections (12 square miles) are not eligible for aid; pupils living in municipalities are incl.

Aid now \$60 per pupil transported OR 80% of cost, whichever is the lesser amount.

SPECIAL EDUCATION aid @\$4400/staff member plus 50% of added costs of materials and equipment needed.

Through special applications, districts with hardship situations may receive special grants from Dept. of Educ.; districts with sudden losses of taxable valuations qualify for extra aid payments under a special law. A small fund available for districts with extremely heavy tax burdens, on loan, to help construct buildings. LOCAL DISTRICT credit, however, 85% pyt. in SEPTEMBER, 5% pyt. in MARCH paid on previous year's a.d.a. 10% final adjustment in August of next school year based on final a.d.a. figures for current school year. All payments made to county treasurer, relayed to district.

DOMIAN REPORT--PROPOSALS

OTHER PROPOSALS:

No special aid because of presence of EXEMPT PROPERTY.

Taconite taxes now accruing to school districts be put in STATE coffers and used to pay general school aids.

Eliminate inequities due to PROPERTY CLASSIFICATIONS. (Unequal tax value placed on properties of equal market value by present Minnesota system.)

Use only property subject to taxation in establishing adjusted assessed (EARC) valuation.

Fix EARC ratio for a two-year period and use MOST RECENT available data; perhaps establish value on CO. level. 50% average STATE SUPPORT for FOUNDATION PROGRAM (maint., Co, Ds) Plus transportation, special education & other special aids.

No decrease in State aid because of increased Federal aid.

Proceeds from Tax Reform & Relief Act of 1967 now allocated to school districts REVERT To STATE coffers and be used to pay general school aids.

A local ECONOMY index is inappropriate unless COUNTY or REGIONAL in nature or unless local units can TAX elements included in the index. (Continues present method.)
Remove all LIMITATIONS on school district TAXING authority.
Extend TRANSPORTATION aid to all school districts without AREA or BOUNDARY limitations.
TRANSPORTATION aid should be 60% of approved costs; NO other limitation, UNTIL THIS HAS BEEN STUDIED IN DEPTH.
SPECIAL EDUCATION aid @\$6000/staff member plus 50% of added costs of materials and equipment needed.
EMERGENCY AID be continued, including aid for VALUATION DECLINE, with restrictions to avoid perpetuating districts which should not continue to exist.
STATE REVOLVING LOAN FUND for construction of approved school buildings--until available in ADEQUATE AMOUNT, STATE GUARANTEE of school district bonds to reduce INTEREST cost.
SEPTEMBER initial AID pyt. based on SEPT. estimate of current year A.D.M. -- payments to be made to DISTRICT, not CO.

Citizens League
545 Mobil Oil Building
Minneapolis, Minnesota 55402

H. Berg
May 9, 1968

MEMORANDUM

TO: Fiscal Disparities Committee

State Foundation and Other Aid Programs
For Education

What factors should enter into an equitable, adequate program of state support of education? What are the goals being promoted and what considerations, methods and weighting will best achieve the desired results? We speak of "equalizing opportunity" in the face of differing resources, needs, costs and capacity to finance per affected individual and community?

We have been studying the present Minnesota Foundation Aid Program relative to the Domian Report proposals and recommendations. These have been well summarized in the University Dep. of Education booklet, Education 1967 and in the analysis of S. Walter Harvey, Statistician in the State Department of Education. Two major differences in the proposals from the present involve philosophy and cost standards. While the present program would have "the minimum program paid for locally with some state support and assume little need for aid to wealthy districts for their local programs; the Domian proposals assume the "minimum program" should be paid for by the State with some local support and all districts, regardless of wealth, would then be entitled to state support of the state programs.

Secondly, the present minimum program consider only operational costs per pupil as of unit in ADA state concern, while the Domian report would relate the formula base to average total cost per pupil unit in ADM (average daily membership). Thus enrollment rather than attendance figures are basic and cost standards would be broadened to include "amortized capital outlay" and debt service as well as maintenance or operating cost. (See Harvey summary of formulas and last week's discussion.)

What do other states do to provide equalizing aid and other supports to education? It is instructive to consider the formula factors and programs utilized by others. All of the 50 states were studied by the researchers for the Domian report, to the end, in the words of the proponents that they have come up with "the best composite of factors". What other factors and weightings might be utilized?

The Citizens League has received and analyzed summaries of the programs of 20 states including Michigan, Iowa, Illinois, Wisconsin, North & South Dakota, Ohio, Washington, New York, California, Missouri, Delaware, Kansas, Connecticut and Georgia. These studies are prepared every three or four years for each of the 50 states by cooperation of the states' Department of Education and the United States Department of Health, Education, and Welfare. They are published by the office of Education and the interested individual may order selected studies or the full series from:

Dr. Thomas Johns
U. S. Office of Education
400 Maryland Avenue SW
Washington, D. C. 20202

In addition Selected Statistics of Local School Systems (1965-66) and other research reports are available from the National Education Association, 1201 16th St. NW, Washington, D. C. 20036.

All of the states have an "equalization" program but include somewhat differing concepts costs and measurements in their minimum aid formula. We have reproduced for you the New York system as an example of one of the most advanced, comprehensive plans in existence. The Missouri, Wisconsin, Michigan and California systems also have many noteworthy features.

Some of the questions which arise include:

- (1) What should be the unit of support? Census pupils, pupil units (weighted or unweighted by varying costs - operating and/or capital of elementary, vocational, high school), in ADA (average daily attendance) or ADM (average daily membership). What about bringing in "teacher units," all certified employees, specialists? (Weighted by what?). We find that about half of the states use ADA and half ADM, a few use sophisticated weightings and teacher units or certificated employees.
- (2) Should the state specify the minimum number of school days? Should it provide additional aid for increasing the length of school year (or course offerings?) Should a cut-off be written in?
- (3) What requirements should be imposed on local effort, if any? A minimum? Based on mill rates, expenditures, costs? Related to taxable valuations, equalized valuations, market values, per pupil unit, teacher, employee, per capita, per family, or aggregates for the district or state?
- (4) Should there be limits on local taxes, for school, municipality, county? Again, related to what? How provide for change when conditions change? What should be the relation among local, state and federal financing programs? What criteria should be considered and who should establish and administer them?
- (5) What are the total costs of an adequate educational program? Why equalize on operating cost only? What is the rationale for excluding (including) capital costs in basic foundation program aid? What are the alternative costs of not providing adequate educational financial support? Over what time period should costs be estimated and how must these considerations be related to goals, criteria and standards?
- (6) Should all revenue resources, costs, and programs be integrated into one general aid formula? Or shall certain programs of categorical aids be continued separately. How financed? Specified dedicated revenues? Or from general fund? How then do we solve the problems of changing needs, relations, and priorities?
- (7) How can we best relate our total educational program to the goals, needs and costs of our society and all of the other programs necessary to implement them?
- (8) How can we recognize variable conditions. Should the factors in the state support index itself change weights periodically.

Some notes on "what other states do" may be thought provoking when considered with the Domian recommendations and the existing Minnesota system.

Delaware provides state transportation for all school children needing it (bypassing the local district). They all provide state funds for 60% of construction costs and 100% in some cases.

Wisconsin pays a variable percentage of local cost up to a maximum allowance equal to 1 minus $\frac{\text{Local assessed valuation per pupil}}{\text{State guaranteed valuation per pupil}}$

Localities must levy 3 or 5 mills to qualify on state equalized valuation and limits on local effort are also established as follows:

- 8 grade districts meeting Basic Standards - 20 mills
 - 12 grade districts meeting Basic Standards - 25 mills
 - Districts meeting Higher Standards - 17 mills
- Note lower limit with higher standards.

The requirements for participation include the minimum school year of 180 days plus consideration of teacher welfare as pay basic salary, grant sick leave, deduct retirement funds for teachers.

ADM is used, and "teacher units" for the county levy which requires the "county to levy a tax to produce \$350 per elementary teacher for all elementary and 12 grade districts that have levied the required 3 or 5 mills on state equalized valuation".

The state also has a loan fund and many districts (1300) had borrowed from it (eligibility is easy) out there was a two year backlog of applications in 1966-67.

Kansas uses ADA and teacher units also. The state of Washington brings in certified employees. (Also Nevada)

The Georgia formula is based on ADA, "determined teacher units" (related to a density formula) and transportation allowances. There is also a separate capital outlay fund based on cost minus defined local share.

Missouri has a relatively comprehensive list of Basic and Special aids which include such interesting categories as teacher preparation fund, free textbooks, transportation allowance, exceptional pupils, the reorganization building fund, building abandonment aid and central building aid (although none of the three latter constitute over 1% of total aids).

Ohio program (as do some others) specifies teacher salary allowances imposes usual statutory debt limits but makes no provision for state assistance with sales of bonds.

Connecticut imposes no minimum required local effort no specified local rate limit (as most states do). Aid is stated per pupil in ADM plus an aggregate per district allowance for districts with more than 600 pupils. The local unit must levy on amount yielding \$250 per pupil unit, exclusive of transportation. The local debt limit is 5% (usual) of equalized valuation and the state has a School Building Fund for Capital Outlay which provides one-half of the cost of school construction" at the rate of \$500 per elementary pupil and \$700 per high school pupil "for the pupil capacity of the new construction", whichever is less.

A number of the states provide for state construction loans at relatively low interest rates.

Usually funds are limited however and must be rationed out. Also the localities are expected to repay principal plus interest. Michigan has established a statewide bond support and loan program. North Dakota had one of the lowest interest rates and California the highest. Minnesota has perhaps more limited funds and higher eligibility requirements. (So few districts qualify for maximum effort school loans) in its loan program than many states.

Fewer states actually participate in construction costs however, note again the New York formula which provides state participation in capital outlay and debt service apportionment on the same basis of aid ratio as operating expense apportionment.

The New York program is also notable for its provision of growth aid; experimental programs and innovations for all schools, and provision for local co-operation in services.

Similarly California has a very comprehensive program which as early as 1962 included myriad considerations. By latest report (1966-67) the state school assistance was distributed through 22 funds - 3 general and 19 categorical aid programs with the only requirement for participation in basic aid being to have a reported attendance for the current year and an ADA for the prior fiscal year but requiring SD levy of 6.5 & 2½ mills for El., H.S., and Jr. College respectively to qualify for equalization aid. Special categories included education for exceptional children, supplemental aid, county school, educational services, transportation, driver training, free textbooks, children centers, Jr. College funds, pre school compensatory education, physical therapists in special education, compensatory education for disadvantaged minors, state construction area projects, instructional television, vocational education, emergencies in local areas, special English, grants for teacher educational advancements, and loan fund for school construction. The latter uses the states' bonding capacity to provide funds to be loaned to school districts needing construction most (priority based on acuteness of overcrowding, sudden growth or proportion of total tax expended for school housing). The states' share or cost covers costs of administration and the interest on overall state bond indebtedness. School district debt limit is 5% of equalized valuation and districts are eligible for state loan when they have exceeded 95% of bonding capacity.

Finally, consider the area wide proposals for education of the Advisory Commission on Intergovernmental Relations. Compare to existing and other proposed programs.

Along similar lines a state wide levy for education has been proposed for the state of Vermont.

The question remains? What should be equalized? What should be supported? At what level of government? How can programs and approaches be coordinated to best achieve our overall goals in order of their priorities in the most efficient manner? Program contents must be costed, funded, and financed by the concerned people or political jurisdiction must be continuously analyzed in depth, dropped if impossible, or implemented only over a broader area of resources if the alternative costs are inadequacy and inaction are even greater.

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FISCAL DISPARITIES COMMITTEE

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U. S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE -- Office of Education
Bureau of Elementary and Secondary Education
Division of State Agency Cooperation

NEW YORK

PUBLIC SCHOOL FINANCE PROGRAM, 1966-67

NEW YORK PUBLIC SCHOOL FINANCE PROGRAM, 1966-67, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. James V. Vetro, Associate Chief in Education, Bureau of Educational Finance Research, New York State Education Department, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 47 percent of the non-federal revenue, including only State grants and county and local revenue receipts for local school systems, is provided by the State.
2. Almost 99 percent of the State funds are made available through the Basic School Finance Fund.
3. A variable percentage-sharing formula establishes the proportion of school expenditures to be provided by each district and by the State.
4. State support under provisions in the basic school finance formula for operating expenditures ranges from a guarantee of \$238 per weighted pupil in average daily attendance (WADA) to 90 percent (aid ratio) of the approved operating expenditure ceiling of \$660 per pupil. In addition the district receives: Growth aid, building aid, transportation aid, size-correction aid, and budget-operating aid.
5. There is an over-all guarantee of \$264 per pupil or 100 percent of the previous year's aid. There are special provisions for general aid for districts employing fewer than 8

LOCAL SUPPORT

1. Local school districts are not authorized to levy any nonproperty taxes specifically for the support of the public elementary and secondary schools. However, counties may levy nonproperty taxes and may direct the proceeds of such taxes to the support of the schools.
2. Nonproperty tax receipts for public schools account for approximately 1.4 percent of the total school revenue derived from county and local sources.
3. A tax of 11 mills on the "full value of real estate" is required for full participation in the Basic School Finance program.
4. School districts outside of cities have no statutory tax limit for school support. City school districts have tax limits varying from 12.5 to 20.0 mills.
5. School districts in cities of less than 125,000 population are fiscally independent and the authorized tax limit is for current operating expenses; school districts in larger cities are fiscally dependent and the 20-mill limit is an over-all limitation for current operating expenses, including the support of other governmental services. Taxes for debt service are outside this tax limit.

teachers based upon operating expenses and transportation expenses only. There are also special provisions for school lunch and various experimental programs and innovations for all school districts. There are further provisions for aid to Boards of Cooperative Educational Services whereby districts join together to provide services which they could not efficiently be able to provide by themselves.

6. Standard debt limits for school districts, based on State equalized full property valuation, are: 10 percent for districts other than cities; 5 percent for city districts under 125,000 population; 9 percent for larger cities other than New York; and 10 percent for New York City. There is no specified debt limit to be assumed in an emergency.

Provisions for the distribution of State Funds for the public schools and for program participation.

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances

Total (Est. 1966-67) \$1,462,000,000 (100.0%)

BASIC SCHOOL FINANCE FUND (Current expense, pupil transportation, capital outlay and debt service) \$1,449,500,000 (99.1%)
(Secs. 3602 of the Education Law)

General Operating Expense.....	Amount expended per weighted pupil in WADA to \$600 per pupil.
Kindergarten, half-day.....	.5 per each such pupil in ADA.
Elementary, grades 1-6, and full-day kindergarten	1.0 per each such pupil in ADA.
Secondary, grades 7-12	1.25 per each such pupil in ADA.
Small-size correction	Maximum program level increased 10 percent for first 1,500 of district weighted ADA.
Larger districts but not six largest cities	Maximum program level increased \$33 per pupil. This includes amount of approved transportation expense or maximum program level increased 10 percent for first 1,500 WADA of district, plus 60 percent of WADA in excess of 8,000 WADA.
-Nonprofit private school pupils or dual enrollment	Pupils enrolled either full time or part time in nonprofit private schools are not included in determining State program amounts.
Cities of 125,000 or more population.	Growth aid and operating aid increased 17.5 percent.

Capital Outlay and Debt Service	Cost of construction in relation to rated capacity to:
Construction:	
Grades 1-6	\$1,440 per such pupil
Grades 7-9	\$2,014 per such pupil
Grades 10-12	\$2,160 per such pupil
Site, furnishings, equipment, and professional fees:	
Grades K-6	20 percent of construction cost allowance
Grades 7-12	25 percent of construction cost allowance
School construction or modernization	Amount not to exceed 50 percent of cost allowance
Pupil transportation	90 percent of approved expenditure for pupil transportation

State and local shares for support of the calculated State program allowance

State share -- Calculated program amount multiplied by State aid ratio.

$$\frac{\text{Operating expenses WADA}}{\text{District wealth per pupil}} \times 1 - \frac{\text{State average wealth per pupil}}{\text{District wealth per pupil}} \times .51$$

Capital outlay and debt service allowance is the aid ratio calculated above multiplied by the sum of the base year approved capital outlay and current expenditures for debt service.

90 percent of approved transportation expense is included.

The aid ratio is limited to .90 and each district is guaranteed \$238 per weighted pupil in WADA for operating expense and an over-all minimum of \$264 per weighted pupil or 100 percent of previous year's aid.

Local share -- Balance of cost but program level is related to the amount expended locally.

Federal funds are deducted from expenditures in determining the amount of State aid in which a district may qualify.

Requirements for and extent of school district participation and schedule for distributing State aid

Requirements for participation -- Employ i or more teachets, levy the equivalent of an 11-mill tax on the full value of real estate. Capital outlay or debt service apportionments are not paid for districts scheduled for reorganization unless such assistance will not impede such reorganization.

Extent of participation-- 744 school districts.

Distributed in September, January, and April.

Bonds for school indebtedness in city school districts with less than 125,000 population may be issued up to a value not to exceed 5 percent of State-equalized full property valuation by a majority vote. Bonds to be issued having a value in excess of 5 percent of full valuation must secure a favorable vote of 60 percent of the persons voting and approval of the Board of Regents is required. These are constitutional requirements.

Bonds for school indebtedness in city school districts with more than 125,000 population may be issued up to a value of 9 percent of the State-equalized property valuation, except for New York City which is limited to a bonded debt of 10 percent of the State-equalized property valuation for the city. No approval of the voters is required. These limits are constitutional.

There is no limit to bonded indebtedness which can be approved in all districts in an emergency.

Voting requirements.--Persons in a school district who are qualified to vote at school meetings are qualified to vote on bond issues. Elections on bond issues are held at special school, special nonschool, regular school, or general elections.

In city school districts of less than 125,000 inhabitants, bonds having a maturity period of 5 years or less may be issued on the authority of the board of education without a vote of the electors.

Approval and sale of bonds.--School bonds must be issued by the local board of education. In some city school districts, the municipal government has issued bonds for school indebtedness. State approval of bond issues must be obtained but after the bond election and not before. Bonds are sold at a public sale and at a fixed rate of interest. The bonds need not be offered to a State agency and no formal provisions exist for State assistance in the sale of the bonds. Procedures for the sale of the bonds are established in the local finance law. Funds from the sale of bonds which are not immediately needed may be invested.

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