

## The 1972 Alfred Dexter Simpson Lecture

### FULL STATE FUNDING

James B. Conant

The Simpson Lecturer for 1971 was James E. Allen, Jr. He is no longer with us. I do not have to tell this audience of the impact of the tragic deaths of Mr. and Mrs. Allen on the educational community. So many of us were looking forward to what he would write after his year of thought and consultation with members of the Princeton faculty. Though I cannot claim to have been one of his closest friends, it does so happen that I had been in touch with him since 1967 about a problem which is today often in the headlines. I refer to the use of the local property tax as a basis for the financing of the public schools (grades k-12). I recall a number of conversations in which we considered what was then a heretical idea, namely to shift to the state all or almost all the responsibility for the financing of the schools. While *not* committing himself to a position which we would today call full state funding, he was most positive in his answers to questions leading in that direction.

If a man with his vast experience with school financing thought something radical should be done, who was I to hesitate about going against all I had heard during the years I had been associated with officers of the National Education Association and the American Association of School Administrators? So I abandoned the old slogans about local control and looked at the realities of the current situation. It turned out that Allen and I were not alone. Without our being aware of it, Arthur E. Wise of Chicago was writing his book,

Dr. Conant is President Emeritus of Harvard University, served as United States Ambassador to the Federal Republic of Germany during 1955-57, and is the author of numerous recent books on education.

The Alfred Dexter Simpson Lecture is held in memory of the former Professor of Education at Harvard and founder of the New England School Development Council. Professor Simpson's central idea of 'Administration Broadly Conceived' is the focus of this lecture series, of which this is the twelfth lecture.

*Rich Schools, Poor Schools: The Promise of Equal Educational Opportunity*,<sup>1</sup> and developing the idea that the traditional method of financing was unconstitutional, a point of view which never occurred to me. I know Jim Allen was happy about the decision of the California court, for he wrote me to express his pleasure and to send me a copy. I feel certain he would have rejoiced at the Christmas Day news from Texas.

With this bit of personal history in mind, I am sure you will all agree that it is fitting that I take as my text a paragraph from Allen's Simpson Lecture of a year ago. Speaking of the role of the states, Allen said:

Current conditions and future probabilities have made it impossible to continue to ignore the long apparent need for a drastically revised pattern of school finance. The general pattern now existing is more often restrictive than supportive. As the possibility of revisionary action comes nearer, the proposal for state assumption of all, or substantially all, of the local costs of elementary and secondary education is gaining support.

Tonight I shall present the case for the assumption by the state of *all* the costs. From what I have heard so far in this conference, I judge that logic is on the side of what I am presenting, but politics is not. I shall assume that sufficient evidence has been already placed before you to convince everyone that there is need for change in the way we finance our public schools (grades k-12). The article by Steven J. Weiss in the *New England Economic Review* for January/February of 1970 documents the need for change in the six New England states. The pamphlet sponsored by the U.S. Office of Education entitled "Future Directions for School Financing: A Response to Demands for Fiscal Equity in American Education" surveys the national scene. Alternative models are presented illustrating "possible ways in which state and local governments might approach the task of securing revenue and allocating it to support school districts." All involve the assumption that local taxes will continue to support local schools to some degree.

The doctrine of local control was very familiar to me. You might say I was brought up on it. I helped create the model set forth in the ideal picture of public schools of the future painted in "Education for All American Youth" published in 1944 by the Educational

<sup>1</sup>Arthur E. Wise, *Rich Schools, Poor Schools: The Promise of Equal Educational Opportunity*, Chicago: The University of Chicago Press, 1968.

Policies Commission of the National Education Association. I was then one of the members of the Educational Policies Commission. I can count myself a supporter of a prophecy about financing schools which reads in part as follows: "The state of Columbia [the ideal state we were describing] [had] adopted a state school finance system which equalized the tax burden between districts for a minimum educational program and provided ample latitude for each district to develop a maximum program in accordance with its resources and the vision and judgment of its citizens." State funds were to be used as a supplement to money raised by local property taxes. In essence what we described in 1944 was a foundation program.

I propose this evening to defend a totally different method of financing the public schools. It might be called full state funding or it might be called the creation of a system of state schools. Those who do not like this approach will probably be quick to speak of state schools and claim that any system of schools which is not financed in part by local taxes will be completely controlled from the state capitol. In the last few years, since I advocated the elimination of local fiscal support of elementary and secondary public schools, I have heard time and time again the statement that "local control of the public schools is essential and such control will vanish if the state foots all the bills." I venture to disagree. Let me quote again from Allen's Simpson Lecture:

The principal objection that is raised to such a move [i.e., state assumption of costs] is that it would constitute a threat to local control. While there is room for reasonable concern, many circumstances and aspects of local control point to the possibility of breaking the tie between it and local financing not only without detriment to the exercise of true local control or to the quality of the education, but, indeed, with a strengthening of both.

#### *The Proposed State System*

The system of schools which I am tonight proposing would be financed by the state. There would be no local school taxes. The degree to which parents participated in making the critical decisions would depend on how the legislature arranged matters when it set up the new system. An essential part of what I am advocating would be the creation of many school districts, each with a school board elected by the voters of the district. Each board would have the right to appoint the district superintendent and the principals of the

schools. There would be as much power in the board including the power of innovation as is now usual in many states.

To what extent these new districts would be identical to the present districts as to the area of their jurisdiction would depend on what the legislature decided. Since no question of taxes would be involved, the boundary line of a district could be determined by educational considerations. I would hope that the new lines would be drawn to create as many districts with a heterogeneous population as possible. For example, the voters in a 100 percent black district might agree to a merger with a white district, thus making possible two truly comprehensive high schools.

A uniform salary scale would be essential. It would be the consequence of collective bargaining at the state level. In some states there might be adjustments to salary scales in different areas to make allowance for differences in the cost of living. Each school district represented by the elected chairman of the elected school board would be charged by the legislature with drawing up what I might call a "manpower budget," based on the needs of the schools in the district in question. The number of teachers in each grade and in each special area would be listed as proposed by a local agreement of the principals, the teachers' representative, and the superintendent. There would be no question of forcing the staff into a bureaucratic mold set by the officials in the state capitol. The dollar sign would not enter until the manpower budget of each district had been translated by the application of the salary scale.

While the eventual power would rest with the state legislature, the staff of the chief state school officer would play an important role. As Allen made evident in his lecture, strengthening the state structure is essential. For example, districts which had a larger percentage of disadvantaged children would be entitled to an increase in the teaching staff following guidelines determined by the state as a result of collective bargaining. The creation of a state budget to be presented by the governor to the legislature would follow from the application of the salary scale to the summation of the many "manpower budgets." Construction needs would be determined by state officials after consultation with the chairmen of the local boards.

The method of preparing budgets which I am suggesting could be applied on paper by a state which was thinking of abolishing local property taxes for schools but had come to no final decision. Whether a salary scale and manpower estimates could be drawn up before the state was committed is perhaps a question; the attitude of the teachers' organizations would have to be favorable. But at least a

rough estimate of the total of the state education budget for schools could be placed before the public.

The increase in the state budget would have to be met with new or increased state taxes. The history of the state in question would determine the most acceptable form of taxation. How the voter would respond to an enlarged sales tax or increased income tax is a question. The removal of the property tax would be most welcome. Whether the joy at this move would carry over into a discussion of state taxes in general, I leave to others to say.

### *The "Lighthouse" Schools*

I have left to the last the consideration of a frequently heard objection to full state funding. In a word it amounts to a plea for the continuation of high cost schools in a few districts: such secondary schools as those to be found outside Chicago in Oak Park or Evanston, for example, or in parts of Westchester County, New York, which report high per pupil expenditures. These are the so-called "lighthouse" schools. They have been the result of the existence of school districts with a rich tax base in which the residents were willing to pay sufficient taxes to support extraordinarily costly schools.

The theory has been that the expensive schools stood as beacons lighting the way toward the kind of school which should exist in every district. It is argued that the traditional American method of financing the public schools allows the taxpayers in any district to agree on a tax rate which will go far to make their school a "lighthouse" school.

In recent years many questions have been raised to challenge this line of argument. Local property taxes have risen so rapidly that there is discontent even in wealthy "lighthouse" districts. Embarrassing questions are being asked. Why are per pupil costs so much higher in our district than in another? Is the difference a reflection of differences in the salary scale of teachers? (In part, it probably is.) Or is the pupil-teacher ratio the chief factor? If it is, what is the "right" ratio? In some "lighthouse" schools the curriculum of the higher grades is characterized by its scope. For example, in one high school I know of, the possibility exists of studying any one of five different foreign languages. Should all high schools aim at an equally wide offering?

Those who, like myself, support full state funding, are asked whether we propose that the expenditure per pupil throughout the

state should be at the level of the most expensive districts in the state. If not, how is the level to be determined? By some state official, the chief state school officer? I have tried in my exposition to answer, in part at least, these questions and the arguments of the proponents of the present system.

Let me repeat. I suggest that as regards teachers' salaries, one district would not differ from another; there would be a state-wide salary schedule. As regards the pupil-teacher ratio and the scope of the educational offerings, the decision for each school would be a consequence of a local discussion in which the chairman or president of the local elected school board and the local teachers' organization would play prominent parts. The making of a budget I have already described. The concept of "lighthouse" schools would disappear.

#### *True Local Control*

Under a system of full state funding, the office of chief state school officer would have much power. But to my mind the important decisions about schools would more likely be the result of informed discussion than has been the case historically in the United States. To be sure, a system of state-supported schools *might* be one in which all important matters were settled without citizen participation. On the other hand, it might be a system in which many more citizens had a voice than in most states at present. There is a great deal of mythology in all discussion of political arrangements. The myth which I am questioning is the one which demands a close coincidence between financing schools and managing them in the name of local control. I am in favor of cutting the connection without giving up the belief in the importance of keeping citizens involved in school affairs.

Any thorough discussion of "lighthouse" schools brings to the surface the difficult problem of the relation between cost per pupil and the quality of education. If we did not believe there was *some* connection, we would not be here tonight discussing the financing of the public schools. Yet we are all aware there is no one-to-one relation. The significance of the home and the neighborhood cannot be overlooked. Many factors which determine the educational opportunities in a district cannot be defined in quantitative terms.

There are some factors, however, which are directly related to money spent on formal education. It is these factors which could be made more nearly equal throughout a state: salaries, pupil-teacher ratio, scope of the elective offerings, physical facilities. Anyone who

has visited different school districts is aware of the existence of the many frustrated superintendents who would introduce changes throughout the schools in their districts if only the money were available. The burden of my remarks has been that if the public schools in a state were state-supported, the number of frustrated superintendents would be greatly decreased. Only experience will show whether my contention is correct. Hence my hope that some state will abolish local taxes for schools and adopt the principle of full state funding. I venture to believe that this conference is a step in that direction.

What I have ventured to suggest is a system by which state money is to be distributed for the education of children and youth who attend the public schools. To quote from Allen again, I am expressing the belief that "removing considerations of financing from the local level would make it possible to realize the true intent of local control — to allow both parents and school authorities to concern themselves with the real matters of education and to make decisions on the basis of educational worth."