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FINANCING AMERICAN SCHOOLS

IT has been suggested during the past year that we cannot afford, in the United States to finance our present generous program of public education. Those who fear that we must retrench base their beliefs upon the large expenditures that are now being made. The contrast between the number of dollars spent in 1890 with the amount spent in 1920 is submitted as evidence.

To understand the situation, it is necessary to contrast not simply the 140 million dollars spent for public education in 1890 with the thousand million dollars spent in 1920 for public schools, but we must also inquire concerning the number of days of schooling provided and the type of educational program which prevailed then and now. It is only during the past generation that we have begun to enforce compulsory education. The increase in days of attendance in our public schools was 138 per cent from 1890 to 1920. Still more remarkable was the increase in high school attendance from 200,000 to 2,000,000. It does not seem probable that we will rest satisfied with our present inadequate enforcement of compulsory education. We must look forward not only to an increase in attendance due to increase in population, but also to the increase in attendance which will come from the acceptance of compulsory education as essential to the well-being of the nation.

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A large part of the increase in the amount of money spent for public education is clearly due to increase in attendance. An even larger factor is the decreased purchasing power of the dollar. If we may trust the index figures which have been derived, \$1.00 in 1890 would

purchase as much as \$2.90 in 1920. The increase therefore in dollars spent does not mean an increase in support. If we measure support in terms of cost per pupil per day of attendance, and if we correct for the changed purchasing power of the dollar, it appears that the actual support provided for public education was less than one-tenth more on a per capita basis in 1920 than in 1890.

But we cannot compare the cost of education in 1920 with the cost in 1890 without calling attention to the fact that a different sort of educational opportunity was provided in 1920 from that offered in 1890. It was during this period of 30 years that our modern school system was developed. In the elementary school, we have added music, drawing, the household and industrial arts. It is during this period that our work in physical education and health service has been developed. Practically all of the cost of special classes for the defective and delinquent have been added since 1890. During the latter part of this period, the junior high school has been developed and only during the past 20 years has the comprehensive senior high school come into being. During the same period, continuation schools have been established, classes for the foreign-born and for the illiterate have been introduced, better training for teachers has been provided and buildings and equipment have been improved.

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One who proposes that we spend less for public education must at the same time suggest the part of our modern program which is to be omitted. There are those who speak of the subjects more recently introduced in our elementary school curriculum, music, drawing, household arts and industrial arts, as if we can maintain an adequate school system with these newer subjects omitted. It does not seem probable that our public which has insisted upon the introduction of these subjects will be satisfied to see them

taken out of the curriculum. It is certain that their inclusion is the result of a careful consideration of the needs of boys and girls in our modern society. In the older subjects, sometimes referred to as the fundamentals, there is much that we teach that has little or no reference to the needs of children of the twentieth century.

It may well be argued, too, that music and art are quite as certainly required if we would have children make proper use of their leisure time as are reading, writing, and arithmetic. The household and the industrial arts are essential in a world in which these fundamental processes can be made available for children only through the opportunities provided through schools.

One who would argue against the program of physical education and health service must base his case upon the assumption that we do not receive an adequate return for the money invested in this field. It will be hard to make such a case, since whether we measure the work in physical education and health service in terms of happiness of individuals, in terms of increased intellectual achievement, or in terms of economic efficiency, the answer is overwhelming in favor of the work that the schools are doing.

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The argument against expenditures will certainly not find easier ground, if the cost of education for the defective and delinquent is attacked, or if retrenchment is suggested in connection with classes for the foreign born or for the illiterate. We of the profession, and the public who support our schools are proud of the great opportunities which have come to boys and girls through the development of junior high schools and comprehensive senior high schools. Surely we are not willing to return to the type of secondary education which provided opportunity only for those going to college. Whether the problem be considered locally or in the state or in the nation, those who argue for retrenchment must make their case against some part of the school system as it is now developed. If the public is fully informed, it does not seem probable that they will be willing to dispense with any of the educational opportunities now provided.

If this expansion of the educational pro-

gram is justified, and I, for one, believe that it is, then the increase in support per pupil per day of attendance is remarkably small. If this kind of educational program is to be carried forward throughout the country, it is perfectly clear that the thousand million dollars spent for public education in 1920 must be very greatly increased during the years which lie immediately ahead.

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But it is only fair that we inquire concerning the burden imposed upon our people through the support that is provided for public education. We spent in 1920, as a people, approximately one and one-half per cent of our income for education. In 31 out of 48 states, less than 2 per cent of the income of the people of the several states was devoted to public education. In 17 states, more than 2 per cent of the income of the people was spent for this purpose. It is interesting to note that in the very wealthy and thickly populated states, the per cent of the income spent for public education was relatively low. For example, in New York, it was 1.18 per cent, in Massachusetts 1.22 per cent, in Illinois 1.36 per cent, and in Ohio 1.65 per cent, California 1.84 per cent. The larger percentages of the income of the people devoted to public education were found in the sparsely settled parts of the country, particularly in the northwest. The percentage of the income of the people devoted to public education was 4.41 per cent in Montana, 4.02 per cent in North Dakota, 3.76 per cent in Utah and 3.43 per cent in Idaho, 3.13 per cent in Arizona. There were no other states in which the percentage of the income of the people devoted to public education exceeded 3 per cent.

We are working in a period of increasing expenditures for all governmental purposes. Not only must we have more money for schools, but practically every other governmental service requires more money if it is to be adequately maintained. Something of the change that has come about is indicated by the fact that in 1910 the per capita total and local expenditures in the state spending the most money was \$47.30, while in 1920 the per capita state and local expenditures for governmental purposes reached \$102.26 in one state. In like manner, the median state spent for all governmental purposes in 1910 \$18.86 per capita and in 1920 \$39.98, while the state

spending the least for governmental purposes spent \$5.45 per capita in 1910 and \$12.13 in 1920.

Expressed in percentages of the income of the people of the several states, those states spending the largest percentage of their income for all governmental expenses may be listed as follows: Montana, 12.45 per cent; Utah, 11 per cent; Nevada, 10.92 per cent; Oregon, 10.60 per cent; Idaho, 10.59 per cent.

The states spending the smallest percentages of their income for all governmental purposes are as follows: Alabama, 3.22 per cent; Georgia, 3.29 per cent; Texas, 3.30 per cent; Virginia, 3.87 per cent; North Carolina, 4.22 per cent.

Among the wealthy states, the percentages fall in between these extremes. These states spend for governmental purposes as follows: Illinois, 4.77 per cent; New York, 6.12 per cent; California, 6.89 per cent; Massachusetts, 6.99 per cent; and Ohio, 7.58 per cent.

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Much of the anxiety concerning governmental expenditures has been due to our antiquated revenue system. In meeting the cost of education, we need to consider the possibility of developing a revenue system which will equitably distribute the burden to be borne. The present practice of deriving the greater part of our revenues for education from taxation upon real estate must be changed. It has been pointed out by students of taxation for many years that the ownership of real estate is not an adequate measure of the ability of the individual to pay taxes. In their report on a model tax system, the Committee of the National Tax Association proposed, in addition to the property tax, 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. They proposed, as well, that business carried on for profit in any locality should be taxed for the benefits which it receives. The personal income tax has been accepted by seventeen states. There is a constantly increasing number of individuals who enjoy relatively large incomes who can be reached in no other way so satisfactorily as by the income tax. Many doctors, lawyers, architects, and

other professional men and women and many wealthy persons having large holdings of intangible property, escape taxation where the income tax is not imposed.

This same committee proposes that personal exemptions be small—for a single person, \$600; for husband and wife, \$1,200; and \$200 for dependents; with a maximum family exemption of \$1,800. It is proposed, as well, in this report of the Committee of the National Tax Association, that the rates should be moderate and progress from not less than 1 per cent to a maximum of 6 per cent. This form of taxation will undoubtedly be accepted sooner or later by all the states. It is most desirable that this personal tax, which cannot be shifted, and which brings home to the taxpayer his personal obligation for the support of the government under which he lives, be utilized as a means of increasing the revenue necessary to maintain governmental enterprises.

The business tax has been levied in one form or another over a long period of years. Licenses and fees have been exacted, and more recently a tax on net income derived from business has been found effective and equitable. The Committee of the National Tax Association proposes that business taxes be levied on the net income derived from business carried on within the state levying the tax, and that it be proportional and not progressive.

If reforms, such as have been proposed, are carried out, we shall be able to finance our schools. As a people, we do not lack economic resources. The difficulty is rather with our faulty tax system. The problem is not one of finding new sources of revenue, for there are no new sources. It is rather one of devising suitable methods for tapping the resources that exist.

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Another factor in the development of an adequate system of financing the schools centers around the problem of the unit of school support. With the most equitable revenue system that it is possible to develop, we will still have within a single state local communities, whether school districts, townships or counties, that are relatively wealthy and other localities that will be very poor. It is only through state support based upon a sound

revenue system that it will be possible within the state, to equalize both the opportunity for education and the burden of taxation to be borne. In like manner, if we admit that the well-being of the whole country is determined by the education which is provided in every part of it, we cannot ignore the wide variation which exists among the several states in their ability to support public education.

We have known for a long time from the estimates of wealth available that the states vary greatly in their per capita wealth. A recent publication of the Bureau of Economic Research estimates most carefully the income of the people of the several states. From this report we find that the per capita income in the states showing the lowest income per capita as follows: Alabama, \$345; Mississippi, \$352; Tennessee, \$356; Arkansas, \$379; North Carolina, \$383; Kentucky, \$392. Contrasted with these figures are those for the states in which the people enjoy a large income. These states show the following incomes per capita: Massachusetts, \$788; Ohio, \$789; Delaware, \$792; New York, \$874; California, \$820; Nevada, \$850.

If education is essential to the well-being of the nation and if we propose to make good the promise of equality of opportunity, we shall be compelled to provide a larger measure of national support. To deny national support is to propose that some states spend twice as large a proportion of their income for education as do other states. To lay upon the people of one state double the burden which must be borne by those living in another state for the accomplishment of a great national purpose involves the grossest injustices. Many of the poorer states are today carrying a heavier burden than the wealthier, in order that they may prepare boys and girls for citizenship in our common country. Four out of the six states, the smallest per capita income,—Alabama, Mississippi, Tennessee, and North Carolina, spend a percentage of their income for education equal to or larger than the wealthy state of New York devotes to this purpose.

While we ask for the support of our public schools with the increased revenues which must be provided, we are under the obligation to examine carefully our procedures in the administration of schools. Efficient adminis-

tration requires that in many of our states we organize large units of administration. The argument for local self-government which originally brought into being the school district and school township unit no longer has weight. With the development of good roads and the coming of the automobile it is easier for the people of a county to act as a unit than it was originally for them to cooperate in the school district or township. We find today in the smaller school districts the highest cost and the lowest efficiency. If economy is to be effected, there should be no unit too small to employ a competent professional administrator.

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We need in all of our school systems in the United States more adequate accounting and budgetary procedure. It is only as we develop accounting which enables us to discover the variations in cost which exist among the several units of a single school system that we may hope to effect the economies which are possible. In those communities in which adequate cost accounting has been introduced it has been found possible to effect savings in school supplies, in the coal bill, in the cost of buildings and the like.

It is just as important that we adopt more commonly than is now the case, adequate budgetary procedure. With unit costs on the one hand and a careful definition of the program of work to be carried out on the other, it should be possible to propose a budget and to indicate clearly to the community just why the amount of money proposed is required to carry on the school system. It is only when such adequate information is available that the tax-payer has an opportunity to vote intelligently with respect to the fiscal administration of his school.

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The question of spending a larger percentage of our income for education is, in the last analysis, one of our scale of values. If the people of the United States believe that education is of greater importance than the other purposes for which they spend money either through the government or privately, then we can expect relatively larger expenditures for education to be voted by the people.

Expenditures for public education are properly thought of as operating to replace

capital which is being constantly used up. If no schools were maintained over a period of a single generation, the effect on the economic life of a people would be most disastrous. In the modern industrial society in which we live, it is quite as important that we should provide capital in terms of educated men and women as it is that we should build railroads or factories.

If we believe that the American ideal which suggests that every individual should have an opportunity for making the most of himself is more important than amassing wealth, more important than any other governmental enterprise, then we shall certainly support our schools. It is the obligation of our profession to hold before the people of the United States this ideal of the founders of our republic. We must seek to develop that standard of values which places opportunity for individual growth and development above any other good which can be secured. We must help our public to stand fast and to work, yes, even to sacrifice, in order that the day may come in America when there shall be guaranteed to all "a fair start and an equal chance in the race for life."

GEORGE D. STRAYER.

AGRICULTURAL EDUCATION IN THE HIGH SCHOOLS OF VIRGINIA

AT the head of all science and arts, at the head of civilization and progress, stands not militarism, the science that kills, not commerce, the art that accumulates wealth, but agriculture, the mother of all industry, and the maintainer of human life," said our first President.

The agriculture schools of the United States owe their origin to the movement against the old classical schools and in favor of technical education. This movement began in most civilized nations about the middle of the nineteenth century. A number of agricultural schools were started between 1850 and 1860 in eastern and middle states, where the movement made itself most felt, but without trained teachers they accomplished very little.

From 1850 to 1900 the progress of the agricultural schools was very slight. After this time the country woke up to the fact that her boys should have agricultural training along with the training received in other branches of high school work.

In 1907 Congressional District High Schools were first operated in the southern part of Virginia. These schools were not, strictly speaking, vocational schools, but were small town and rural high schools in which departments of agriculture and home economics, and sometimes a school farm, were supported by state funds. To make it possible for these schools to operate as centers of vocational education for congressional districts it was found necessary to establish in many of them dormitories for boys and girls. The dormitories made it possible for the girls to do practical work in home economics, but it prevented the boys from doing the best type of practical agricultural work. A relatively small number worked on the school farms, which were of small acreage and poorly equipped.

The schools did not develop as rapidly as one would expect, because of various obstacles: First, many parents were opposed to their children spending time on a subject which could be taught in the home; second, there was general ignorance of the course and its utility; third, general prejudices are always found against new subjects.

The Smith-Lever Law passed by Congress May 8, 1914, made federal aid available for every state in the Union beginning with the year 1914. It established a close co-partnership between the Federal and state agencies in the organization and administration of the extension service.

The general lines of the extension system for the state have now been well marked out. They embrace (1) the county agricultural agents, (2) the boys' and girls' clubs, (3) the movable schools, (4) supporting work of the college department specialists.¹

The entire amount for the first year was \$48,000 to be divided equally among the forty-eight states. The amount gradually increased until the federal government is now con-

¹Yearbook of the Department of Agriculture 1915, Page 54.