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THE EDUCATIONAL TAX RATE IN

COMMUNITY UNIT DISTRICT #2

(TITLE)

BY

Keith R. Lape

PLAN B PAPER

SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR
THE DEGREE MASTER OF SCIENCE IN EDUCATION
AND PREPARED IN COURSE

Education 580

IN THE GRADUATE SCHOOL, EASTERN ILLINOIS UNIVERSITY,
CHARLESTON, ILLINOIS

1963

YEAR

I HEREBY RECOMMEND THIS PLAN B PAPER BE ACCEPTED AS
FULFILLING THIS PART OF THE DEGREE, M.S. IN ED.

July 11, 1963
DATE

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DEPARTMENT HEAD

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INTRODUCTION

Purpose

The purpose of this study was to examine the educational tax rate situation as it existed from 1953 to the present date in Community Unit District #2.

Scope

This study included the study of financial reports available, the amount of anticipation, the state reports and additional information available closely pertaining to the study. In addition, the results of an election held in 1963 were analyzed in an attempt to predict the economic future of the school district.

This study will not consider any change in the percentage of increase of enrollment other than the normal tendency, nor will it consider the effects of a decrease in the assessed valuation of the Community Unit District #2. The recommendations are made with the belief that the boundaries will remain as they are at the present time.

Method of Study

This study was conducted in the form of a case study. It was assembled from unpublished public documents and financial reports submitted by the concerned organizations.

Need of Study

The school districts within the State of Illinois have on frequent occasions been in financial difficulties. The Community Unit District #2 is no exception. It is the intention that individuals may see the difficulties arising in the future, and be able to meet these difficulties with better judgment and accuracy.

Definitions

Anticipation Warrant--a warrant or check for the payment of debt, issued by a governmental agency before money for its redemption is available or due; frequently, under specific conditions, such warrants bear interest. ¹

¹Carter V. Good, Dictionary of Education (New York: McGraw - Hill Book Company, Inc., 1959), 32.

DESCRIPTION OF THE COMMUNITY OF MATTOON

The Community Unit District #2 is located in the Western portion of Coles County and includes a small part of Cumberland County, Illinois. The primary business settlement within the district is Mattoon, with a population of 19,088. The major portion of the school activity is within the city, including the Board of Education Office, which is located at 2601 Walnut.

Mattoon may be classified as a typical Midwestern town situated on the Wisconsin Terminal Moraine, with the district including much valuable oil and farm land as well as land of much less value.

The district population of approximately 26,000, as well as the majority of Coles County, is serviced by one U. S. Route (45) and two Illinois Routes (121 and 16). In addition, the people have access to two major railroads: the New York Central and the Illinois Central. For more rapid transportation, the Coles County Airport has air travel available by means of the Ozark Airlines.

In addition to the adequate transportation facilities and farming industry, there are several other advantageous offerings, such as several large and small industries, good public utilities, adequate water supply, and centrally located in the Midwest and State of Illinois.

The Community Unit Schools and the City of Mattoon are often expressed by individuals as being large enough to serve the community and individuals adequately, but not large enough to neglect community and individual needs and desires.

THE SCHOOL DISTRICT AND ITS DEVELOPMENT

1953 to 1963

In the United States, public education is the responsibility of the government of the 48 states.

Legislature usually divides this responsibility between the state government and local school authorities on a partnership basis.

A considerable body of research and the accumulated experience of the states has resulted in a clarification of the principles and policies for the best success of such partnership.

- These principles and policies are, in general:
1. The state creates the pattern for local school organization, gives leadership and service, and prescribes certain minimum standards.
 2. The local district school board controls the school program and the school budget, and is, in the main, independent of state municipal, or other non-educational authority.
 3. The local district and the state share the financial support of the school-the local district on the basis of its ability, and the state by supplementing local resources to guarantee a minimum level of expenditure. The local contribution usually is established by an uniform tax rate.²

In the past ten school years, 1953 to 1963, the cost of maintaining schools has risen considerably. However, prior to 1953 the cost of education of the student had risen also. For in 1953 the Board of Education asked the people, as required by the Laws of the State of Illinois³

²University of Illinois, Bureau of Research and Service. Financing Education in Efficient School Districts, 1949, 7.

³State of Illinois. The School Code of Illinois, (Circular Series A, No. 146), 1961, 162.

for any unit school system, to raise the educational tax rate from \$1.00 per \$100 assessed valuation to \$1.26 per assessed valuation of Community Unit District #2. On September 26, 1953, the people gave an endorsement as to the type of schools they desired by an overwhelming victory in favor of raising the educational tax rate to \$1.26 per \$100 assessed valuation of the property.

Since this time the Board of Education has attempted to maintain educational facilities of desirable standards. Since the school year 1953-1954, ending June 30, 1954, the operating expenses have increased \$1,054,846. An increase in the past ten years can be contributed to the following: increase in enrollment; increase in teachers' salaries; increase in personnel to maintain records and supervision of increased enrollment; and an increase in the cost of materials necessary to maintain an educational situation as well as new materials to meet the changing necessities of today.

To meet the needs of rising costs is a difficult situation that can be performed in the best possible manner by the Board of Education according to their opinion. The revenue for educational purposes is obtained from tax receipts of the assessed valuation (\$85,000,000) of real estate and personal property within the district. From this source of revenue the Boards of Education were able

to meet the necessary needs until the school year 1959-1960. At this time they were forced to borrow money (\$359,000) or to reduce the standards of education within the district, so anticipation warrants were issued for the above amount. By the year 1961-1962 the Community Unit District #2 was forced to issue anticipation warrants totaling \$420,000 to meet the cost of operation.

Because of the rise in cost of operation within the district, an increase of the educational tax rate was suggested at a Board of Education meeting on June 13, 1961 by members of the Finance Committee reporting in behalf of the committee. At this time it was reported that \$199,724 was requested for increases of teacher's salaries, but the committee reported, "We feel before any decision or recommendation can be made toward meeting the request, it will be necessary for the entire Board to determine whether any required additional funds would be met by additional anticipation or through a referendum seeking an increased tax rate for educational purposes." ⁴

People other than local individuals are aware of the problem also. In a memorandum of February 28, 1962 to Mr. Olin Stead, Director of Department of Supervision from Mrs. Lorene K. Wills, General Supervision, Southern Division of the State of Illinois, Office of the Superintendent of

⁴Community Unit District #2, Board of Education Minutes, June 9, 1959 to July 10, 1962, 1163.

Public Instruction, the following opinion was stated, "In the past this community has supported good schools and it seems logical to assume that when faced with the simple fact that there is a limit to how far a dollar bill will stretch in the most frugal and competent hand, they (residents of Community Unit District #2) will vote to increase the educational tax rate. Cost of instructional supplies and teachers' salaries are going higher. The present educational rate of \$1.26 will no longer support a quality educational program for Mattoon..."⁵

How long will the schools continue to operate as they are now? Probably some who are aware of the needs are ready to raise the educational tax rate now. In July, 1962 in an interview with the Superintendent of Schools for Community Unit District #2, Mr. Judge stated that it was the consent of the Board not to ask the people to raise the tax rate during the 1962-1963 school year. However, in 1963-1964 he continued, "Something will have to give." By this time the anticipation warrants will be approaching the seventy-five per cent assessed valuation maximum. Mr. Judge further stated that at this point either an increase would have to be or a cut in the standards of education that the people of Community Unit District #2 have come to expect and desire would be imperative.⁶

⁵Ibid., 1241.

⁶Interview with Virgil Judge, Superintendent of Schools, July, 1962.

1962-1963--A YEAR OF DECISION

The 1962-1963 school year started very similarly to other years in the Community Unit Schools except that the educational fund of the 1962-1963 budget had reached an all time high of \$2,088,473.34. In addition to the budget of the Educational fund, the amount of anticipation was reaching a figure nearer the limit of \$750,000 for at this time it was expected to reach \$520,000.

Probably the individuals most aware of the approaching crisis were the school board members. On August 21, 1962 it is recorded in the minutes of the meeting of the Board of Education of Community Unit #2 that,

Board members reported that they had conferred with different taxpayers of the community in regard to holding an election to issue bonds for the enlargement of the high school and present a referendum to increase the educational tax rate. Board members reported the opinions of persons with whom they talked and gave their own opinions. The board members were in agreement that they should be unanimous in their decisions to vote one or the other or both issues at the same time.

Miller moved that the matter of further decision of school finances and facilities be discontinued at this time. Eberhardt seconded the motion. Roll call vote was, Eberhardt, yes; Seymour, yes; Miller, yes; Podesta, no; Donnell, yes; Taylor, yes; Hovious, yes. The motion carried. 7

⁷Community Unit District #2, Board of Education Minutes, August 14, 1962 to date, 6.

The issues of finance and facilities were to soon rise again. For on August 27, 1963, "Podesta moved that the decision on school finance and facilities be tabled for further study. Donnell seconded the motion. A voice vote of ayes carried the motion." ⁸

Being a controversial matter and one to decide on for the best of the schools, the issue appeared again on September 11, 1962.

Miller moved that both issues (referendum to issue bonds for the purpose of enlarging the high school and an increase in the educational tax rate) be brought before the public as soon as it is feasible. Taylor seconded the motion.

After considerable discussion, Miller withdrew his motion and moved that the subject of the referendum be dropped indefinitely. Podesta seconded the motion. The motion was later changed to read: that the referendum question be tabled for the time being. Podesta seconded the motion. Roll call vote was Eberhardt, no; Seymour, no; Miller, yes; Podesta, yes; Donnell, yes; Taylor, no; Hovious, yes. The motion carried. ⁹

For a period of three months, the Board of Education met at the previously announced time, but the issues of referendum to issue bonds or increase the educational tax rate did not arise. But to make this year a "year of decision," on December 11, 1962, a motion was made, seconded and carried unanimously to have an election for bonds not to exceed \$225,000 on the first Saturday in February.

⁸Ibid., 7.

⁹Ibid., 9.

Following this Miller presented the following motion; "...Therefore, I move that an election to increase the educational tax rate 26¢ be the first Saturday in February.

Roll call vote on Miller's motion was as follows: Seymour, yes; Eberhardt, yes; Miller, yes; Podesta, no; Donnell, no; Taylor, yes; Hovious, yes. The motion carried." 10

At this incident of the increase tax rate vote, it is interesting to recall the statement of the August 21, 1962 meeting of the Board which stated, "...The Board members were in agreement that they should be unanimous in their decision to vote one or the other or both issues at the same time." 11

Even though the Board was not unanimous in its decision, it met on December 13, 1962 and "Methods of organization for the election on February 2, 1963 were discussed at some length. No decision was reached. It was decided that the Board would meet as a committee of the whole at 5:00 P.M. Monday the 17th of December, to continue the discussion." 12

¹⁰Ibid., 32-35.

¹¹Ibid., 2.

¹²Ibid., 44.

It was impossible to determine from the minutes what decisions were made at that time; furthermore, it was impossible to determine whether the board met on December 17, 1962. There was no record of such a meeting in the record book containing the minutes from August 14, 1962 to date. From the previous quotes of board minutes it is obvious that this was a questionable, controversial issue from the beginning. It was truly a "year of decision."

In the first meeting of the new year, 1963, the Board took up the matter of calling an election in the district on certain propositions to increase the school facilities thereof and to provide additional taxes. Thereupon, Mr. Gorten W. Taylor introduced and moved the adoption of the following resolution...

"...Whereas, the Board of Education further finds that it is necessary at this time to establish the maximum tax rate for the educational fund of the District at 1.52% on the full, fair cash value of taxable property, as equalized of assessed by the Department of Revenue, instead of 1.26%, the maximum rate otherwise applicable to the taxes to be extended for said purpose; and...

In accordance with the above resolution the revenue increase would be as follows:

at \$1.52 per \$100	\$1,301,600
at \$1.26 per \$100	\$1,079,300
increase	<u>\$ 222,300</u>

On the above resolution the unanimous decision was forgotten because the roll call vote

showed five "yes" votes and two "no" votes by Podesta and Donnell. However, the president declared that the motion had carried and that the resolution had been adopted." 13

There was not a question now. The decision had been reached. Time and the election would tell whether the people of Community Unit District #2 thought it was the right decision.

¹³Ibid., 49-50.

THE ELECTION AND ITS AFTERMATH

The election seemed to have had very little publicity and the small amount of publicity concerning the election was not always favorable, even by some of the Board Members as indicated in the previous motions and votes. However, the president and some of the Board Members did speak to civic organizations in favor of the increase. Other than notification of the forthcoming election, the local newspaper carried very little publicity of the election. A small publication printed by Mattoon Community High School Press, titled It Just Won't Stretch Any More was given to interested individuals, but only on a limited scale.

Two official polling places were kept on February 2, 1963 in accordance of the law of the State of Illinois. The individuals of the west side of the main Illinois Central Railroad tracks voted at the Hawthorne Elementary School while the remainder voted at Jefferson Junior High School. Individuals concerned with the property of the polling places, other than the officials, commented at the surprisingly high number of older citizens voting, as well as the number who listed hotels and similar places of residence.

At the February 12, 1963 Board of Education meeting

the following statement was recorded. "Following a canvass of the votes for the recent election, Donnell moved that the official vote of the election held February 2, has been canvassed and the official results were: on Proposition #1 (bonds) 1352 yes votes and 1961 no votes and on Proposition #2 (tax increase) 1250 yes votes and 2052 no votes." 14

From this it is quite evident that the people or at least a majority of the voters in the February 2 election objected to an increase in the tax revenue. From the above figures it is reasonable to assume that out of a population of approximately 26,000, there are more than 3,300 voters. It has been stated by different individuals that the people of the district did not back the Board of Education because of the difference of opinion as to the need of the increase of tax revenue. This might be a possible reason for the low percentage of voters in this election, although it was decisive.

People concerned with the defeat of the bond issue as well as the tax increase have stated some of the difficulties that may arise. Mr. Roy Sheppard, Principal of the Mattoon High School on May 15, 1963 mentioned "criteria which must be met if the school is to continue to be 'accredited' -- additional guidance per-

¹⁴Ibid., 60.

sonnel, improvement in the pupil-teacher ratio and an addition to the physical plant." ¹⁵

At the same meeting Mrs. Seymour read a report on reducing expenses for the coming school year.

1. Increase the teacher pupil ratio from grades 1 through 12	\$35,000
2. Pupil purchase workbooks, all other supplies except textbooks	7,500 to 10,000
3. Eliminate atheltics that cannot be supported by gate receipts	7,000 to 9,000
4. Reduce Music, Dramatics, speech fee travel other than educational tax fund	6,000 to 8,000
5. Increase minimum size of approved classes in junior and senior high school	5,000
6. Reduce bus routes and etc.	4,000
7. Reduce cost of special education	5,000
8. Reduce Rental films	500
9. Misc.	1,000
	<u>\$71,000 to 77,500</u>

Increase in Funds

1. Increase rental of buildings	\$ 500
2. Increase charge of adult education classes	400
3. Additional local tax because of increased assessed valuation	21,000

¹⁵Ibid., 91.

4. Additional state aid because of
increase enrollment

20,000

\$41,000 16

¹⁶Ibid., 91.

RECOMMENDATIONS

The question of financing the education in Community Unit District #2 still exists. The savings above of approximately \$112,000 will only delay the extreme need of raising the educational tax rate for this saving is only approximately one-fifth of the amount anticipated in the 1962-1963 school year.

The following recommendations are based on principles set by Dr. Paul R. Mort and Dr. Donald H. Ross in Principles of School Administration.

From reasons flowing from adaptability, flexibility, and structural democracy principles, we like to see as much control power in local authorities as can be managed with due concern for prudential limitations. Since it is partly observable that all districts cannot support reasonable educational programs with roughly the same effort (and some cannot support a defensible program at all, regardless of effort), equality of opportunity and justice indicate a sharing of support by a unit large enough to iron out some of the local differences and to utilize types of taxes not appropriate to local units. 17

The solution to the problem of financing education is being sought by many school administrators. The best solution may be the re-organization of the relationship of the local district and the state.

¹⁷Paul R. Mort and Donald H. Ross, Principles of School Administration (New York: McGraw-Hill Book Company, 1957), 282.

It is possible that the maximum tax rate for education without referendum, may be raised. This might eliminate some of the problems or it might delay the problems for a short period of time. The financing of schools is a question that many people do not determine as an immediate and essential problem.

The local school districts have been given the discretion of most school matter at one time or another. Prudence has dictated the limitation of powers in these areas, although not always wisely. Sometimes all the school districts in the states have been placed under restrictions because of particularly cross abuses in a few districts. ¹⁸

In Community Unit District #2, it is apparent that the present financial situation will continue to exist. The minor "cuts" in educational facilities may be necessary and will have to be made until the citizens of this district realize the effect it will have on the community, for the effects are not always apparent at the present time. However, if this immediate problem is not solved, the effects may scar the community for years.

Democracy is based on the assumption that at least the majority of people can and will see perspective in facts, can understand and evaluate full information, and can reach good decisions when they have appropriate information. When the term is used in this way, a situation may be said to be democratic if the people are told the whole truth and trusted to reason with it. ¹⁹

¹⁸Ibid., 138.

¹⁹Ibid., 35-36.

It is suggested that the people realize their mistake on February 2, 1963, either by not voting at all or by defeating the present issues, and allow the future citizens to be as well prepared as possible to meet the responsibilities of the future life in Community Unit District #2. For those who thought it not important to vote on February 2, 1963, it is possible that the appropriate information be presented to the voters of the district. After the possible effects have been presented from defeat or passing an increase of the educational tax rate, the citizens should be given another opportunity to correct what is considered the wrong decision from the information gathered in this study. Properly informed, the majority of the people will correct what the uninformed majority do incorrectly.

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