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JANUARY, 1927

Research Bulletin

OF THE

National Education Association

Major Issues in School Finance Part II

(Part I of this study appeared as the November, 1926 issue of the Research Bulletin)

School Costs and Economic Resources of the States	7
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Director of Research, John K. Norton.

Assistant Director of Research, Margaret M. Alltucker.

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General

Research Bulletin

OF THE

National Education Association

VOLUME V

January to November, 1927

(For index see page 347)

The Research Bulletin is issued by the Research Division, a section of the headquarters staff of the National Education Association. This division was created in February, 1922, for the purpose of conducting scientific studies of special interest to members of the teaching profession.

Bulletin One was issued by the Research Division in June, 1922, and *Bulletin Two* in November, 1922. The first number of the *Research Bulletin* is Volume I, No. 1, January, 1923, entitled *Facts on State Educational Needs*. With Volume I, No. 1, the *Research Bulletin* became a regular publication, issued five times each year—January, March, May, September and November. The Research Bulletins composing Volumes I, II, III, IV, and V, are listed on the next page.

RESEARCH DIVISION
THE NATIONAL EDUCATION ASSOCIATION
OF THE UNITED STATES

1201 Sixteenth Street Northwest, Washington, D. C.

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Research Bulletins Previously Issued

- Facts on the Cost of Public Education and What they Mean.* Bulletin 1, June, 1922. 68 pp. (Out of print.)
- Facts for American Education Week.* Bulletin 2, November, 1922. 40 pp. Price per copy, 25 cents.
- Facts on State Educational Needs.* Vol. I, No. 1, January, 1923. 64 pp. (Out of print.)
- Can the Nation Afford to Educate Its Children?* Vol. I, No. 2, March, 1923. 72 pp. (Out of print.)
- Teachers' Salaries and Salary Trends in 1923.* Vol. I, No. 3, May, 1923. 116 pp. Price per copy, \$1.00.
- Five Questions for American Education Week.* Vol. I, No. 4, September, 1923. 56 pp. (Out of print.)
- Facts on the Public School Curriculum.* Vol. I, No. 5, November, 1923. 48 pp. (Out of print.)
- Current Facts on City School Costs.* Vol. II, Nos. 1 and 2, January and March, 1924. 64 pp. (Out of print.)
- Teachers' Retirement Allowances.* Vol. II, No. 3, May, 1924. 32 pp. (Out of print)
- Facts on the Public School for American Education Week.* Vol. II, No. 4, September, 1924. 40 pp. (Out of print.)
- The Problem of Teacher Tenure.* Vol. II, No. 5, November, 1924. 40 pp. Price per copy, 25 cents.
- Public School Salaries in 1924-1925.* Vol. III, Nos. 1 and 2, January and March, 1925. 72 pp. Price per copy, 50 cents.
- Taking Stock of the Schools.* Vol. III, No. 3, May, 1925. 32 pp. (Out of print.)
- Keeping Pace with the Advancing Curriculum.* Vol III, Nos. 4 and 5, September and November, 1925. 96 pp. Price per copy, 50 cents.
- The Ability of the States to Support Education.* Vol. IV, Nos. 1 and 2, January and March, 1926. 96 pp. Price per copy, 50 cents.
- Efficient Teaching and Retirement Legislation.* Vol. IV, No. 3, May, 1926. 72 pp. Price per copy, 25 cents.
- A Handbook of Major Educational Issues.* Vol. IV, No. 4, September, 1926. 72 pp. Price per copy, 25 cents.
- Major Issues in School Finance—Part I.* Vol. IV, No. 5, November, 1926. 32 pp. Price per copy, 25 cents.
- Major Issues in School Finance—Part II.* Vol. V, No. 1, January, 1927. 64 pp. Price per copy, 25 cents.
- Salaries in City School Systems, 1926-1927.* Vol. V, No. 2, March, 1927. 64 pp. Price per copy, 25 cents.
- The Scheduling of Teachers' Salaries.* Vol. V, No. 3, May, 1927. 64 pp. Price per copy, 25 cents.
- The Advance of the American School System.* Vol. V, No. 4, September, 1927. 32 pp. Price per copy, 25 cents.
- School Records and Reports.* Vol. V, No. 5, November, 1927. 132 pp. Price per copy, 50 cents.

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Recent Issues of the Research Bulletin

Keeping Pace with the Advancing Curriculum. Vol. III, Nos. 4 and 5, September and November, 1925. 96 pp. Price per copy, 50 cents.

Presents in concise and readable form the outcome of recent research and practice bearing upon the problems of curriculum reconstruction. Has been widely used as a handbook by course of study committees and by college classes in the field of the curriculum. Includes selected bibliographies on general and special curricular problems, charts, illustrations, and index for Volume III of Research Bulletin.

The Ability of the States to Support Education. Vol. IV, Nos. 1 and 2, January and March, 1926. 96 pp. Price per copy, 50 cents.

Presents the most comprehensive data yet made available as to the comparative ability of the various states to pay for their schools. Also compares the states as to effort being made to support the schools. Widely quoted in educational periodicals and in recent surveys of state school finance. Much of data presented in graphic form; selected and annotated bibliography.

Efficient Teaching and Retirement Legislation. Vol. IV, No. 3, May, 1926. 72 pp. Price per copy, 25 cents.

Includes the 1926 Report of the Committee of One Hundred on Retirement Allowances of the National Education Association, E. Ruth Pyrtle, Chairman, and other material arranged in convenient form for those studying the problem of the retirement and pensioning of teachers. Selected and annotated bibliography.

A Handbook of Major Educational Issues. Vol. IV, No. 4, September, 1926. 72 pp. Price per copy, 25 cents.

Presents material for the use of lay and professional groups in studying problems affecting the conduct of public schools. Selected references on many major school issues are listed for those desiring additional information.

Major Issues in School Finance—Part I. Vol. IV, No. 5, November, 1926. Price per copy, 25 cents.

Presents data bearing upon two questions: (1) Are school costs larger than the economic resources of the nation justify? and (2) Can present expenditures for education be justified under a policy of economy and efficiency in public expenditures? Much of data presented in graphic form. Contains index to Volume IV.

FOREWORD

Forty state legislatures convene in 1927. School finance will be one of the major questions faced by practically all of these deliberative bodies.

No question is of greater significance to the general welfare. The legislature of a state can make or break its schools by the wisdom it exercises in shaping laws affecting the support of education.

In this time of confusion and false counsel concerning school costs, there is need for clear thinking in the drafting of school finance legislation. Nothing can be a greater aid to such thinking than the scientific, but untechnical presentation of facts such as those which have appeared in the last two issues of the Research Bulletin under the title, *Major Issues in School Finance*.

A study of these facts calls for optimism. The problems of school finance are difficult but not insuperable. It is encouraging to know that the economic resources of most states are more than adequate to justify present school expenditures. The securing of increased school revenue, in the states in which educational progress waits upon better financial support, is not a problem of a lack of economic resources. It is rather one of finding and being willing to put into effect the methods of taxation which will divert from the abundant supply of economic power already in existence a share appropriate to the importance of education in a modern civilized commonwealth.

The two Research Bulletins published under the title, *Major Issues in School Finance*, are recommended to those dealing with the financial problems of the public schools. These Bulletins contain data which have a direct bearing on most of the larger questions arising in the course of enacting sound school finance legislation. Public-spirited citizens, school officials, officers of education associations, and chairmen of teacher committees on legislation should select from these Bulletins the facts which concern their state. These should be brought to the attention of state legislators by every legitimate means. Few things can do more to advance school finance legislation in the right direction. Few things can do more to bring us to the day when educational opportunity will be guaranteed all children.

J. W. CRABTREE, *Secretary,*
National Education Association.

School Costs and Economic Resources of the Various States

The evidence presented in the November, 1926 *Research Bulletin* shows there is nothing in the recent history of the nation's economic development or in its present economic position to indicate school costs are larger than is economically justifiable. The nation's resources are so great it can easily provide for present, or even greater expenditures for the schools if their efficiency requires.

These conclusions are true for the nation as a whole. How far are they true for the individual states? Can each of the forty-eight states afford to support its schools on the present basis? Can further increases in the cost of education be safely voted if school efficiency demands?

The Situation in Individual States

As a basis for answering these questions, this section presents figures for the states comparing their school expenditures with a number of indications of economic power. The indications of economic power, for which data are presented for each state, are as follows:

1. Total accumulated tangible wealth
2. Average yearly current income
3. Total amount accumulated in savings accounts
4. Payments for life insurance
5. Yearly expenditure for building construction
6. Total taxes collected—federal, state and local
7. State and local taxes collected
8. Estimated expenditures for several articles in the luxury class.

A comparison of each of the above items in a particular state with its current school expenditures offers a basis for answering the following questions:

1. Is the amount of support accorded the schools in my state greater than its economic power justifies?
2. How does the effort being made to support education in my state, as indicated by the percentage of its economic power going to education, compare with that made in other states?

Relative Value of Various Measures of Economic Power

Of the various measures of economic power those as to wealth and income are the most reliable. In fact these measures of economic power are so much greater in value than the others presented that the question might be raised whether this study would not have been improved if the figures as to savings accounts, life insurance payments, building construction, taxes, and luxury expenditures had been omitted altogether. This would be the case were the figures as to the items other than wealth and income offered as a scientific basis for accurately comparing the states as to the economic effort their school expenditures involve. These figures are not presented primarily as a basis for comparing the economic effort made by the various states to support their schools although they may be of some value in this connection.

The figures as to savings accounts, payments for life insurance, taxes, and luxury expenditures are of greatest value as indications of the economic ability of each state to meet its present school expenditures considered by itself and without reference to the other states. The ratio of school costs to accumulated wealth and current income are the best indications of its economic ability to meet these costs. Further light may be shed upon a state's ability to meet school expenditures by comparing these expenditures with the other measures of economic power presented. These other measures are indications of the amount of economic power that a state is allowing to a few important interests having to do with current production and consumption and the increase of capital. In studying the figures given for these items one should carefully distinguish between those that represent annual allotments from current income and those which represent accumulation over a period of years. For example, the amount given as to the savings deposits of a state represent an accumulation of several years while figures as to building costs represent the amount expended during one year.

It is significant that the total accumulated savings deposits of the states are approximately nine times as great as are annual school expenditures. This means that the citizens in the majority of our states could in any year, if they so desired, meet all school costs by withdrawing a minor fraction of the amount on deposit in their savings accounts. In New Mexico, the state in which savings accounts seem to be least popular, yearly school costs are but two-thirds as much as is deposited in the savings accounts of this state. In some states in which the maintenance of savings accounts is a more general practice, such as Rhode Island, annual school costs are less than five percent as much as total savings deposits.

The fact that payments for life insurance are nearly as great as for all forms of schools is suggestive in a study of the relationship of school costs to economic power.

It is also a significant fact that the states expend over twice as much each year for building construction as for all school costs. There are but three states in the union, North Dakota, South Dakota and Nevada, in which more is being expended for schools than for building construction. In a considerable number of the states three times as much is being expended for building construction as for schools of all types.

In considering the relationship of school costs to a state's economic power it is also of some value to know how school expenditures compare with expenditures for other governmental purposes. Yearly school costs in the United States constitute less than one-third the amount collected through all forms of taxation. In every state in the union except North Dakota the amount collected annually in taxes is at least twice as much as is expended for schools. In several states yearly school costs constitute less than one-fourth as much as is collected in taxes. In thirty of our states, school expenditures are one-half or less than one-half the amount collected in state and local taxes alone.

Every state in the union is spending considerably more for certain articles in the luxury class, namely, soft drinks and ice cream, theaters, candy, chewing gum, tobacco, jewelry, perfumes, and cosmetics, than it is for all forms of schools—public and private, elementary,

secondary, and higher. In thirty-two states more than twice as much is being expended for these luxuries than for education. There are several states spending three times as much for the luxuries named as for all types of schools.

In studying the subsequent tabulations, therefore, it should be realized that the relationship of school costs to wealth and income is the most reliable basis for determining the economic burden which school costs represent in any particular state. If proper cautions are observed, further light may be obtained on this question, however, by comparing school costs with the amount of economic power provided for the support of a number of other important state interests.

Cautions Concerning Comparison of Effort Made to Support Schools

The following tabulations are arranged so they may be used to compare the economic effort being made by different states to support their schools. By effort made to support schools is meant the percentage of economic power devoted to school maintenance. Whereas this definition has some value, its limitations should be realized. Most people will agree that it is much easier for a family to expend a given percent of its income for the education of its children if it has a yearly income of ten thousand dollars than if it has an income of one thousand dollars a year. This principle has some application to units such as a state. It is probably true that it requires less effort in terms of sacrifice and self-denial for California, with a high per capita income, to expend 4.82 percent of its income for schools than for Mississippi, with a low per capita income, to expend 2.52 percent of its income for the same purpose. In a given year, the higher above the level of subsistence a state is, the easier it is to allot a given percentage of its income for school support.

This fact should be kept in mind in case one desires to use the subsequent tabulations to compare the states as to the effort being made to support education. It would be best to confine such comparisons to states with approximately equal ability to support schools. Otherwise the factor mentioned above may enter to

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such an extent as partly to invalidate the comparisons.¹

The ratio of school costs to wealth and current income is by far the best basis for comparing the states as to the effort made to support education. One should confine his attention to these figures if he wishes to base his conclusions on data that are of most scientific value.

The ratio of school costs to savings deposits, payments for life insurance, expenditures for building construction, amounts collected in taxes, and expenditures for luxuries should be used with great caution as a basis for comparing the effort of the states to support education. This is necessary for several reasons. For example, the ratio of school costs to savings deposits is very much higher in some states than one would expect after studying the ratio of school costs to wealth and income. This fact is particularly true of the sparsely settled states. In these states it is probable that banks with well organized plans for encouraging the building up of savings accounts are relatively inaccessible. Therefore, in these states much of the money which under different conditions would be deposited in savings accounts is diverted to other forms of investment.

Yearly school expenditures in New Mexico are 66 percent as much as accumulated savings deposits. The similar percent in the United States as a whole is 11.19. This is not an indication that New Mexico is making abnormal expenditures for schools. It is principally due to the fact that there is a substantially smaller sum in the savings accounts of this state than one would expect considering other measures of its economic power.

Similar special conditions exist in other states tending to reduce the validity of the items under discussion, as a basis for comparing the economic power of the states. The life insurance payments of a state are partly determined by its economic power and partly by other factors, such as the vigor of its insurance companies in selling their services. The amount of building construction is influenced by the rate of population growth as well as

by the amount of income. The amount of taxes collected in a state may be determined as much by the methods of taxation used as by the amount of resources possessed. Expenditures for luxuries are influenced by fashions and amount of advertising as well as by wealth possessed. In short, the various indications of economic power presented in the following tabulations, with the exception of wealth and income are *fractional indications of economic ability, not measures of total economic ability.*

These fractional indications of economic power may be strongly influenced in a state by factors but remotely connected with its total economic strength. Wealth and income, on the other hand, are two reliable indications of a state's total economic power.

The warnings suggested in the foregoing paragraphs, as well as similar cautions that cannot be given space in a study of this type, must be kept in mind if misinterpretations of the subsequent tabulations are to be avoided.

If caution is observed the data given in these tables will be found of value in answering the questions before us:

1. Is the amount of support accorded the schools in my state greater than its economic power justifies?

2. How does the effort being made to support education in my state, as indicated by the percentage of its economic power going to education, compare with that made in other states?

State School Costs and Wealth and Income

Table 1 gives data for each of the states as to school expenditures and economic resources as indicated by the amount of wealth and current income. Figures in this table make it possible to calculate the percentage of each state's total economic power devoted to school support. Such calculations are given in Table 2. Figures in this table present data as to the ratio of the school costs of each state to its wealth and income. Table 2 shows, for example, that the sum expended in 1924 for public elementary and secondary schools in Alabama was .48 of one percent of the value of its tangible wealth. The similar figure for the na-

¹ Facts are given in a recent study as to the ability of the states to support schools. For a detailed presentation of data on this point, see the following reference: John K. Norton, *The Ability of the States to Support Education*, National Education Association, Washington, D. C., 1926. This reference also gives more detailed consideration to other factors, not discussed here, which have an important bearing upon the complicated concepts: Ability and effort made to support schools.

tion as a whole was .58 percent. The sum expended for Alabama for higher education was .13 of one percent of the value of its tangible

wealth. The corresponding figure for the United States was .12 percent. The cost of all schools in Alabama constitutes a sum which is

TABLE 1—AMOUNT OF SCHOOL EXPENDITURES AND WEALTH AND INCOME BY STATES IN 1924

States	Expended in 1923-24 for elementary and secondary schools			1923-24 receipts of universities, colleges and teacher training institutions	Total school costs 1923-24	Value of tangible wealth, 1922 (in thousands)	Estimated yearly income, 1924 (in thousands)
	Public	Private	Total				
1	2	3	4	5	6	7	8
United States...	\$1,818,743,917	\$130,957,988	\$1,949,701,905	\$386,371,113	\$2,336,073,018	\$314,718,830	\$66,000,000
Alabama.....	14,386,394	458,353	14,844,747	3,998,151	18,842,898	3,002,043	719,400
Arizona.....	7,975,366	235,724	8,211,090	1,332,669	9,543,759	1,314,291	231,000
Arkansas.....	9,440,786	78,575	9,519,361	2,022,880	11,542,241	2,599,617	567,600
California.....	124,240,978	4,046,601	128,287,579	20,340,521	148,628,100	15,031,734	3,082,200
Colorado.....	22,960,826	301,203	23,262,029	4,044,530	27,306,559	3,229,412	640,200
Connecticut.....	24,996,771	4,675,200	29,671,971	8,139,411	37,811,382	5,286,445	1,042,800
Delaware.....	3,203,492	65,478	3,268,970	463,757	3,732,727	625,765	151,800
Dist. of Col.....	6,578,364	1,029,330	7,607,694	2,544,793	10,152,487	1,697,270	429,000
Florida.....	12,398,902	278,013	12,676,915	1,700,470	14,377,385	2,440,491	396,000
Georgia.....	17,278,365	272,011	17,550,376	5,268,086	22,818,462	3,896,759	1,009,800
Idaho.....	8,972,918	117,862	9,090,780	1,620,661	10,711,441	1,533,941	250,800
Illinois.....	115,374,775	15,845,917	131,220,692	25,032,269	156,252,961	22,232,794	5,009,400
Indiana.....	51,169,383	2,737,022	53,906,405	9,640,262	63,546,667	8,829,726	1,669,800
Iowa.....	48,173,955	2,697,735	50,871,690	14,408,378	65,280,068	10,511,682	1,353,000
Kansas.....	35,286,038	1,663,166	36,949,204	7,183,649	44,132,853	6,264,058	1,023,000
Kentucky.....	17,159,794	484,545	17,644,339	4,538,849	22,183,188	3,582,391	917,400
Louisiana.....	19,364,061	1,100,047	20,464,108	5,108,704	25,572,812	3,416,860	745,800
Maine.....	10,127,901	1,309,580	11,437,481	2,212,657	13,650,138	2,006,531	442,200
Maryland.....	20,411,063	1,859,603	22,270,666	7,890,643	30,161,309	3,990,730	990,000
Massachusetts.....	70,103,192	12,716,021	82,819,213	26,108,471	108,927,684	12,980,839	3,247,200
Michigan.....	82,858,433	10,070,669	92,929,104	15,436,017	108,365,121	11,404,861	2,580,600
Minnesota.....	55,392,199	4,190,656	59,582,855	13,598,873	73,181,728	8,547,918	1,333,200
Mississippi.....	9,833,452	130,958	9,964,410	2,853,701	12,818,111	2,177,690	508,200
Missouri.....	45,960,407	2,317,956	48,278,363	10,294,638	58,573,001	9,981,409	1,874,400
Montana.....	10,750,093	301,203	11,051,296	2,154,717	13,206,013	2,223,189	330,000
Nebraska.....	26,772,818	1,715,550	28,488,368	5,147,069	33,635,437	5,320,075	719,400
Nevada.....	2,111,709	5,238	2,116,947	504,110	2,621,057	541,716	66,000
New Hampshire.....	5,830,389	1,846,508	7,676,897	2,663,930	10,340,827	1,374,135	277,200
New Jersey.....	78,921,680	4,321,614	83,243,294	5,507,036	88,750,330	11,794,189	2,415,600
New Mexico.....	4,757,151	275,012	5,032,163	837,293	5,869,456	851,836	165,000
New York.....	242,638,343	13,933,930	256,572,273	40,080,693	296,652,966	37,035,262	9,603,000
North Carolina.....	30,980,022	798,844	31,778,866	9,613,364	41,392,230	4,543,110	904,200
North Dakota.....	16,706,696	314,299	17,020,995	3,200,620	20,221,615	2,467,772	303,600
Ohio.....	123,764,639	9,507,550	133,272,189	19,987,134	153,259,323	18,489,552	3,966,600
Oklahoma.....	32,649,784	183,341	32,833,125	5,122,110	37,955,235	3,993,524	1,023,000
Oregon.....	16,392,026	1,060,760	17,452,786	4,123,238	21,576,024	3,419,459	547,800
Pennsylvania.....	149,667,197	14,143,463	163,810,660	27,190,639	191,001,299	28,833,745	6,131,400
Rhode Island.....	8,606,771	1,925,082	10,531,853	2,330,504	12,862,357	1,924,326	475,200
South Carolina.....	12,825,341	222,629	13,047,970	4,539,185	17,587,155	2,404,845	587,400
South Dakota.....	15,370,870	340,491	15,711,361	3,214,793	19,126,154	2,925,968	356,400
Tennessee.....	16,832,091	523,832	17,355,923	5,703,012	23,058,935	4,228,251	798,600
Texas.....	55,687,875	733,365	56,421,240	14,791,966	71,213,206	9,850,888	2,389,200
Utah.....	9,349,516	248,820	9,598,336	1,748,827	11,347,163	1,535,477	244,200
Vermont.....	4,026,555	419,066	4,445,621	1,514,381	5,960,002	842,040	191,400
Virginia.....	20,271,269	432,161	20,703,430	9,457,451	30,160,881	4,891,570	930,600
Washington.....	27,362,702	1,951,274	29,313,976	4,592,951	33,906,927	5,122,405	950,400
West Virginia.....	22,453,950	432,161	22,886,111	3,939,063	26,825,174	4,677,919	712,800
Wisconsin.....	44,331,449	6,521,708	50,853,157	11,822,955	62,676,112	7,866,081	1,531,200
Wyoming.....	5,835,164	117,862	5,953,026	801,032	6,754,058	976,239	165,000

Interpretation of table: The figures given as to cost of education omit, because of lack of data, expenditures of certain institutions which might be termed schools, for example, certain institutions for the deaf, blind, and feeble-minded; commercial business colleges; etc. It is probable that if these expenditures were added to the figures given here, the increase would be less than five percent. Also note that data of column 5 are receipts not actual expenditures for higher schools. Data as to expenditures are not available. Receipts are probably in approximate agreement with what expenditures would show if data were available. The value of, tangible wealth is from the Federal Census of Wealth. The total given does not include value of ships of the U. S. Navy, and a few other items not distributed by states. The total income in the United States in 1924 was estimated on the basis of the best data available. This total is distributed among the states of the union on the basis of the average of the total national income found in the several states in the years 1919 and 1920 as estimated by the National Bureau of Economic Research.

Sources of data: Columns 2-6 inclusive are based upon data found in the publications of, or furnished by, the U. S. Bureau of Education.

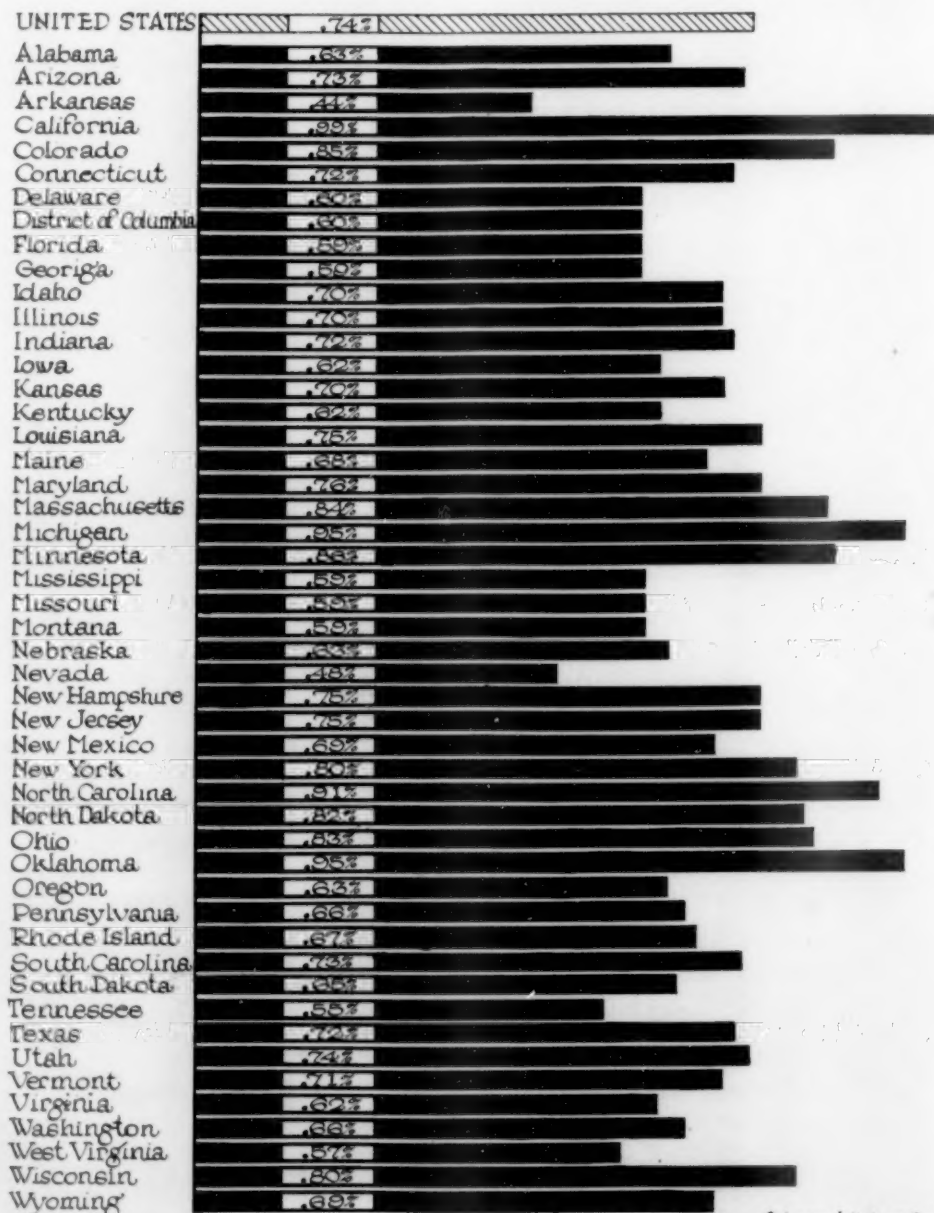
TABLE 2—PERCENTAGE OF THE ECONOMIC RESOURCES OF THE STATES DEVOTED TO SCHOOL SUPPORT IN 1924

States	Percentage relationship of wealth to			Percent of yearly income to			Rank of states based on:						Index of percent of wealth to:			Index of percent of income to:		
	Cost of public elementary and secondary schools	Cost of all education	Cost of all education per capita	Public elementary and secondary schools	Higher education	All education	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Pub. elem. and sec. schs.	Higher education	All schools	Pub. elem. and sec. schs.	Higher education	All schools
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
United States	25	15	74	8.76	4.89	2.44							1.00	1.00	1.00	1.00	1.00	1.00
Alabama	45	12	53	2.40	2.56	2.42	39	19	26	43	31	43	.85	1.08	.65	.76	.98	.74
Arizona	41	10	73	2.60	2.56	2.42	39	19	26	43	31	43	.85	1.08	.65	.76	.98	.74
Arkansas	36	08	64	1.66	2.56	2.03	40	46	49	4	21	5	1.05	.83	.83	1.25	.86	.89
California	43	14	39	4.03	2.56	4.02	1	15	1	4	21	5	1.43	1.17	1.34	1.40	.81	.57
Colorado	71	18	35	2.89	2.56	4.27	4	54	6	7	24	11	1.22	1.09	1.26	1.25	1.07	1.26
Connecticut	47	15	72	2.40	2.70	2.43	36	9	21	31	11	55	.81	1.25	.97	.87	1.32	1.02
Del.	29	07	61	2.46	2.56	2.46	47	49	30	30	40	45	.88	.88	.88	.88	.88	.88
Dist. of Col.	53	07	40	3.13	2.56	3.13	29	44	42	57	34	46	.81	1.25	.97	.87	1.32	1.02
Florida	39	09	59	1.71	2.56	2.56	43	17	45	67	36	46	.76	1.17	.80	.65	.72	1.02
Georgia	44	14	39	2.46	2.56	2.46	47	49	30	30	40	45	.88	.88	.88	.88	.88	.88
Idaho	54	11	70	3.56	2.56	4.27	14	35	23	6	23	10	1.00	.92	.86	.86	1.10	1.21
Illinois	32	11	77	2.30	2.56	2.46	45	22	24	33	39	33	.92	.92	.86	.86	1.10	1.21
Indiana	35	11	77	2.30	2.56	2.46	45	22	24	33	39	33	.92	.92	.86	.86	1.10	1.21
Iowa	35	11	77	2.30	2.56	2.46	45	22	24	33	39	33	.92	.92	.86	.86	1.10	1.21
Kansas	56	13	70	2.45	2.56	2.46	43	17	45	67	36	46	.76	1.17	.80	.65	.72	1.02
Kentucky	40	13	62	1.97	2.56	2.46	40	23	37	45	40	45	.88	.88	.88	.88	.88	.88
Louisiana	47	15	72	2.40	2.56	2.46	47	49	30	30	40	45	.88	.88	.88	.88	.88	.88
Maine	30	09	59	1.71	2.56	2.46	43	17	45	67	36	46	.76	1.17	.80	.65	.72	1.02
Massachusetts	55	16	56	2.16	2.56	2.46	38	20	26	34	36	39	.90	.86	.86	.86	1.10	1.21
Michigan	79	14	30	3.21	2.56	4.20	3	15	3	3	2	2	1.32	1.17	1.34	1.26	1.26	1.26
Minnesota	65	15	35	4.15	2.56	4.20	3	15	3	3	2	2	1.32	1.17	1.34	1.26	1.26	1.26
Mississippi	46	13	59	2.30	2.56	2.46	45	22	24	33	39	33	.92	.92	.86	.86	1.10	1.21
Missouri	40	13	62	1.97	2.56	2.46	40	23	37	45	40	45	.88	.88	.88	.88	.88	.88
Montana	40	13	62	1.97	2.56	2.46	40	23	37	45	40	45	.88	.88	.88	.88	.88	.88
Nebraska	50	10	60	2.70	2.56	2.46	38	20	26	34	36	39	.90	.86	.86	.86	1.10	1.21
Nevada	79	14	30	3.21	2.56	4.20	3	15	3	3	2	2	1.32	1.17	1.34	1.26	1.26	1.26
New Hampshire	42	13	59	2.30	2.56	2.46	45	22	24	33	39	33	.92	.92	.86	.86	1.10	1.21
New Jersey	47	15	72	2.40	2.56	2.46	47	49	30	30	40	45	.88	.88	.88	.88	.88	.88
New Mexico	45	12	53	2.40	2.56	2.46	39	19	26	43	31	43	.85	1.08	.65	.76	.98	.74
New York	45	12	53	2.40	2.56	2.46	39	19	26	43	31	43	.85	1.08	.65	.76	.98	.74
North Carolina	48	13	58	2.30	2.56	2.46	45	22	24	33	39	33	.92	.92	.86	.86	1.10	1.21
North Dakota	49	13	58	2.30	2.56	2.46	45	22	24	33	39	33	.92	.92	.86	.86	1.10	1.21
Ohio	49	13	58	2.30	2.56	2.46	45	22	24	33	39	33	.92	.92	.86	.86	1.10	1.21
Oklahoma	42	13	59	2.30	2.56	2.46	45	22	24	33	39	33	.92	.92	.86	.86	1.10	1.21
Oregon	45	12	53	2.40	2.56	2.46	39	19	26	43	31	43	.85	1.08	.65	.76	.98	.74
Pennsylvania	45	12	53	2.40	2.56	2.46	39	19	26	43	31	43	.85	1.08	.65	.76	.98	.74
Rhode Island	45	12	53	2.40	2.56	2.46	39	19	26	43	31	43	.85	1.08	.65	.76	.98	.74
South Carolina	45	12	53	2.40	2.56	2.46	39	19	26	43	31	43	.85	1.08	.65	.76	.98	.74
South Dakota	45	12	53	2.40	2.56	2.46	39	19	26	43	31	43	.85	1.08	.65	.76	.98	.74
Tennessee	40	13	62	1.97	2.56	2.46	40	23	37	45	40	45	.88	.88	.88	.88	.88	.88
Texas	47	15	72	2.40	2.56	2.46	47	49	30	30	40	45	.88	.88	.88	.88	.88	.88
Vermont	45	12	53	2.40	2.56	2.46	39	19	26	43	31	43	.85	1.08	.65	.76	.98	.74
Virginia	45	12	53	2.40	2.56	2.46	39	19	26	43	31	43	.85	1.08	.65	.76	.98	.74
Washington	45	12	53	2.40	2.56	2.46	39	19	26	43	31	43	.85	1.08	.65	.76	.98	.74
West Virginia	45	12	53	2.40	2.56	2.46	39	19	26	43	31	43	.85	1.08	.65	.76	.98	.74
Wisconsin	45	12	53	2.40	2.56	2.46	39	19	26	43	31	43	.85	1.08	.65	.76	.98	.74
Wyoming	40	13	62	1.97	2.56	2.46	40	23	37	45	40	45	.88	.88	.88	.88	.88	.88

Sources of data: The figures of this table are based on those given in Table 1. Column 2 of this table is obtained by dividing the figures of column 2 of Table 1 by those of column 7 of Table 1. Columns 3 to 7 of this table are similarly based on data of Table 1. Columns 8 to 13 are the rankings of the states based on the percentages of the preceding six columns. Column 14 is obtained by dividing each of the percentages of column 2 by .58, the percentage relationship of wealth to cost of public education in the United States as a whole. The .83 after Alabama indicates that Alabama is expending a percentage of its income on public elementary and secondary schools (.48, column 2) which is 83 percent as much as the percentage of the nation's income (.58, column 2) spent for these schools. Similarly read indices in columns 14 to 19.

CHART I

RATIO OF EXPENDITURES FOR ALL SCHOOLS TO VALUE OF ACCUMULATED TANGIBLE WEALTH IN 1924 BY STATES



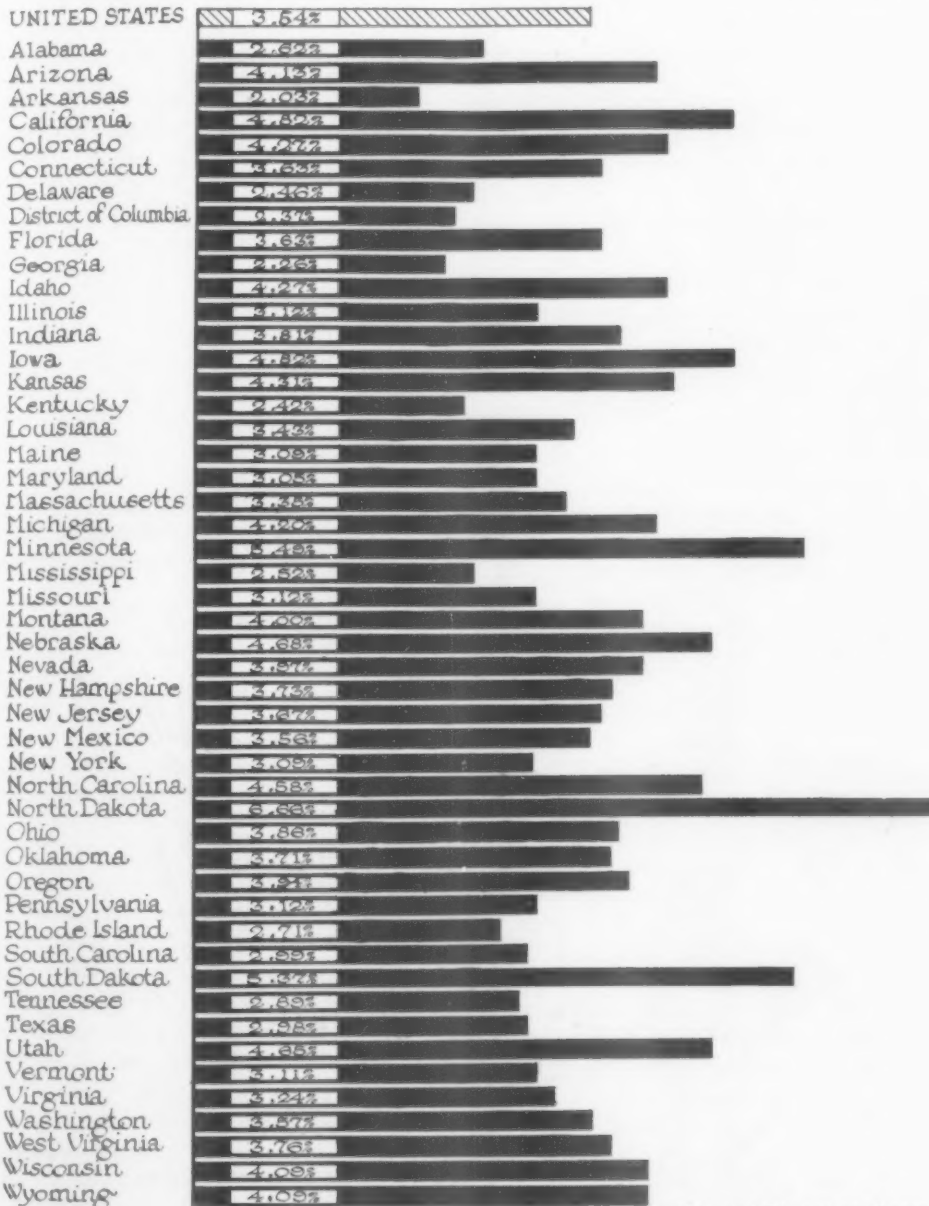
Research Division, National Education Assoc.

Read chart thus: In Alabama the expenditures for schools of all types, both public and private, in 1924, was 63 hundredths of one percent as much as value of accumulated tangible wealth. Similarly read data for other states.

Based on figures of the U. S. Bureau of Census and of the U. S. Bureau of Education.

CHART II

PERCENTAGE OF INCOME EXPENDED FOR SCHOOLS OF ALL TYPES, PUBLIC & PRIVATE, IN 1924 BY STATES



Research Division, National Education Ass'n.

Percentages derived from estimates based on figures of National Bureau of Economic Research for income and figures as to the cost of schools from the U.S. Bureau of Education.
Read chart thus: The percentage of income expended for schools of all types, public and private, in 1924, was 2.62 percent in Alabama. Similarly read data for other states.

.63 of one percent of the value of its tangible wealth. The corresponding percent for the United States was .74 percent. These latter percentages will be found graphically presented in Chart I.

Alabama in 1924 expended 2.00 percent of its income for public elementary and secondary schools; .56 percent of its income for higher education and 2.62 percent of its income for schools of all types, both public and private. The corresponding figures for the United States as a whole were 2.76 percent, .59 percent and 3.54 percent. Charts I and II graphically presents the ratio of school costs to wealth and to income for each of the states and the nation as a whole.

School costs in Alabama and in every other state in the union constitute a sum which is but a minor fraction of the amount of wealth and income possessed.

Using the indices of columns 14 to 19 of Table 2, these statements may be made concerning Alabama: If the ratio of the tangible wealth of the United States to the cost of its public elementary and secondary schools in 1924 (column 14) is given the value 1.00, then the similar ratio for Alabama has the value .83. Similarly considering the data in column 17, if the percent of the income of the United States devoted to public elementary and secondary school support is given the value 1.00, then the corresponding value for Alabama is .72. This figure may be interpreted as indicating Alabama is devoting 72 percent as much of its economic power, as indicated by annual current income, to school support as is the country as a whole. One might go still further and state Alabama is making 72 percent as much effort to support its public elementary and secondary schools, considering its income, as is the country as a whole. One should qualify his acceptance of the latter statement, however, in the light of the cautions given on page 8.

Charts similar to I and II could be drafted, using the data in Table 2, to show the ratio of expenditures for public elementary and secondary schools, and for higher education to wealth and to current income. Such a series of charts would graphically reveal, for each state, the ratio of expenditures for various types of schools to total economic power and

would also make possible visual comparison of the states as to the effort made to support various types of schools. These charts would furnish a reliable basis for answering the two questions being considered in this section.

State School Costs and Accumulated Savings Deposits

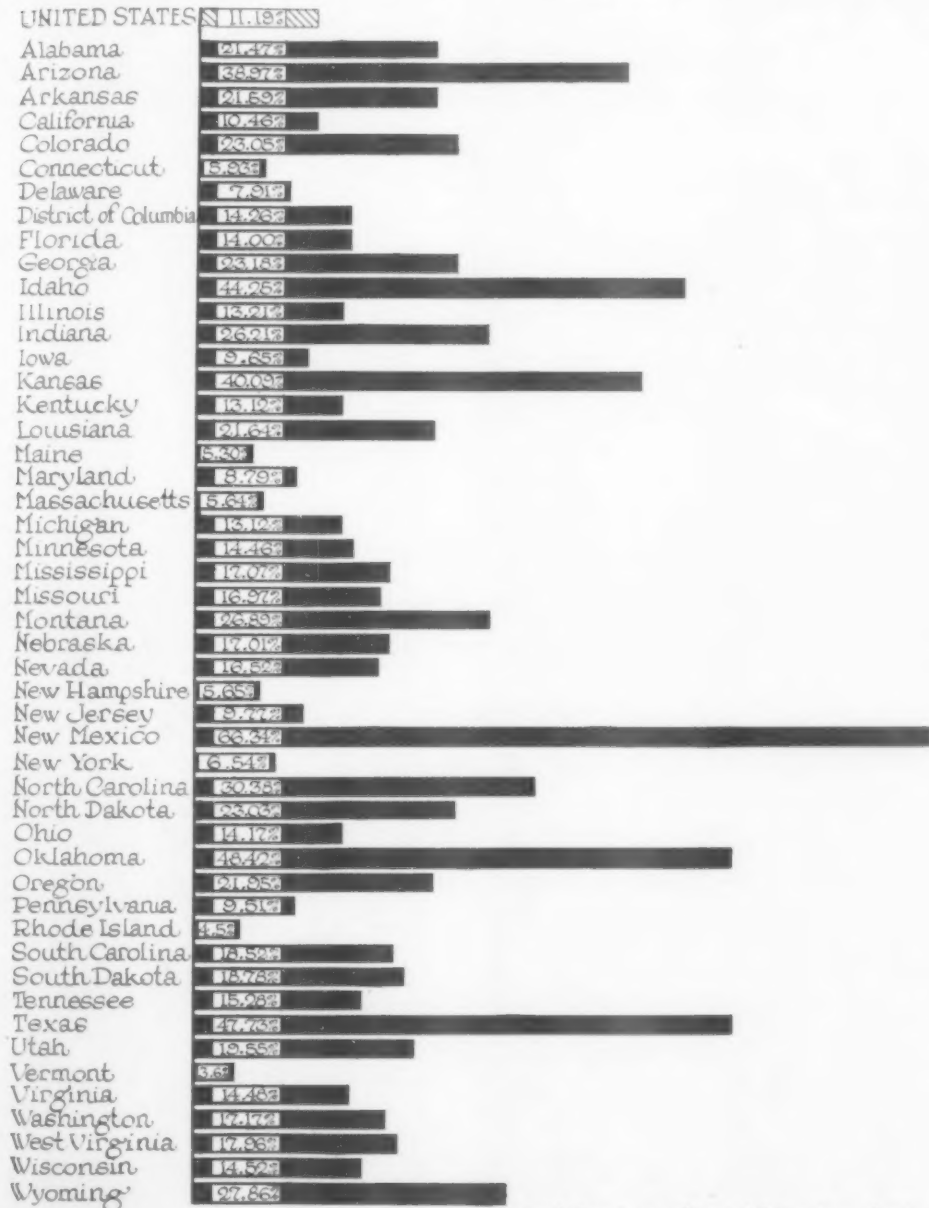
There was a total of \$20,873,562,000 in the savings accounts of the people of the United States in 1924.

According to Table 3 the expenditures for schools in 1924 were 11.19 percent of the amount in the nation's savings deposits. For every \$11.19 expended for school costs there was \$100 lying at interest in the nation's savings accounts. Similar facts are given for each state in Chart III. In every state in the union the amounts accumulated in savings accounts is larger than the yearly expenditure for public schools. There is not a state in the union in which school expenditures have prevented the accumulation of substantial savings accounts. In most states accumulated savings deposits are several times as large as annual school expenditures.

The ratio of school costs to deposits in savings accounts differ widely among states. Vermont and Rhode Island for example expend for schools a sum that is less than five percent as much as the accumulated savings deposits in these states. In New Mexico, on the other hand, school costs are two-thirds as much as savings deposits. These differences are due to influences affecting the two variables concerned. Some states are more generous than others in their provision for education. Sparsely settled states such as New Mexico find it necessary to expend more per pupil for a given type of education than thickly settled states such as Rhode Island or Connecticut. This is due principally to the fact that the number of pupils per teacher is often necessarily smaller in sparsely than in thickly populated states. The other variable, amount in savings deposits, is affected by factors, such as those discussed on page 9 which tend to reduce the amount in the savings accounts of certain states to a figure lower than one would expect considering the total economic resources in these states.

CHART III

RATIO OF EXPENDITURES FOR ALL SCHOOLS TO ACCUMULATED SAVINGS DEPOSITS IN 1924 BY STATES



Research Division, National Education Assn.

Read chart thus: In Alabama the expenditures for schools of all types, both public and private, in 1924, was 21.47% as much as accumulated savings deposits. Similarly read data for other states.

Based on figures of the American Bankers Association and of the U.S. Bureau of Education.

TABLE 3—RELATION OF TOTAL AMOUNT IN SAVINGS ACCOUNTS TO EXPENDITURES FOR SCHOOLS BY STATES IN 1924

States	Total amount in savings accounts 1924	Percentage that cost of public elementary and secondary schools is of total in savings accounts	Percentage that cost of higher education is of total in savings accounts	Percentage that cost of all schools is of total in savings accounts	Rank of states based on			Index of percentage of amount in savings accounts to cost of		
					Col. 3	Col. 4	Col. 5	Public elementary and secondary schools	Higher education	All schools
1	2	3	4	5	6	7	8	9	10	11
United States...	\$20,873,562,000	8.71	1.85	11.19				1.00	1.00	1.00
Alabama.....	87,773,000	16.39	4.56	21.47	16	10	17	1.88	2.46	1.92
Arizona.....	24,490,000	32.57	5.44	38.97	5	7	6	3.74	2.94	3.48
Arkansas.....	53,456,000	17.66	3.78	21.59	13	17	16	2.03	2.04	1.93
California.....	1,420,548,000	8.75	1.43	10.46	37	40	37	1.00	.77	.93
Colorado.....	118,445,000	19.39	3.41	23.05	11	21	12	2.23	1.84	2.06
Connecticut.....	637,368,000	3.92	1.28	5.93	45	43	44	.45	.69	.53
Delaware.....	47,175,000	6.79	.98	7.91	41	44	42	.78	.53	.71
Dist. of Col.....	71,781,000	9.24	3.58	14.26	36	20	31	1.06	1.94	1.27
Florida.....	102,729,000	12.07	1.66	14.00	27	38	33	1.39	.90	1.25
Georgia.....	98,459,000	17.55	5.35	23.18	14	8	11	2.01	2.89	2.07
Idaho.....	24,206,000	37.07	6.70	44.25	4	4	4	4.26	3.62	3.95
Illinois.....	1,182,970,000	9.75	2.12	13.21	34	35	34	1.12	1.15	1.18
Indiana.....	242,477,000	21.10	3.98	26.21	10	15	10	2.42	2.15	2.34
Iowa.....	676,282,000	7.12	2.13	9.65	40	34	39	.82	1.15	.86
Kansas.....	110,080,000	32.05	6.53	40.09	6	6	5	3.68	3.53	3.58
Kentucky.....	169,143,000	10.15	2.68	13.12	32	29	36	1.17	1.45	1.17
Louisiana.....	118,189,000	16.38	4.32	21.64	17	13	15	1.88	2.34	1.93
Maine.....	257,506,000	3.93	.86	5.30	44	47	47	.45	.46	.47
Maryland.....	342,977,000	5.95	2.30	8.79	42	33	41	.68	1.24	.79
Massachusetts.....	1,931,933,000	3.63	1.35	5.64	46	42	46	.42	.73	.50
Michigan.....	826,092,000	10.03	1.87	13.12	33	36	35	1.15	1.01	1.17
Minnesota.....	506,033,000	10.95	2.69	14.46	30	28	30	1.26	1.45	1.29
Mississippi.....	75,087,000	13.10	3.80	17.07	26	16	23	1.50	2.05	1.53
Missouri.....	345,221,000	13.31	2.98	16.97	24	26	25	1.53	1.61	1.52
Montana.....	49,110,000	21.89	4.39	26.89	9	12	9	2.51	2.37	2.40
Nebraska.....	197,742,000	13.54	2.60	17.01	22	31	24	1.55	1.41	1.52
Nevada.....	15,870,000	13.31	3.18	16.52	25	23	26	1.53	1.72	1.48
New Hampshire.....	182,877,000	3.19	1.46	5.65	47	39	45	.37	.79	.50
New Jersey.....	908,806,000	8.68	.61	9.77	38	49	38	1.00	.33	.87
New Mexico.....	8,847,000	53.77	9.46	66.34	1	2	1	6.17	5.11	5.93
New York.....	4,535,600,000	5.35	.88	6.54	43	46	43	.61	.48	.58
North Carolina.....	136,253,000	22.74	7.06	30.38	8	3	7	2.61	3.82	2.71
North Dakota.....	87,817,000	19.02	3.64	23.03	12	19	13	2.18	1.97	2.06
Ohio.....	1,081,624,000	11.44	1.85	14.17	28	37	32	1.31	1.00	1.27
Oklahoma.....	78,391,000	41.65	6.53	48.42	2	5	2	4.78	3.53	4.33
Oregon.....	98,298,000	16.68	4.19	21.95	15	14	14	1.92	2.26	1.96
Pennsylvania.....	2,008,885,000	7.45	1.35	9.51	39	41	40	.86	.73	.85
Rhode Island.....	283,499,000	3.04	.82	4.54	48	48	48	.35	.44	.41
South Carolina.....	94,945,000	13.51	4.78	18.52	23	9	20	1.55	2.58	1.66
South Dakota.....	101,837,000	15.29	3.16	18.78	19	24	19	1.76	1.71	1.68
Tennessee.....	150,861,000	11.16	3.78	15.28	29	18	27	1.28	2.04	1.37
Texas.....	149,208,000	37.32	9.91	47.73	3	1	3	4.28	5.36	4.27
Utah.....	58,040,000	16.11	3.01	19.55	18	25	18	1.85	1.63	1.75
Vermont.....	164,287,000	2.45	.92	3.63	49	45	49	.28	.50	.32
Virginia.....	208,329,000	9.73	4.54	14.48	35	11	29	1.12	2.45	1.29
Washington.....	197,449,000	13.86	2.33	17.17	21	32	22	1.59	1.26	1.53
West Virginia.....	149,324,000	15.04	2.64	17.96	20	30	21	1.73	1.43	1.61
Wisconsin.....	431,603,000	10.27	2.74	14.52	31	27	28	1.18	1.48	1.30
Wyoming.....	24,240,000	24.07	3.30	27.86	7	22	8	2.76	1.78	2.49

Read table thus: In 1924 there was a total of 87,773,000 in savings accounts in the state of Alabama. The expenditures for public elementary and secondary schools in Alabama in 1924 was 16.39 percent of this amount. This percentage gives Alabama a rank of 16, see column 6 on this item. In the nation as a whole the expenditures for public elementary and secondary schools was 8.71 percent of the amount in savings accounts. If this last percentage is given the value 1.00, as in column 9, then the percentage for Alabama (16.39) has the value 1.88. Similarly interpret data of other columns and for other states.

Sources of data: Column 2 from *Savings Deposits and Depositors, 1912 through 1924*, compiled by American Bankers Association, New York, and sources cited at foot of Table 1.

School Costs and Payments for Life Insurance

Investments in life insurance and those made in public education are two of the most important forms of insurance a civilized nation can maintain. They protect the future of the individual and of the nation and are important factors in creating new capital. It is interesting, therefore, to compare in Table 4 the ratio for payments of life insurance to school costs in the United States as a whole with that found in the various states.

Table 4 shows that \$2,082,815,282 was paid for the maintenance of life insurance policies in the United States in 1924. In the same year public elementary and secondary schools cost \$1,818,743,917 or 87.32 percent as much. The cost of higher education was 18.55 percent of the payments for life insurance premiums. The cost of all schools was 112.16 percent of the payments for life insurance premiums.

Similar facts are given for each of the states in Table 4. This table shows that every state in the union at present is making substantial investments in life insurance.

It is interesting to compare the facts for a single state with those just given for the country as a whole. Take Florida for example. The expenditures of this state for public elementary and secondary schools is 85.28 percent as much as it yearly pays in life insurance premiums. The similar percentage for the country as a whole is 87.32. Florida is spending slightly less for its public schools than one would expect considering its payments for life insurance. Among the states of the union it ranks 29th in this regard—see column 6. The index number in column 9 indicates that Florida is spending 98 percent as much for public schools per given expenditure for life insurance as is the nation as a whole. As far as its payments for life insurance is an indication of economic power, we have evidence that the effort being made by Florida to support its public schools is slightly less than that being made in the country as a whole. Using the data in Table 4 one may similarly study the ratio of the expenditures for higher education, and for all schools to the amount paid for life insurance.

School Costs and Payments for Building Construction

Money invested in building construction is another important form of national savings since practically all buildings constructed continue to exist for a considerable period of years. In recent years the United States has expended approximately three times as much for new buildings as for all types of school support. The ability of the nation to find such large sums for the erection of new buildings is further evidence of its increasing economic strength. It has been suggested that we have reached a new plane of construction demand "and that the higher level represented in the last three years is more or less permanent."¹ In short, building is taking place not only in response to population growth but in response to demands for better homes, better office buildings, and better equipped factories.

Table 5 shows that the United States in 1924 expended \$5,273,007,610 for buildings for which contracts were awarded. Probably an additional billion was expended for construction for which no contracts were awarded. According to Table 5, for every \$44.30 expended for school support, \$100 was expended for building construction. In all but three states in the union the sum annually expended for new buildings is larger than that expended for the support of all types of schools.

Chart IV graphically presents the ratio of school support to payments for building construction in each of the states. The percentage varies in different states. In Illinois, for example, school expenditures were 41.93 percent as much as was expended for buildings. Among the states in the union it ranks thirty-third in this regard—see column 6, Table 5. The index figure in column 11 indicates that Illinois is expending 95 percent as much for all schools per given amount of building construction, as is the nation as a whole. As far as the amount expended for building construction is an indication of economic power, we have evidence that the effort now being made by Illinois to support schools is but 95 percent of the average for the country as a whole.

The value of the amount expended for building construction as an indication of eco-

¹ "Are We on a New Plane of Construction Demand?" *Engineering News-Record*, August 27, 1925, p. 367.

TABLE 4—RELATION OF PAYMENTS FOR LIFE INSURANCE PREMIUMS IN THE STATES TO EXPENDITURES FOR SCHOOLS IN 1924

States	Payments for life insurance premiums in 1924	Percentage relationship of payments for life insurance to costs of			Ranks of states based on			Index of percentage relationship of payments for life insurance to cost of		
		Public elementary and secondary schools	Higher education	All schools	Column 3	Column 4	Column 5	Public elementary and secondary schools	Higher education	All schools
1	2	3	4	5	6	7	8	9	10	11
United States.....	\$2,082,815,282	87.32	18.55	112.16				1.00	1.00	1.00
Alabama.....	26,796,758	53.69	14.92	70.32	45	39	46	.61	.80	.63
Arizona.....	3,279,663	243.18	40.63	291.00	3	3	2	2.78	2.19	2.59
Arkansas.....	13,954,695	67.65	14.50	82.71	37	41	41	.77	.78	.74
California.....	88,371,838	140.59	23.02	168.18	10	27	14	1.61	1.24	1.50
Colorado.....	16,610,290	138.23	24.35	164.40	12	24	15	1.58	1.31	1.47
Connecticut.....	36,785,250	67.95	22.13	102.79	36	29	33	.78	1.19	.92
Delaware.....	5,631,014	56.89	8.24	66.29	44	48	48	.65	.44	.59
Dist. of Columbia.....	13,153,673	50.01	19.35	77.18	48	32	45	.57	1.04	.69
Florida.....	14,538,920	85.28	11.70	98.89	29	46	36	.98	.63	.88
Georgia.....	39,584,619	43.65	13.31	57.64	49	45	49	.50	.72	.51
Idaho.....	4,224,349	212.41	38.36	253.56	5	5	6	2.43	2.07	2.26
Illinois.....	183,957,739	62.72	13.61	84.94	41	44	39	.72	.73	.76
Indiana.....	49,563,015	103.24	19.45	128.21	22	31	25	1.18	1.05	1.14
Iowa.....	36,998,893	130.20	38.94	176.44	16	4	10	1.49	2.10	1.57
Kansas.....	42,746,552	82.55	16.81	103.24	30	36	32	.95	.91	.92
Kentucky.....	27,423,898	62.57	16.55	80.89	42	37	42	.72	.89	.72
Louisiana.....	18,890,846	102.50	27.04	135.37	23	18	22	1.17	1.46	1.21
Maine.....	12,620,091	80.25	17.53	108.16	31	34	30	.92	.95	.96
Maryland.....	34,689,056	58.84	22.75	86.95	43	28	38	.67	1.23	.78
Massachusetts.....	102,997,233	68.06	25.35	105.76	35	22	31	.78	1.37	.94
Michigan.....	64,020,784	129.42	24.11	169.27	17	25	13	1.48	1.30	1.51
Minnesota.....	37,690,198	146.97	36.08	194.17	9	7	8	1.68	1.95	1.73
Mississippi.....	10,579,055	92.95	26.98	121.16	27	19	26	1.06	1.45	1.08
Missouri.....	70,012,156	65.65	14.70	83.66	38	40	40	.75	.79	.75
Montana.....	6,215,496	172.96	34.67	212.47	7	9	7	1.98	1.87	1.89
Nebraska.....	19,124,658	139.99	26.91	175.87	11	20	11	1.60	1.45	1.57
Nevada.....	1,616,320	130.65	31.19	162.16	15	14	17	1.50	1.68	1.45
New Hampshire.....	7,975,815	73.10	33.40	129.65	33	11	24	.84	1.80	1.16
New Jersey.....	78,508,800	100.53	7.01	113.05	25	49	29	1.15	.38	1.01
New Mexico.....	2,308,291	206.09	36.27	254.28	6	6	5	2.36	1.96	2.27
New York.....	377,793,380	64.23	10.61	78.52	39	47	43	.74	.57	.70
North Carolina.....	30,612,402	101.20	31.40	135.21	24	13	23	1.16	1.69	1.21
North Dakota.....	5,912,768	282.55	54.13	342.00	1	1	1	3.24	2.92	3.05
Ohio.....	129,550,556	95.53	15.43	118.30	26	38	28	1.09	.83	1.05
Oklahoma.....	19,597,207	166.60	26.14	193.68	8	21	9	1.91	1.41	1.73
Oregon.....	13,679,489	119.83	30.14	157.73	18	16	18	1.37	1.62	1.41
Pennsylvania.....	192,760,834	77.64	14.11	99.09	32	43	35	.89	.76	.88
Rhode Island.....	16,487,053	52.20	14.14	78.01	46	42	44	.60	.76	.70
South Carolina.....	14,612,711	87.77	31.06	120.36	28	15	27	1.01	1.67	1.07
South Dakota.....	6,795,118	229.15	47.31	281.47	4	2	4	2.62	2.55	2.51
Tennessee.....	33,254,223	50.62	17.15	69.34	47	35	47	.58	.92	.62
Texas.....	41,975,826	132.67	35.24	169.65	14	8	12	1.52	1.90	1.51
Utah.....	6,948,550	134.56	25.17	163.31	13	23	16	1.54	1.36	1.46
Vermont.....	6,310,808	63.80	24.00	94.44	40	26	37	.73	1.29	.84
Virginia.....	29,511,684	68.69	32.05	102.20	34	12	34	.79	1.73	.91
Washington.....	24,192,904	113.10	18.98	140.15	20	33	20	1.30	1.02	1.25
West Virginia.....	19,684,656	114.07	20.01	136.27	19	30	21	1.31	1.08	1.21
Wisconsin.....	39,910,975	111.08	29.62	157.04	21	17	19	1.27	1.60	1.40
Wyoming.....	2,354,373	247.84	34.02	286.87	2	10	3	2.84	1.83	2.56

Read table thus: In 1924, there was \$26,796,758 paid as life insurance premiums in the state of Alabama. Expenditures for public elementary and secondary schools in 1924 was 53.69 percent of this amount. This percentage gives Alabama a rank of 45 in this item, see column 6. In the nation as a whole, expenditures for public elementary and secondary schools was 87.32 percent of the amount paid in life insurance premiums. If this last percentage is given the value 1.00 as in column 9, then the percentage for Alabama (53.69) has the value .61. Similarly interpret data for other columns and other states.

Sources of data: Column 2 from the *Life Insurance Yearbook for 1925*, Spectator Company, New York, page 436, and sources cited at the foot of Table 1.

TABLE 5—RELATION OF AMOUNT EXPENDED FOR BUILDING CONSTRUCTION IN THE STATES TO EXPENDITURES FOR SCHOOLS IN 1924

States	Estimated volume of building construction for which contracts were awarded in 1924	Percent relationship of value of building construction to cost of			Rank of states based on			Index of percentage relationship of value of building construction to cost of		
		Public elementary and secondary schools	Higher education	All schools	Column 3	Column 4	Column 5	Public elementary and secondary schools	Higher education	All schools
1	2	3	4	5	6	7	8	9	10	11
United States...	\$5,273,007,610	34.49	7.33	44.30				1.00	1.00	1.00
Alabama.....	50,093,572	28.72	7.98	37.62	37	29	39	.83	1.09	.85
Arizona.....	19,351,938	41.21	6.89	49.32	18	35	25	1.19	.94	1.11
Arkansas.....	55,735,690	16.94	3.63	20.71	48	47	48	.49	.50	.47
California.....	316,696,837	39.23	6.42	46.93	22	38	28	1.14	.88	1.06
Colorado.....	38,703,876	59.32	10.45	70.55	7	15	8	1.72	1.43	1.59
Connecticut.....	108,096,656	23.12	7.53	34.98	45	32	42	.67	1.03	.79
Delaware.....	12,813,409	25.00	3.62	29.13	43	48	46	.72	.49	.66
Dist. of Col.....	54,786,549	12.01	4.64	18.53	49	44	49	.35	.63	.42
Florida.....	45,822,436	27.06	3.71	31.38	39	46	43	.78	.51	.71
Georgia.....	94,175,916	18.35	5.59	24.23	47	42	47	.53	.76	.55
Idaho.....	19,351,938	46.37	8.37	55.35	15	27	19	1.34	1.14	1.25
Illinois.....	372,643,448	30.96	6.72	41.93	35	36	33	.90	.92	.95
Indiana.....	144,849,519	35.33	6.66	43.87	29	37	32	1.02	.91	.99
Iowa.....	101,874,507	47.29	14.14	64.08	13	7	12	1.37	1.93	1.45
Kansas.....	56,579,372	62.37	12.70	78.00	5	8	4	1.81	1.73	1.76
Kentucky.....	39,811,207	43.10	11.40	55.72	17	14	18	1.25	1.56	1.26
Louisiana.....	51,833,665	37.36	9.86	49.34	27	18	24	1.08	1.35	1.11
Maine.....	18,719,177	54.10	11.82	72.92	8	12	7	1.57	1.61	1.65
Maryland.....	77,513,212	26.33	10.18	38.91	41	17	36	.76	1.39	.88
Massachusetts.....	207,598,310	33.77	12.58	52.47	32	9	20	.98	1.72	1.18
Michigan.....	264,230,411	31.36	5.84	41.01	34	41	34	.91	.80	.93
Minnesota.....	110,047,669	50.33	12.36	66.50	9	10	11	1.46	1.69	1.50
Mississippi.....	27,999,670	35.12	10.19	45.78	30	16	29	1.02	1.39	1.03
Missouri.....	114,055,155	40.30	9.03	51.35	20	25	21	1.17	1.23	1.16
Montana.....	22,832,123	47.08	9.44	57.84	14	21	16	1.37	1.29	1.31
Nebraska.....	56,368,451	47.50	9.13	59.67	12	24	14	1.38	1.25	1.35
Nevada.....	2,003,743	105.39	25.16	130.81	3	2	3	3.06	3.43	2.95
New Hampshire.....	14,869,881	39.21	17.91	69.54	23	4	9	1.14	2.44	1.57
New Jersey.....	229,955,862	34.32	2.39	38.59	31	49	37	1.00	.33	.87
New Mexico.....	9,755,064	48.77	8.58	60.17	11	26	13	1.41	1.17	1.36
New York.....	753,512,787	32.20	5.32	39.37	33	43	35	.93	.73	.89
North Carolina.....	61,905,109	50.04	15.53	66.86	10	5	10	1.45	2.12	1.51
North Dakota.....	6,380,339	261.85	50.16	316.94	1	1	1	7.59	6.84	7.15
Ohio.....	437,554,171	28.29	4.57	35.03	38	45	41	.82	.62	.79
Oklahoma.....	86,424,595	37.78	5.93	43.92	26	40	31	1.10	.81	.99
Oregon.....	42,605,901	38.47	9.68	50.64	24	19	22	1.12	1.32	1.14
Pennsylvania.....	389,886,183	38.39	6.97	48.99	25	34	26	1.11	.95	1.11
Rhode Island.....	28,157,861	30.57	8.28	45.68	36	28	30	.89	1.13	1.03
South Carolina.....	47,457,069	27.03	9.56	37.06	40	20	40	.78	1.30	.84
South Dakota.....	12,866,139	121.02	24.99	148.65	2	3	2	3.51	3.41	3.36
Tennessee.....	75,087,628	22.42	7.60	30.71	46	31	44	.65	1.04	.69
Texas.....	238,076,294	23.39	6.21	29.91	44	39	45	.68	.85	.68
Utah.....	15,238,992	61.35	11.48	74.46	6	13	6	1.78	1.57	1.68
Vermont.....	10,124,175	39.77	14.96	58.87	21	6	15	1.15	2.04	1.33
Virginia.....	79,780,605	25.41	11.85	37.80	42	11	38	.74	1.62	.85
Washington.....	59,637,716	45.88	7.70	56.85	16	30	17	1.33	1.05	1.28
West Virginia.....	55,050,199	40.79	7.16	48.73	19	33	27	1.18	.98	1.10
Wisconsin.....	125,339,391	35.37	9.43	50.01	28	22	23	1.03	1.29	1.13
Wyoming.....	8,753,193	66.66	9.15	77.16	4	23	5	1.93	1.25	1.74

Read table thus: In 1924 the value of contracts let for building construction in Alabama is estimated at \$50,093,572. Expenditures for public elementary and secondary schools in Alabama in 1924 was 28.72 percent of this amount. This percentage gives Alabama a rank of 37 in this item, see column 6. In the nation as a whole, expenditures for public elementary and secondary schools was 34.49 percent of the value of building contracts. If this last percentage is given the value 1.00 as in column 9, then the percentage for Alabama (28.72) has the value .83. Similarly interpret data for other columns and other states.

Sources of data: The figure for building construction in the United States as a whole given in column 2, \$5,273,007,610, is based upon data given on page 259 of the 1924 *Commerce Yearbook* of the U. S. Department of Commerce. It includes only building construction for which contracts were let. Approximately \$1,000,000,000 probably was expended for building construction for which no contracts were let. The total given in this table for the United States, as to the value of construction contracts, was distributed among the states by using the estimate of the percent of the total volume of construction, in each state, of the National Bureau of Economic Research in *Income in the Various States* page 70. This estimate is based upon a study of the volume of construction in the states for the three years 1919-1921.

conomic power doubtless varies in different states. A state would expend less for buildings if its population were static than if its population were growing rapidly. In a rapidly growing population building construction must provide for the increasing number of inhabitants and for replacement, both because of deterioration and changes in the character of buildings demanded. In a static population only the latter factor affects building construction. This and other considerations should be held in mind in interpreting the data of this table.

School Costs and Tax Collections

Total governmental expenditures in the United States in 1924 were \$10,252,000,000. Data are not available whereby this expenditure can be distributed by states. Figures are available, however, as to the amount of taxes—federal, state, and local—collected in each of the states. Tax collections in 1924 were somewhat less than governmental expenditures. Various governmental units have certain revenues other than those collected in the form of taxes. For example, there is a considerable income from permanent state funds, loans, fines, gifts, earnings of enterprises operated by governmental agencies, etc. Tax collections in 1924 were approximately 78.44 percent of all public expenditures.¹ This percent is not exactly applicable in all states since they vary as to the proportion of revenue receipts realized from tax sources. These facts should be held in mind in interpreting the figures of Chart IV and of Table 6.

In 1924 our federal, state, and local governments collected \$8,041,288,000 in taxes. Of this sum \$4,812,053,000 was collected by the state and local governments. Table 6 shows that expenditures for public elementary and secondary schools was 22.62 percent as much as was collected in taxes by the federal, state, and local governments, and 37.8 percent of

the taxes collected by state and local units.² For every \$100 collected in taxes in 1924, \$22.62 was expended for public elementary and secondary schools. For every \$100 collected by the state and local government \$37.80 was expended for public elementary and secondary schools. Similar data are given in Table 6 for each of the states.

In Massachusetts, for example, \$17.80 was expended for public elementary and secondary schools in 1924 for every \$100 collected in taxes, as compared with \$22.62 in the country as a whole. Massachusetts ranks 44th among the states of the union in this regard—see column 10. The index figure in column 16 indicates that Massachusetts is spending but 79 percent as much for its schools, per given amount collected in taxes, as in the nation as a whole. In the same state for every \$100 collected in taxes by the state and local units \$30.02 is expended for public elementary and secondary schools as compared with \$37.80 in the country as a whole. Massachusetts ranks 45th among the states of the union in this regard—see column 11. The index number in column 17 shows that Massachusetts is spending but 79 percent as much for public elementary and secondary schools, per given amount collected in state and local taxes, as is the nation as a whole. As far as the amount which a state contributes in taxes towards the support of public enterprises is an indication of economic power, we have evidence that the effort now being made in Massachusetts to support its schools is smaller than that being made by the country as a whole and by a large majority of the states of the union.

School Costs and Expenditures for Certain Luxuries

The Treasury Department of the United States issued estimates for 1924 as to the amount expended for certain articles in the

¹ See *Cost of Government in the United States*, National Industrial Conference Board, Chapter IV.

² As explained above, these figures should not be interpreted as a percentage of all governmental expenditures which go for school support. In 1924 public elementary and secondary school costs were 17.74 percent of all governmental expenditures, higher education costs were 3.77 percent of all government expenditures, and all school costs were 22.79 percent of total governmental expenditures. Public elementary and secondary school costs were 26.03 percent of all state and local expenditures, higher education costs were 5.53 percent of state and local governmental expenditures, and all school costs were 33.43 percent of state and local governmental expenditures. In short, the percentages given in columns 4 and following of Table 11, both for the country as a whole and for the individual states, should not be interpreted as indicating the percentage of all public expenditures which go for school support. The percentages given, however, are probably a reasonably reliable indication of the relative standing of the states as to the ratios of school to total public expenditures.

This conclusion is valid for states in which the percentages of total revenue receipts realized from tax revenue and non-tax revenue are in reasonable agreement with the typical situation in the country. In some states, such as Idaho, Nevada, New Mexico, North Dakota, and Wyoming, and probably some other states, where such agreement does not exist, especial caution is needed in interpreting the data of Table 6 and of Chart IV.

TABLE 6—RELATION OF TAXES COLLECTED IN THE STATES TO EXPENDITURES FOR SCHOOLS IN 1924

States	Total taxes collected (Federal, State and local) in 1924	State and local taxes collected in 1924	Percentage that cost of public elementary and secondary education is at				Percentage that cost of higher education is at				Rank of states in percentages				Index of percentage that cost of public elementary and secondary education is at				Index of percentage that cost of higher education is at				Index of percentage that cost of all education is at	
			4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
United States	\$6,041,269,000	\$4,312,000,000	22.48	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		
Alabama	70,139,000	50,044,000	30.31	41.03	26.87	53.74	48.08	53.74	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
Arizona	23,276,000	17,025,000	24.12	42.41	40.03	55.20	44.41	55.20	4	9	20	30	6	9	1.51	1.37	1.37	1.37	1.37	1.37	1.37	1.37		
Arkansas	31,719,000	21,409,000	31.45	50.76	7.42	52.35	48.35	52.35	41	30	43	11	30	11	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.27		
California	20,011,000	14,000,000	29.98	44.28	6.15	52.35	39.94	52.35	41	30	43	11	30	11	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.27		
Colorado	73,921,000	49,613,000	30.66	46.28	8.43	52.35	40.66	52.35	41	30	43	11	30	11	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.27		
Connecticut	113,231,000	72,693,000	30.86	36.43	11.21	33.71	33.71	33.71	69	37	10	21	18	49	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40		
Del.	29,476,000	14,343,000	18.46	44.99	6.46	17.40	32.72	38.43	68	43	46	47	49	47	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82		
Dist. of Col.	74,061,000	50,000,000	31.76	38.79	3.33	13.61	38.43	44.43	68	43	46	47	49	47	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82		
Florida	94,062,000	67,467,000	33.06	38.79	3.33	13.61	38.43	44.43	68	43	46	47	49	47	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82		
Idaho	27,404,000	18,400,000	26.95	42.41	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
Illinois	204,870,000	134,549,000	30.89	39.45	4.53	37.12	37.12	37.12	57	24	35	12	22	35	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56		
Indiana	104,787,000	70,000,000	29.45	39.45	4.53	37.12	37.12	37.12	57	24	35	12	22	35	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56		
Iowa	116,787,000	77,000,000	29.45	39.45	4.53	37.12	37.12	37.12	57	24	35	12	22	35	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56		
Kansas	116,787,000	77,000,000	29.45	39.45	4.53	37.12	37.12	37.12	57	24	35	12	22	35	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56		
Kentucky	91,800,000	62,000,000	29.45	39.45	4.53	37.12	37.12	37.12	57	24	35	12	22	35	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56		
Louisiana	85,000,000	57,000,000	29.45	39.45	4.53	37.12	37.12	37.12	57	24	35	12	22	35	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56		
Maine	99,810,000	66,000,000	30.15	40.55	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
Maryland	99,810,000	66,000,000	30.15	40.55	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
Massachusetts	292,427,000	178,400,000	30.22	40.55	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
Michigan	282,074,000	178,400,000	30.22	40.55	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
Minnesota	200,665,000	127,600,000	27.60	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
Mississippi	81,771,000	54,771,000	27.60	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
Missouri	130,831,000	87,831,000	27.60	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
Montana	80,430,000	54,430,000	27.60	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
Nebraska	80,430,000	54,430,000	27.60	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
Nevada	7,446,000	5,446,000	27.60	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
New Hampshire	22,025,000	15,025,000	27.60	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
New Jersey	253,113,000	163,113,000	27.60	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
New Mexico	12,415,000	8,415,000	27.60	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
New York	1,024,470,000	674,470,000	27.60	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
North Carolina	24,812,000	16,812,000	27.60	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
North Dakota	466,469,000	316,469,000	27.60	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
Ohio	111,811,000	76,811,000	27.60	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
Oklahoma	70,112,000	47,112,000	27.60	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
Oregon	69,112,000	46,112,000	27.60	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
Pennsylvania	69,112,000	46,112,000	27.60	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
Rhode Island	10,412,000	7,412,000	27.60	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
South Carolina	61,811,000	41,811,000	27.60	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
South Dakota	44,977,000	30,977,000	27.60	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
Tennessee	91,077,000	61,077,000	27.60	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
Texas	246,229,000	166,229,000	27.60	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
Utah	35,424,000	24,424,000	27.60	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
Vermont	20,625,000	14,625,000	27.60	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
Virginia	97,785,000	67,785,000	27.60	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
Washington	104,891,000	74,891,000	27.60	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
West Virginia	207,469,000	147,469,000	27.60	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
Wisconsin	104,891,000	74,891,000	27.60	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		
Wyoming	15,094,000	10,094,000	27.60	37.80	6.03	40.55	39.08	40.55	35	15	21	8	26	13	1.09	1.42	1.42	1.42	1.42	1.42	1.42	1.42		

Need table thus: In 1924, there was a total of 370,139,000 taxes collected in the state of Alabama. Exemptions for public elementary and secondary schools in Alabama in 1924 was 50.81 percent of this amount. This percentage gives Alabama a rank of 3.00 in this item, see column 10. In the nation as a whole, exemptions for public elementary and secondary schools was 22.48 percent of the amount of tax collections. If the back computations are given the value 3.00, as in column 31, similarly interpret data for other collections. If the back computations are given the value 120.41, as in column 31, similarly interpret data for other collections.

Sources of data: Data of columns 2 and 3 from Cost of Government in the United States, National Industrial Conference Board, page 60.

CHART IV

RATIO OF EXPENDITURES FOR ALL SCHOOLS TO TOTAL TAXES PAID IN 1924 BY STATES



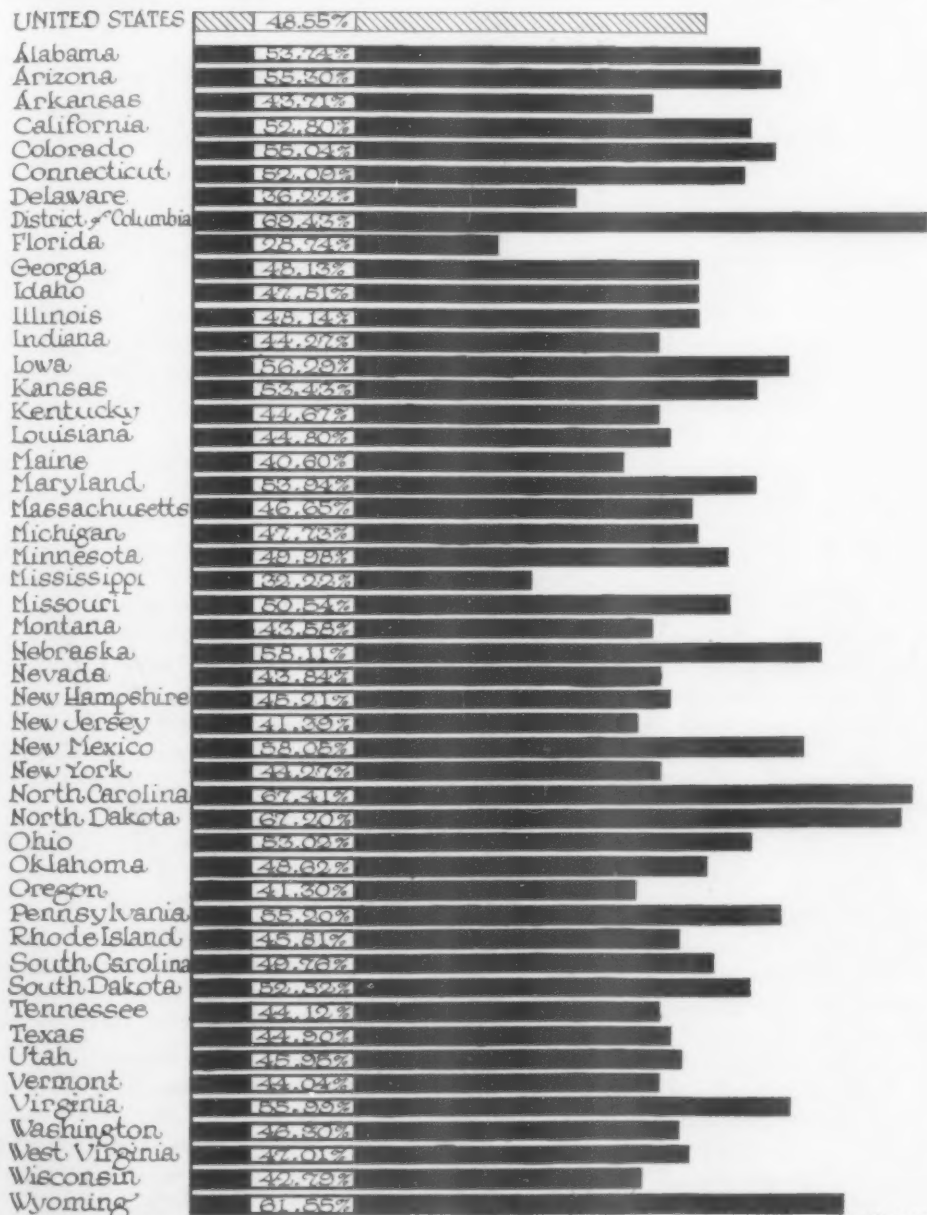
Research Division, National Education Ass'n.

Read chart thus: In Alabama the expenditures for schools of all types, both public and private, in 1924, was 26.87% of the total taxes paid. Similarly read data for other states.

Based on figures of the U.S. Bureau of Education and of the National Industrial Conference Board.

CHART V

RATIO OF EXPENDITURES FOR ALL SCHOOLS TO STATE AND LOCAL TAXES PAID IN 1924 BY STATES



Research Division, National Education Association

Read chart thus: In Alabama the expenditures for schools of all types, both public and private, in 1924, was 53.74 % of all state and local taxes paid. Similarly read data for other states.

Based on figures of the U.S. Bureau of Education and the National Industrial Conference Board.

luxury class, namely, soft drinks, ice cream, theaters, candy, chewing gum, tobacco, jewelry, perfumes, and cosmetics.

Table 7 shows that \$5,522,000,000 was expended for these luxuries in 1924. Figures of column 2 of Table 7 represent an attempt to estimate roughly the proportion of this amount expended in each of the states of the union. In the nation as a whole the expenditure for schools in 1924 was 42.30 percent of the sums expended for these luxuries. That is, for every \$42.30 expended for schools of all types there was \$100 expended for the luxuries listed. There is not a single state in the union in which expenditures for luxuries are not considerably larger than those for all schools.

In California, for example, school costs are but 44.27 percent as much as is expended for certain luxuries. California ranks 28th in this regard—see column 8. The index figure in column 11 indicates that California is spending 105 percent as much for schools, per given expenditure for luxuries, as is the nation as a whole. Or one might interpret these figures to mean that California places school support as compared with expenditures for luxuries five percent higher in the scale of human values than does the nation taken as a whole. As far as the amount expended for the luxuries listed is an indication of economic power, we have evidence that the effort now being made by California to support schools is slightly greater than in the nation as a whole.

Ratio of School Costs to Economic Power

It is not so much the amount which is spent for any purpose, public or private, which should command the attention, but the purpose for which it is spent and the wisdom with which it is spent. Some things we could do without, whether they cost little or much. Other things, and education is surely among them; we must have whatever the cost. This principle should be considered along with two facts revealed by the foregoing tables: first, in every state in the Union school costs require a minor fraction of the total economic power, and second, every state is allotting to several

other interests, at least some of which are of less importance to the general welfare than education, portions of its economic power larger than that going for school support. This evidence points to the conclusion that not a state in the Union is expending more for its schools than its economic resources justify.

Comparison of Effort to Support Schools

In Table 8 are assembled the indices of the ratio of total school costs to the various indications of economic power for which data are given in this section. The figures in this table are taken from columns 16 and 19 of Table 7 and from the last column of Tables 3, 4, 5, and 7, and columns 20 and 21 of Table 6. In Table 8 the states are arranged in the order of their ability to support education, as determined by a recent investigation, rather than alphabetically as in the preceding tables.¹

Table 8 may be interpreted as follows: If the ratio of tangible wealth to school costs in the United States as a whole is given the value 1.00, then the same ratio in California is 1.34, in Nevada .65, in New York 1.08, etc.—see column 2. If the ratio of school costs to current income in the United States is given the value 1.00, then the same ratio in California is 1.36, in Nevada 1.12, and in New York .87, etc.—see column 3. If the ratio of school costs to the amount in the accumulated savings deposits in the United States is given the value 1.00, the same ratio in California is 1.36, in Nevada 1.12, and in New York .58.

Table 8 gives for each state the ratio of total school costs to a number of measures of economic power. In this table when the index numbers for a state are more than 1.00, we have some indication that this state devotes a higher percentage of its economic power for the support of schools than does the country as a whole, or that this state compared with other states rates the value of education higher in the scale of human values than does the nation as a whole. When the indices following a state are below 1.00, the opposite appears to be the case. In studying the data of this table

¹ See the following reference: John K. Norton, *The Ability of the States to Support Education*, National Education Association, Washington, D. C., 1926.

TABLE 7—RELATION OF AMOUNT EXPENDED FOR CERTAIN LUXURIES IN THE STATES TO EXPENDITURES FOR SCHOOLS IN 1924

States	Estimated expenditures for certain luxuries by states	Percentage that cost of public elementary and secondary schools is of expenditures for certain luxuries	Percentage that cost of higher education is of expenditures for certain luxuries	Percentage that cost of all schools is of expenditures for certain luxuries	Rank of states based on per- cents of			Index of percent relation- ship of luxury costs and costs of		
					Col. 3	Col. 4	Col. 5	Public elemen- tary and second- ary schools	Higher educa- tion	All schools
1	2	3	4	5	6	7	8	9	10	11
United States.....	\$5,522,000,000	32.94	7.00	42.30				1.00	1.00	1.00
Alabama.....	46,384,800	31.02	8.62	40.62	34	24	34	.94	1.23	.96
Arizona.....	16,013,800	49.80	8.32	59.60	8	26	9	1.51	1.19	1.41
Arkansas.....	35,893,000	26.30	5.64	32.16	44	42	47	.80	.81	.76
California.....	335,737,600	37.01	6.06	44.27	23	39	28	1.12	.87	1.05
Colorado.....	49,698,000	46.20	8.14	54.94	11	28	12	1.40	1.16	1.30
Connecticut.....	87,247,600	28.65	9.33	43.34	38	15	31	.87	1.33	1.02
Delaware.....	9,939,600	32.23	4.67	37.55	28	46	39	.98	.67	.89
Dist. of Columbia.....	43,071,600	15.27	5.91	23.57	49	41	49	.46	.84	.56
Florida.....	39,206,200	31.62	4.34	36.67	33	47	41	.96	.62	.87
Georgia.....	64,607,400	26.74	8.15	35.32	43	27	45	.81	1.16	.83
Idaho.....	17,670,400	50.78	9.17	60.62	5	17	8	1.51	1.31	1.43
Illinois.....	466,609,000	24.73	5.36	33.49	47	45	46	.75	.77	.79
Indiana.....	133,632,400	38.29	7.21	47.55	18	32	22	1.16	1.03	1.12
Iowa.....	121,484,000	39.65	11.86	53.74	17	8	14	1.20	1.69	1.27
Kansas.....	71,786,000	49.15	10.01	61.48	10	11	7	1.49	1.43	1.45
Kentucky.....	61,294,200	28.00	7.41	36.19	40	31	42	.85	1.06	.86
Louisiana.....	56,876,600	34.05	8.98	44.96	25	19	27	1.03	1.28	1.06
Maine.....	31,475,400	32.18	7.03	43.37	29	34	30	.98	1.00	1.03
Maryland.....	76,203,600	26.78	10.35	39.58	42	10	37	.81	1.48	.94
Massachusetts.....	270,025,800	25.96	9.67	40.34	45	13	35	.79	1.38	.95
Michigan.....	217,014,600	38.18	7.11	49.93	20	33	18	1.16	1.02	1.18
Minnesota.....	112,648,800	49.17	12.07	64.96	9	6	4	1.49	1.72	1.54
Mississippi.....	29,266,600	33.60	9.75	43.80	26	12	29	1.02	1.39	1.04
Missouri.....	162,346,800	28.31	6.34	36.08	39	38	43	.86	.91	.85
Montana.....	24,296,800	44.24	8.87	54.35	13	21	13	1.34	1.27	1.28
Nebraska.....	64,055,200	41.80	8.04	52.51	15	29	15	1.27	1.15	1.24
Nevada.....	5,522,000	38.24	9.13	47.47	19	18	23	1.16	1.30	1.12
New Hampshire.....	19,879,200	29.53	13.40	52.02	37	5	17	.89	1.91	1.23
New Jersey.....	181,673,800	43.44	3.03	48.85	14	49	20	1.32	.43	1.15
New Mexico.....	9,387,400	50.68	8.92	62.52	6	20	6	1.54	1.27	1.48
New York.....	938,187,800	25.86	4.27	31.62	46	48	48	.79	.61	.75
North Carolina.....	56,876,600	54.47	16.90	72.78	4	1	2	1.65	2.41	1.72
North Dakota.....	22,640,200	73.79	14.14	89.32	1	3	1	2.24	2.02	2.11
Ohio.....	331,320,000	37.36	6.03	46.26	22	40	25	1.13	.86	1.09
Oklahoma.....	58,533,200	55.78	8.75	64.84	2	23	5	1.69	1.25	1.53
Oregon.....	51,354,600	31.92	8.03	42.01	31	30	33	.97	1.15	.99
Pennsylvania.....	495,323,400	30.22	5.49	38.56	36	43	38	.92	.78	.91
Rhode Island.....	35,893,000	23.98	6.49	35.84	48	37	44	.73	.93	.85
South Carolina.....	33,684,200	38.08	13.48	52.21	21	4	16	1.16	1.93	1.23
South Dakota.....	28,162,200	55.29	11.42	67.91	3	9	3	1.68	1.63	1.61
Tennessee.....	61,846,400	27.22	9.22	37.28	41	16	40	.83	1.32	.88
Texas.....	168,421,000	33.06	8.78	42.28	27	22	32	1.00	1.25	1.00
Utah.....	20,431,400	45.76	8.56	55.54	12	25	11	1.39	1.22	1.31
Vermont.....	12,700,600	31.70	11.92	46.93	32	7	24	.96	1.70	1.11
Virginia.....	66,264,000	30.59	14.27	45.52	35	2	26	.93	2.04	1.08
Washington.....	85,591,000	31.97	5.37	39.62	30	44	36	.97	.77	.94
West Virginia.....	56,324,400	39.87	6.99	47.63	16	35	21	1.21	1.00	1.13
Wisconsin.....	125,901,600	35.21	9.39	49.78	24	14	19	1.07	1.34	1.18
Wyoming.....	11,596,200	50.32	6.91	58.24	7	36	10	1.53	.99	1.38

Read table thus: In 1924, Alabama expended \$46,384,800 for certain articles in the luxury class, namely, soft drinks and ice cream, theatres, candy, chewing gum, tobacco, jewelry, perfumes and cosmetics. This sum was 31.02 percent of the amount expended for public elementary and secondary schools. This percentage gives Alabama a rank of 34 in this item, see column 6. In the nation as a whole, expenditures for public elementary and secondary schools was 32.94 percent of the expenditures for certain luxuries. If this last percentage is given the value 1.00 as in column 9, then the percentage for Alabama (31.02) has the value .94. Similarly interpret data for other columns and other states.

Sources of data: The figure given for the United States, \$5,522,000,000, is an estimate of the U. S. Treasury Department as to the amount expended in the United States in 1924 for certain articles. The total national expenditures for these articles was distributed among the states on the basis of an average of the percentages of the national totals of the following items found in each state: Value of tangible wealth, average annual current income, taxes paid in connection with admission to theatres, and taxes paid in connection with purchase of jewelry. The amounts given for each state should be looked upon as approximations rather than exact estimates. The fact that the taxes collected on luxuries are in many cases paid at the place of manufacture, rather than at the place of purchase, makes it impossible to estimate exactly the amount expended in each state for each item in the luxury list given above.

CHART VI

RATIO OF EXPENDITURES FOR ALL SCHOOLS TO EXPENDITURES FOR CERTAIN LUXURIES IN 1924 BY STATES



Research Division, National Education Association

Read chart thus: In Alabama the expenditure for schools of all types, both public and private, in 1924, was 40.62% as much as the expenditures for certain luxuries: namely soft drinks and ice cream, theaters, candy, chewing gum, jewelry, tobacco, perfumes and cosmetics.

Based on figures of the U. S. Bureau of Education and U. S. Treasury Department.

one should have in mind the discussion earlier in this section which concluded that it requires less effort for a rich state than for a poor state to allot a given percentage of its eco-

TABLE 8—ECONOMIC ABILITY AND EFFORT BEING MADE TO SUPPORT SCHOOLS BY STATES IN 1924

Indices of the percentage relationship of all school costs to various measures of economic power

States	Index of percentage relationship of wealth and school costs	Index of percent of current income for schools	Averages of indices of columns 2 and 3	Index of percentage relationship of accumulated savings deposits and school costs	Index of percent that school costs are of life insurance payments	Index of percent that school costs are of building construction	Index of percent that school costs are of all taxes	Index of percent that school costs are of state and local taxes	Index of percent that school costs are of expenditures for certain luxuries
1	2	3	4	5	6	7	8	9	10
United States....	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
California.....	1.34	1.36	1.35	.93	1.50	1.06	1.18	1.09	1.05
Nevada.....	.65	1.12	.99	1.48	1.45	2.95	1.21	.90	1.12
New York.....	1.08	.87	.98	.58	.70	.89	.76	.91	.75
Massachusetts..	1.14	.95	1.05	.94	.94	1.18	.95	.96	.93
Oregon.....	.85	1.11	.98	1.96	1.41	1.14	1.06	.85	.99
Washington.....	.89	1.01	.95	1.53	1.25	1.28	1.11	.95	.94
Rhode Island....	.91	.77	.84	.41	.70	1.03	.85	.94	.85
Connecticut.....	.97	1.03	1.00	.53	.92	.79	1.09	1.07	1.02
New Jersey.....	1.01	1.04	1.03	.87	1.01	.87	.94	.85	1.15
Illinois.....	.95	.88	.92	1.18	.76	.95	.93	.99	.79
Wyoming.....	.93	1.16	1.05	2.49	2.56	1.74	1.54	1.27	1.38
Ohio.....	1.12	1.09	1.11	1.27	1.05	.79	1.14	1.09	1.09
Michigan.....	1.28	1.19	1.24	1.17	1.51	.93	.97	.98	1.18
New Hampshire..	1.01	1.05	1.03	.50	1.16	1.57	1.11	.93	1.23
Colorado.....	1.15	1.21	1.18	2.06	1.47	1.59	1.27	1.13	1.30
Delaware.....	.81	.69	.75	.71	.59	.66	.61	.75	.89
Pennsylvania....	.89	.88	.89	.85	.88	1.11	1.00	1.14	.91
Arizona.....	.99	1.17	1.08	3.48	2.59	1.11	1.41	1.14	1.41
Iowa.....	.84	1.36	1.10	.86	1.57	1.45	1.43	1.16	1.27
Maryland.....	1.03	.86	.95	.79	.78	.8	1.04	1.11	.94
Minnesota.....	1.16	1.55	1.36	1.29	1.73	1.50	1.26	1.03	1.54
Maine.....	.92	.87	.90	.47	.96	1.65	.89	.84	1.03
Nebraska.....	.85	1.32	1.09	1.52	1.57	1.35	1.44	1.20	1.24
South Dakota....	.88	1.52	1.20	1.68	2.51	3.36	1.47	1.08	1.61
Indiana.....	.97	1.08	.93	2.34	1.14	.99	1.07	.91	1.12
Montana.....	.90	1.13	.97	2.40	1.89	1.31	1.15	.90	1.28
Kansas.....	.95	1.22	1.09	3.58	.92	1.76	1.27	1.10	1.45
Wisconsin.....	1.08	1.16	1.12	1.39	1.40	1.13	1.01	.88	1.18
Vermont.....	.96	.88	.92	.32	.84	1.33	.99	.91	1.11
Missouri.....	.80	.88	.84	1.52	.75	1.16	1.00	.94	.85
Idaho.....	.95	1.21	1.08	3.95	2.26	1.25	1.25	.98	1.43
Utah.....	1.00	1.31	1.16	1.75	1.46	1.68	1.46	.95	1.31
West Virginia...	.77	1.06	.92	1.61	1.71	1.19	1.04	.97	1.13
North Dakota....	1.11	1.88	1.45	2.06	3.05	7.15	1.82	1.38	2.11
Texas.....	.97	.4	.92	4.27	1.51	.68	1.00	.92	1.00
Florida.....	.80	1.03	.92	1.25	.88	.71	.67	.59	.87
Oklahoma.....	1.28	1.05	1.12	4.33	1.73	.99	1.14	1.01	1.53
New Mexico.....	.93	1.01	.97	5.93	2.27	1.36	1.33	1.20	1.48
Virginia.....	.84	.92	.88	1.29	.91	.85	1.06	1.15	1.08
Louisiana.....	1.01	.97	.99	1.93	1.21	1.11	.95	.92	1.06
Kentucky.....	.84	.68	.76	1.17	.72	1.26	.83	.92	.86
Tennessee.....	.74	.82	.78	1.37	.62	.69	.87	.91	.88
North Carolina..	1.23	1.29	1.26	.71	1.21	1.51	1.30	1.39	1.72
Georgia.....	.80	.64	.72	2.07	.51	.55	.83	.99	.83
Arkansas.....	.59	.7	.58	1.93	.74	.47	.77	.90	.76
South Carolina..	.99	.84	.92	1.66	1.07	.4	.98	1.02	1.23
Alabama.....	.85	.74	.81	1.92	.63	.85	.92	1.11	.96
Mississippi.....	.80	.71	.76	1.53	1.08	1.03	.70	.66	1.04

Read table as follows: If the ratio of school expenditures to wealth in the United States as a whole is given the value of 1.00, then the similar ratio for California will have the value of 1.34. (Column 2). If the percent of current income going to school support in the United States is given the value of 1.00, then the similar percentage for California will have the value 1.36 (Col. 3). Similarly read data for other columns and states.

Sources of data: Col. 2 is taken from Table 2, Col. 16; Col. 3 from Table 2, Col. 19; Col. 4 from Table 3, Col. 11; Col. 5, Table 4, Col. 11; Col. 6, Table 5, Col. 11; Col. 7, Table 6, Col. 20; Col. 8, Table 2, Col. 21; Col. 9, Table 7, Col. 11.

Interpretation of data: The states are arranged in the order of their ability to support schools as indicated in the following study: John K. Norton, *The Ability of the States to Support Education*. National Education Association, Washington, D. C., 1926.

If the index figures of a state are above 1.00 it appears to be devoting a relatively large percentage of its economic power to school support; if below 1.00, a relatively small percent of its economic power to school support. In studying this table have in mind the cautions suggested on pp. 8-9.

nomic power to school support. He should also recall the discussion on pages 8-9, pointing out that the ratios of school costs to wealth and to income as measures of the effort made to support education are of much greater scientific value than the ratio of school costs to the various other fractional items of state economic power. In studying the index numbers for individual states it should be held in mind that those in columns 2 and 3 are probably of greater value than those of any other column. These are averaged in column 4.

California, the state in the union which has the greatest ability to support schools, probably finds it easier to meet its present school costs than do many of the poorer states in which the ratio of school costs to economic ability is below the average for the nation. Some states have but one-sixth as much economic power per child to be educated as has California.¹ The people of California can afford more of everything than those of less favored states. The people of this state can allot a relatively large percentage of their total income to school support without encroaching upon proper provision for the elemental necessities of life. In addition they can deposit large sums in their savings accounts, carry generous life insurance policies, expend relatively large amounts for building construction, support public enterprises, and make lavish expenditures for luxuries. The situation in the poor states is different. After the people in such states have provided for the elemental necessities of life, they have little left to deposit in savings accounts, to expend for luxuries, or even for school support. This fact should be held clearly in mind in studying the data of Table 8.

It is interesting to compare the indices of Table 8 for different states. There are some states such as North Dakota which all along the line seem to be devoting well above the average amount of their economic power to education. The opposite is true of such states as Delaware and Rhode Island; the index numbers following these states, being less than 1.00, generally indicate they are devoting something below the average percentage of their economic power for school support.

The fact that some states devote more

than an average percentage of their economic power to school expense in itself is no indication that school support in these states is generous or even sufficient to provide reasonably adequate school facilities. It is true that some states make more generous provision for school support than do others. They want their children to have nothing less than first rate school facilities. When such an attitude exists in a state it tends to increase the size of the indices given for that state in Table 8. This factor is not the one principally concerned, however, in the case of a number of the states which seem to be making more than an average effort to support education. The fact that in some states the indices in Table 8 are consistently above 1.00 may be the result not of a policy of generous support for schools but of any or all of the following conditions:

1. The state may be relatively poor. As a consequence even a small expenditure per child in attendance consumes more than an average percentage of the economic power possessed.

2. The state may be sparsely populated. Consequently many schools with a small number of pupils per teacher must be maintained. Such schools are relatively costly to maintain per pupil educated. Such states must expend considerably more per child to provide educational facilities comparable to those a smaller expenditure will obtain in thickly populated states.

3. Some states are rich in children. The percent of their populations included within the ages 6 to 13 is almost twice as great in some states as in others. States that are rich in children will find it necessary to make relatively large expenditures for education if their children are to be given a fair educational opportunity.

4. Some states cling to outworn but expensive forms of school organization. They are unwilling to follow the lead of the more progressive states by consolidating many of their smaller school districts. As a consequence an unnecessarily large number of expensive one and two teacher schools continue to exist, even though good roads and other prerequisites to consolidation are available.

¹ See Chapter III, *The Relative Ability of the States to Support Education*, of the following reference for the basis of this statement: John K. Norton, *The Ability of the States to Support Education*, National Education Association, Washington, D. C., 1926, p. 29-37.

These considerations make it clear that the states will necessarily differ in the percentage of their income devoted to school support. Special conditions in every state must be met. In some states as little as two or three percent of the current income may be sufficient for the maintenance of first rate schools. In other states a much higher percentage of the income must be allotted to education if their children are to be provided with reasonable educational facilities. The amount of taxable wealth per child, density of population, percentage of population included in the school ages, and the degree of willingness to adopt efficient forms of school organization—all of these factors exercise an important influence in determining the economic effort that a state will find it necessary to make in order to maintain a modern school system.

Some states that are already making more than an average effort to support their schools must make a still greater effort if they are to bring their school systems up to even the average level of efficiency. Conditions in other states are such that it is possible to maintain first rate school systems with less than average effort.

In short, the indices of Table 8 are neither indications of the efficiency of state school systems nor of the adequacy of the financial support they are receiving. If used with caution and with due observance of the warnings stated in this section, they may be taken as a basis for comparing the states as to the economic effort their school expenditures at present require.

Some Conclusions For All States

This section has presented figures for each state bearing upon its economic ability to meet its school expenditures. These figures make it possible to state certain conclusions:

1. In every state in the union a minor fraction of its economic power is devoted to school support.

2. In every state in the union several important interests are allotted portions of its economic power larger than that going to school support.

3. There is not a state in the union in which school expenditures are greater than they should be, unless one rates the importance of education very low in the scale of human values.

Some states appear to be making considerably greater effort to support their schools than others. However, even in the states making the greatest effort to support education there is little to justify the conclusion that present school costs are more than can be borne by these commonwealths, providing they value education highly and are willing to use modern methods for tapping the sources of school revenue.

Every state in the union can substantially increase the percentage of its economic power devoted to education, if school efficiency seems to demand, before it will be making an economic effort appropriate to the importance of education.

In many states a considerably greater effort to support schools will be necessary if the educational product hoped for is to be obtained. School support in many states is still deplorably inadequate for the maintenance of school systems of the type our civilization demands. Whether all states have economic resources sufficient to support a first rate school system cannot be answered from data presented in this study.

The figures of this study do justify the statement, however, that there is not a state in the union that does not have sufficient economic power at its command to allow substantial increases in its present provision for school support. No state in the union, in which school progress is being hindered by the lack of adequate financial support, need hesitate to increase that support. Sufficient economic power is possessed by every state to justify some increase.

The problem in many states is not one of waiting for an increase in economic resources. It is rather a problem of finding and being willing to put into effect the methods of taxation which will divert from the abundant supply of economic power already in existence, a share appropriate to the importance of education in a modern civilized commonwealth.

State Advance Toward Sound School Finance Programs

A number of state school surveys have recently been completed. They all emphasize the vital relationship which exists between methods of financing the schools and educational efficiency. A sound state plan for financing education in itself may not guarantee a first rate school system, but without such a plan a first rate system is impossible.

Many states have taken or are taking steps to place their systems of school finance on a solid foundation. Progress is being made in two directions.

First, there has been advance in securing more adequate financial support for the schools. This road to progress is open to every state. The preceding section presents facts which indicate that not a state in the union is economically unable to increase school expenditures if educational efficiency demands.

Whether all states can afford the expense involved in lifting their school systems to the minimum level of efficiency desirable in a democracy is an open question. It is true the states vary widely in their ability to support schools. Some states will have to levy school taxes at rates five and six times as high as other states to provide a given amount of support per child to be educated.¹ But this condition should not obscure the fact that even the poorest states have sufficient economic resources to justify some increases over present school costs, if education is accepted as a matter of major interest to the general welfare.

In many states, the securing of adequate support is less a problem of insufficient economic resources, than one of securing the enactment of measures evenly and justly distributing the burden of school support—which will require every dollar of economic power within the state to bear its just share of the cost of educating its children.

Second, there has been progress toward making better use of the state school money

already available. Advance in this direction requires no increase in school expenditures. It can be achieved as soon as a state is willing to adopt the form of school organization and the methods of distributing its state school money approved by investigation and experience.

No state whose road to educational progress is barred by an ineffective system for financing its schools need hesitate longer. The barrier can be removed whether it involves the appropriations of larger sums for school support, the better use of the revenue now available, or both.

A number of states in recent years have conducted studies to reveal the weak spots in their plans for financing the schools.² There is much to be learned from these investigations by states whose plans for financing education need revision. The next section will point out some of the conclusions of these investigations which are of major significance.

Weak Spots in State Systems of School Finance

1. Too large a part of the cost of the schools has been paid for by the local community and too little has been contributed by the state. Under modern economic organization no state can expect to offer all children a fair educational opportunity if it places the burden of school support wholly or principally upon the small local community. In every state some local districts are so rich that they can support first rate schools on a relatively low tax rate. Others have so little taxable property that a tax rate equivalent to confiscation fails to provide acceptable school facilities.

Chart VII shows some of the differences in ability to support schools found in certain states.³ This chart shows, for example, that Alabama has counties in which the wealth per

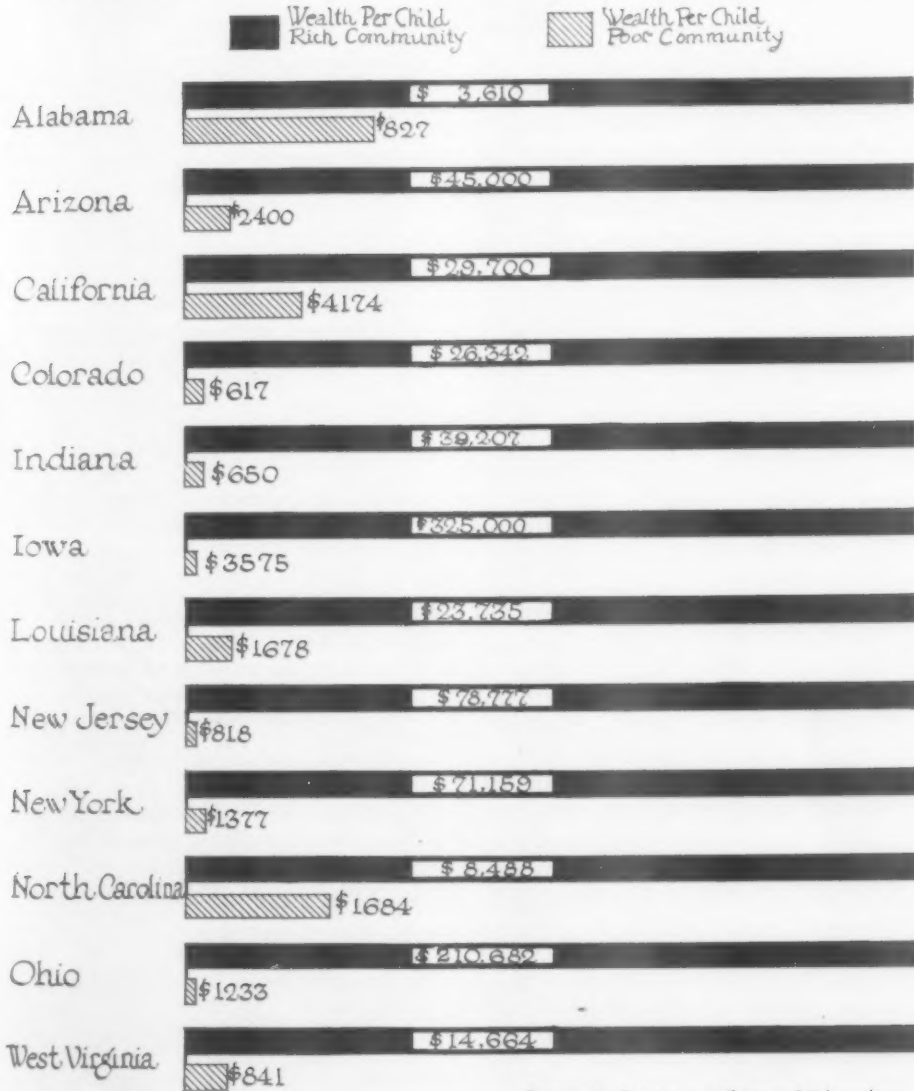
¹ See the following reference: John K. Norton, *The Ability of the States to Support Education*, National Education Association, Washington, D. C., p. 71.

² See bibliography beginning on page 56 for citations to recently completed investigations dealing with state school finance.

³ The extremes in some of these cases have to do with districts using different ratios between assessed and true wealth. There is little reason to believe, however, that the differences revealed would be reduced if data were available as to true wealth for all districts. In the investigations, some of which are concerned in chart VII, in which such data have been available, the effect of having true rather than assessed wealth per child has been to change the order in the rank of the districts in wealth per child, rather than reducing the differences in wealth per child between the richer and the poorer districts.

CHART VII

TYPICAL DIFFERENCES IN ABILITY OF LOCAL COMMUNITIES TO SUPPORT SCHOOLS



Research Division, National Education Assn.

Sources of Data: Ala., State Board of Education, *Some Facts Relating to Elementary and High School Education in Alabama*, p. 3.
 Ariz., *Tupper, Survey of the Arizona Public School System*, p. 81.
 Calif., *Swift, Studies in Public School Finance, The West*, p. 132.
 Colo., *Sowers, Financing Public Education in Colorado*, p. 40.
 Ind., General Education Board, *Public Education in Indiana*, p. 180.
 Iowa, Educational Finance Inquiry Commission, *The Financing of Education in Iowa*, p. 143.
 La., Louisiana State Teachers Association, *Inequalities in Educational Opportunities in Louisiana*, p. 33.
 N. J., *Report of Commission to Investigate the Subject of the Distribution of State School Monies*, March 16, 1923, Table 10, pp. 86-88.
 N. Y., *Mott, State Support for Public Schools*, pp. 18-19.
 N. C., *Morrison, Equalization of the Financial Burden Among the Counties of North Carolina*, pp. 32-34.
 Ohio, *Report of Ohio Institute*, 1906, pp. 24a-24c.
 W. Va., *Cavins, The Financing of Education in West Virginia*, p. 88.

child enroled is as much as \$3610.00 while others have as little of \$827.00. The differences between rich and poor communities in states in which the taxing unit is smaller than the county is frequently far greater than this. Differences in ability to support schools similar to those indicated in the chart are typical.

Investigations in a number of states show that the ratios of the wealth per child in rich and in poor local communities are probably not less than:

4.4 to 1 in Alabama
25.0 to 1 in Arkansas
7.0 to 1 in California
12.2 to 1 in Colorado
11.2 to 1 in Georgia
6.0 to 1 in Illinois
6.0 to 1 in Indiana
92.9 to 1 in Iowa
14.0 to 1 in Kentucky
14.1 to 1 in Louisiana
7.4 to 1 in Minnesota
31.5 to 1 in Massachusetts
5.0 to 1 in North Carolina
25.8 to 1 in Ohio
5.2 to 1 in Oregon
27.3 to 1 in Oklahoma
3.8 to 1 in South Dakota
7.9 to 1 in Tennessee
5.7 to 1 in Texas
6.7 to 1 in Utah
17.4 to 1 in West Virginia. ¹

So long as a state places the major burden of school support upon small local units such as the district, township, town, parish or county, some children will be denied the opportunity to obtain a common school education of the quality acceptable in a democracy such as ours.² This conclusion is arrived at by many investigations in state school finance. The quotations given below are from such investigations:

Arizona:—Equality of educational opportunity with just equalization of financial burdens . . . can only be secured through magnifying the state and county as taxing units and diminishing the importance of the district. *Ralph C. Tupper. A Survey of the Arizona Public School System. p. 82.*

Arkansas:—However much Arkansas may improve her educational situation . . . inequalities will nevertheless continue as long as the local units . . . are depended upon for the major portion of school revenues. Neither the county nor any other local unit which might be devised can equalize school revenues, school burdens, and edu-

cational opportunities. *The Public School System of Arkansas, U. S. Bureau of Education. Part II. p. 88.*

California:—Equality in educational opportunity will never be secured until . . . the state provides support and directs those factors upon which equality depends and which may therefore be termed the minimum essentials of educational opportunity. *Fletcher Harper Swift. Studies in Public School Finance. The West. p. 144.*

Georgia:—Even a cursory consideration of the inequalities in the ability of the various counties to support schools . . . shows the utter futility of expecting any system which derives its revenues from county sources ever to produce equality of educational funds and consequently equality of educational opportunity. *Gordon G. Singleton. State Responsibility for the Support of Education in Georgia. p. 36.*

Illinois:—The evils of the district system and the hopelessness of endeavoring to equalize educational opportunity and school burdens, as long as the district is maintained as the chief and dominant source of school revenue, have been pointed out by every authority on the organization and support of public schools for the last one hundred years. *Swift and others. Studies in Public School Finance. The Middle West. p. 80.*

Iowa:—A great obstacle to the proper development of the educational program in Iowa is the great proportion of the burden of school support borne by the locality. *Russell and others. The Financing of Education In Iowa. p. 163.*

New Jersey:—After 50 years of support by local taxation, we find ourselves in an educational situation marked by economic and educational inequalities. . . . It would seem that the time has arrived when we should undertake to ascertain whether or not a thorough-going modification, perhaps, indeed, a complete reversal of our traditional policies of school support may not be necessary. May not the solution of our financial difficulties lie in shifting the burden in such a manner as to make the major portion of its weight rest upon the State rather than upon the local communities? *Commission to Investigate the Subject of the Distribution of State School Moneys. Report of March 10, 1923. p. 43.*

Oklahoma:—The essence of democracy is equality of opportunity. . . . the district system not only fails to provide such equality but makes any approach to equality impossible. *Public Education in Oklahoma. U. S. Bureau of Education. p. 49.*

Oregon:—Owing to our archaic districting for the raising of a large portion of our school funds, and the wide variations among these districts of tax-paying ability, in the weaker the burden of educational support is crushing in weight. *Homer P. Rainey. A Study of School Finance in Oregon. p. 64.*

¹ Definite citations to studies on which these ratios are based may be obtained by addressing the Research Division of the National Education Association.

² The adoption of the county and similar large local units for local taxation purposes in many states would be a decided step toward advance, but not a complete solution of this problem.

Utah:—School burdens borne by some districts are comparatively light, while other districts stagger under the weight of heavy taxation, and yet are unable to produce funds to provide the bare necessities in educational facilities. *Survey of Education In Utah, U. S. Bureau of Education, 1926, p. 478.*

Wisconsin:—Because of the small valuation of many of the counties and of districts, it becomes obvious that without some form of state support many of the districts of the state would be unable, by local tax alone, to support a system of education adequate to the needs of the commonwealth. *John Callahan, State Superintendent. Equalizing Educational Opportunity in Wisconsin. p. 3.*

This evidence suggests as one of the axioms of school finance: No state has ever been able, at the same time, to make school support a matter wholly of local concern and to provide all children a fair opportunity to obtain a common school education.

2. *The methods of taxation used in obtaining state school revenues are antiquated, inadequate and unjust.* Most of the part of school costs paid by the state is obtained through a state tax on property. The same tax is also used by the local communities to obtain their school revenue.

The general property tax as a sole or principal source of state revenue is universally condemned. This tax is an inheritance from our early history, when most of the wealth existed in the form of property. A tax levied on property in such a situation bore with reasonable equality on the total economic resources of a state. The amount of tax a man paid had a just relationship to his ability to pay and to the benefits he received from the services maintained at public expense.

In modern times these things are no longer true. Tangible property today represents but a fraction of a state's economic power. Commercial concerns conduct enterprises yielding profits into the hundreds of thousands in plants valued at but a few hundred dollars. Billions each year are realized from income paying securities. Large salaries are earned by those who own no property. Property values each year represent a smaller percentage of the nation's total economic power.

At the same time, the need for public revenues has increased. This is particularly true of the schools wherein the last thirty years the increase in elementary school attendance has

been approximately two times, and in high schools has been approximately thirty times, as rapid as the growth in general population. Each year the property tax is a less adequate source of revenue for the schools or for any other form of public service, supported by a state.

The following quotation is representative of the view points of experts in the field of taxation:

—Under modern economic conditions, property and especially personal property, is no longer a satisfactory index of tax-paying ability. Wealth in modern times is derived to a continually larger extent from relations, from opportunities, and from all manner of exertion more or less indirectly, or not at all, connected with property. Huge official salaries and large professional incomes are a common occurrence today and would go entirely free under a property tax.¹

This is the conclusion of every authoritative study of state school finance completed in recent years. The following quotations are illustrative:

Arkansas:—Possession of real and personal property is no longer the truest index of ability and obligation to support public institutions. *Swift and Goldthorpe. Studies in Public School Finance. The South. p. 33.*

California:—Authorities on taxation are practically unanimous in their denunciation of general property taxes as sources of revenue, especially as sources of state revenue. *Studies in Public School Finance. The West p. 148.*

Colorado:—Colorado still clings to the old general property tax with the result that the burden of taxation rests largely upon farm lands, town and city real estate, and general property, while millions of dollars of intangible property are not reached. Individuals securing incomes from salaries, professional earnings, and investments go practically untaxed in Colorado. *Don C. Sowers. Financing Public School Education in Colorado. p. 11.*

Illinois:—Whichever way one turns in the search for a principle under which educational opportunity and the burden of school support can be equalized, and the impoverishment of the sources of the revenue can be checked, he always encounters the property tax as the insuperable obstacle. It is impossible to escape the conclusion that the development of a system of taxation more in accord with the modern economic organization of society is a condition precedent to the improvement of financial support for popular education in Illinois. *Henry C. Morrison. Financing of Public Schools in the State of Illinois. p. 80.*

New Jersey:—The question of school taxation has been prominently brought to the fore by the

¹ Edwin R. A. Seligman, *Essays in Taxation*, Macmillan Company, New York City, 1921, p. 649.

incredible burden of taxation that has been placed on real estate and personal property. . . . This burden on farms and real estate and the personal property that goes with it has reached such an alarming amount that it is felt that some other sources of revenue must be sought in order that there may be an equitable distribution of this great burden. *Commission to Investigate the Subject of the Distribution of State School Moneys, etc. Report of March 16, 1923. p. 7.*

Oregon:—If Oregon must have increased revenues for schools it must also reform its taxing system. The system of taxation on real property is filled with inequalities and unfairness. A large part of the wealth of the state is contributing nothing to the support of education. *Homer P. Rainey. The Study of Public School Finance in Oregon. p. 131.*

Tennessee:—The fundamental defect in our system . . . consists in the fact that we are raising entirely too large a percent of our state revenues under the general property tax. The development of the resources of the country, the growth of corporate wealth, the tremendous increase in the percent of total income arising from commercial and financial activities make it necessary to draw on these new sources of wealth, otherwise with the constant increase of the tax burden, property as such, will soon be burdened beyond the power of endurance. *1921-22 Report of State Tax Commissioner. Quoted in Studies in Public School Finance. The South. p. 194.*

Utah:—There are many individuals in Utah who do not own property and therefore are not contributing in a direct way to the support of government. The income of these individuals indicates more ability to pay than many of the heavily taxed farmers. *Box Elder Teachers' Association Journal. March, 1926. p. 20.*

Washington:—The general property tax is universally condemned by every economist and tax expert of note as violating the principle of taxation according to ability. The legal ownership of property is a very poor measure of ability to pay taxes. *O. C. Pratt. Washington Education Journal. December, 1925. p. 113.*

This evidence suggests the conclusion that those states who continue to cling to the universally condemned general property tax as a principal source of state revenue will find it increasingly difficult to keep pace with the educational progress of their sister states.

3. *The money contributed by the state for the support of education is distributed to local communities by methods which frequently increase rather than decrease the disparity in the ability of these communities to finance their schools.* In many of the states substan-

tial sums are contributed yearly by the state government for the support of schools in local communities. In distributing these funds to the local communities the state should seek to enable every local community to provide a reasonable common school education for all children without resorting to an excessive tax rate. This object is accomplished if proper methods are used in distributing the state money.¹

In most of the states, however, such methods do not govern the distribution of the state school fund. Most of the plans for distributing state school money have come down from a former generation, when conditions were different and when the science of school finance had barely begun to evolve. The defects of these plans are indicated by excerpts from recent investigations:

Alabama:—The basis of apportionment at present employed, that of school population, is one of the most ineffective. *Studies in Public School Finance. The South. p. 128.*

Arizona:—The present plan of equalization on the basis of school attendance is a big advance over the preceding plan based on school census, but equalization of burden has not been secured when maximum effort on the part of one county secures minimum support whereas another county secures maximum support through minimum effort. *Ralph C. Tupper. A Survey of the Public School System of Arizona. p. 88.*

Arkansas:—Of all bases employed in the United States today in apportioning school moneys, the state school census basis is one of the most ineffective, unfair, unscientific and disastrous. *Swift and Goldthorpe. Studies in Public School Finance. The South. p. 18.*

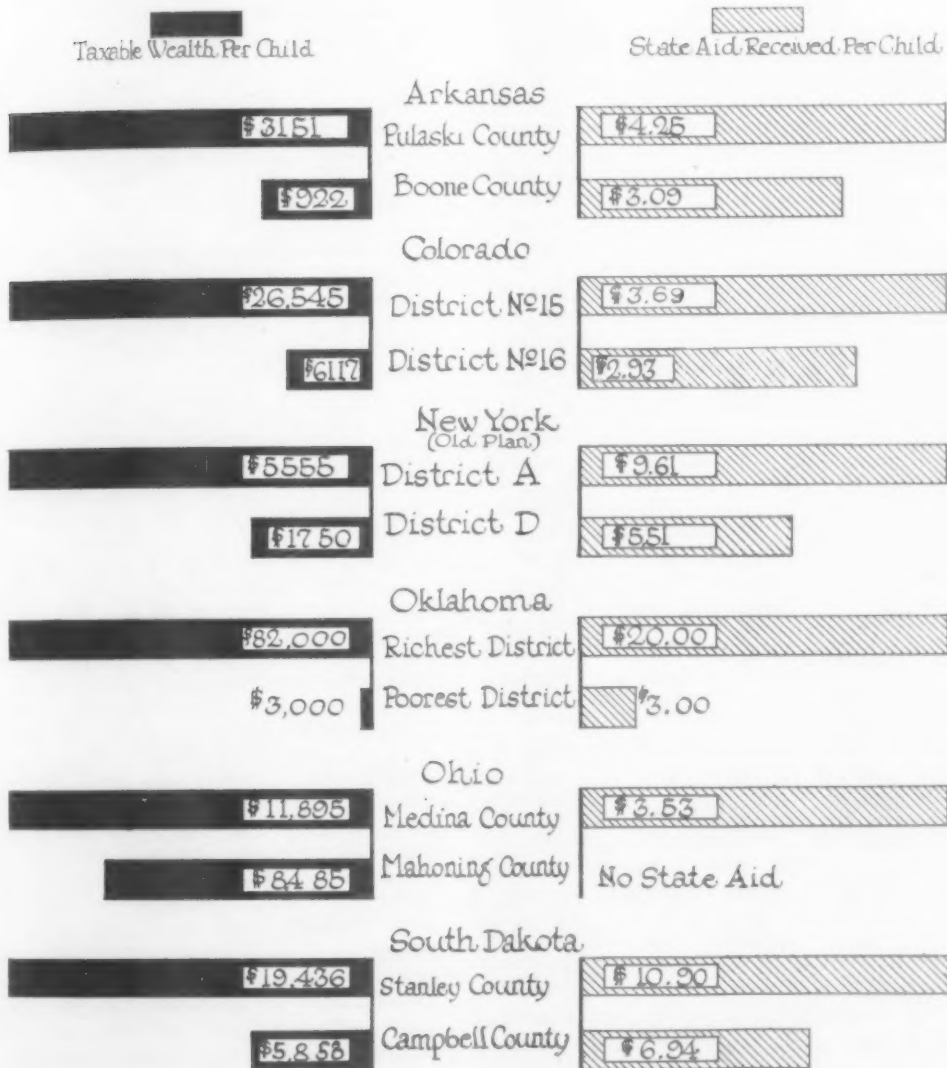
Colorado:—The present method of apportioning the income from the public school fund is inequitable and unsatisfactory. The distribution is made on the basis of the number of children 6 to 21 years of age. The plan totally disregards differences in assessed valuation or efforts made to secure good schools; and furthermore, the cost of schools does not depend upon the number of children who live in a district but upon the number who attend school. *Don C. Sowers. Financing Public School Education in Colorado. p. 10.*

Delaware:—The practice of basing the state apportionment on the number of teachers has exercised an unfortunate influence on educational progress. Formerly it tended to multiply the number of districts. Now it proves a bar to school consolidation. On other accounts also, this method of distributing the state fund is objectionable for

¹Space does not permit discussion in this Bulletin of the relative merits of the "large fund" and "small fund" methods of the state contribution to the support of schools. This topic is dealt with in reference No. 51 and in other studies cited to the bibliography.

CHART VIII

TYPICAL DIFFERENCES OF LOCAL COMMUNITIES in ABILITY to SUPPORT SCHOOLS and in STATE AID RECEIVED



Research Division National Education Assn.

Read Charts Thus: In Arkansas the wealth per child of Pulaski County is \$3151, that of Boone County is \$922; yet Pulaski County received \$ 4.25 per child from the state and Boone County \$3.09 per child. Read data similarly for other states. Data for each state to be considered separately. Inter-state comparisons should not be made.

Sources of Data: Ark., Swift, *Studies in Public School Finance, The South*, Table 3, p. 7.
 Colo., Sowers, *The Financing of Public School Education in Colorado*, p. 49.
 N. Y., Swift, *Studies in Public School Finance, The East*, p. 153.
 Okla., U. S. Bureau of Education, *Public Education in Oklahoma*, p. 54.
 Ohio, *Report of Ohio Institute, 1926*, Table 16, p. 37 1-a.
 S. Dak., Swift and Troxell, *Studies in Public School Finance, The Middle West*, Fig. 7, p. 273.

it disregards the number of pupils to be instructed and all differences in the financial ability of the different districts. *General Education Board. Public Education in Delaware.* p. 75.

Georgia:—The School census method of apportionment, although one of the most commonly employed in the United States, is no longer defended even by those states that employ it. The cost to a community does not depend upon the number of children in the school census but upon those who are in school. . . . Under the present method of distribution equality of opportunity not only does not but cannot exist even though the poorer counties levy taxes far heavier than those levied by the wealthier. *Gordon G. Singleton. State Responsibility for the Support of Education in Georgia.* p. 6.

Indiana:—So long as the method of apportioning the larger part of all state school funds disregards differences in the cost of good schools in cities, towns and rural districts, and differences in financial ability of communities to contribute to the support of their schools, the kind of education a child gets in Indiana will depend altogether too much on where he lives. Rich districts will continue to have good schools and poor districts will continue to have poor schools, although in proportion to their wealth the rich districts actually do less than the poor districts for public education. *General Education Board. Public Education in Indiana.* p. 182.

Kentucky:—A method of distributing state school funds that thus ignores differences in financial resources, ignores differences in the grade and quality of the schools, although there is equal willingness on the part of the people to make sacrifices for them, and ignores the state's responsibility to provide equal educational opportunities of a satisfactory standard for all the children of the community ought not to be longer tolerated. *General Education Board. Public Education in Kentucky.* pp. 139-141.

New York:—It is of interest that the gross unfairness of the teacher basis for distributing state aid has been so often overlooked. The differences in treatment for poor districts that tend to have few teachers and wealthy districts that tend to have many are greater than the differences caused by the different sizes of classes between the sparsely settled territory—which is not always poor—and the thickly settled territory—which likewise is not always rich. *Paul R. Mort. State Support for Public Schools.* p. 69.

North Carolina:—Although the present equalizing law provides the largest equalizing fund and the most satisfactory method of apportioning the state has ever had, it still falls far short of achieving complete equalization of the burden. *Fred Wilson Morrison. Equalization of the Financial Burden Among the Counties of North Carolina.* pp. 29-30, and 45.

Ohio:—Many county districts which are well to do if considered as a whole, nevertheless contain districts which receive state aid. This is attributable to a combination of causes; to a districting

system which allows great inequalities of financial ability to support schools to develop among the local districts; to the failure of the 2.65 mill school tax to offset this condition effectively; and to the willingness of the state to bolster up the deficiencies of the local districts in such county districts. *Ohio Institute. Report to Educational Commission.* p. 37-8.

Oklahoma:—Whereas in theory Oklahoma gives to the districts the same amount of state aid for each school child, as a matter of fact there is no equality whatever in the amounts the districts receive for the children they are actually educating. *U. S. Bureau of Education. Public Education in Oklahoma.* p. 53.

Oregon:—The result of Oregon's system of school support is gross inequalities in the distribution of the educational burden. *Homer P. Rainey. A Study of Public School Finance in Oregon.* p. 77.

South Dakota:—In accordance with the constitutional provision, the income from the permanent school fund is apportioned to the schools of the state in proportion to the school population. This plan helps to insure to all pupils the opportunity to attend school, but makes no attempt to equalize these opportunities. *Swift and others. Studies in Public School Finance. The Middle West.* p. 282.

Tennessee:—While the method of apportionment is a great improvement over the school census method, and several other methods employed in many of our states, it does not take account of the relative ability of the various counties, their respective tax rates, the length of school term, nor the number and qualifications of teachers. *Swift and Goldthorpe. Studies in Public School Finance. The South.* p. 195.

Texas:—This method of distribution of state funds overlooks an important element in a program of equalization of educational opportunity, viz, the differences in wealth of different communities. *Texas Educational Survey.* p. 82.

Virginia:—To distribute state funds for school purposes on the basis of school population is illogical and unfair, in that there is no fixed relationship between the amount of money which the state may send to a division and the clearly established needs of that division. *Virginia Education Commission. Virginia Public Schools.* p. 22.

Wisconsin:—Since our present common school fund is distributed on the basis of the number of children between the ages of four and twenty living in a community, and since it is evident that there is no relation between the number of children to be educated and the wealth of a community, a different basis for the distribution of state school funds should be adopted. *Wisconsin Rural School Survey. June, 1926.* p. 37.

This evidence, coming from such a variety of unprejudiced sources, clearly indicates the need, on the part of most of the states, of giving serious study to their methods of dis-

tributing the portion of school support contributed by the state. The mere fact that a legislature appropriates substantial sums for the support of local schools is no guarantee that its duty is performed. It should go farther. The state should adopt methods for the distribution of these sums to the local school units which promise to achieve the major objective sought—the provision of an acceptable common school education to all children of every district without the necessity, on the part of any district, of resorting to tax rates which, compared with those generally in force throughout the state, are unduly burdensome.

Removing the Weak Spots in the State Systems of School Support

Shortcomings characteristic of most state systems of school support are pointed out in the preceding section. Until these shortcomings are remedied educational advance will be seriously delayed. How may these shortcomings be remedied? What steps must a state take to establish a sound state program for financing its schools? These questions are dealt with in the succeeding paragraphs.

1. *The state through its legislature must hold itself responsible for seeing that all children are offered a good common school education.* The constitution of most of the states and a long line of legal decisions has established education as a responsibility of the state government. The following quotations from state constitutions and codes are illustrative.

Arkansas:—The state shall ever maintain a general, suitable and efficient system of free schools, whereby all persons in the state between the ages of six and twenty-one years may receive gratuitous instruction. *Section 7484, Digest of Laws Relating to Free Schools in the State of Arkansas. p. 5.*

Indiana:—It shall be the duty of the general assembly to provide by law for a general and uniform system of common schools, wherein tuition shall be without charge and equally open to all. *Article VIII, Section 1 page 27, Laws of Indiana Relating to the Public School System, Indianapolis, 1923.*

Illinois:—The general assembly shall provide a thorough and efficient system of free schools whereby all children of this state may receive a good common school education. *Article VIII, Section 1, Constitution of the State of Illinois.*

Maryland:—The General Assembly shall establish throughout the state a thorough and efficient system of free public schools. *Article VIII, Section 1, Maryland Public School Laws, 1922.*

New Jersey:—The legislature shall provide for the maintenance and support of a thorough and efficient system of free public schools for the instruction of all the children in this state between the ages of five and eighteen years. *Extracts from State Constitution, Section VII, New Jersey School Laws, 1921. p. 6.*

Washington:—It is the paramount duty of the state to make ample provision for the education of all children residing within its borders. *Article IX, Section 1, Code of Public Instruction, 1923, p. 23.*

It is clearly, therefore, the duty of the state legislature either to provide adequate school facilities for all children or to see that the local communities can and do make such provisions.

Until a state is willing to accept this fundamental principle not only in theory but in the practical form of definite legislative acts, it will make little progress toward establishing a sound system of state finance.

The acceptance of this principle is not antagonistic to the policy of leaving the detailed control of the schools in the hands of the local community. State legislatures have generally delegated detailed school control to the local communities. This is wise procedure when the communities can and do meet the responsibility. When the local district defaults, however, it is clearly the duty of the law making body of the state to see that facilities are provided whereby all children may receive a good common school education.

If a state is to guarantee educational opportunity to all children it must define what is meant by educational opportunity. It must clearly state the minimum essentials in the way of school facilities which it will accept in any local district. Unless this is done it will find itself placing the stamp of approval upon school districts inadequately equipped to offer a reasonable educational opportunity even to a fraction of the children living within their boundaries. States will differ in their statements of the minimum educational offering to be guaranteed all children. No state can expect to insure a satisfactory educational opportunity to all its children, however, until it has enacted measures providing that:

1. Every school district shall keep its school in session for a term of reasonable length—for example, not less than 170 days.
2. Every school district shall set up machinery to guarantee regular attendance throughout the full term on the part of all children.
3. No district shall employ a teacher who has not at least the amount of ability, training and character that is implied by two years successful attendance at a first rate normal school or teachers college following high school graduation.
4. Every district shall make a reasonable effort to raise from its own resources the sum per pupil in attendance which experience has revealed is essential for the maintenance of a school of acceptable efficiency.

The enactment of such measures by a state legislature does not reduce the authority of local communities to maintain good schools. It merely prevents the maintenance of poor schools, or no schools at all. This is nothing more than the practical fulfillment of the frequently stated constitutional and legal mandate that "the general assembly shall provide a thorough and efficient system of free schools whereby all children of this state may receive a good common school education." It is not enough, however, that the state should pass measures which if put into practice in all districts will guarantee an educational opportunity to all children. It must make it financially possible for every district of the state to put these measures into effect. This brings us to the next point.

2. *The state must pay a substantial part of the cost of school support.* The state must provide for an adequate fund to be used in aiding local communities in paying for school support. This provision is fundamental. There is no alternative.

Experience has shown that it is futile for a state to define the minimum facilities which every school system is to provide, unless it at the same time considers the cost of these facilities and the ability of the districts to meet the cost.

Studies of state school finance have unani-

mously recognized the establishment of a substantial state school fund as the keystone of any attempt to provide for the equalization of educational opportunity. The findings of some of these studies are given below:

Alabama:—One of the most obvious steps in the direction of providing adequate revenues would be the creation of a genuinely productive state common school fund. Massachusetts and Vermont are illustrious examples of states which after years of vain endeavor to establish an effective system of schools without a large permanent fund owned and controlled by the state, finally realized the impossibility of doing this and created such funds. *Fletcher Harper Swift. Studies in Public School Finance. The South. p. 125.*

Arkansas:—One of the first things which Arkansas must do is to see that communities are provided with sufficient funds to guarantee educational facilities to every child. *The Public School System of Arkansas. Part II. U. S. Bureau of Education Bulletin 1923-No. 11. p. 9.*

Arizona:—Opinion is unanimous that the state's share should be a liberal one wherever great inequalities in wealth exist between counties. *Ralph C. Tupper. A Survey of the Arizona Public School System. p. 90.*

California:—Place upon the state the responsibility of furnishing funds to provide every school with enough money to pay a minimum salary to every teacher for an entire school year of uniform length . . . and furthermore place upon the state the responsibility of providing the materials directly related to instruction and the moneys necessary to guarantee the scientific supervision of every school and existing educational inequalities will be rapidly evened out. *Fletcher Harper Swift. Studies in Public School Finance. The West. p. 144.*

Colorado:—Students of educational finance are agreed that the best way in which to equalize existing inequalities in wealth is for the state to contribute large sums for the support of public schools. *Don C. Sowers. Financing Public Education in Colorado. p. 52.*

Illinois:—That Illinois does need a rather large state school fund ought to be generally admitted. Supporting education . . . even largely upon the basis of local ability must for our children necessarily mean outstanding inequalities in educational opportunity. *School Revenues in Illinois. Illinois State Teachers Association, p. 11.*

Kentucky:—As a matter of principle the state must be regarded as responsible for maintaining throughout the commonwealth, a system of public schools of a satisfactory standard. . . . Kentucky is marked by extreme variations in both population and wealth. Therefore if public schools of a satisfactory standard are to be open to all the children of the commonwealth, Kentucky must have a relatively large state school fund. *General Education Board. Public Education in Kentucky. p. 144.*

Louisiana:—If inequalities of educational opportunity among the white school systems of the parishes are to be decreased, provision must be made for a considerable state school fund to be used for equalization of the burden of school support. *State Teachers Association. Inequalities in Educational Opportunity in Louisiana.* p. 76.

Massachusetts:—As interesting to the student of school finance as Massachusetts century-long persistency in refusing to allow the state anything more than a negligible part in providing school revenues, is Massachusetts' recent modification of this policy and frank recognition that the state must furnish a much larger share than it has done in the past. *Fletcher Harper Swift. Studies in Public School Finance. The East.* p. 2.

New Jersey:—A broader and more liberal state financial policy is imperatively needed to comply with our constitutional requirement to retain the dignity, self-respect and civic pride of our state. *Commission to Investigate the Subject of the Distribution of State School Moneys, February 22, 1922.* p. 6.

Ohio:—Since the state has set up minimum standards which every community is expected to meet, the state should, beyond a certain point of financial sacrifice by the community, give financial assistance. *Ward G. Reeder. Proposed Modifications of the State-Aid Law for Ohio Schools. Educational Research Bulletin of Ohio State University. January 20, 1926.* p. 37.

Wisconsin:—More than 80 percent of the income for public education is derived by direct local taxation. Better educational opportunity and relief from excessive school taxes can come only by a redistribution of percentages of taxes coming from various sources. The state should step in and assume a large share (probably 30 percent) of the cost of public education. *Wisconsin Rural School Survey. Bulletin of the Wisconsin Teachers Association, June, 1926.* p. 37.

These quotations are based upon long years of educational experience and much careful investigation in recent years. They point to but one conclusion. No state can expect to guarantee a fair educational opportunity to all of its children if it fails to assume a substantial share of the burden of school support.

3. *The state must distribute its contribution toward the support of schools in a way which makes it possible for every local community to maintain good schools without the necessity of levying an excessive local tax.*

It is not enough that a state shall assume a substantial share of the cost of paying for the schools. It may still fail to guarantee opportunity to all children unless it distributes its money to the local districts in such a way that the "oil is applied where the squeak is." Districts which are too poor to provide rea-

sonable school facilities, without resort to confiscatory tax rates, must be allotted larger amounts per child from the state fund than districts which are able to afford first rate schools on a relatively low tax rate.

Most of the states of the union will need radically to revise their methods of distributing the proportion of school support contributed by the state before they will be able to guarantee all children an equal opportunity to obtain an education. This has been recognized by one state after another in recent years, as the following quotations testify:

Arizona:—State aid should take into account ability and performance of counties. This is an accepted principle of school finance. *Ralph C. Tupper. A Survey of the Public School Finance System of Arizona.* p. 38.

Arkansas:—Provide a state equalization fund to be apportioned among those counties which levy a county school tax equal at least to the state average county school tax, but are unable to produce thereby for every child of school age resident in the county a quota equal to the average quota per child divided from proceeds of such county taxes. *Fletcher Harper Swift. Studies in Public School Finance. The South.* p. 35.

California:—Revise the present method of apportioning state funds in such a manner as to recognize variations among local school units receiving the same, as to length of school year, assessed valuation per child in average daily attendance, and qualifications of school officers employed. *Fletcher Harper Swift. Studies in Public School Finance. The West.* p. 152.

Colorado:—The present plan should be abandoned and a new plan adopted which would provide for the distribution of funds on the basis of number of teachers employed, the aggregate days of attendance, and the amount of wealth back of each child. *Don C. Sowers. Financing Public Education in Colorado.* p. 10.

Indiana:—The distribution of state school funds on the basis of local needs, provided the community has first done its part, tends to equalize both financial sacrifice and educational opportunity. It is sound alike in principle and in practice, and should control the use of larger and larger proportions of state school funds. *General Education Board, Public Education in Indiana.* p. 182.

Iowa:—What is needed is the wider application of the principle already established in the legislative grant to the mining camp schools. . . . Here the state of Iowa already gives special aid to districts that are so poor that their need is quite apparent. *Educational Finance Inquiry Commission. The Financing of Education in Iowa.* p. 164.

Maryland:—The Maryland law . . . provides for supplementing a local tax of \$6.70 on each thousand dollars assessable property by any amount necessary in addition to all forms of state

aid to support the minimum program. . . . In determining the state aid teachers are not counted in excess of one for each forty children in average daily attendance. *Paul R. Mort. State Support for Public Schools. p. 42.*

Minnesota:—A scientific method of apportioning state school moneys takes into consideration at least three factors: (1) the comparative ability of the receiving units to provide school revenues, commonly measured by wealth per school child or the wealth per teacher employed; (2) the effort measured by the rate of the local school tax; and (3) educational projects and standards maintained. *Fletcher Harper Swift and Francis Kelly del Plaine. Studies in Public School Finance. The Middle West. p. 180.*

New York:—Both measures . . . unit of educational need and unit of tax paying ability . . . are needed to determine the state aid for a community under any equalization plan. . . . The procedure proposed for obtaining an index of educational need, . . . accepts the teacher or pupil measures, . . . and introduces corrections to make them more accurately proportional to the cost of any minimum program. The corrected measure may be expressed in two forms, the weighted pupil or the typical teacher In order that the burden of supporting the minimum program may be made to fall upon the people in all communities according to their ability to pay taxes, . . . the state must determine the amount of state aid to which the community is entitled by using the true value of property in the community. It then requires the locality to raise whatever tax is necessary to provide the other needed funds. *Paul R. Mort. State Support for Public Schools. pp. 14-20.*

North Carolina:—The "small fund" method requires that each unit of the state . . . shall make a certain prescribed effort toward supporting its own schedule by levying taxes for that purpose at a fixed minimum rate. If a local unit has made the required effort and yet lacks sufficient funds to carry out the minimum program, the state thus apportions to it a fund sufficient to enable it to carry out the minimum program. In the case of some counties this apportionment is a small amount per pupil or per teacher. In other counties it is a relatively large amount. In every case the amount is determined by the need of the local unit after it has made the required effort to carry out its own program. *Fred Wilson Morrison. Equalizing the Financial Burden Among the Counties of North Carolina. p. 8.*

Ohio:—Among the recommendations of the report cited below is: Provision for the current financial support of a state minimal standard by a mandatory irreducible tax uniform throughout the county district; such tax to be supplemented by state aid to counties whose ability to support their schools is below the state average, as measured by the true tax valuation per child to be educated. Counties receiving state aid should be required to levy such rate as they would if they had ability

(valuation per child) equal to the state average. *1926 Report of Ohio Institute to Educational Council of Ohio State Teachers Association. p. 1.*

Oklahoma:—If a state is to equalize school burdens she must in her method of distributing aid take into consideration not only the number of teachers employed but she must take into consideration both differences in ability to provide school revenues as measured by wealth per child and differences in effort as measured by the rate of the local tax. *U. S. Bureau of Education. Public Education in Oklahoma. p. 53.*

Utah:—As long as Utah, provides no plan for offsetting the inequalities which exist and will always exist among her school districts, so long will school revenues, school burdens, and educational opportunities continue to vary widely from district to district. The state and the state alone is capable of remedying the situation. *Survey of Education in Utah, U. S. Bureau of Education, 1926. Page 455.*

From this evidence, it may be stated as an established principle of school finance that:

To guarantee all children a reasonable opportunity to obtain an education, a state must adopt methods for distributing the money which it contributes to local school support which makes it possible for every local community to maintain good schools without resorting to an excessive local school tax.

4. A state must adopt a modern method of securing state revenue, including that used for school support.

In most of the states the existing methods of obtaining school revenue are obsolete. They are hangovers from a time when economic conditions were quite different from those existing today. School progress in any state will lag so long as the general property tax in its primitive form remains the sole or principal source of school revenue.

One of the early steps which most states must take in order to establish a sound and just plan for financing its schools is the revision of its whole system of taxation. This conclusion has been repeatedly arrived at in recent investigations:

Arkansas:— . . . authorities on taxation are . . . convinced of the necessity of employing new types of taxation, such as income, corporation and severance taxes, instead of, or in addition to, general property taxes. *Swift & Goldthorpe. Studies in Public School Finance, The South. p. 32.*

California:—The state . . . levies no tax whatever upon real and personal property but de-

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gives the majority of its school revenues from the proceeds of the corporation taxes covered into the state school fund and thence appropriated to the schools. *Fletcher Harper Swift. Studies in Public School Finance. The West. p. 2.*

Colorado:—New methods of taxation have been devised and used successfully by the United States government and state governments; these methods consist of state income taxes, classified property taxes, special taxes on corporations, and severance taxes. A portion of the additional revenues needed to finance adequately public education in Colorado should be raised through a state income tax. A state income tax which yields an amount equal to one-third of that collected by the federal government is regarded by financial authorities as being satisfactory for state purposes. If Colorado levied a state income tax on this basis, she would realise from this source practically \$3,640,000 . . .

Many states tax business corporations . . . corporation franchise or excise taxes are easily collected and highly remunerative and should be given serious consideration. . .

A tax which is being increasingly used at the present time as a source of revenue is the severance tax on natural resources. . . *Don C. Sowers. The Financing of Public School Education in Colorado. p. 11 and 81.*

Georgia:—Massachusetts, Delaware, and North Carolina at the present time derive the major portion of school revenues furnished by the state from the proceeds of state personal income taxes. Georgia would do well to follow the example of these three states. *Gordon G. Singleton. State Responsibility for the Support of Education in Georgia. p. 50.*

Illinois:—A number of states are levying state income taxes and are finding them a thoroughly satisfactory means of producing revenue. We have already seen that four states, Massachusetts, Delaware, North Carolina, and Arkansas, levy them distinctly for purposes of school revenue.

The severance tax is a tax levied upon all natural products severed from the soil except agricultural. Louisiana is a pioneer in this method of taxation. . . . The 1921 report of the Louisiana Commission of Assessment and Taxation informs us that the severance tax has become a fixed part of our revenue system. *Fletcher Harper Swift. Studies in Public School Finance. The Middle West. p. 89 and 91.*

Indiana:—Recognition should be taken of the fact that there is considerable agitation in the state for a re-consideration of the income tax to supplement our present general property tax. . . .

This matter is of particular interest at the present time due to the fact that a proposed amendment to the state constitution allowing an income tax will be submitted to the voters of the state at the election of November, 1926. *Report of Indiana Rural Education Survey Committee. p. 67-8.*

Missouri:—New forms of taxation should be

devised. The general property tax is paying its share of state school moneys. The new forms that are worthy of consideration are a graduated income tax, a tax on gross receipts of corporations, and a severance tax. *Facts Concerning Public Education in Missouri. Report of the Missouri School Survey. p. 41.*

New Jersey:—Economists who have given this question study state that . . . the total income of the people of New Jersey is \$2,500,000,000. . .

It goes without saying that a small percentage of taxes placed on this entire income, making only the exemptions that are legal exemptions, will provide a revenue that will lift the burden of taxation from the farms, the homes and the little personal belongings of the people of the state. *Commission to Investigate the Subject of the Distribution of State School Moneys. Report of March 10, 1923. p. 10.*

North Carolina:—At the general election in 1920, the voters of North Carolina approved a constitutional amendment providing for the levying of a graduated state income tax on all incomes of certain sizes. . . . The funds derived from this income tax, together with other state revenues, were sufficient to enable the state to discontinue levying a property tax for state purposes. In deriving its revenue from the above mentioned sources the state left to the county and local community all revenues to be derived from tax upon general property . . .

On the whole the income tax law of North Carolina meets the major requirements of a good income tax law. The adoption of this form of taxation as a supplement to property taxes marked a distinct achievement for North Carolina. *Fred Wilson Morrison. Equalization of Financial Burden of Education Among the Counties of North Carolina. p. 18 and 52.*

Oregon:—In general the most progressive states are resorting mainly to three or four forms of taxation. These are (1) the income tax, (2) tax on business, (3) inheritance tax, and (4) severance tax. *Homer P. Rainey. The Study of Public School Finance in Oregon. p. 131.*

Washington:—Theoretically, the fairest tax is the income tax, because it is based directly on ability to pay. About one-third of the states have income taxes. *O. C. Pratt. Public School Finance in Washington. Washington Educational Journal. November, 1925. p. 70.*

Any system of school support is defective which employs the general property tax as a principal source of revenue, particularly for that part of school revenue which comes from the state.

States whose systems of taxation need revision should hesitate no longer. The direction of tax reform is now rather generally agreed upon. This is the topic of the next section.

The Essentials of a Sound Plan of State and Local Taxation

In an earlier section of this Bulletin it was stated that the problem of obtaining adequate school support in many states is not one of waiting for an increase in economic resources. It is rather a problem of finding and being willing to put into effect the methods of taxation which will divert from the abundant supply of economic power already in existence, a share appropriate to the importance of education in a modern civilized commonwealth.

Our economic system has completely changed. Our wealth and income have grown tremendously. But the methods of securing school revenue have stood still. What must be done to bring state and local systems of taxation into accord with modern economic conditions?

One answer to this question is found in the report of a committee appointed by the National Tax Association to outline a plan for a model system of state and local taxation.¹ This report early states three propositions which it considers fundamental in a modern system of state and local taxation:

The first is the principle that every person having taxable ability should pay some sort of a direct personal tax to the government under which he is domiciled and from which he receives the personal benefits that government confers.

The second principle is that tangible property, by whomsoever owned, should be taxed by the jurisdiction in which it is located, because it there receives protection and other governmental benefits and services.

The third principle, somewhat less clearly and generally exemplified by our tax laws but discernible none the less, is that business carried on for profit in any locality should be taxed for the benefits it receives.

This report further states:

Whatever one may think of any or all of these principles, the fact remains that they undoubtedly represent hard facts which any new system of taxation must take into account. That they are not in many cases logically and consistently applied, admits of no doubt; that they sometimes lead to confusion and involve unjust double taxation and disregard of interstate comity, cannot be ques-

tioned. But the committee believes that there is merit in each of these principles, even though they have been frequently misapplied; and is satisfied that the laws in which the principles are embodied will not be changed except to give place to statutes that provide fairer and more logical methods of carrying the principles into effect.

In summarizing the advantages of this plan of taxation the report concludes:

This system will satisfy every legitimate claim of any American state. It provides that all persons shall be taxed fairly and fully at their place of domicile for the personal benefits they derive from the government. It provides that all tangible property which any state may desire to tax shall be taxed fully at its situs for the governmental services it there receives. It eliminates the taxation of intangible property, as property, because such taxation cannot be carried out without a large amount of unjust double taxation. And, finally, it provides a method by which any state which desires to tax business may do so in a fair and effective manner. No single tax levied either on income or property could possibly satisfy all of these claims.

The combination of taxes we have recommended will give better results than any one tax, however levied, which is made to yield the same amount of revenue. With the best drawn law and the very best of administration, there will always be a certain amount of inequality in the operation of any tax. If, therefore, all the revenue needed is derived from but one tax, such inequality as inevitably arises will be concentrated at a few points where it cannot be mitigated. But under a system by which the same amount of revenue is collected from separate taxes levied upon income, property, and business, it is clear that such inevitable inequalities as arise in the working of any one tax may be, and to a considerable extent must be, offset or mitigated by inequalities arising under the others.

In their practical application the principles stated above, involve:

First, a property tax on tangible property levied where such property is located

Second, an income tax levied on the net income of persons residing within the state

Third, a business tax levied on the net income of business carried on within the jurisdiction of the state

¹ The original report of this committee is now out of print. It is available in the printed volume of the Proceedings of the National Tax Association for 1919, pp. 426-70. Another reference which reproduces parts of the model plan and discusses it with particular reference to New York's system of taxation is: Strayer and Haig, *The Financing of Education in the State of New York*. Macmillan Company, New York, 1923. p. 158 ff.

Drafts of Personal Income and Business Income Tax Acts, prepared by the committee on a Model System of State and Local Taxation in accordance with the principles set forth in their report, will be found in the Bulletin of the National Tax Association, January, 1921.

Fourth, the continuance under certain conditions of other forms of taxation such as the inheritance tax, special assessments, etc.

These are not all the newer forms of taxation which are suggested by taxation authorities. The severance tax on mineral wealth, and the sales tax on luxuries, such as tobacco, have been advocated for and adopted by some states.¹

Some of these newer forms of taxation have already been put into effective operation by a few progressive states. They would be found equally effective by other states. In the subsequent tables figures are presented to indicate the amount of revenue which the application of these newer forms of taxation would raise. States which are already using some of these taxes are not excluded from these tables.

Cautions and Warnings

In presenting the subsequent material no assumption is made that the schools are the only public service which are to benefit from raising public funds by a just and modern system of taxation.² Whereas, education is a matter of paramount importance to a state it is not the only public service which must be supported and which is essential to the general welfare. This fact was kept clearly in mind in calculating the subsequent tables.

The sum yearly expended for public schools is approximately 40 percent of the amount collected in state and local taxes.³ The vital relation to school progress of the system of taxation in effect in a state is, therefore, apparent.

Nor should it be concluded that the development of a just and effective system of taxation for a state is a simple rule-of-thumb procedure for which a fool-proof formula can be employed. A satisfactory scheme for raising public revenue must be based upon the advice of experts in a number of fields and a

careful weighing of special conditions existing in the particular state concerned.

In short, the following tabulations and discussion are intended to be broadly suggestive for all states rather than definitely prescriptive for any one state.

Revenue Raised by Various Forms of Taxation

Tax on tangible property: The model plan recommends a tax on tangible property levied where such property is located. Many states already have a general property tax, which taxes tangible and attempts to tax intangible property. This form of property tax is universally condemned. It is both unjust and unworkable.⁴

The model plan would retain a property tax, but would tax only certain forms of tangible property.⁵ The plan further recommends that tangible property should be classified for taxation to the extent:

"That a distinction should be drawn at least between real estate and tangible personal property, and that the latter should receive a separate classification."

Table 9 gives the true value of the tangible property of each of the states as listed by the 1922 federal census. The table does not include certain forms of tangible wealth, valued at approximately eighty billion dollars, which probably should be exempted from taxation.⁶ It does include some forms of property at present exempted from taxation by state laws. Columns 3 and 4 of table 9 show the amounts which a two and a five mill tax on the full value of tangible property would raise.

A two mill tax on property is a very light tax. The use for school purposes of the sum which such a millage on tangible property would raise would not shut off other public sources supported by state taxation from realizing revenue from the same source. A state tax considerably larger than two mills

¹ A review of the newer types of state taxes being used specifically for raising school revenue will be found on page 495 of Survey of Education in Utah, U. S. Bureau of Education, 1926. Reference No. 87 in the bibliography lists the various forms of taxes now employed by each state.

² Space does not permit discussion of whether state taxes should be levied for specific purposes, such as for school support, or whether the total state tax revenue should be raised without specific prescription as to its use until the budgeting or appropriating stage is reached.

³ Taxes are not the only source of revenue of state and local communities. School costs, therefore, constitute considerably less than 40 percent of total state and local receipts. See footnote 2 on page 20.

⁴ See page 19ff of the following reference for an authoritative discussion of the defects of the general property tax: E. R. A. Seligman, *Essays in Taxation*. Macmillan Co. (Ninth Edition).

⁵ A difference of opinion exists among tax experts as to whether all tangible property should be taxed or merely real estate.

⁶ See notes at foot of table 9.

on tangible property would not be high compared with some now in effect. Such a tax would leave tangible property relatively free for the purposes of local taxation.

Some twenty states now levy state taxes on property for school purposes at rates varying from less than one mill to as high as 4.6 mills—with approximately two mills as the most common rate. In case these states retained a two mill tax on tangible property for school purposes, doing away with the tax on other forms of property, the sums given in the table would be realized. This in many cases would be contingent upon a willingness to reform the present ineffective methods of tax administration. At present revenue is lost because:

1. Much property escapes assessment and that assessed is valued at but a small fraction of its worth.
2. Too much property is exempted from taxation by law.¹

Some authorities have recommended the total abandonment of the state property tax so that this over-burdened source of revenue would be somewhat relieved and left free for the purposes of local taxation.² The inclusion of data as to the amount which would be raised by various state mill taxes on tangible property is not due to a disagreement with this recommendation. The fact exists, however, that conditions in some states will probably result in the use of the state mill tax on property for some years to come. The data of

¹ *Tax Burdens and Exemptions*. National Industrial Conference Board, New York, N. Y., 1923.

² *The Financing of Education in the State of New York*, p. 157.

TABLE 9—VALUE OF TANGIBLE PROPERTY AND STATE TAXATION

States	Value of Tangible Property with certain omissions	Amount Raised By a Tax on Tangible Property of		States	Value of Tangible Property with certain omissions	Amount Raised By a Tax on Tangible Property of	
		2 mills	5 mills			2 mills	5 mills
1	2	3	4	5	6	7	8
United States.....	\$238,735,223,000	\$477,470,446	\$1,193,676,115				
Alabama.....	2,160,325,000	4,320,650	10,801,625	Montana.....	\$1,871,255,000	\$3,742,510	\$9,356,273
Arizona.....	1,065,955,000	2,131,910	5,329,775	Nebraska.....	4,558,525,000	9,117,050	22,792,625
Arkansas.....	2,011,257,000	4,022,514	10,056,285	Nevada.....	488,506,000	977,012	2,442,590
California.....	11,179,065,000	22,358,130	55,895,325	New Hampshire.....	970,863,000	1,941,726	4,854,315
				New Jersey.....	7,984,909,000	15,969,818	39,924,545
Colorado.....	2,549,318,000	5,098,636	12,746,590	New Mexico.....	732,956,000	1,465,912	3,664,780
Connecticut.....	3,936,494,000	7,872,988	19,682,470	North Carolina.....	27,709,124,000	55,418,248	138,545,620
Delaware.....	450,073,000	900,146	2,250,365	North Dakota.....	3,147,672,000	6,295,344	15,738,360
Dist. of Col.....	1,416,576,000	2,833,152	7,082,880	Ohio.....	2,203,706,000	4,407,412	11,018,530
Florida.....	2,013,366,000	4,026,732	10,066,830	Oklahoma.....	13,929,252,000	27,858,504	69,646,360
Georgia.....	2,797,997,000	5,595,994	13,989,985	Oregon.....	3,050,923,000	6,101,846	15,254,615
Idaho.....	1,267,757,000	2,535,514	6,338,785	Pennsylvania.....	2,879,275,000	5,758,550	14,396,371
Illinois.....	16,737,966,000	33,475,932	83,689,830	Rhode Island.....	20,917,879,000	41,835,758	104,589,395
Indiana.....	6,738,036,000	13,476,072	33,690,180	South Carolina.....	1,255,831,000	2,511,662	6,279,135
Iowa.....	9,026,834,000	18,053,668	45,134,170	South Dakota.....	1,695,886,000	3,391,772	8,479,430
Kansas.....	5,182,620,000	10,365,240	25,913,109	Tennessee.....	2,634,801,000	5,269,602	13,174,005
Kentucky.....	2,643,014,000	5,286,028	13,215,070	Texas.....	3,271,072,000	6,542,144	16,355,360
Louisiana.....	2,235,442,000	4,470,884	11,177,210	Utah.....	7,820,420,000	15,640,840	39,102,100
Maine.....	1,472,893,000	2,945,786	7,364,465	Vermont.....	1,205,488,000	2,410,976	6,027,440
Maryland.....	2,752,519,000	5,505,038	13,762,595	Virginia.....	609,365,000	1,218,730	3,046,825
Massachusetts.....	9,196,197,000	18,392,394	45,980,985	Washington.....	3,808,141,000	7,616,282	19,040,705
Michigan.....	8,104,939,000	16,209,878	40,524,695	West Va.....	4,279,989,000	8,559,978	21,399,945
Minnesota.....	6,789,180,000	13,578,360	33,945,900	Wisconsin.....	4,057,984,000	8,115,968	20,289,920
Mississippi.....	1,597,106,000	3,194,212	7,985,530	Wyoming.....	5,835,896,000	11,671,792	29,179,480
Missouri.....	7,638,978,000	15,277,956	38,194,890		851,598,000	1,703,196	4,257,990

* Sources of data: Figures of column 2 are derived from *Estimated National Wealth* U. S. Dept. of Commerce, Bureau of the Census, Table 4 Page 21. Included in the value of tangible property in this column are the following: (a) real property and improvements including property exempt by state law but not including property owned by the federal government; (b) live stock, farm implements, and machinery; (c) manufacturing machinery and implements; (d) railroads and equipment; (e) motor vehicles; (f) street railroads and other private utilities. Approximately eighty billion dollars of tangible property listed by the Federal Census is not included in the figures of this column. The principal items making up this omission are (a) agricultural and manufactured products; (b) clothing, furniture and kindred personal property. The figures in column 3 are obtained by taking 2% of column 2. The figures in column 4 are obtained by taking 5% of column 2.

Read table as follows: In Alabama the value of tangible property with the omissions indicated below is \$2,160,325,000. In Alabama a tax of 2 mills (20c on each \$100 or \$2.00 on each \$1000) levied on the full value of tangible property listed in column 2 would raise revenue of \$4,320,650. A tax of 5 mills (50c on each \$100 or \$5.00 on each \$1000) levied on the tangible property listed in column 2 would raise a revenue of \$10,801,625. Similarly read data for other states.

TABLE 10—PERSONAL NET INCOME AND FEDERAL AND STATE TAXATION

State	Personal Net Income Subject to Normal Tax	Revenue Yielded by Federal Normal and Surtax Schedules of 1924	Revenue Yielded by Federal Normal Tax of 1924	Revenue Which Would be Yielded by a State Tax at Rates One-half Those of Federal Normal Tax
1	2	3	4	5
United States.....	\$7,991,186,906	\$702,783,507	\$257,794,728	\$128,715,528 00
Alabama.....	55,746,526	2,771,221	1,640,881	820,440 50
Arizona.....	14,589,579	511,987	370,541	185,270 50
Arkansas.....	27,448,969	1,458,499	822,316	411,158 00
California.....	561,593,815	37,880,658	17,804,526	8,902,263 00
Colorado.....	48,389,328	3,162,736	1,425,097	712,548 50
Connecticut.....	125,453,347	12,593,904	4,026,236	2,013,118 00
Delaware.....	12,871,131	2,432,617	458,839	229,419 50
District of Columbia.....	84,685,125	5,765,861	2,643,534	1,321,767 00
Florida.....	89,765,665	7,229,272	3,171,616	1,585,808 00
Georgia.....	67,034,058	3,398,860	1,913,521	956,760 50
Idaho.....	11,155,917	261,008	260,414	130,207 000
Illinois.....	845,840,321	66,583,239	26,636,467	13,318,233 50
Indiana.....	114,506,466	6,655,560	3,357,083	1,678,541 50
Iowa.....	74,602,273	3,123,808	1,969,852	984,926 00
Kansas.....	49,290,375	1,918,019	1,372,881	686,440 50
Kentucky.....	62,864,781	3,805,669	1,861,390	930,695 00
Louisiana.....	68,151,411	3,528,511	2,041,466	1,020,733 00
Maine.....	35,130,894	2,568,353	1,045,355	522,677 50
Maryland.....	158,803,189	12,073,312	5,014,622	2,507,311 00
Massachusetts.....	384,548,379	40,857,137	13,168,221	6,584,110 50
Michigan.....	295,475,070	30,983,705	9,422,299	4,711,149 50
Minnesota.....	92,942,869	6,720,567	2,727,859	1,363,929 50
Mississippi.....	20,211,500	1,155,729	603,384	301,692 00
Missouri.....	182,114,273	12,373,492	5,461,587	2,730,793 50
Montana.....	20,076,212	731,111	512,743	256,371 50
Nebraska.....	46,978,395	1,848,121	1,280,072	640,036 00
Nevada.....	7,352,734	184,334	165,407	82,703 50
New Hampshire.....	21,920,771	1,377,393	630,063	315,031 50
New Jersey.....	408,619,164	31,941,148	12,737,556	6,368,778 00
New Mexico.....	7,598,892	223,842	196,349	98,174 50
New York.....	1,878,480,152	236,774,567	68,692,101	34,346,050 50
North Carolina.....	44,775,590	3,777,873	1,349,447	674,723 50
North Dakota.....	10,054,325	268,090	241,028	120,514 00
Ohio.....	394,900,648	32,061,822	11,994,382	5,997,191 00
Oklahoma.....	62,246,218	3,794,477	1,987,934	993,967 00
Oregon.....	51,006,336	2,025,068	1,393,482	696,741 00
Pennsylvania.....	796,336,135	77,873,521	25,729,442	12,864,721 00
Rhode Island.....	60,791,905	6,722,491	1,960,209	980,104 50
South Carolina.....	17,046,029	727,462	493,191	246,595 50
South Dakota.....	10,977,259	306,097	268,229	134,114 50
Tennessee.....	65,181,061	3,419,535	1,963,030	981,515 00
Texas.....	203,452,810	10,235,806	5,986,793	2,993,396 50
Utah.....	18,475,921	599,194	468,067	234,033 50
Vermont.....	15,296,675	978,252	428,263	214,131 50
Virginia.....	60,069,839	3,313,896	1,747,924	873,962 00
Washington ¹	104,697,762	3,231,233	2,497,176	1,248,588 00
West Virginia.....	47,029,068	2,796,310	1,324,719	662,359 50
Wisconsin.....	140,863,653	7,344,053	3,824,150	1,912,075 00
Wyoming.....	13,744,090	414,087	339,312	169,656 00

Read table as follows: In Alabama the net taxable income in 1924 was \$55,746,526 (Col. 2) which yielded a revenue of \$2,771,221 (Col. 3) under the federal normal and surtax schedules of 1924, described in the next paragraph. In this state \$1,640,881, (Col. 4) revenue was yielded by the federal normal tax of 1924. A state income tax at one-half the rates of the normal federal tax would yield a revenue of \$820,440.50 (Col. 5).

Rate of 1924 income tax: The federal government according to the revenue act of 1924 levied a normal tax on the net income (gross income less items deductible, such as: expenses paid or incurred in the carrying on of business, interest on indebtedness, taxes, losses and contributions) of two percent on the first \$4,000, four percent on the next \$4,000, and six percent on all other net income in excess of credits allowed. Credits allowed on net income for the purpose of the normal tax were: A personal exemption of \$1,000 in the case of a single person; a personal exemption of \$2,500 in the case of a married person living with husband or wife; an exemption of \$400 for each dependent (other than husband or wife) under 18 years of age or incapable of self-support; certain exemptions allowed under the China Trade Act; exemptions allowed on the income of non-resident alien individuals, and on income derived from sources outside the United States. A scale of progressive surtaxes was also levied on net incomes in excess of \$10,000 ranging from one percent on the amount in excess of \$10,000 of incomes of from \$10,000 to \$14,000, to approximately forty percent on net incomes in excess of \$500,000. Certain credits, on capital net loss and earned income, etc., in addition to those listed above are allowed on the tax under both the normal and surtax schedules. They involved a reduction in the amount of revenue actually realized. The reductions in the amounts given in this table involved in these credits was approximately \$39,000,000. For detailed description of the personal income tax rates of 1924, see "Revenue Act of 1924"—Public—No. 176—68th Congress, H. R. 6715.

Source of data: Column 2 from *Statistics of Income from the Returns of Net Income for 1924*, Treasury Department, United States Internal Revenue, Table 1, page 102. Columns 3 and 4 are from *Ibid.*, Table 1, page 103. Column 5 is one-half of Column 4.

¹ Also includes Alaska.

table 9 should be of interest to such states. These states will want to make this tax as effective as conditions permit.

Personal income tax: A state income tax is recommended in the model plan of taxation and by other taxation authorities. Table 10 should be studied in this connection.

This table shows the amount of taxable income declared in each state, under the 1924 federal schedule, after allowing legal deductions.¹

The federal income tax is based upon two schedules; the normal tax schedule and the surtax schedule. The surtax schedule applies only to net incomes in excess of \$10,000. The surtax rates range from one percent on the amount of income in excess of \$10,000 of incomes of from \$10,000 to \$14,000, to approximately 40 percent on incomes in excess of \$500,000.²

The normal tax of 1924 levied on net income was at the rate of 2 percent on the first \$4000 of income which increased to 6 percent on net income of over \$8,000. Exemptions of \$1,000 in the case of a single person, \$2500 in the case of a married person living with husband or wife and \$400 for each dependent other than husband or wife were allowed before the rates of the normal schedule took effect. Column 3 of Table 10 shows revenues yielded by both the surtax schedule and the normal tax schedule of 1924. The amount of tax collected under the federal normal tax schedule of 1924 is indicated in column 4 of Table 10. Column 5 of Table 10 gives the revenue which would be yielded by a state tax at rates one-half those of the federal normal tax. The amounts paid by individuals of varying incomes under such a state rate would be those indicated in Table 11. An inspection of this table indicates that such a state income tax would be light. This tax at rates progressing from 1 to 3 percent on normal income would be well within the rates recommended by the model plan. This plan states:

We recommend that the rates of taxation shall be progressive, the progression depending upon the amount of the taxpayer's net income. . . . The lowest rate should not be less than one per-

cent, and under present conditions we regard it as inexpedient for any state to impose a rate higher than six percent.

The use for school purposes of the sum which an income tax, at rates varying from 1 to 3 percent, would raise, would not cut off other public service supported by state taxation from the realization of revenue through the income tax. If the state income tax were levied at the full rates considered reasonable by the Model Plan, that is at rates varying from 2 to 6 percent on net income, the total income to the State Treasury would be that of column 4.

The adoption and successful administration of the personal income tax by the national government, has greatly increased the practicability of putting a state income tax into effect. The existence of the well developed federal tax machinery greatly reduces the administrative organization which a state must provide in adopting the income tax. The declaration of income made to the federal government can be used by individuals in reporting to the state. A state income tax, therefore, involves a minimum of state administrative machinery for collecting the tax and a minimum of inconvenience to those from whom the tax is collected.

Table 11—Amounts Which Would Be Paid by Individuals With Varying Incomes Under Tax Rates One-half Those of the Federal Normal Tax Schedule of 1924

A single person with no dependents and a net income of:	Paid a tax of:	A married person with two dependents (other than husband or wife) and a net income of:	Paid a tax of:
\$2,000	\$10	\$2,000	no tax
5,000	40	5,000	\$17
10,000	150	10,000	94
100,000	2,850	100,000	2,661

Tax on net income of corporations: A tax levied upon the net income derived from business carried on within the state is recommended by the model plan of taxation and by other tax authorities.³ Table 12 should be studied in this connection.

¹ The details of this schedule may be found in the *Revenue Act of 1924*, pp. 33 to 44.

² See notes at foot of Table 10.

³ Net income is gross income minus certain deductions among which are the following: expenses paid or incurred in the carrying on of business, interest on indebtedness, taxes, and losses sustained. For practical purposes net income may be defined as net profit. For the provisions of the federal reserve revenue act on this point see *Revenue Act of 1924*, page 34 ff.

TABLE 12—CORPORATION NET INCOME AND FEDERAL AND STATE TAXATION

States	Net Income of Corporations	Amount of Tax Collected in State Under Federal Schedule of 1924	Amount of Revenue Which Would be Raised by State Tax on Net Corporation Income of		
			1%	2%	4%
1	2	3	4	5	6
United States	\$7,554,581,582	\$877,871,595	\$70,229,727.60	\$140,459,455.20	\$280,918,910.40
Alabama	35,538,812	3,905,099	312,407.92	624,815.84	1,249,631.68
Arizona	7,412,641	776,072	62,085.76	124,171.52	248,343.04
Arkansas	18,080,163	1,864,449	149,155.92	298,311.84	596,623.68
California	376,724,853	44,161,442	3,532,915.36	7,065,830.72	14,131,661.44
Colorado	60,846,149	7,024,097	561,927.76	1,123,855.52	2,247,711.04
Connecticut	103,180,674	11,848,127	947,850.16	1,895,700.32	3,791,400.64
Delaware	39,540,910	4,703,290	376,263.20	752,526.40	1,505,052.80
Dist. of Columbia	47,457,560	5,745,401	459,632.08	919,264.16	1,838,528.32
Florida	62,343,490	7,006,389	560,511.12	1,121,022.24	2,242,044.48
Georgia	50,161,660	5,536,205	442,896.40	885,792.80	1,771,585.60
Idaho	6,845,563	680,401	54,432.08	108,864.16	217,728.32
Illinois	706,054,194	82,467,674	6,597,413.92	13,194,827.84	26,389,655.68
Indiana	114,989,588	12,930,267	1,034,421.36	2,068,842.72	4,137,685.44
Iowa	49,731,875	5,284,901	422,792.08	845,584.16	1,691,168.32
Kansas	84,610,712	9,832,973	786,637.84	1,573,275.68	3,146,551.36
Kentucky	64,974,995	7,347,437	587,794.96	1,175,589.92	2,351,179.84
Louisiana	54,436,362	5,934,261	474,740.88	949,481.76	1,898,963.52
Maine	31,347,813	3,533,832	282,706.56	565,413.12	1,130,826.24
Maryland	83,492,835	9,846,911	787,752.88	1,575,505.76	3,151,011.52
Massachusetts	352,209,591	40,796,074	3,263,685.92	6,527,371.84	13,054,743.68
Michigan	497,940,013	59,869,257	4,789,540.56	9,579,081.12	19,158,162.24
Minnesota	111,844,643	12,698,035	1,015,842.80	2,031,685.60	4,063,371.20
Mississippi	13,197,415	1,335,653	106,852.24	213,704.48	427,408.96
Missouri	225,899,300	26,039,340	2,083,147.20	4,166,294.40	8,332,588.80
Montana	8,948,562	841,019	67,281.52	134,563.04	269,126.08
Nebraska	26,913,914	2,762,866	221,029.28	442,058.56	884,117.12
Nevada	1,661,752	147,158	11,772.64	23,545.28	47,090.56
New Hampshire	8,535,896	929,840	74,387.20	148,774.40	297,548.80
New Jersey	260,526,000	30,688,913	2,455,113.04	4,910,226.08	9,820,452.16
New Mexico	2,873,952	270,885	21,670.80	43,341.60	86,683.20
New York	2,096,541,720	246,109,308	19,688,744.64	39,377,489.28	78,754,978.56
North Carolina	83,731,523	9,726,312	778,104.96	1,556,209.92	3,112,419.84
North Dakota	5,699,606	443,397	35,471.76	70,943.52	141,887.04
Ohio	442,810,151	51,129,974	4,090,397.92	8,180,795.84	16,361,591.68
Oklahoma	39,221,970	3,969,267	317,541.36	635,082.72	1,270,165.44
Oregon	29,088,365	3,106,610	248,528.80	497,057.60	994,115.20
Pennsylvania	730,528,286	87,512,252	7,000,980.16	14,001,960.32	28,003,920.64
Rhode Island	44,861,723	5,236,749	418,939.92	837,879.84	1,675,759.68
South Carolina	14,250,797	1,372,469	109,797.52	219,595.04	439,190.08
South Dakota	4,792,550	355,445	28,435.60	56,871.20	113,742.40
Tennessee	52,089,336	5,789,104	463,128.32	926,256.64	1,852,513.28
Texas	150,501,590	16,819,180	1,345,534.40	2,691,068.80	5,382,137.60
Utah	19,351,555	2,098,811	167,904.88	335,809.76	671,619.52
Vermont	9,133,396	1,011,271	80,901.68	161,803.36	323,606.72
Virginia	82,085,981	9,392,478	751,398.24	1,502,796.48	3,005,592.96
Washington	54,809,158	5,850,662	468,052.96	936,105.92	1,872,211.84
West Virginia	50,065,172	5,635,527	450,842.16	901,684.32	1,803,368.64
Wisconsin	132,284,875	15,113,200	1,209,056.00	2,418,112.00	4,836,224.00
Wyoming	4,411,941	391,311	31,304.88	62,609.76	125,219.52

Read table as follows: In Alabama the net income of corporations in 1924 was \$35,538,812 (Col. 2) which yielded a tax revenue of \$3,905,099 (Col. 3) under the federal schedule described in the next paragraph. The amounts in Column 3 are not 12½% of those in Column 2, due to the credits allowed by the federal schedule. If a state tax similar to the federal tax, except that net income of corporations is taxed at 1% instead of 12½%, was levied, a revenue of \$312,407.92 (Col. 4) would be raised in Alabama; if a 2% tax was levied, a revenue of \$624,815.84 (Col. 5) would be raised; if a tax of 4% was levied, a revenue of \$1,249,631.68 (Col. 6) would be obtained. Similarly read data for other states.

Rate of 1924 income tax: The federal government according to the revenue act of 1924 levied a flat tax of 12½% upon the amount of net income (gross income less items deductible, such as expenses paid or incurred in the carrying on of business, interest on indebtedness, taxes paid or accrued, and losses sustained) in excess of credits allowed. Credits allowed on net income were: an exemption of \$2,000 in the case of corporations having a net income of less than \$25,000 with special provision in the case of corporations having a net income slightly in excess of \$25,000; interest upon obligations of the United States; certain exemptions allowed under the China Trade Act. A credit on the amount of the tax paid was also allowed for income, war, or excess profits taxes payable to any foreign country or any possession of the United States. For a detailed description of the corporation income tax rates of 1924, see "Revenue Act of 1924"—Public—No. 176—68th Congress, H. R. 6715.

Sources of data: Columns 2 and 3 from *Statistics of Income from Returns of Net Income of 1924*, Treasury Department, United States Internal Revenue, page 23. Column 4 is obtained by dividing the figures of Column 3 by 12½, which represents the rate of levy on net income of corporations after allowing the credits provided for in the federal schedule of 1924. Columns 5 and 6 are 2 and 4 times Column 4, respectively.

Since the adoption of the federal tax on the income of corporations the practicability of state business taxes has been greatly increased. As the model plan states:

today every business concern of any considerable size is obliged to make a return of its net income to the federal government; and it is, therefore, both practicable and convenient to impose a business tax upon net income.

The federal tax on net income of corporations was in 1924 at the rate of 12½ percent. This schedule provides for exemptions from taxation of the smaller business concerns. Corporations having a net income of less than \$25,000 are exempted from payment of a tax on \$2,000 of their net income. This means that the corporations of the country, with relatively small incomes, are either wholly or partly exempt from taxation under the federal schedule. Table 12 indicates that revenue of \$877,871,595 was realized by the federal tax of 12½ percent on net income after the exemptions indicated above were allowed.

In case a state were to levy a business tax on corporation net income what should be the rate of the tax? The recommendation of the model plan is as follows:

the actual rate of the tax should be moderate. . . . One percent of the net income derived from business done in the locality would be a very light tax; and we believe, that in general, a tax of two percent of such income would be adequate. Exceptional conditions in particular states may justify higher rates, but we believe that the rates in no case should exceed five percent.

Table 12 shows the amount of revenue which would be raised in each state by taxes on corporations at three different rates each within the limits recommended in the preceding quotation. These rates are one percent, two percent and four percent.

This table indicates that a substantial revenue can be raised in every state in the union by a tax on the net income of corporations at rates which are moderate, after generous exemptions have been made effecting income of concerns with relatively small profits.

TABLE 13—AMOUNT SPENT FOR TOBACCO AND REVENUE WHICH WOULD BE RAISED BY A STATE TOBACCO TAX

States	Estimated Expenditures for Tobacco by States 1924	Revenue Yielded by Tax of 5% on Retail Tobacco Sales	States	Estimated Expenditures for Tobacco by States	Revenue Yielded by Tax of 5% on Retail Tobacco Sales
1	2	3	4	5	6
United States.....	\$1,847,000,000	\$92,350,000	Montana.....	\$8,126,800	\$406,340
Alabama.....	15,514,800	775,740	Nebraska.....	21,425,200	1,071,260
Arizona.....	5,356,300	267,815	Nevada.....	1,847,000	92,350
Arkansas.....	12,005,500	600,275	New Hampshire.....	6,649,200	332,460
California.....	112,297,600	5,614,880	New Jersey.....	60,766,300	3,038,315
Colorado.....	16,623,000	831,150	New Mexico.....	3,139,900	156,995
Connecticut.....	29,182,600	1,459,130	New York.....	313,805,300	15,690,265
Delaware.....	3,324,600	166,230	North Carolina.....	19,024,100	951,205
Dist. of Columbia.....	14,406,600	720,330	North Dakota.....	7,572,700	378,635
Florida.....	13,113,700	655,685	Ohio.....	110,820,000	5,541,000
Georgia.....	21,609,900	1,080,495	Oklahoma.....	19,578,200	978,910
Idaho.....	5,910,400	295,520	Oregon.....	17,177,100	858,855
Illinois.....	156,071,500	7,803,575	Pennsylvania.....	165,675,900	8,283,795
Indiana.....	44,697,400	2,234,870	Rhode Island.....	12,005,500	600,275
Iowa.....	40,634,000	2,031,700	South Carolina.....	11,266,700	563,335
Kansas.....	24,011,000	1,200,550	South Dakota.....	9,419,700	470,985
Kentucky.....	20,501,700	1,025,085	Tennessee.....	20,686,400	1,034,320
Louisiana.....	19,024,100	951,205	Texas.....	56,333,500	2,816,675
Maine.....	10,527,900	526,395	Utah.....	6,833,900	341,695
Maryland.....	25,488,600	1,274,430	Vermont.....	4,248,100	212,405
Massachusetts.....	90,318,300	4,515,915	Virginia.....	22,164,000	1,108,200
Michigan.....	72,587,100	3,629,355	Washington.....	28,628,500	1,431,425
Minnesota.....	37,678,800	1,883,940	West Virginia.....	18,839,400	941,970
Mississippi.....	9,789,100	489,455	Wisconsin.....	42,111,600	2,105,580
Missouri.....	54,301,800	2,715,090	Wyoming.....	3,878,700	193,935

Read table as follows: In Alabama the estimated retail expenditures for tobacco for 1924 was \$15,514,800 (Col. 2). If a 5% tax was placed on retail tobacco sales in Alabama, a revenue of \$775,740 (Col. 3) would be obtained. Similarly read figures for other states.

Source of data: The figures given for the United States, \$1,847,000,000 (Col. 2) are independently estimated from figures of the United States Treasury Department as to the amount expended in the United States in 1924 for tobacco. The total national expenditure for tobacco was distributed among the states using the same method as was explained in footnotes of Table 12, page 282 of this Bulletin.

The adoption of a tax on business profits by a state has these advantages: It will be a step in the direction of developing an effective and just system of taxation according to the judgment of recognized authorities; it will not involve the setting up of additional machinery on the part of business concerns for the declaration of profits and income since such machinery is already in existence in connection with the federal tax.

State luxury taxes: Several states have adopted taxes levied in connection with the sale of articles in the luxury class. The tobacco tax is most popular. The State of Louisiana, for example, levies a 10 percent tax on the retail selling price of cigarettes,

cigars and other tobacco products. Tobacco tax offers an important source of revenue since the nation now yearly expends approximately \$2,000,000 for tobacco and its products.

Table 13 estimates the retail expenditures for tobacco in all forms by states. Column 3 of this table indicates the amount which a 5 percent tax, one-half that levied in Louisiana on retail tobacco sales, would raise in each state.¹

Severance tax: A number of states, however, have adopted in some form what is sometimes known as a severance tax. This is a tax levied in connection with the severing from the earth of mineral products. Just

¹In calculating Table 13 no consideration has been taken of the fact that some states have laws in effect limiting the sale of tobacco in some forms to adults. Estimates as to the sale of tobacco in the various states assumed the non-existence of such laws. It was assumed that a law prohibiting the sale of cigarettes, for example, would tend to increase the sale of tobacco in other forms. To the degree that such assumptions are incorrect, revisions of the figures of Table 13, column 2 and 5, would be necessary in a few states.

TABLE 14—VALUE OF MINERAL RESOURCES AND REVENUE YIELDED BY THREE PERCENT TAX

States	Value of Mineral Products in 1924	Revenue Yielded by Tax of 3% on value of Mineral Products	States	Value of Mineral Products 1924	Revenue Yielded by Tax of 3% on value of Mineral Products
1	2	3	4	5	6
United States	\$4,658,243,060	\$139,747,292			
Alabama	77,315,758	2,319,472	Montana	70,631,806	2,118,954
Arizona	100,325,413	3,009,762	Nebraska	3,209,425	96,283
Arkansas	61,748,999	1,852,470	Nevada	26,225,943	786,778
California	428,175,652	12,845,270	New Hampshire	3,378,165	101,345
			New Jersey	75,271,009	2,258,130
Colorado	61,487,882	1,844,636	New Mexico	23,913,528	717,406
Connecticut	8,129,332	243,880	New York	95,435,299	2,863,059
Delaware	512,105	15,370	North Carolina	9,261,467	277,844
Dist. of Columbia	813,608	24,408	North Dakota	2,776,720	83,302
Florida	13,101,223	393,036	Ohio	249,049,648	7,471,489
Georgia	14,946,610	448,398	Oklahoma	393,030,665	11,790,920
Idaho	27,831,623	834,949	Oregon	7,364,232	220,927
Illinois	235,796,027	7,073,881	Pennsylvania	1,011,630,879	30,348,926
Indiana	112,299,075	3,368,972	Rhode Island	1,132,641	33,979
Iowa	40,459,869	1,213,796	South Carolina	3,444,366	103,331
Kansas	105,005,476	3,150,164	South Dakota	6,884,433	206,533
Kentucky	120,510,775	3,615,323	Tennessee	35,354,525	1,060,635
Louisiana	56,930,681	1,707,920	Texas	272,729,023	8,181,870
Maine	6,035,160	181,055	Utah	84,356,626	2,530,698
Maryland	18,506,867	555,206	Vermont	14,549,429	436,482
Massachusetts	15,725,882	3,471,776	Virginia	37,962,143	1,138,864
Michigan	114,239,386	3,427,182	Washington	21,159,370	634,781
Minnesota	107,844,680	3,235,340	West Virginia	307,314,205	9,219,426
Mississippi	2,090,422	62,713	Wisconsin	15,796,720	473,902
Missouri	81,054,122	2,431,624	Wyoming	75,494,166	2,264,825

Read table as follows: The value of mineral products in Alabama was \$77,315,758 (Col. 2) in 1924. If a tax of 3% was placed on the value of the mineral products in Alabama a revenue of \$2,319,472 would be raised from this source. Similarly read data for other states.

Source of data: The figures of column 2 are taken from *Mineral Resources of the United States in 1925 (Preliminary Summary)*, U. S. Dept. of Commerce, Bureau of Mines 1926. These amounts are not in every case subject to state taxation since they include the value of mineral products owned by the Federal Government. Column 3 is 3 percent of column 2.

what form of severance tax might be adopted by individual states cannot be indicated here.¹

Table 14, however, indicates by states the total value of mineral products in 1924.² A tax amounting to 3 percent of the value of mineral products in 1924 would have raised revenues of approximately \$140,000,000. This fact justifies careful study of the severance tax as a possible source of revenue by those states in which such a tax is not already in effect.

Revenue Various Taxes Would Raise Compared with State Contributions to School Support

Table 15 shows the amount of revenue which the various states might realize, using taxes of the types which have been described. The taxes required to raise the sums indicated in column 7 are:

1. A two mill tax on tangible property
2. A personal income tax at progressive rates of from one to three percent
3. A tax of two percent on the net income of corporations
4. A three percent tax on the value of mineral products
5. A five percent tax on retail tobacco sales

All of these taxes are light according to present standards and the opinions of tax authorities. They are so far below the rates which are recognized as moderate that the contribution by the states for school purposes of the full sums indicated in Table 15, column 8, would not preclude the raising of adequate revenues for other state supported enterprises through these same taxes.

In studying Table 15 it should also be kept in mind that but five possible sources of revenue are considered. There are already in effect in the states a number of other taxes and methods of raising revenue which account for sums into the hundreds of millions.³

Among these are the license taxes, the inheritance tax, and fines and forfeits. The adoption of the corporation net income tax described earlier in this section would probably make it desirable to reduce the amount of revenue now realized from business license taxes. The adoption of severance taxes would reduce the sums which could wisely be levied against mining industry in the form of a property tax or a tax on net income. Other sources of revenue at present in effect would not be overlapped by the taxes suggested in Table 15.

The raising of the sums given in column 7 of Table 15 by the states to be distributed to local communities for school support would not, therefore, cut off the sources of support of other enterprises supported in part or in whole by the state.

The amounts given in column 7 of Table 15 are in every case considerably larger than the sums at present being raised by the state governments for the support of schools, as indicated in column 8 of the same table. In many cases the amount in column 7 is several times the present state contribution.

There is not a state in the union where the adoption of a modern tax system will not make possible substantial increases in the amount of school support available. If the state governments raised the sums indicated in column 7 of Table 15 for school support, it would be possible at the same time to increase total school expenditures and to reduce the burden of local taxation.

This evidence offers further support for the previously stated conclusion, that there is not a state in the Union which cannot increase the amount it is spending for education, if school efficiency demands. It furnishes additional support for the statement that the problem of obtaining adequate school revenue in most of the states is less a matter of waiting for an increase in economic sources than of being willing to adopt modern systems of taxation.

¹ For general articles and pro and con discussion of the severance tax, see the following references: Allen, R. C. chmn. "Report of the Special Committee on Mine Taxation," *Proceedings of the National Tax Association*, 1920, pp. 405-13; Armitage, Paul "Income as a Factor in Mine Taxation," *Proceedings of the National Tax Association*, 1920, pp. 413-21; Vaughan, George, "Taxation of Natural Resources," *Proceedings of the National Tax Association*, 1920, pp. 425-47; Vaughan, George, "The Increasing Importance of Special Taxes," *Proceedings of the National Tax Association*, 1924, pp. 395-406.

² In studying this table it should be realized that the amounts given in the column headed "Value of Mineral Products" are not in all cases subject to state taxation. In some cases they are partly based upon from mining operations controlled by the federal government.

³ *Financial Statistics of the States, 1924*, U. S. Bureau of the Census, Government Printing Office, Washington, D. C., 1926, Table 17.

TABLE 15—REVENUE VARIOUS FORMS OF TAXES WOULD YIELD AND STATE CONTRIBUTIONS TO SCHOOL SUPPORT IN 1924

States	Yield of a two mill tax on tangible property	Yield of a personal income tax at one-half rates of Federal normal tax	Yield of a tax on net income of corporations at two percent	Yield of three per cent tax on value of mineral products	Yield of tax of five percent on retail tobacco sales	Total yield of foregoing forms of taxation 1924	School receipts from the state 1924
1	2	3	4	5	6	7	8
United States.	\$477,470,446	\$128,715,528.00	\$140,459,455.20	\$139,747,292	\$92,350,000	\$978,742,721.20	\$268,607,668*
Alabama.....	4,320,650	820,440.50	624,815.84	2,319,472	775,740	8,861,118.34	5,065,658
Arizona.....	2,131,910	185,270.50	124,171.52	3,009,762	267,815	5,718,929.02	1,935,505
Arkansas.....	4,022,514	411,158.00	298,311.84	1,852,470	600,275	7,184,728.84	2,802,501
California.....	22,358,130	8,902,263.00	7,065,830.72	12,845,270	5,614,880	56,786,373.72	19,238,340
Colorado.....	5,098,636	712,548.50	1,123,855.52	1,844,636	831,150	9,610,826.02	1,037,013
Connecticut.....	7,872,988	2,013,118.00	1,895,700.32	243,880	1,459,130	13,484,816.32	1,736,857
Delaware.....	900,146	229,419.50	752,526.40	15,370	166,230	2,063,691.90	2,235,703*
Dist. of Col.....	2,833,152	1,321,767.00	919,264.16	24,408	720,330	5,818,921.16	3,035,861
Florida.....	4,026,732	1,585,808.00	1,121,022.24	393,036	655,685	7,782,283.24	547,601*
Georgia.....	5,595,994	956,760.50	885,792.80	448,398	1,080,495	8,967,440.30	4,367,540*
Idaho.....	2,535,514	130,207.00	108,864.16	834,949	295,520	3,905,054.16	862,563
Illinois.....	33,475,932	13,318,233.50	13,194,827.84	7,073,881	7,803,375	74,866,449.34	8,382,627
Indiana.....	13,476,072	1,678,541.50	2,068,842.72	3,368,972	2,234,870	22,827,298.22	111,374*
Iowa.....	18,033,668	984,926.00	845,584.16	1,213,796	2,031,700	23,129,674.16	2,076,948*
Kansas.....	10,365,240	686,440.50	1,573,275.68	3,150,164	1,200,550	16,975,670.18	3,739,694
Kentucky.....	5,286,028	930,695.00	1,175,589.92	3,615,323	1,025,085	12,032,720.92	5,352,631
Louisiana.....	4,470,884	1,020,733.00	949,481.76	1,707,920	951,205	9,100,223.76	4,257,705
Maine.....	2,945,786	522,677.50	565,413.12	181,055	526,395	4,741,326.62	2,692,101
Maryland.....	5,505,038	2,507,311.00	1,575,505.76	555,206	1,274,430	11,417,490.76	3,345,168
Massachusetts.....	18,392,394	6,584,110.50	6,527,371.84	471,776	4,515,915	36,491,567.34	6,737,420
Michigan.....	16,209,878	4,711,149.50	9,579,081.12	3,427,182	3,629,355	37,556,645.62	12,220,547
Minnesota.....	13,578,360	1,363,929.50	2,031,685.60	3,235,340	1,883,940	22,093,255.10	9,985,997
Mississippi.....	3,194,212	301,692.00	213,704.48	62,713	489,455	4,261,776.48	3,813,916
Missouri.....	15,277,956	2,730,793.50	4,166,294.40	2,431,624	2,715,090	27,321,757.90	4,315,432
Montana.....	3,742,510	256,371.50	134,563.04	2,118,954	406,340	6,658,738.54	1,049,552
Nebraska.....	9,117,050	640,036.00	442,058.56	96,283	1,071,260	11,366,687.56	1,397,818
Nevada.....	977,012	82,703.50	23,545.28	786,778	92,350	1,962,388.78	422,253*
N. Hampshire.....	1,941,726	315,031.50	148,774.40	101,345	332,469	2,839,336.90	711,419
New Jersey.....	15,969,818	6,368,778.00	4,910,226.08	2,258,130	3,038,315	32,545,267.08	15,214,404
New Mexico.....	1,465,912	98,174.50	43,341.60	717,406	156,995	2,481,829.10	587,573*
New York.....	55,418,248	34,346,050.50	39,377,489.28	2,863,059	15,690,265	147,695,111.78	40,177,555
No. Carolina.....	6,295,344	674,733.50	1,556,209.92	277,844	951,205	9,755,326.42	6,890,463
No. Dakota.....	4,407,412	120,514.00	70,943.52	83,302	378,635	5,060,806.52	4,286,341*
Ohio.....	27,858,504	5,997,191.00	8,180,795.84	7,471,489	5,541,000	55,048,979.84	3,741,485*
Oklahoma.....	6,101,846	993,967.00	635,082.72	11,790,920	978,910	20,500,725.72	2,645,927
Oregon.....	5,758,550	696,741.00	497,057.60	220,927	858,855	8,032,130.60	2,512,174
Pennsylvania.....	41,835,758	12,864,721.00	14,001,960.32	30,348,926	8,283,795	107,335,160.32	26,369,018
Rhode Island.....	2,511,662	980,104.50	837,879.84	33,979	600,275	4,963,900.34	430,598
So. Carolina.....	3,391,772	246,595.50	219,595.04	103,331	563,335	4,524,628.54	2,908,040
South Dakota.....	5,269,602	134,114.50	56,871.20	206,533	470,985	6,138,105.70	1,974,882
Tennessee.....	6,542,144	981,515.00	926,256.64	1,060,635	1,034,320	10,544,870.64	3,832,483
Texas.....	15,640,840	2,993,396.50	2,691,068.80	8,181,870	2,816,675	32,323,850.30	21,211,370
Utah.....	2,410,976	234,033.50	335,809.76	2,530,698	341,695	5,853,212.26	3,657,413
Vermont.....	1,218,730	214,131.50	161,803.36	436,482	212,405	2,243,551.86	634,733
Virginia.....	7,616,282	873,962.00	1,502,796.48	1,138,864	1,108,200	12,240,104.48	5,583,717
Washington.....	8,559,978	1,248,588.00	936,105.92	634,781	1,431,425	12,810,877.92	7,675,544
West Va.....	8,115,968	662,359.50	901,684.32	9,219,426	941,970	19,841,407.82	2,025,177
Wisconsin.....	11,671,792	1,912,075.00	2,418,112.00	473,902	2,105,580	18,581,461.00	3,837,729*
Wyoming.....	1,703,196	169,656.00	62,609.76	2,264,825	193,935	4,394,221.76	1,933,298

Read table as follows: In Alabama, taxes of the types indicated in columns 2 to 6 would raise a total revenue of \$8,861,118.34, the amount given in column 7. This may be compared with \$268,607,668, column 8, the sum which this state contributes for the support of local schools.

Sources of data: Column 2 from table 9, column 3; column 3 from table 10, column 5; column 4 from table 12, column 5; column 5 from table 14, column 3; column 6 from table 13, column 3; column 7 is the sum of columns 2, 3, 4, 5, and 6; column 8 from Statistics of State School Systems 1923-24 Bulletin 42, 1925, U. S. Bureau of Education, Table 20, p. 24.

* Some school receipts cannot be segregated as to the governmental unit which is their source. Therefore, the figures given in this column, in some instances, would be somewhat increased if figures making possible a complete segregation were available. This statement, more or less, applies to all states and particularly to the states marked with an asterisk. Also in some cases the state merely acts as a collecting agency for the smaller governmental units, so that some of the amounts given in this column may not be state contributions to local school support in the true sense.

Roll Call by States as to Plans Affecting State School Finance Legislation

The legislatures of 44 states will hold sessions in 1927. This year will witness the adoption by many legislatures of measures of far reaching importance in the development of improved state systems of public school support. In order to secure a nation wide survey of existing plans for proposed legislation, letters were sent to all state superintendents of education and full time secretaries of state education associations. In addition to the replies to these letters, state surveys and other literature received, as well as articles and news notes appearing in state education association publications, have furnished information. Following is presented a brief summary, for each state, of information, derived from one or more of the above mentioned sources, covering plans affecting school finance legislation.

Alabama:—Legislature meets quadrennially; next session convenes January, 1927.

Legislative plans: A general program of increased financial support of public education in all forms, which will include as its major provision a substantial fund for equalization, will be presented to the Legislature of 1927. Alabama's present method of distributing state aid is on the school census basis. It is proposed to make the assistance to every community receiving aid from the equalization fund proportional to its needs and ability to pay. The extension and increase of severance, franchise and hydro-electric power taxes will possibly be considered as additional sources of school revenues.

Arizona:—Legislature meets biennially; next session convenes January, 1927.

Legislative plans: No plans for legislation dealing with school finance have been definitely formulated.

Arkansas:—Legislature meets biennially; next session convenes, January, 1927.

Increase of school revenues by the improvement of the machinery of collecting the present cigar and cigarette tax, by the levying of additional luxury taxes, and probably by the increase of the state mill tax on general property; the creation of an equalization fund for the purpose of bringing all schools up to a fixed standard of efficiency, the funds of which are to be apportioned strictly according to the needs of the school units after they have put forth the maximum of local effort allowed by law; and the adoption of a law which will make possible the establishment of the county as the unit of school support upon the majority vote of the people within the county, are among the proposals to be presented to the 1927 session of the Arkansas legislature. Constitutional Amend-

ment No. 13, to increase the constitutional limit on taxation for local school purposes, was voted on by the people on October 5th and was carried, throughout the state, by a vote of about three to one.

California:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: A comprehensive legislative program has been recommended for adoption at the next session of the legislature. The legislation proposed, however, does not involve measures which directly concern the organization for financing the schools. (The California plan may well be studied by states whose present methods of distributing state funds need revision.)

Connecticut:—Legislature meets biennially; next session convenes January, 1927.

Legislative plans: The Commission on the revision and codification of school laws, appointed by the 1923 legislature and continued for another biennium in 1925, will make its report at the 1927 session, which convenes in January. A study, authorized by the Commission, of the school finance system of the state is under way under the supervision of the Director of Research and Statistics of the State Board of Education. As a result of this study the Commission report to the coming legislature will probably include a recommendation in the form of an improved state support bill.

Delaware:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: The submission of a bill granting local Boards of Education power to levy 25c on each \$100 real and personal property, without referendum, and the proposal of a State Aid building program are planned.

Florida:—Legislature meets biennially; next session convenes, April, 1927.

Legislative plans: It is reported that plans are not yet definitely formulated. A constitutional amendment providing for direct appropriation by the legislature for common schools which was referred to the vote of the people at the recent general election, was passed by a substantial majority.

Georgia:—Legislature meets biennially; next session convenes, June, 1927.

Legislative plans: An enabling act authorizing the appropriation of funds for the equalization of educational opportunity was passed by the legislature of 1926, in extra session. In accordance with this act the State Department of Education is requesting the provision in 1927 of one million dollars for purposes of equalization. It is supported in this request by the Georgia Education Association. The equalization fund, if appropriated, will be distributed on the basis of the ability of the counties after meeting the requirement of a local tax levy of at least 5 mills, to support the minimum educational offering set up by the State Department of Education.

Idaho:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: It is possible that a bill for a state wide tax will be presented to the coming legislature.

Illinois:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: The State Teachers' Association through its legislative committee will stand for an increase of the state distributive fund and for an amendment of its present basis of distribution. The use of the fund for equalization purposes only, its collection through a state-wide tax on property and its distribution to the localities on the basis of children to be educated with the added provision that it be used to help districts to maintain the state requirement standards for a legal school will be recommended.

Indiana:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: There is sentiment in Indiana in favor of enlarging the unit of school support, but it is impossible to say whether this feeling will culminate in legislation at the 1927 session. A complete survey of the field of public education, authorized by the Governor is now under way. A constitutional amendment authorizing the legislature to levy an income tax, which was referred to the voters at the November election, was defeated.

Iowa:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: It is reported that there are no plans for legislation affecting the financing of public education in 1927.

Kansas:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: The legislative program adopted by the General Assembly of the Kansas State Teachers Association included the following items: disentanglement of the confused system of district organization; uniform high school tuition law; a more equitable system of collecting school taxes and of distributing the funds so obtained; discovery and use of productive agencies other than tangible properties from which school revenues may be derived.

Kentucky:—Legislature meets biennially; next session convenes, January, 1928.

Legislative plans: It is not yet possible to state definitely the plans for proposed legislation. There is some discussion of a renewal of the attempt to amend section 166 of the State Constitution which requires that the State School Fund be appropriated to all counties in direct ratio of school population. An equitable distribution of school funds throughout the state and in each county are included among the legislative objectives outlined by the Kentucky Education Association.

Louisiana:—Legislature meets biennially; next session convenes, May, 1928.

Legislative plans: No proposed school finance legislation has been reported. The legislature of 1926 passed a Tobacco Tax bill which it is said will add 50% to the state school fund.

Maine:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: The school fund laws of Maine, which were revised in 1921, are working well and no further changes are contemplated at the present time.

Maryland:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: No plans affecting the financing of schools in the state of Maryland are contemplated in the coming legislative session. (The Maryland plan may well be studied by states whose present methods of distributing state funds need revision.)

Massachusetts:—Legislature meets annually; next session convenes, January, 1927.

Legislative plans: No proposed legislation relating to the financing of schools has been reported. (The Massachusetts system of school finance may well be studied by states whose present methods of raising and distributing state funds need revision.)

Michigan:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: No school finance legislation is proposed in Michigan in 1927. The legislature recently amended the law governing the distribution of the primary school fund. This amendment is now before the Supreme Court and the opinion as to its constitutionality is being awaited.

Minnesota:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: Estimates amounting to approximately six million dollars covering the various forms of state aid to schools provided by law will be presented to the coming legislature and deficits for the past two years will also be under consideration.

Mississippi:—Legislature meets biennially; next session convenes, January, 1928.

Legislative plans: An increased state appropriation of at least \$1.00 per educable child will be recommended.

Missouri:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: Plans are not yet sufficiently formulated to permit of definite statement but the Missouri State Teacher Association will undoubtedly have some finance bills to offer at the coming legislative session.

Montana:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: No proposals for measures to be enacted at the 1927 session of the legislature have been reported.

Nebraska:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: No plans as to proposed school finance legislation have been definitely formulated. A study portraying educational inequalities is now being made by the Nebraska State Teachers Association and the published report will appear at an early date.

Nevada:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: The chief financial measure planned is the passage for a second time of the

resolution proposing a constitutional amendment removing the twenty cent state tax limit for the support and maintenance of the State University and the public schools.

New Hampshire:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: No changes affecting the system of school finance are proposed for the coming legislative session.

New Jersey:—Legislature meets annually; next session convenes, January, 1927.

Legislative plans: There is no proposed school finance legislation for the coming session. There has been some rural agitation for a different distribution of state school moneys but it is improbable that this will culminate in legislation in 1927.

New Mexico:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: There is no prospective legislation affecting state school finance, so far as is known at present.

New York:—Legislature meets annually; next session convenes, January, 1927.

Legislative plans: A bill providing for the increase of state aid during each of the next five years, so that in 1929-30, state aid would amount to \$90,000,000, was introduced in the 1926 legislature. This bill failed of passage but it is hoped that it will be enacted during the coming 1927 session. (The New York plan may well be studied by states whose present methods of raising and distributing state funds need revision.)

North Carolina:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: A study of school finance in North Carolina, authorized by the Education Commission has been carried on during the past year under the direction of Dr. Fred W. Morrison. The Education Commission will submit its report to the legislature in January and will ask for a substantial increase in the state fund. The legislative program of the State Education Association will include a constitutional amendment increasing the minimum school term from six to eight months, and an increase in the state fund. No additional sources of revenue are specifically recommended but a number of plans in use in other states will be reported to the legislature. (The North Carolina plan may well be studied by states whose present methods of raising and distributing state funds need revision.)

North Dakota:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: A more equitable distribution of the tax levy by means of an increased county school mill tax will be proposed at the 1927 legislative session.

Ohio:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: A committee on taxation appointed by the legislature of 1925 will report at the coming session of 1927. Incorporated in their report will be a large part of the report on the financing of schools made by the Educational

Council and adopted by the general assembly of the Ohio State Teachers Association. The study on which this report is based was conducted by the Ohio Institute. It is hoped that all or most of the recommendations included will become law.

Oklahoma:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: There is an evident disposition on the part of incoming legislators to appropriate, from the general revenue fund of the state, about \$1,500,000 as emergency relief to needy school districts for the current term. Adoption by the Legislature of a permanent policy of state aid plan involving about \$2,000,000 annually, a part of which will be raised by special revenue measures, will also be considered.

Oregon:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: Legislation to provide for the raising of a larger portion of school revenues by some other method than the property tax—possibly by a tax on corporations—will be sought.

Pennsylvania:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: Plans for school finance legislation are not sufficiently formulated to permit of their being definitely stated. (The Pennsylvania plan may well be studied by states whose present methods of distributing state funds need revision.)

Rhode Island:—Legislature meets annually; next session convenes, January, 1927.

Legislative plans: Two measures aiming at equalization of public taxation for schools and equalization of educational opportunities will be introduced in the General Assembly. There is a growing sentiment in favor of a program of equalization based upon an assumption of larger responsibility by the state.

South Carolina:—Legislature meets annually; next session convenes, January, 1927.

Legislative plans. No legislation affecting the financing of schools is contemplated in 1927. All efforts are being centered on securing the passage of measures dealing with other phases in the field of education.

South Dakota:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: No proposed legislation dealing with school finance in South Dakota is reported.

Tennessee:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: Among the educational bills to be presented to the legislature will be one providing for the amendment of the Tobacco Tax law so that all proceeds therefrom shall go to the public schools.

Texas:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: Legislation affecting the sources of income of the state school fund so as to guarantee a minimum per capita scholastic apportionment of \$15.00 for the biennium 1927-29, the appropriation of an adequate equalization fund and constitutional amendments authorizing the

levy of a county school tax and changing the basis of distribution of state aid are among the proposals to be presented to the legislature of 1927. The establishment of a committee or commission to conduct a thorough survey of the tax resources of Texas, preliminary to the writing of a new tax code, will be urged. The recommendations of the report of the Texas Educational Survey Commission, published in 1924, will also come up for consideration.

Utah:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: During the past year a survey of the public schools of Utah has been conducted by the U. S. Bureau of Education. The report of this survey will be presented to the coming session of the legislature. A modification of the law limiting the taxing power of boards of education throughout the state will also be sought by the Utah Education Association.

Vermont:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: No significant changes with regard to school finance legislation are contemplated except that increased appropriations are hoped for, so that state aid may be more liberal.

Virginia:—Legislature meets biennially; next session convenes, January, 1928. There is some talk of an extra session for January, 1927.

Legislative plans: Legislative plans for a financial program have not yet taken exact form. At the last two assemblies increased elementary and high school funds and a \$500,000 equalization fund were sought.

Washington:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: The outstanding piece of legislation contemplated is the adoption of a special equalization fund for the relief of needy rural and graded schools.

West Virginia:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: A program for the equalization of educational opportunity will be presented to the legislature at the 1927 session. This program is proposed on the basis of a study by Lorimer V. Cavins, published under the title, "The Financing of Education in West Virginia." It includes as its two main features, the adoption of the county as the unit of school support and the establishment of a state distributable fund.

Wisconsin:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: Several bills will be introduced at the 1927 session containing provisions for equalization which aim to relieve the local communities of excessive tax burdens. A revised plan for financing high school costs will be offered.

Wyoming:—Legislature meets biennially; next session convenes, January, 1927.

Legislative plans: It is probable that two measures affecting school finance in Wyoming will be presented at the 1927 session; first, the requiring of county and state approval for the establishment of additional one-room rural schools; second, the granting of more money to schools which meet the requirements of the State Board of Education.

ECONOMY DOES not mean merely the saving of money, but rather the spending of money wisely in order that the greatest possible benefit may be derived from the spending of public funds. Economy means expenditure without waste and to the best advantage. Contrasted with economy is parsimony, which implies improper saving of expenditure.—G. Findlay Shirras, *The Science of Public Finance*, page 30.

Recent Studies and Articles Bearing Upon Problems of State School Finance

The following bibliography should be of service to those concerned with the investigation and improvement of state systems of public school support. Effort has been made to cite, as far as possible, the most recent studies and articles bearing upon problems of educational finance in each state. Studies are not available for all of the forty-eight states, while for some states references included are not of as recent date as could be desired. It is believed, however, that the sources cited point the way to information which will be of assistance in the evaluation and comparison of current state policies and practices in the field of public school finance.

Alabama

1. *Some Facts Relating to Elementary and High School Education in Alabama. A Study of 1923-24 Reports.* State Department of Education, Montgomery, Alabama. 30p.

Mimeographed data showing inequalities in educational opportunity and in ability to support schools. Points out defects in state system and submits recommendations.

2. SWIFT, FLETCHER HARPER AND GOLDTHORPE, JOHN HAROLD. *Studies in Public School Finance, The South: Arkansas, Oklahoma, Alabama, Tennessee.* Research publications of the University of Minnesota. Education Series No. 4, Minneapolis, 1923. 224p.

The final volume in a series of studies of state systems of school support, designed to make available complete, detailed knowledge of systems employed in individual states, as a basis for the formulation of principles of sound school finance procedure.

Arizona

3. TUPPER, C. RALPH. *A Survey of the Arizona Public School System.* State Board of Education, January 1, 1925. 112p.

A study made under authority of the state board of education with the purpose of presenting recent data on school conditions in Arizona as a basis for the formulating of intelligent school finance legislation. Seeks to provide information whereby school administrators may secure better understanding of status of Arizona schools as compared with general practice in the nation.

Arkansas

4. SWIFT, FLETCHER HARPER. *The Public School System of Arkansas.* Part II, "Public School Finance." Bureau of Education Bulletin 1923, No. 11. Government Printing Office, Washington, D. C. 110p.

An investigation of the educational situation in Arkansas. Describes existing conditions; points out defects and analyses their causes; presents recommendations with cost estimates.

5. SWIFT, FLETCHER HARPER AND GOLDTHORPE, JOHN HAROLD. *Studies in Public School Finance. The South: Arkansas, Oklahoma, Alabama, Tennessee.* Research Publications of the University of Minnesota. Education Series No. 4, Minneapolis, 1923. 224p.

See Alabama, reference No. 2.

California

6. SEARS, JESSE B. AND CUBBERLEY, E. P. *The Cost of Education in California.* Educational Finance Inquiry Commission. Vol. VII. Macmillan, New York. 1924. 353p.

Presents a cross-section of the financial status of education in California for the school year 1921-22, showing character and extent of state school program and how program is financed. Analyses costs of education, considers equalization of education costs over the state, and discusses economic burden imposed by costs on wealth of state.

7. *A Study of California's Method of School Financing.* California League of Women Voters. San Francisco. 1923. 43p.

A syllabus for use by women's clubs in the study of how schools are financed in the state of California and whether they are financed adequately.

8. SWIFT, FLETCHER HARPER. *Studies in Public School Finance. The West: California and Colorado.* Research Publications of the University of Minnesota. Education Series, No. 1, Minneapolis. 1923. 221p.

The first volume in a series of studies of state systems of school support designed to make available detailed knowledge of systems employed in individual states, as a basis for the formulation of principles of sound school finance procedure.

9. "The California Tax Plan." *American School Board Journal* 73: 112. July, 1926.

Quotes opinions of leading educators of state on merits of California's tax system in

¹ This is a preliminary edition subject to later revision. Please report corrections or desirable additions to the Research Division of the National Education Association.

its relation to public school efficiency and advisability of its use as a pattern by other states.

10. JENSEN, GEORGE C. "The California Tax System." *Sierra Educational News* 22: 450. September, 1926.

A brief analysis making available to teachers, school children and the general public essential facts of California's divided taxation system. Supplementary chart showing types of property taxed for state and local purposes.

Colorado

11. SOWERS, DON C. *The Financing of Public School Education in Colorado*. University of Colorado Studies. General Series No. 207. Studies Series, Vol. XXV, No. 1, Boulder, Colorado. June, 1924. 93p.

Analyses public school situation in Colorado. Calls attention to unequal distribution of burden of school support. Urges reform of school system where support of each school rests upon local district and of tax system which places entire burden on owners of tangible property.

12. SWIFT, FLETCHER HARPER. *Studies in Public School Finance. The West: California and Colorado*. Research Publications of the University of Minnesota. Education Series No. 4, Minneapolis. 1923. 221p.

See California reference No. 8.

Connecticut

13. DAVIS, JESSE B., AND KIMBALL, ELWELL F. *A Study of the Cost of Secondary Education in Connecticut*. High School Bulletin 3, Series 1923-24, Hartford. State Board of Education, 1924.

A careful analysis of unit costs in secondary education by major functions.

14. SIMPSON, ALFRED D. *Financial Statistics Relating to Schools, Connecticut Towns and Cities*. Research Bulletin 1, Series 1923-24, Hartford. State Board of Education, 1924.

Contains in addition to an analysis of receipts, of expenditures, per pupil costs, and net costs from taxation, a schematic statement of state grants and conditions relating thereto.

SIMPSON, ALFRED D. *A Proposed Plan for the Participation of the State of Connecticut in Support of Its Educational Responsibility*. Part I of the Report of the Commission on the Revision and Codification of the School Law. Hartford. State of Connecticut, State Board of Education, 1926. (In Press.)

Reports the result of a complete inquiry into the problem of financing education in Connecticut. Discusses conditions constituting need of revision of present state grant sys-

tem. Develops measure of educational task and ability to support schools and coordinates these into comprehensive plan of state participation in support based upon principle of equalization of a satisfactory minimum educational opportunity.

Delaware

15. *Public Education in Delaware: A Report to the Public School Commission*. General Education Board, New York. 1919. 202p.

A Survey of the Public Schools of Delaware. Presents facts and suggests desirable and practicable improvements looking to the establishment of an intelligently organized school system with possibilities for future educational progress. Chapter IX, especially, deals with "Financing the Schools."

16. A section devoted to Delaware's system of public school support will be included in the report of a fiscal survey recently conducted in that state. This report, it is expected, will be available early in 1927. For further information address the National Industrial Conference Board, 247 Park Avenue, New York City.

Georgia

17. SINGLETON, GORDON G. *State Responsibility for the Support of Education in Georgia*. Contributions to Education No. 181. Teachers College, Columbia University, New York, 1925. 56p.

A study of Georgia's system of school finance which seeks to determine the responsibility of the state for the support of education and to propose a plan for its accomplishment. Employs the teacher unit as the measure of educational need.

Illinois

18. ILLINOIS STATE TEACHERS ASSOCIATION. Department of Research and Statistics. *Equalizing Educational Opportunities: The Major Problem of the State School Fund*. Illinois State Teachers Association, Springfield, Illinois. 1926. 8p.

Mimeographed sheets presenting in outline form some of the facts of the educational situation in Illinois and the need and functions of an adequate and equitably distributed state school fund.

19. ILLINOIS STATE TEACHERS ASSOCIATION. *Some Problems of the Larger School Unit in Illinois*. Springfield, July 10, 1926. 21p.

Mimeographed booklet presenting summary of data presented to members of the Committee on the Larger Unit of the Illinois State Teachers Association. Deals with the district as the unit of school finance in Illinois.

20. ILLINOIS STATE TEACHERS ASSOCIATION. *Final Report of 1926 to committee on State School Fund*. Illinois State Teachers Association, Springfield, November 20, 1926. 29p.

Mimeograph material, discusses education as a function of the state; educational inequalities in Illinois and the need for increased state aid and a better method for its distribution. Concludes that equalization should be the sole purpose of the state fund and proposes a new state aid plan for accomplishing this purpose. Contains bibliography.

21. ILLINOIS STATE TEACHERS ASSOCIATION, DEPARTMENT OF RESEARCH. *School Revenues in Illinois*. Springfield. 1925. 30p. Also *Illinois Teacher*, 14:10-16; 28-35; 42-48. September, October, November, 1925.

Dealing with the sources and distribution of school revenues and their relation to educational opportunity in Illinois.

22. *Inequalities in Educational Opportunities in Illinois*. Circular No. 172. State Department of Public Instruction, Springfield, Illinois. 1925. 50p.

Reports results of a study of educational inequalities over the state and their direct influence upon the quality of Illinois' educational offering.

23. MORRISON, HENRY C. *The Financing of Public Schools in the State of Illinois*. Educational Finance Inquiry Commission, Vol. IX. Macmillan, New York, 1924. 162p.

One of four volumes devoted to the study of Illinois' system of educational finance. Offers a summary and interpretation of material and findings presented in more detail in: "The Political Unit of Public School Finance in Illinois"; "The Public School Debt in Illinois"; and "A Study of Public School Costs in Illinois Cities."

24. REEVES, FLOYD W. *The Political Unit of Public School Finance in Illinois*. Educational Finance Inquiry Commission, Vol. X, Macmillan, New York, 1924. 166p.

One of four volumes devoted to the study of Illinois' system of educational finance. Deals with the school district as the unit of school finance and discusses equalization of educational opportunity, problems of school taxation, etc. Considers plans for re-organization of unit of school finance in the state.

25. SWIFT, FLETCHER HARPER, DEL PLAINE, FRANCES KELLEY, AND TROXEL, OLIVER LEONARD. *Studies in Public School Finance, The Middle West: Illinois, Minnesota, South Dakota, Alaska*. Research Publications of the University of Minnesota. Education Series No. 3. Minneapolis, June, 1925. 329p.

The second volume in a series of studies of state systems of school support designed to make available detailed knowledge of systems employed in individual states, as a basis for the formulation of principles of sound school finance procedure.

Indiana

26. INDIANA RURAL EDUCATION SURVEY COMMITTEE. *Report*. Indianapolis, March, 1926. 130p. (Copies may be obtained by addressing H. N. Sherwood, State Superintendent of Schools, Room 227, State House, Indianapolis, Indiana.)

Reports the status of rural education in Indiana, with the purpose of furnishing informational material as to the educational needs of children in the rural communities and how these needs may best be met without undue burden to the taxpayer.

27. *Public Education in Indiana*. Report of Indiana Education Commission. General Education Board, New York. 1922. 304p.

A full discussion of the educational situation in Indiana with suggestions for improvements in organization and administration of schools leading to a better use of money available for school purposes. Chapters X, XII and XVI contain material dealing with Indiana's system of public school finance.

Iowa

28. RUSSELL, WILLIAM F., HOLT, THOMAS C., STONE, RALEIGH W., ET AL. *The Financing of Education in Iowa*. Educational Finance Inquiry Commission, Vol. VIII. Macmillan, New York. 1925. 279p.

An analysis of Iowa's system of educational finance for the years 1910-22. Deals especially with effort and ability to support schools both in the school districts and in the state as a whole.

Kansas

29. SMITH, HARRY P. "The Financing of Education in Kansas." *Kansas Teacher* 23: 7-9. June-July, 1926.

Compares Kansas with other states with respect to state support of education. Quotes statistics to show existing educational inequalities. Suggests essential features of equalization program.

Kentucky

30. *Public Education in Kentucky*. A Report of the Kentucky Educational Commission. General Education Board, New York. 1922. 213p.

Endeavors to report educational conditions in the state and on basis of progress recently

made to suggest further steps that are desirable and feasible.

31. DODD, J. H. "Should the State or the Local Support of Schools in Kentucky Be Increased?" *Kentucky School Journal* 4: 18-21. January, 1926.

Lays down four principles of public school finance and applies them to school finance system of Kentucky. Concludes that increased state aid is needed for equalization of educational opportunities. Presents statistical tables.

32. "Report of the Committee on Educational Finance of the Kentucky Education Association." *Kentucky School Journal* 4: 19-25. December, 1925.

Contains committee's proposals for the bettering of Kentucky's system of educational finance. Recommends abolition of district unit, revision on basis of apportionment of state aid, and adoption of new sources of tax revenue.

Louisiana

33. RESEARCH COMMITTEE OF THE LOUISIANA TEACHERS' ASSOCIATION. *Inequalities in Educational Opportunity in Louisiana*. Louisiana Teachers' Association, April, 1926. 76p.

An investigation of inequalities of educational opportunity among Louisiana parishes and their relation to ability, measured in taxable wealth, to support public education locally.

34. "Inequalities in Educational Opportunity in Louisiana." *Journal of the Louisiana Teachers Association* 3: 29-76. April, 1926.

Also published in pamphlet form by Louisiana Teachers Association. See Louisiana reference No. 33.

35. "The Sylvest Luxury Bill." *Journal of the Louisiana Teachers Association* 4: 5-43, September, 1926.

History of campaign for passage of Sylvest Luxury Tax Bill with copy of bill as finally enacted.

Maryland

36. *The Maryland Public School Budget for 1925, 1926, 1927*. State Department of Education, 1926. 12p.

Mimeographed sheets containing a statement of appropriations for the Public School Budget and their disbursement to meet requirements laid down by school legislation of previous years for constantly increasing enrolment and growing teaching personnel. Gives basis for distributing equalization fund and other state aid.

37. "Measurable Evidence of Progress in Maryland Public Schools." *Maryland School Bulletin*. Vol. VII, No. 8, May, 1926. 269p.

Reprint from annual report of State Board of Education for 1925, revealing progress in measurable items of Maryland Public Schools during the year. Pp. 159-89 deal with "Financing the Schools."

38. "Summary of Important Sections of the Maryland Public School Laws." *Maryland School Bulletin*. Vol. VI, No. 3. December, 1924.

Prepared with purpose of making available in convenient form a wider knowledge of salient features of school laws of Maryland. Pp. 22-7 deal with the "Basis for Distribution of State School Appropriations."

Massachusetts

39. SWIFT, FLETCHER HARPER, GRAVES, RICHARD A. AND TIEGS, ERNEST WALTER. *Studies in Public School Finance. The East: Massachusetts, New York, New Jersey*. Research Publications of the University of Minnesota. Education Series, No. 2, Minneapolis, November, 1923. 240p.

The second volume in a series of studies of state systems of school support, designed to make available detailed knowledge of systems employed in individual states, as a basis for the formulation of principles of sound school finance procedure.

Michigan

40. WALLACE, GRACE B. "The Primary School Fund." *Michigan Education Journal* 3: 201-3. December, 1925.

Traces briefly history of Primary School Fund from federal land ordinance of 1785, to legislative enactment of 1925 providing for revised basis of apportionment of Primary School Interest Fund.

Minnesota

41. SWIFT, FLETCHER HARPER AND DEL PLAINE, FRANCES KELLEY. *Public School Finance in Minnesota*. Minneapolis, October, 1922. 59p.

A summary of report by the authors, printed in full in "Studies in Public School Finance, The Middle West," published by the University of Minnesota.

42. SWIFT, FLETCHER HARPER, DEL PLAINE, FRANCES KELLEY AND TROXEL, OLIVER LEONARD. *Studies in Public School Finance, The Middle West: Illinois, Minnesota, South Dakota, Alaska*. Research Publications of the University of Minnesota. Education Series No. 3. Minneapolis, June, 1923. 329p.

See Illinois reference No. 23.

- 42a. O'SHEA, M. V. AND OTHERS. *Public Education in Mississippi*. State of Mississippi, 1926. 362p.

Report of Governor's commission appointed to study Mississippi's system of public education: Chapter XII, pp. 300-24, which deals with "Educational Finances" briefly surveys existing educational finance situation and recommends increased support for schools on the part of state and county units, revised methods of distributing state aid, and possible new sources of school revenue.

Missouri

43. *Facts Concerning Public Education in Missouri*. Report of Missouri School Survey. State Department of Public Schools, Jefferson City, Missouri, 1924. 139p.

Submits results of fact-finding investigation of school support, county school administration and supervision and other educational conditions in typical counties of State. Chapters I, II, III and VI deal with problems of educational finance.

44. "State Taxation for the Support of the Public Schools and State Educational Institutions." *School and Community* 11: 360-4. October, 1925.

Analysis of deficiencies of Missouri system of taxation in providing state support for public schools. Considers remedies and proposes constitutional amendment.

New Jersey

45. Commission to Investigate the Subject of the Distribution of State School Moneys, the Increase of the Millage Tax and Other Such Subjects as Shall Relate to the Levying of the State School Tax and the Distribution of the Same. *Reports*. Trenton, New Jersey. February 22, 1922. 118p. and March 16, 1923. 159p.

Two reports of legislative commission investigations of state aid and its apportionment in New Jersey. Studies prepared by state department of education, briefs presented at public hearings, statistical reports and other data collected by the Commission are appended.

46. SWIFT, FLETCHER HARPER, GRAVES, RICHARD A. AND TIEGS, ERNEST WALTER. *Studies in Public School Finance. The East, Massachusetts, New York, New Jersey*. Research Publications of the University of Minnesota. Education Series No. 2, Minneapolis, November, 1923. 240p.

See Massachusetts reference No. 39.

47. "Apportionment of School Moneys for 1926." *Education Bulletin*. State of New Jersey, Department of Public Instruction, 12: 510-26. June, 1926.

Describes basis of distribution of state school funds. Tables showing amounts apportioned to counties.

New York

48. MCCORMACK, ALICE C. *Public Moneys Apportioned to Schools under Education Law*. Statistics Bureau, University of the State of New York. 11p.

Analyses quotas of state school funds and basis of apportionment. Gives formulas by which quotas are computed. Mimeographed copy.

49. *Message from the Governor Relative to Financing Education in Cities with Report of Special Commission Appointed to Study the Subject*. Legislative Document, 1926, No. 92. Albany, New York. 1926. "Supplement II" —"Increased State Aid for Public Schools" by Paul R. Mort. pp. 59-86.

Discusses the division of state and local responsibility for educational support and suggests ways and means of bringing more support from the state to the localities of the state.

50. MORT, PAUL R. *Factors in the Development of a State Program for Financial Aid to Public Education in New York State*. February 5, 1926. 26p.

Preliminary mimeographed report delivered to meeting of sub-committee on School Costs, Taxation and Apportionment of Governor's Commission on School Finance and Administration. Presents some phases of problem dealt with in complete report, "Increased State Aid for Public Schools," published as Supplement II to Commission Report, "Financing Education in Cities," Legislative Document 1926, No. 92.

51. MORT, PAUL R. *State Support for Public Schools*. Bureau of Publications, Teachers College, Columbia University, New York, 1926. 104p.

A summarization of recently developed techniques and procedures, designed to be of service to workers in field of state aid for public schools. Attempt is made in Part I to present fundamental principles of a satisfactory system of state aid. Part II is devoted to techniques of applying such principles. Makes use of New York State data in illustration of techniques.

52. Special Joint Committees on Taxation and Retrenchment of the Legislature of the State of New York. Report including "State Aid for Public Schools in the State of New York" by PAUL R. MORT. pp. 21-83. Albany, January 15, 1925. 84p.

An inquiry into the problem of the financing of public education in the State of New York. Discusses principles of state aid.

Considers effectiveness of present system of state aid and proposes new plan.

53. STRAYER, GEORGE D. and HAIG, ROBERT MURRAY, *The Financing of Education in the State of New York*. Educational Finance Inquiry Commission, Vol. I. Macmillan, New York. 1923. 205p.

Assembles comprehensive data bearing upon school finance in the State of New York and develops new techniques for use in analysing these data designed to serve as models for workers in the field of school finance.

54. SWIFT, FLETCHER HARPER, AND OTHERS. *Studies in Public School Finance, The East: Massachusetts, New York, New Jersey*. Research Publications of the University of Minnesota. Education Series No. 2. Minneapolis. November, 1923. 205p.

See Massachusetts reference No. 39.

55. UPDEGRAFF, HARLAN. *Rural School Survey of New York State*. "Financial Support." Ithaca, New York, 1922. 233p.

An intensive study of rural school conditions in the State of New York. Reveals differences among districts both in effort and ability to support schools and points out means by which state support might be used to obviate these differences and to remove causes thereof.

North Carolina

56. MORRISON, FRED WILSON. *Equalization of the Financial Burden of Education among Counties in North Carolina*. Contributions to Education No. 184. Teachers College, Columbia University, New York. 1925. 88p.

Seeks to discover basis for equalizing financial burden, among counties, of North Carolina in support of a minimum compulsory educational program. Analyses present educational situation and presents program for better handling of equalization fund.

57. *Public Education in North Carolina*. Report of Public School Commission. General Education Board. 1921. New York. 137p.

Surveys educational facilities and needs of state. Points out hindrances to future educational progress. Submits recommendations.

58. *State Property Tax to Aid in the Support of an Eight Months School Term*. University of North Carolina Extension Bulletin Vol. V. No. 6. Chapel Hill. November 16, 1925. 107p.

Debate Handbook offering affirmative, negative and general references on query under discussion.

Ohio

59. OHIO INSTITUTE. *Report to Committee on School Finance of Ohio State Teachers Association*. Columbus, Ohio. January, 1926. 57p.

Analyses Ohio's system of school support. Seeks to suggest practical methods of applying principle of state responsibility for provision of adequate minimum educational opportunity.

60. OHIO STATE TEACHERS ASSOCIATION COMMITTEE ON FINANCE. *The Financing of Public Education in Ohio*. Columbus, Ohio. November 10, 1923. 72p.

A study conducted by the Ohio Institution of public school revenues in Ohio, their sources, amounts, and methods of distribution.

61. REEDER, WARD G. "Proposed Modification of County Tax Law for Ohio Schools" and "Proposed Modifications of the State Aid Law for Ohio Schools." *Educational Research Bulletins*: 1-11; 33-40. January 20, 1926.

Submits proposals for amending education law with view to putting state and county aid for Ohio schools on more scientific basis.

Oklahoma

62. U. S. BUREAU OF EDUCATION. *Public Education in Oklahoma*. Government Printing Office, Washington. December 11, 1922. 420p.

A survey of the public school system of Oklahoma. Chapter III "Problems of Financing the Public Schools," pp. 26-75, analyses existing system of public school support. Offers data to show inequalities among counties and districts; sets forth evils of district system; discusses sources and distribution of school revenues. Offers recommendations.

63. SWIFT, FLETCHER HARPER AND GOLDTHORPE, JOHN HAROLD. *Studies in Public School Finance, The South: Arkansas, Oklahoma, Alabama, Tennessee*. Research Publications of the University of Minnesota. Education Series No. 4. Minneapolis, 1923.

See Alabama reference No. 2.

Oregon

64. RAINEY, HOMER P. "A Study of School Finance in Oregon." *University of Oregon, Commonwealth Review*. Vol. VII, No. 3. July 1925. 132p.

An analysis of Oregon's system of school support and a discussion of the implications involved. Seeks to present information essential to effective financial administration of education in the state and to the development of a policy of future state support.

Pennsylvania

65. FERTIG, JOHN H., FREY, ROBERT S. AND GLIDEN, BURT R. *A Compilation of the Laws Relating to State Taxation and Revenue*. Commonwealth of Pennsylvania. Harrisburg. 1926. 285p.

Compiled by the Pennsylvania Legislative Reference Bureau for the Pennsylvania Tax Commission. Annotated and indexed.

66. FOX, LEONARD P. *Taxation for State Purposes in Pennsylvania*. Pennsylvania State Chamber of Commerce. Harrisburg. 1925. 155p.

Published with the purpose of presenting a brief analysis of Pennsylvania state tax laws and to provide material for consideration by the committee on State Taxation of the Chamber of Commerce. Contains notes on tax laws in other states.

67. KING, LeROY A. AND UPDEGRAFF, HARLAN. *A Survey of the Fiscal Policies of the State of Pennsylvania in the Field of Education*. Part II of a report to the citizens committee on the Finances of Pennsylvania to Hon. Gifford Pinchot, December, 1922. 207p.

Discusses the function and responsibility of the state in support of education, state versus local administration, and other important problems of school finance. Chapters I and II, pp. 15-94 and "Summary of Findings and Recommendations" pp. 1-4, deal with the public schools of the state.

South Dakota

68. SWIFT, FLETCHER HARPER, DEL PLAINE, FRANCES KELLEY AND TROXEL, OLIVER LEONARD. *Studies in Public School Finance, The Middle West: Illinois, Minnesota, South Dakota, Alaska*. Research Publications of the University of Minnesota. Education Series No. 3, Minneapolis, June, 1925. 329p.

See Illinois reference No. 23.

Tennessee

69. SWIFT, FLETCHER HARPER AND GOLDTHORPE, JOHN HAROLD. *Studies in Public School Finance, The South: Arkansas, Oklahoma, Alabama, Tennessee*. Research Publications of the University of Minnesota. Education Series No. 4. Minneapolis, 1923. 224p.

See Alabama reference No. 2.

Texas

70. *Plans and Suggestions Made by The State Educational Campaign Committee and Constitutional Amendments Proposed by The Legislative Committee of The Texas Educational Survey Commission*. 1926. 8p.

Publicity leaflet. Outlines campaign plans and objectives and lists proposals for

changes in State Constitution, of two committees.

71. TEXAS EDUCATIONAL SURVEY COMMISSION. *Report*. Vol. II, "Financial Support" by B. F. Pittenger and George A. Works. Texas Educational Survey Commission, Austin, Texas, 1925. 152p.

Emphasizes importance of problems of school support owing to increasing demands on education in Texas. Urges revision of state system of taxation and the raising and distribution of the school moneys on more scientific basis. Advocates administrative changes to bring about more effective and economical use of state funds.

72. *What the Texas Education Commission Recommends. Report of First Session*. Texas Education Commission, Fort Worth, May, 1926. 14p.

Publicity leaflet presenting recommendations of Commission with regard to major problems of educational policy and practice in Texas. See especially Problem No. 2, "The Financial Support of Texas Public Schools." 8p.

73. SWIFT, FLETCHER HARPER. "Sound Method of School Finance as a Means of Equalizing Educational Opportunity in Texas." *Texas Outlook* 8: 8-12. February, 1924.

Address delivered before annual convention of Texas State Teachers Association, 1923. Offers figures and chart to show inequalities in educational opportunity and ability to support education among school districts. Urges education as best paying investment for state funds.

74. McELHANNON, J. C. "Analysis of Financial Legislation for Public Education in Texas." *Texas Outlook* 10: 56-8. September, 1926.

Sketches briefly history of educational finance legislation in Texas and predicts trend in the direction of increased state support.

Utah

75. U. S. BUREAU OF EDUCATION. *Survey of Education In Utah*. Government Printing Office, Washington, D. C., 1926. 510p.

Chapter XI of this recently completed study surveys the present school finance situation and indicates desirable directions of progress.

Virginia

76. VIRGINIA EDUCATION COMMISSION AND VIRGINIA SURVEY STAFF. *VIRGINIA PUBLIC SCHOOLS: A Survey of a Southern State School System*. Education Series Vol. VII. World Book Company, Yonkers, New York. 1920. 400p.

A detailed study of school conditions in Virginia designed to serve as a basis for report to the General Assembly with recommendations for improved school legislation. See especially Chapter XXI, "Financial Support" pp. 270-86.

Washington

77. PRATT, O. C. "Public School Finance in Washington." *Washington Education Journal* 5: 69-71; 112-13. November and December, 1925.

A catechism designed to inform teachers and through teachers the people of Washington, in matters relating to taxation and education.

78. STATE DEPARTMENT OF EDUCATION. *State School Equalizing Fund*. 1926, 6p. Mimeographed material. Urges establishment of a state equalization fund for relief of needy rural and graded school districts.

79. STATE DEPARTMENT OF EDUCATION. *Apportionment of School Funds*. 8p.

Leaflet presenting detailed description of methods of distributing state aid.

80. STATE DEPARTMENT OF EDUCATION. *School Revenues*. 25p. An account of school revenues from state, county and district sources with regulations concerning school indebtedness and school bond elections.

West Virginia

81. CAVINS, LORIMER V. AND BOWMAN, EDGAR I. *The Financing of Education in West Virginia*. Charleston, West Virginia, June 1, 1926. 94p.

A study directed by the State Department of Education embracing the scope and size of educational program and factors connected with problems of state aid. Points out defects and suggests needed changes.

Wisconsin

82. CALLAHAN, JOHN. *Equalizing Educational Opportunity in Wisconsin*. Department of Public Instruction, Madison, 1924. 62p.

Surveys variations in taxable wealth and educational offering among Wisconsin school districts. Proposes bill designed to bring about equalization of educational opportunity.

83. *Wisconsin Rural School Survey. Report of Finance Survey Committee*. Bulletin of Wisconsin Teachers Association June, 1926. 37p.

A study of the status of rural education in four representative counties. Points out existing inequalities in taxable wealth. Urges increased state aid for equalization purposes and a redistribution of percentages of tax revenues from the various sources.

84. CALLAHAN, JOHN. "Educational Progress and the Tax Dollar." *Wisconsin Journal of Education* 58: 186-7. January, 1926.

CALLAHAN, JOHN. "The Foundation of Our Public School System." *Wisconsin Journal of Education*. 58: 230-2. February, 1926.

CALLAHAN, JOHN. "Statutory Methods of Establishing Minimum Standards for Farm Schools." *Wisconsin Journal of Education*. 58: 269-71. March, 1926.

CALLAHAN, JOHN. "Local School Taxation." *Wisconsin Journal of Education*. 58: 356-8 May, 1926.

CALLAHAN, JOHN. "Sources of Income for the Public Schools." *Wisconsin Journal of Education*. 58: 309-10. April, 1926.

A series of articles by State Superintendent of Education dealing with educational offering in Wisconsin, the State Tax System, and other problems of State Aid for schools.

General

85. CUBBERLY, E. P. *An Introduction to the Study of Education*. Houghton Mifflin. Chapter XXII. "Financing Public Education."

Discusses evolution, present status and desirable directions of development of local and state plans for providing school support.

86. *Digest of State Laws Relating to Taxation and Revenue, 1922*. Bureau of the Census, U. S. Department of Commerce. Government Printing Office, Washington, D. C., 1924.

Of value as a guide in making comparative studies of state tax systems.

87. NEWCOMER, MABEL. *Financial Statistics of Public Education in the United States, 1919-20*. Educational Finance Inquiry Commission. Vol. VI. MacMillan, New York, 1924. 188p.

88. NORTON, JOHN K. *The Ability of the States to Support Education*. National Education Association. Washington, D. C., 1926. 88p.

Presents comprehensive data as to the comparative ability of the states to support schools, as indicated by the wealth and income of each state and the number of children 6 to 13 years.

89. PITTENGER, BENJAMIN FLOYD. *An Introduction to Public School Finance*. Houghton Mifflin Co. Boston, 1925.

Summarizes conclusions resulting from the investigation that has taken place in recent years in the field of school finance.

IT WOULD BE a mistake, however, to suppose that the public resources are in themselves inadequate. The fault does not lie with the social income. National prosperity is great and growing, and the increase of wealth and of social income is proceeding unchecked. Were our state and local resources marshalled and organized for fiscal purposes, as is done by the national government, the embarrassment would soon vanish. We all know that in normal times there has never been the slightest difficulty in securing a revenue for national purposes which should be, not only abundant, but on the whole satisfactory to the community. We know equally well, however, that what has been so successfully done by the national government is very imperfectly accomplished by our state and local governments. The wealth is there, the resources are there, but the method of tapping the resources has become unsatisfactory, lopsided and unequal. What is needed is a readjustment of the system to make it fit modern necessities.—*E. R. A. Seligman, Essays in Taxation, pp. 347-8.*