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PAST AND PRESENT PROBLEMS IN FINANCING IOWA SCHOOLS

The Iowa School Finance Study Commission  
State University of Iowa  
Iowa City, Iowa

## THE IOWA CENTER FOR RESEARCH IN SCHOOL ADMINISTRATION

State University of Iowa

*Research Digest*

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Iowa City, Iowa

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Special Commission Report No. 1

November 1, 1960

PAST AND PRESENT PROBLEMS IN FINANCING IOWA SCHOOLS

A report of The Iowa School Finance Study Commission  
of the Iowa Center for Research in School Administration

## A Digest

The pattern of public school finance in Iowa emerged during territorial times. Very early in history "State Aids" from Federal land grants and other non-state tax resources contributed a sizeable share of the total operating cost for schools. This advantage was soon dissipated as school costs climbed rapidly but the so-called "State Aids" changed but little. At the turn of the century these aids contributed an almost negligible amount to total operating costs.

Reliance on local tax resources to support almost all of the cost of public education became crystallized into a tradition during the last half of the 19th century. Limited State Support was initiated in 1913 but then only for districts of a specific type and programs of a specific nature. This pattern of State Support continued until the end of World War II.

More extensive and more general "State Aid" for schools is a post-World War II phenomenon. State funds for public education in multi-million dollar amounts started in 1945-46. They could be measured, however, in pennies per day per pupil. State support jumped from \$327,825 in 1944-45 to \$2,753,688 in 1945-46 to almost \$24,000,000 in recent years. These amounts may seem large, but constitute only about 10 1/2% of total school costs. School costs exceeded \$100,000,000 annually for the first time in 1950-51 and are estimated to exceed \$200,000,000 at the start of the 1960 decade. School costs during the 1950 decade went up \$100,000,000 but State Aids increased by only about \$5,000,000.

State support for Iowa schools can be characterized as "too little" and also "too late" to fulfill the intent of the laws as aids have had to be pro-rated in almost every year.

There have been many studies of the problems of financing Iowa schools. Their recommendations have been followed on only a few occasions. It is a lack of action on desirable recommendations rather than a lack of school finance studies which plague the state. Fresh and current data can be supplied for most of the past studies if there is a desire to implement any one. This would not take very long to accomplish.

The report and appendix that follow contain highlights of various Iowa school finance studies for those that desire to probe further. Much of this report is based on the studies summarized in the appendix.

# THE IOWA CENTER FOR RESEARCH IN SCHOOL ADMINISTRATION

State University of Iowa



Iowa City, Iowa

## Research Reports

Special Commission Report No. 1

November 1, 1960

### PAST AND PRESENT PROBLEMS IN FINANCING IOWA SCHOOLS

A report of The Iowa School Finance Study Commission  
of the Iowa Center for Research in School Administration

Written by: S. J. Knezevich

Based on research data provided by: E. E. Moore  
and A. V. Perry, Research Assistants of the  
Iowa Center

#### The Birth of School Finance in Iowa:

The 1838 Territorial Legislature of Iowa declared "that there shall be established a common school, or schools, in each of the counties."<sup>1</sup> This was the legal beginning of public education in our state. These schools were to be "open and free for every class of white citizens between the ages of 4 and 21 years."<sup>2</sup>

It was during the territorial period that the basic pattern for financing schools in Iowa began to emerge. The territorial legislature created a system of public schools but charged, in 1840, that the county should help pay for schools through the levy of a tax of "not less than one mill, nor more than five mills on the dollar, on the assessed value of all property real and personal."<sup>3</sup> In 1848, a district tax was authorized for school building purposes. The use of the local and county property taxing powers for schools were forward looking approaches considering that the time was prior to the Civil War. Legislation after statehood supported territorial laws. The "Second Iowa School Commission" of 1856 declared that it was "the obligation of property to bear the burden of taxation for the support of public instruction."<sup>4</sup>

The basic idea of relying on the property taxes to pay the lion's share of the cost of educating children and youth in Iowa public schools continues right up to the present day. Everywhere around us there is evidence that the people and the state of Iowa have experienced much change and progress during the more than 120 years since organization as a territory. The basic framework for supporting public schools in Iowa, in contrast, has changed but little during these same years. Little wonder that in recent years a considerable amount of difficulty has been evidenced in financing schools even in the efficiently organized school districts. All indications are that the financial plight facing schools will worsen if we continue to rely on 19th century patterns to finance 20th century institutions.

Supplementary sources of funds appeared as early as 1846 when "all fines collected for any breach of the penal laws" and "all monies arising from the granting of licenses for the sale of ardent spirits" and all funds resulting from the sale of "lost goods and estrays"

were "appropriated to the use of the common schools."<sup>5</sup> Even more important than such incidental fines, fees, and sales were the so-called "State Aids" which came from sources other than State taxes. It was a form of "Federal Aid" plus a county property tax which gave rise to the first Iowa "State Aid" for schools. About 2,500,000 acres of good Iowa land (the exact amount is difficult to determine) were given by the Federal government to Iowa when it became a state. Unfortunately, some of the land sold for as little as twenty-five cents an acre and most went for \$1.25 per acre. The first "Federal Aid" for Iowa schools in the form of land grants did much to stimulate public education in spite of mismanagement of the funds.

In 1850, 42% of the current expenditures for public education came from State funds created as a result of the Federal land grants to Iowa. School costs rose faster than did the interest from the "Permanent School Fund" and so this form of State Support dropped to 29% of current expenditures for public schools in 1860, to 12% in 1870, to 8% in 1880, to 5% in 1890 and to 1 1/2% in 1900.

#### Tax Study Commissions - A Popular Pastime

The formation of "Tax Commissions" came to be a popular pastime in the twentieth century. They were stimulated, doubtless, by the financial problems resulting from the ever changing and more complex times. There were tax study commissions created in 1911 (34th G. A. ), 1921 (39th G. A. ), 1929 (43rd G. A. ), 1945 (51st G. A. ), and 1955 (56th G. A. ).<sup>6</sup> This list does not include the "depression committees" of 1931 and 1933 whose purposes were a "reduction of governmental expenditures." All tax commissions submitted recommendations which, if enacted, would have had an impact on schools. The interest of tax study groups in education was the result, doubtless, of such facts as school district taxes rising from 35% of all taxes levied in the State in 1915 to 45% in 1928.<sup>6</sup> It was during the World War I period that school taxes showed marked increases. Between 1917 and 1921 the levies for public schools more than doubled.

The legislative penchant to form "study commissions" was not followed by a compulsion to adopt the recommendations filed. Usually the General Assembly hesitated for some years before acting on findings of study commissions. Thus, the 1911, 1921, 1929, and 1945 tax study groups recommended the election or appointment of county assessors before it was realized by law in 1947. The 1911, 1921, 1929 commissions called for a state income tax before it was enacted in 1934. Of no less significance was the number of recommendations that were ignored. One might conclude that the Iowa pattern of the last 50 years (at least as far as school finance is concerned) has been : 1. ) to appoint a tax study commission; 2. ) to ignore most of the forward looking recommendations; and 3. ) to enact frequently repeated and non-controversial recommendations after a "decent" period of time has elapsed.

The recent "Iowa Taxation Study Committee" of 1955 proposed some significant recommendations on school finance and organization that were enacted into law by the 1957 General Assembly.<sup>7</sup> Its proposal for a new form of expanded State Aid to schools has been ignored to date.

#### Educational Commissions - There Have Been Many

The number of so-called "educational commissions" during the twentieth century ex-

ceeds the number of "tax commissions." The first Iowa School Commission was organized in 1839. It was followed by the historically significant "Second School Commission" of 1856 headed by Horace Mann, Amos Dean, and Judge Bissell.

There were school study groups authorized during the 20th century by the legislature such as the 1907 Commission, the fact finding survey of 1929, the Iowa School Code Commission of 1941, and the Second Iowa School Code Commission of 1943. There were those which grew out of the activities of the professional education association and the Department of Public Instruction. These include the Better Iowa School Commission of 1911-12, Iowa Committee on Educational Finance of 1950, and the Iowa Research Committee on School Finance in 1952. In addition there were a number of more informal school study groups: many of which did not issue printed reports. All committees had something to say about school finance.

From time to time the Department of Public Instruction and the Iowa State Education Association released reports on school finance and recommended courses of action. There have been many master's and doctoral dissertations on school finance in Iowa, a number of which were stimulated by the significant study entitled The Financing of Education in Iowa, published in 1925.

This is overwhelming evidence to support the contention that the financing of public education in Iowa has been a matter of considerable thought, study and writing during the past 50 years. Iowa does not want for school finance studies, but it does suffer from a lack of action on desirable recommendations. Sometimes the difficulties were compounded within the profession. To illustrate, The Iowa Research Committee on School Finance in 1952 provided an unusually fine analysis of finance problems and proposed some sound solutions. Unfortunately, the proposals of the 1952 committee never received the support they deserved from many Iowa educators as well as legislators.

#### School Support and the Property Tax

The famous economist F. R. A. Seligman declared: "Practically, the general property tax as actually administered is beyond all doubt one of the worst taxes known in the civilized world." But as another economist put it, "The property tax with all its faults has great fiscal virtues." The fact remains that the property tax continues to exist, and it is well adapted to local use.

The many studies of financial problems affecting the public schools have all had something to say about the property tax. The earliest of the tax commissions called for improvement in assessment practises through creation of county (rather than local) assessors and also a state tax commission.

Relieving the tax burden upon property is no new slogan. It has been advocated during most of this century. Part of the problem stems from the fact that schools did not benefit much from the newer forms of taxation introduced in the 20th century. The call for more reliance on taxes other than those on property to support Iowa schools has been heard for 25 years or longer. A 1925 study declared that Iowa "has been a most backward state in reforming its tax system to conform with general changes in economic conditions."<sup>8</sup> This same study put considerable emphasis on improving the administration of the property tax. It also pointed out the need for more State Aid for schools with such aid being distributed on an equalization basis.

The crude gross tax rate (composite) in Iowa for public schools is currently \$39.35 per \$1,000 of assessed valuation of property. The gross tax rate per \$1,000 full valuation is estimated at \$9.44. The net tax rate after homestead tax exemptions and agricultural land tax credits are subtracted is at least 15% lower. Nevertheless, these rates are increasing so that they are approaching the excessive burden stage. Comparable rates for last year were \$36.32 and \$8.72.

#### State Aid - Too Little and Too Late:

The first 'State Aids' to Iowa schools were derived from revenues resulting from Federal land grants, a county property tax, and non-tax sources rather than any State level taxes. In other words, the State did the job of apportioning rather than raising the funds. The earliest evidence of State support of other types was the money granted for 1858 to finance teachers' institute. It is interesting to note that teachers' institutes have been supported by state appropriations for more than 100 years.

The financial problems relating to the extension of public education to include high schools during the early part of this century stimulated anew the quest for State Support. The "Better Iowa Schools Commission" of 1911-12 encouraged the development of rural high schools and recommended State Aid to stimulate the "voluntary consolidation of schools."<sup>9</sup> The 1913 General Assembly authorized a limited amount of State Aid for consolidated schools as well as for normal training courses in high schools. This was the first real State Support in more than 50 years of statehood.

These early State contributions were small for in 1921 about 96% of the funds for public elementary and secondary education came from local sources, 4% from the State, and very little from the Federal government. As early as 1925 it was recognized that the one great obstacle to the proper development of educational programs in Iowa was the great proportion of the burden of school support borne by the locality.

The failure to appropriate enough funds to pay in full the amount of State Aid a district was entitled to by law is an old practise in Iowa that continues right up to the present. Thus, in 1934 all State Aids (outside the interest on the Permanent School Fund) required an appropriation of \$750,600 but the legislature provided only \$397,000. As a result the consolidated schools received less than 1/2 the amount they were entitled to and standard rural schools less than 1/3. During the early part of the 1930's revenues received by schools from State sources amounted to only between 1 and 2% of the total school revenues.<sup>10</sup>

There was a wait of more than 30 years for the next significant event in State support for schools. In 1945 about \$1,000,000 in Supplemental Aids and \$2,000,000 in Transportation Aids were appropriated by the legislature. State Aids in multi-million dollar amounts are a Post-World War II phenomenon. In spite of the increase in amounts only about 3 1/2% of the total cost of schools in 1945 came from direct State Aids to schools.

1947 saw a further expansion of over \$7,000,000 in state support. Total direct aids in 1947 reached \$11,000,000 but only about 11 1/2% of the total cost of public education. 1949 saw additional increases in State support to a total of more than \$17 1/2 millions. School cost also climbed so that State Aids remained less than 17% of school costs. The State Aid pattern remained fairly stable and did not change much until 1955. School costs

did change considerably so that by 1954 direct State Aids were only 10 1/2% of total school costs. State supports in amounts of about \$24 millions were appropriated in recent years.

It must be kept in mind that full payment of State Aid claims to local districts was a rarity in spite of the increased State monies appropriated. The appropriations were almost always "too little" for the rising school enrollments. In 1950-51 General Aid claims had to be pro-rated to about 87 1/2% of the amount due, Supplemental Aid to 88.7% and Transportation Aid to about 87%. The most recent School Aid requisitions for 1959-60 continued the practice, for once again the appropriations forced General Aids to be pro-rated at 88.9% and Supplemental Aids at 41.6%.

#### School Costs and School Taxes:

School costs are tricky to interpret. A special report on what are school costs will be released in the future. For the purposes of this report, expenditures from the General Fund only will be analyzed. Money for capital outlay or debt retirement will not be considered.

To begin with school costs have climbed in every decade but one during the history of public education in Iowa. Expenditures for schools declined during the "depression decade" of 1930-40. Almost all high school districts today have budgets which exceed by far the \$71,219 expended in 1850 to meet all general school fund costs in Iowa. Disbursements for schools exceeded \$3,000,000 in 1870 and this sum was more than doubled by 1890.

Current expenditures for Iowa schools did not exceed \$100,000,000 in any one year until 1950-51. It is estimated that annual current operating expenses for schools will exceed \$200,000,000 for the first time in 1960-61. From 1899-1900 to 1949-50, the first 50 years of this decade, current expenditures for schools per year increased almost \$85,500,000. During the past decade school operating costs climbed by about \$100,000,000 or far more than the overall growth during the previous 50 years. If present trends continue, annual school costs at the end of the 1960 decade will be \$150,000,000 more than they were at the end of the 1950 decade. This is a conservative estimate.

Inflation, of course, takes its toll on schools as well as other parts of society, increasing enrollments, expanding programs, better qualified teachers, lengthening the school term to include summer school experiences, as well as the general demands for better quality and greater educational services contribute their share to ever-rising school costs.

Property taxes must supply most of the funds for current operating and other school costs. The following figures include property taxes used for all school expenditures (not just current expenses). As would be expected from the previous paragraphs on expenditures, property taxes for schools went beyond the \$100,000,000 mark very early in the 1950's. If present trends continue, school property taxes will exceed \$200,000,000 annually by 1960 and \$300,000,000 annually by 1968.

The total for all property taxes in Iowa for all governmental purposes was almost \$124,000,000 in 1946. By 1951 these taxes went beyond \$210,600,000, and by 1957 hit almost \$304,200,000. If present means of financing various governmental expenditures do not change radically, Iowa property taxes will total more than \$400,000,000 annually by 1962 more than \$500,000,000 by 1967, and more than \$600,000,000 by 1971.

Although school property taxes climbed in total amounts from \$66,867,449 in 1946 to \$178,529,642 in 1958, the percent school taxes were of all property taxes remained fairly stable. Although the percentage relationship has fluctuated, schools took a little less than 54% (53.94%) of total property taxes in Iowa in 1946 and a little more than 54% (54.34%) in 1958. The trend since the low percentage point in 1948 has been upward. It indicates that other governmental units that rely heavily on the property tax have experienced substantial increases in operating costs. It is the combined effect of rising costs in public schools and of other governmental units (that are forced to rely heavily on the property tax for revenues) that will send property taxes skyrocketing.

Although the following data developed by the Iowa State Department of Public Instruction have been used quite extensively by Blythe Conn and the Iowa Association of School Boards they are worth repeating here:

## IOWA PROPERTY TAXES

Year	Actual		Per Cent School taxes are of total	Year	Predicted	
	*Total Prop. taxes	Prop. taxes for schools			Total Prop. taxes	Prop. taxes for schools
1946	\$123,966,692	\$66,867,449	53.94%	1960	\$367,000,000	\$200,990,000
1947	142,030,031	75,495,686	53.15	1961	386,000,000	212,000,000
1948	170,115,404	85,012,919	49.67	1962	406,000,000	225,000,000
1949	176,340,570	88,724,089	50.31	1963	427,000,000	237,000,000
1950	188,954,442	95,782,019	50.69	1964	448,000,000	250,000,000
1951	210,665,468	108,218,981	51.33	1965	469,000,000	263,000,000
1952	227,778,512	118,143,942	51.87	1966	492,000,000	276,000,000
1953	242,178,793	127,780,771	52.76	1967	514,000,000	290,000,000
1954	251,913,029	134,975,882	53.58	1968	537,000,000	304,000,000
1955	267,336,890	142,333,414	53.42	1969	560,000,000	318,000,000
1956	284,785,386	151,899,398	53.34	1970	584,000,000	332,000,000
1957	304,193,904	162,706,662	53.49			
1958	328,544,813	178,529,642	54.34			
1959	**352,000,000	***189,600,00	---			

\*Includes property and monies and credits taxes

\*\*Estimated taxes on property alone--from figures based upon survey by Iowa Taxpayers Association.

\*\*\*Actual for school fiscal year ending June 30, 1959

## Footnotes

1. See Summary #2

2. Ibid

3. Ibid

4. C. R. Aurner, History of Education in Iowa, Volume I, State Historical Society of Iowa, 1914, p. 30

5. See Summary #2

6. See Summary #17

7. See Summary #23

8. See Summary #8

9. See Summary #5

10. R. C. Williams, "Distributing State Funds to School Districts in 1934," Research Bulletin No. 17, Iowa State Department of Public Instruction, 1934 (mimeographed).



## SUMMARY NO. 1

Page 6

## FEDERAL AND STATE AID TO EDUCATION IN IOWA

by H. S. Buffum (1906 - 1907)

Purpose of the Study: historical study of federal and state aid to education in Iowa

Excerpts From the Study:

The first grant by the federal government to the State of Iowa was made by an act of Congress, approved March 3, 1845. A proposition of this act was that 'section numbered sixteen in every township of the public land, shall be granted to the State for the use of schools!'

The constitution under which Iowa became a State declared that "The General Assembly shall encourage, by all suitable means, the promotion of intellectual, scientific, moral, and agricultural improvement. The proceeds of all lands that have been or hereafter may be granted by the United States to this State, for the support of schools, which shall hereafter be sold or disposed of. . . . shall be and remain in a perpetual fund, the interest of which, together to the support of common schools throughout the State."

Records of the Secretary of State report a total of 1,014,331.05 acres in the grant. In an act of Feb. 25, 1847, the legislature placed the disposal of the land in the hands of township trustees. The land was to be sold at a minimum of \$1.25 per acre. In an act Mar. 23, 1858, the new minimum value was to be \$2.50 per acre. A subsequent act of 1860 provided for appraisal but did not specify any minimum valuation. As a result some of the land sold for as little as 25¢ per acre until the legislature fixed a minimum of \$1.25 per acre in an act of March 29, 1864. Continuing problems resulted in a \$6.00 per acre minimum price enacted March 21, 1870. The total amount of money received from this act is impossible to ascertain.

The United States Congress on Sept. 4, 1841 granted to Iowa (and several other states) 500,000 acres of land for purposes of internal improvements. In the Iowa Constitution the proviso that the proceeds of this land was to be appropriated to the common schools. Consent to this diversion was given on Dec. 28, 1846 in the act of Congress admitting Iowa to the union.

Section 6 of an Act of Congress, March 3, 1845, entitled "An act supplemental to an act for the admission of the States of Iowa and Florida into the Union" provides that "five per cent of the net proceeds of sales of all public lands lying within the said State (Iowa), which have been, or shall be sold by Congress, from and after the admission of said State, after deducting all the expenses incident to the same, shall be appropriated for making public roads and canals within said State, as the legislature may direct." This was another case in which the diversion of funds to education was eventually approved for the State of Iowa. Reports of the Superintendent of Public Instruction to the General Assembly show \$580,475.48 received from the sale of these public lands under this act as of Oct. 2, 1858.

The first actual grant of state funds for common school purposes passed in an act of March 12, 1858, reorganizing the system of public instruction in Iowa. The act provided that whenever not less than thirty teachers should desire to assemble to hold a teacher's institute of not less than six working days duration, the State Superintendent should appoint a time and place for such institute. The superintendent was to receive from the Treasury a sum not exceeding \$100 for any one institute. The act appropriated a sum of \$1000 per annum.

SUMMARY NO. 2

EXCERPTS FROM IOWA TERRITORIAL LAWS

Sections relating to the establishment of common schools and their finance:

Section 1: "Be it enacted by the Council and House of Representatives of the Territory of Iowa, that there shall be established a common school, or schools, in each of the counties of this Territory, which shall be open and free for every class of white citizens between the ages of four and twenty-one years; provided. that persons over the age of twenty-one years may be admitted into such schools on such terms as the trustees of such district may direct."

Section 9: "That it shall be the duty of the collector of each school district to collect all the moneys belonging to, or due, the same, when directed so to do, and to collect such taxes as by the vote of the district, shall be levied, and to pay over all moneys, when collected, to the treasurer of said district, within twenty days after such collection, except five per cent, which he shall retain for his services, taking his receipt for the same."

The above was amended January 16, 1840; Chapter 11, Section 1: "That for the purpose of providing a fund for the support of common schools in the several counties of this territory that it shall be the duty of the boards of commissioners of the several counties, at the time of levying the tax for county purposes, to levy a tax, not less than one mill, nor more than five mills on the dollar, on the assessed value of all the property real and personal, within their respective counties.

Section 5: "All fines collected for any breach of the penal laws of this territory, all monies arising from the granting of licenses for the sale of ardent spirits by the county commissioners, and all sums of money in the respective treasuries arising from the sale of water crafts, lost goods and estrays, be and the same are hereby appropriated to the use of common schools within the county wherein they accrue." (approved January 13, 1846)

## SUMMARY NO. 3

## EDUCATIONAL COMMISSION 1907 - 1908

Authorized by: 32nd General Assembly (1907)

Appointed by: Governor

Members: Dr. F. E. Bolton, Chairman, State University of Iowa; Arthur Springer, Wapello  
W. H. Bailey, Des Moines

Purpose of the Committee: Revise, amend, and codify the statutes relating to public schools.

## RECOMMENDATIONS PERTAINING TO SCHOOL FINANCE AND TAXES ONLY

Recommendations	Action by 1909 General Assembly
1. The school laws of Iowa should be completely rewritten.	1. None
2. The county treasurer should act as treasurer for all all school districts in the county.	2. None
3. Graduates of the eighth grade in districts that do not maintain high schools should be entitled to attend any high school in the state with tuition paid by the district in which he resides.	3. None (Enacted 1911)
4. Plans for new and remodeled school buildings should be approved by the Superintendent of Public Instruction.	4. None

## SUMMARY NO. 4

## TAX COMMISSION 1911

Authorized by: 34th General Assembly (1911) Appointed by: Governor

Members: Bi-partisan committee consisting of M. H. Cohen, Des Moines; C. N. Voss, Dav-  
enport, A. C. Ripley, Garner; B. E. Stonebraker, Rockwell City; J. H. McConlogue,  
Mason City.

Report Published: Not published but submitted to governor by Oct. 1, 1912.

Purpose of the Committee: Study tax assessment, collection and levy laws with the purpose  
of improving them.

## RECOMMENDATIONS PERTAINING TO SCHOOL FINANCE AND TAXES

Recommendations	Action by 1913 General Assembly
1. Appointment of a permanent state tax commission	1. None (Enacted later in 1929, called Board of Assessment and Review)
2. Election of a county assessor rather than the present township assessor.	2. None (Similar bill enacted 1947)
3. Enact a direct inheritance tax.	3. None (Enacted later in 1921)
4. Enact a state income tax.	4. None (Enacted later in 1934)
5. Amend the constitution, making possible the exclusive state taxation authority over certain types of property. (Railroads, Telegraph Lines, etc.)	5. Passed G. A. 1913. No further action.

## SUMMARY NO. 5

## BETTER IOWA SCHOOLS COMMISSION 1911-1912

Commission requested and reported to: Iowa State Teachers Association.

Appointed by: State Superintendent of Public Instruction

Members: Warren Garst (former Governor) Chairman, 20 other members.

## RECOMMENDATIONS PERTAINING TO SCHOOL FINANCE AND TAXES ONLY

Recommendations	Action by 1913 General Assembly
1. Voluntary consolidation of schools with minimum of 16 sections. State aid for consolidated schools, amount to depend upon number of departments, grade of teachers employed, course of study, and kind of building. State aid to be raised by a small graduated tax on inheritances exceeding \$10,000, a millage tax, etc.	1. Enacted Appropriation of \$30,000 ea. year for two years, \$50,000 ea. year for four years.
2. Every high school that meets the requirements for the normal school teacher training course shall receive \$500 annually.	2. Enacted Appropriation of \$100,000
3. Powers of the Department of Public Instruction should be increased; an adequate contingent and traveling expense fund should be provided; salary of the superintendent of public instruction should be no less than \$4,000 and term of office 4 years. Compensation of deputy superintendent should be commensurate with his responsibilities.	3. None
4. Duties and importance of county superintendent should be increased, salary fixed as high as any other county official (not less than \$1,800), standards for office raised, and facilities for the supervision of the schools increased. The term of office should be 4 years.	4. None
5. Rural independent districts should be abolished and the establishment of township as the unit of organization in rural districts.	5. None
6. All school officers should be required to attend an annual conference to be called by the county superintendent.	6. None
7. The office of school treasurer should be abolished, the county treasurer being authorized to pay all warrants on the school funds. School funds should draw interest the same as other funds.	7. None
8. School funds should consist of a schoolhouse fund and a general fund.	8. None (Enacted later in 1917)
9. The school laws should undergo a complete recodification.	9. None
10. School Boards should be allowed to contract with city superintendents for a period not to exceed 3 years.	10. None

## SUMMARY NO. 6

## UNIVERSITY OF IOWA EXTENSION BULLETIN

Title: School Finance in Iowa

Published: August, 1920

Study Conducted by: Wm. F. Russell, Dean, College of Education and 17 graduate students.  
Excerpts and Conclusions from the Report.

In the cities of 5 - 10,000 in the state, some cities are spending twice as much as others for education in proportion to their wealth. In the cities of 2 - 5,000 there is a variation of three times and in towns of 1 - 2,000, the variation is as high as ten times in proportion to the wealth of the town.

In 1910, Iowa did not expend as much for schools in proportion to real wealth as in either 1890 or 1903, despite the fact that expenditures were five times as great at the former date and three times as great at the latter---. Taking into account the growing realization of the importance of education, greatly increased expenditures can be justified.

The report states that "The percent of school levy to general municipal levy varies very little according to the size of the town. The community that is spending much less than 55% of the money raised for local purposes for schools is not in line with the general practice of our state."

A further conclusion is ;that "It is only by the adoption of a uniform (accounting) system, --that Iowa schools can hope to arrive at a system of scientific budget making."

## SUMMARY NO. 7

## LEGISLATIVE COMMITTEE ON TAXATION 1921 - 1923

Authorized by: 39th General Assembly (1921) Appointed by: Speaker of House - four members;  
Report Published: Jan. 1923 Lieutenant Governor = four members.

## RECOMMENDATIONS PERTAINING TO SCHOOL FINANCE AND TAXES

Recommendations	Action by 1923 General Assembly
1. Establish a state board of assessment and review	1. None (Enacted later in 1929)
2. Create a system of county assessors	2. None (Enacted later in 1947)
3. Assess property at full value.	3. None
4. In determining the actual value of property for taxation purposes, include its productive or earning capacity	4. None
5. Establish a state budget system.	5. None
6. Establish local budget committees.	6. None
7. Impose a tax on admissions to amusements, applying proceeds of such tax to reduction of county school taxes.	7. None
8. Approve the principle of the state income tax in lieu of other taxes on most classes of intangible and personal property and as a replacement tax.	8. None (Enacted later in 1934)

## SUMMARY NO. 8

## THE FINANCING OF EDUCATION IN IOWA

William F. Russell

Report Published : 1925 Purpose of the Study: To set forth the facts of what Iowa spends for education, what Iowa can afford to spend, and to suggest certain reforms.

Study Conducted by: Russell, Holy, Stone, and others at SUI under the general direction of the Educational Finance Inquiry Commission initiated by the Department of Superintendence of the NEA.

Excerpts of facts gathered over a period from 1909 to 1922:

1. There has been little change in population during this period. The total enrollment in elementary schools has increased only 1.4% while the high school enrollment has increased 39.9%. The total average daily attendance for both elementary and high school has increased 40.6%
2. Cost increased from \$15,500,000 in 1910 to \$63,000,000 in 1921, an increase of 40%.
3. About 96% of the funds for the support of elementary and high schools comes from the locality, and 4% from the state, and very little from the national government.
4. Serious obstacles to the development of education in Iowa are the antiquated system of taxation and the ineffective system of state subventions.

The study concluded that Iowa "has been one of the most backward states in reforming its tax system to conform with the general changes in economic conditions." The following recommendations of the temporary tax commission by the Governor in 1911 were supported:

1. Appoint a permanent state tax commission.
2. Use a county assessment system or at least rigid county supervision of local assessment.
3. Enact a direct inheritance tax.
4. Amend the constitution, making possible the exclusive state taxation authority over certain public service corporations.

The authors state that "20% of the total school support coming from the state, properly distributed, even with the present size of districts, would adjust these inequalities." Wider application of the principle established in the legislative grant to mining camp schools is suggested.

Summary of other findings supported in the study:

1. District school taxes are 45% of all direct property taxes in Iowa.
2. 85% of our disbursements go for operating costs, and one-half of all payments go for teacher's salaries.
3. Per pupil cost is highest in consolidated schools, followed by one-teacher elementary schools.
4. Per capita cost of high school is nearly twice that of the elementary grades in the same schools.
5. Iowa has a slightly higher per capita cost than the average for the U. S. A. A smaller per cent of our current expenses goes for instructional purposes and our average annual salary to teachers is lower than that of the United States or any of our neighbor states.

## SUMMARY NO. 9

## IOWA DEPARTMENT OF PUBLIC INSTRUCTION - RESEARCH BULLETIN #6 (1930)

R. C. Williams, Director of Research

Authorized by: 43d. General Assembly (1929) Appointed by: Supt. of Public Instruction  
 Members: R. C. Williams, Department of Public Instruction; Advisory committee of F. C. Stanley, chairman of the senate schools committee; E. M. Lichty, chairman of the House schools committee; H. B. Carroll and Benj. Jaycox.

Purpose: to make a fact-finding survey embracing the administration, supervision, and the instruction of the public school system.

Excerpts from the report:

TABLE 11

TABLE 1			Increase in Expenditures Since 1900	
Trends Since 1900	1900	1929	1900	1929
School Enrollment	566,223	546,852	Amount \$9,028,919	\$55,799,803
Average Daily Attendance	373,474	461,175	(An amount of \$59,067,971 is shown for 1922 which is the highest figure and is accounted for through greater bldg. activity at that time.)	
Graduates from 12th grade	2,800	20,233		

TABLE X111

Certain Expenditures in Iowa For 1928	Amount	% Cost of Schools is of each item
Public elementary, secondary, and collegiate education	\$61,446,373	16.19
Passenger automobiles	379,582,100	84.56
Life Insurance	72,662,990	
Luxuries (tobacco, confectionery, jewelry, cosmetics, amusements, etc.)	140,836,300	43.63

## SUMMARY NO. 10

## LEGISLATIVE COMMITTEE ON TAXATION 1929

Authorized by: General Assembly (1929) Appointed by: Speaker of House and Lt. Governor  
 Members: 3 from each house of the General Assembly

## RECOMMENDATIONS PERTAINING TO SCHOOL FINANCE AND TAXES ONLY

Recommendations	Action by 1931 General Assembly
1. Appoint full-time county assessors.	1. None (Enacted later in 1947)
2. Give the state board of assessment and review more definite authority over subordinate assessing officials.	2. Enacted
3. Raise a portion of the state general revenue by an individual income tax.	3. None (Enacted later in 1934)
4. Tax the sale of all forms of tobacco with an increase in present cigarette tax.	4. None
5. Levy a tax on billboards.	5. None
6. Levy an inspection fee and excise tax on all butter substitutes sold within the state.	6. Enacted
7. Establish tax on admissions to public amusements; revenue from such tax to be apportioned among school districts of state.	7. None
8. Appointment of committee to continue study of tax problem in Ia. There should be careful investigation of present school system in relation to efficiency of financial operation and tax expenditures.	8. Enacted

## SUMMARY NO. 11

## COMMITTEE ON REDUCTION OF GOVERNMENTAL EXPENDITURES 1931

Authorized by : 44th, General Assembly (1931) Appointed by: Governor (2 members); Speaker of House, (2 members) Lt. Gov. (2 members)

## RECOMMENDATIONS PERTAINING TO SCHOOL FINANCE AND TAXES

Recommendations	Action by 1933 General Assembly
1. Make expenditures for common school libraries optional.	1. None
2. Provide for a uniform accounting system.	2. Enacted
3. Abolish school treasurer and perform function through county treasurer.	3. None
4. Have county board of education prepare list of standard prices and supplies and enable local boards to purchase through county boards.	4. None
5. Transportation to be mandatory at a distance of 2 miles and optional between 1 and 2 miles from the schoolhouse.	5. None
6. Place all mandatory elementary subjects in one section of the code and repeal all mandatory courses in high school except American Government and citizenship.	6. Enacted
7. Make kindergarten optional.	7. Enacted
8. Close small high schools with an average daily attendance of less than 35 pupils and also close high schools maintaining less than a 2 year course and employing 2 teachers.	8. None
9. Have the local district books audited by the County Superintendent on his request or request of 10% of taxpayers if less than 100 in district.	9. Enacted
10. Where district is small transfer children to another under tuition and transportation.	10. Enacted
11. Legalize closing of small elementary schools if the A. D. A. is less than 5.	11. Enacted
12. Decrease high school tuition from \$12 to \$10 and let parent pay excess cost if any.	12. Enacted
13. Reimburse districts from state funds for lands removed from tax rolls by federal or state government.	13. Enacted
14. Close any elementary school with A. D. A. of less than 10 pupils and opening of school with less than 11.	14. None
15. Place rural schools under the general budget law.	15. None



## SUMMARY NO. 12

SECOND COMMITTEE ON REDUCTION OF GOVERNMENTAL EXPENDITURES  
1933

Authorized by: 45th. General Assembly (1933) Title: A Survey of Administration in Iowa

Appointed by: Governor - one member; Speaker of the House, - two members;

Lt. Governor, two members.

Members: This committee employed the Institute for Government Research of the Brookings Institution, Washington, D. C.

## RECOMMENDATIONS PERTAINING TO SCHOOL FINANCE AND TAXES ONLY

Recommendations	Action by 1933-34 General Assembly
1. Integration of school district and county budgetary systems.	1. None
2. Confine the legislature's control of education to organization and retention of operational control by the local school districts.	2. None
3. Adoption of a county unit for local school administration.	3. None
4. Establishment of a state equalizing fund to be distributed to the county school district with the local millage rate to be established by the state.	4. None
5. Use of new business and sales taxes to provide a school equalization fund.	5. None
6. Strengthen state administration of education by placing higher institutions and the public schools under the same state board of education, which would be authorized to appoint the superintendent of public instructions.	6. None
7. Statutes governing certification of teachers to be repealed and the power vested in the state board of public instruction.	7. None
8. Minimal requirements for elementary teachers should be raised to at least one year of college preparation at earliest possible time.	8. None
9. Adopt a pay-as-you-go plan for financing school building when districts are organized by county systems or multiples of counties in order to save interest on bonds.	9. None

## SUMMARY NO. 13

## COST ANALYSIS OF STATE AIDED CONSOLIDATED SCHOOLS IN IOWA FOR 1929

J. L. Larson, SUI (Master's Thesis - 1931)

Purpose of the Study: to determine the status of state aid in Iowa for consolidated schools.

Excerpts from the study:

	High	Lpw	Median
1. State aid per pupil in A. D. A.	\$ 8.98	\$ 0.81	\$2.85
2. State aid per teaching position	105 . 77	15.11	47.01
3. % of expenditure from general fund	4.8	0.8	2.1
4. % of expense for transportation met by state aid.	77.0	3.6	9.2

Larson's conclusion is that "State aid which represents only 2.1 per cent of the total current expenditures of a school offers little in the matter of equalizing the burden of taxation or in the encouragement to provide for a progressive school system."

## SUMMARY NO. 14

A FINANCIAL APPRAISAL OF THE PRESENT SCHOOL DISTRICT  
ORGANIZATION IN IOWA

V. C. Wallace, SUI (Ph. D. Thesis 1933)

Purpose of the Study: to determine whether or not the present district organization results in differences in ability to support education, expenditures for education, and in educational opportunity.

The writer notes that political and educational leaders of the state are advocating tax revision to relieve the burden upon real property. He states that "the result of any such tax revision should result in the state assuming a much larger share of the expenses of public education than is the case at present." His conclusion states that "This study indicates clearly that the provision of a defensible minimum program of education for every child in the State of Iowa is a fiscal impossibility under present almost complete local responsibility for the financing of education, coupled with an antiquated system of district organization."

	Current Expense Per Pupil in A. D. A. (Range)	Am'T Raised Per Census Child from Gen. Fund. Dist. tax	Range in Tax-Range In able Valuation Per Census Child	Range In Effort as meas. by Mill Levies
1. 1st Class Cities (15,000 - up)	75 - 126	40 - 66	573 - 1205	55.7 - 95.6
2. 2nd. Class Cities (5,000-14,999)	60 - 91	37 - 66	350 - 839	70.1 - 143.0
3. 2nd. Class Cities (2,500-4,999)	48 - 161	8 - 72	380 - 1045	7.7 - 213.7
4. Towns and Village (1,000-2,499)	44 - 157	30 - 83	372 - 1375	34.8 - 189.3
5. Towns and Villages (1,000-2,499)	50 - 159	10 - 102	304 - 1611	12.0 - 158.3
6. Towns and Villages (less than 500)	16 - 252	0 - 120	323 - 3434	0.0 - 150.5
7. Consolidated Districts		27 - 212	212 - 5199	0.0 - 135.0
8. Township Districts		3 - 194	343 - 7367	0.0 - 93.3
9. Rural Ind. Districts		0 - 325	260 - 19063	0.0 - 155.0
10. Closed Schools				

## SUMMARY NO. 15

A PROPOSED PROGRAM FOR THE FISCAL EQUALIZATION OF EDUCATIONAL  
OPPORTUNITY IN IOWA

Donald E. Tope, SUI (PH. D. Thesis) 1934

Purpose of the Study: to propose a state educational fund which shall be used to lessen the burden on property in the local districts.

The study sets up a framework for equalizing costs of public instruction in the school districts by developing measures which can be used to allocate a state fund for purposes of educational support. Three measures proposed and developed are:

1. A measure of educational load carried by school districts; 2. a measure of the ability of districts to support education, 3. a measure of effort expended by districts in terms of the ability possessed.

The study proposes an equalization program but also incorporates a "Reward For Effort" to be supported from the state level. The proposed plan, if carried out completely would call for a state educational fund of approximately \$18,000,000 annually (based on 1931-32 data).

## SUMMARY NO. 16

## IOWA SCHOOL CODE COMMISSION 1941

Authorized by 49th. General Assembly (1941) Appointed by: Governor  
 Members: State Superintendent of Public Instruction and four other members.

## RECOMMENDATIONS PERTAINING TO SCHOOL FINANCE AND TAXES

Recommendations	Action by 1943 General Assembly
<p>1. The following objectives were established by the committee:</p> <ul style="list-style-type: none"> <li>a. to provide equal opportunity for education for every child by establishment of a state distributive fund.</li> <li>b. to preserve and strengthen local control without reducing efficiency and economy.</li> <li>c. to introduce safeguards for school monies.</li> <li>d. to make possible an orderly evolution from the present small district system to one of larger school units.</li> <li>e. to provide for a more economical and efficient transportation.</li> </ul> <p>A state equalization and distributive fund was proposed amounting to about one-fourth (\$12,000,000) of the total operating cost to be distributed as follows: a. 10% per pupil in average membership. b. 25% as reimbursement for payment of non-resident tuition. c. 15% for transportation. d. 50% on the basis of equalizing opportunities, the state paying the difference between the amount raised by the average tax rate applied to local equalized valuations and the cost of an Ia. Standard Program.</p>	<p>1. Not acted upon in 1943 due to lateness of completion. General Assembly appointed another code commission to consider the problem.</p>

## SUMMARY NO. 17

## IOWA DEPARTMENT OF PUBLIC INSTRUCTION - RESEARCH BULLETIN NO. 20, 1936

R. C. Williams, Director of Research

Title: State Responsibility for the Support of Public Schools

Purpose: to fairly interpret the Iowa Financial situation to various groups.

Excerpts from the report:

1. The taxing system should be stable, flexible, and varied so as to provide adequate funds for the maintenance of all government activities including the schools, and to distribute the burden equitably among the people of the state.
2. Boards of education should be responsible directly to the people for the efficient and economical use of the funds at their disposal.
3. Local school districts should be large enough to provide the same essential services for all its children.
4. Each community should be free to provide school facilities beyond the minimum standards if it so desires.
5. The state should contribute to the financial support of every district in order to guarantee to every child a minimum school program and to relieve local property tax if it is carrying an unfair share of the cost of government.
6. Each state should have a long time plan for financing its schools, and this plan should be constantly revised to meet changing economic conditions.

The facts pertinent to Iowa are reported as follows:

1. Public schools in Iowa receive about 45% of all property taxes.
2. Public schools in Iowa get about 27% of all public revenues received in Iowa.
3. Public schools in Iowa received about 1 1/2% of their annual income for the year 1934 - 35 from state sources.

5. While there has been a constant shift in wealth to intangibles and new forms to taxes have been created to secure revenue from these intangibles none of the revenue produced by these new taxes has been set aside for the public schools. 6. State support is too little and unfairly apportioned among schools, nearly 3/4 of the rural schools and about 1/2 of the city and town school systems not receiving state aid.

Conclusions reached in the report are as follows:

1. The schools should benefit from new forms of taxes. 2. The state should assist local communities to maintain their schools and replace at least a portion of their heavy property taxes by collecting money from other sources. 3. The state should help the poorer school districts to provide a minimum educational opportunity for their children.

To achieve this, the report states that a revision of our tax system and the redistribution of tax revenues rather than an increase in the total amount of taxes paid is needed.

### SUMMARY NO 18

#### SECOND IOWA SCHOOL CODE COMMISSION 1943

Authorized by : 50th. General Assembly (1943) Appointed by: Governor, - 3 members;  
Speaker of House, - 2 members; Lt. Gov., -  
Members: G. W. Hunt, A. L. Doud, Rober Keiz, nendemic Combs, B. S. Moyle, H. K.  
Peterson, Mrs. Raymond Sayre.

#### RECOMMENDATIONS PERTAINING TO SCHOOL FINANCE AND TAXES

Recommendations	Action by 1945 General Assembly
1. Tax relief for school districts by means of general state aid.	1. (Enacted 1947 app. \$7,375,000)
2. Equalize educational opportunity through state supplemental aid.	2. Enacted, App. \$1,000,000
3. Reimbursement to school districts of pupil transportation costs.	3. Enacted, App. \$2,000,000
4. Provide for the study and survey by the county boards of education the matter of reorganization of school districts.	4. Enacted
5. Establish a retirement system for public school employees.	5. Enacted
6. Amend section 4341 Code 1939, relating to minimum wage of teachers.	6. Enacted
7. Provide for special education of handicapped children, and to pay excess costs of such education from state funds.	7. Enacted
8. Provide for the establishment of adult evening classes.	8. None
9. Amend the act relating to vocational education (no state funds involved)	9. None
10. Establish an agricultural land credit fund and make an appropriation as a credit against the tax on agricultural lands in school districts in which the millage for the general school fund exceeds 15 mills.	10. Enacted
11. All revenues in the special tax fund in excess of \$6,000,000 (after payment of the homestead credit) be transferred to the feneral fund.	1945(Declared unconstitutional & reversed. App. (500,000) 11. None
12. Any school district may discontinue any or all it's school facilities and contract with another approved district to furnish such facilities.	12. Enacted
13. To provide for vocational instruction for high school pupils where districts do not provide such, by payment of tuition to another district.	13. None
14. To base tuition charges on the actual cost of education.	14. Enacted
15. The board of education shall establish and maintain a kindergarten upon petition of parents of twenty-five or more children of appropriate age.	15. None
16. Extend to 10 yrs. period for which voters may authorize a 2 1/2 mill levy for schoolhouse fund purposes.	16. None

## SUMMARY NO. 19

## IOWA COMMITTEE ON POST - WAR TAXATION

Authorized by: 51st. General Assembly (1945)

Appointed by: Governor - 6 members; Lt. Governor, - 3 members; Speaker of House, 3 members.

Members: 3 members from each house and Representative from agriculture, education, industry, county government, municipal government, and labor. This group also utilized the Brookings Institution.

Purpose: To study the entire tax structure including the loss of revenues and increased costs of state government by reason of federal action.

## RECOMMENDATIONS PERTAINING TO SCHOOL FINANCE AND TAXES

Recommendations	Action by 1947 General Assembly
1. More uniform assessment procedures.	1. None
2. Increased state aid for elementary schools with taxes to adequately support. (Bill not introduced by this committee.	2. Enacted (Gen. Aid \$7,375,000 app.)
3. State reimbursement to districts for monies.	3. Enacted (\$8,000,000 appropriated)
4. A tax on services should be incorporated.	4. None
5. Permit issuance of bonds to an amount of 5% of actual value of property rather than assessed (60%) value.	5. Enacted
6. Repeal tax on Moneys and Credits and replace with:	6. None
a. a mortgage registration fee.	a. None
b. a corporation capital stock tax (1 mill)	b. Enacted
c. a tax on those making loans on security other than real estate, and not organized under laws of Iowa (5 mills).	c. Enacted

## Recommendations of Brookings Institution

1. Tax exemptions of educational institutions should be restricted to property actually used in the conduct of their activities.	1. None
2. All tax exempt institutions should make annual applications for exemptions.	2. Enacted
3. Eliminate homestead credit for property tax.	3. None
4. Eliminate tax on household furnishings.	4. None
5. Establish county assessors and large city assessors.	5. Enacted
6. Eliminate moneys and credits tax.	6. None
7. Motor vehicles should be taxed as personal property.	7. None

## SUMMARY NO. 20

## REPORT OF THE IOWA COMMITTEE ON EDUCATIONAL FINANCE

Title: The Financial Equalization of Educational Opportunity in Iowa, Act., 1950

Study Committee: 19 members; 4 from Department of Public Instruction; 10 from the 3 State Schools of Higher Education; 2 each from the Iowa Tax Commission and Iowa Farm Bureau Federation; 1 from ISEA.

## Excerpts from the study:

Three measures are developed in the study:

1. A measure of the educational load - the weighted classroom unit; 2. a measure of the ability of the local district to finance a standard program. of education - the equalized valuation per classroom unit; 3. a measure of the effort expended by the local district to finance the educational program - the tax levy required in mills.

A Foundation program based on the average program (defined as a program of average cost) would be provided to which all districts would contribute but excess costs would be paid by the state. Three alternative methods are worked out.

Alternative 1: Separate equalization formulas are derived for elementary, consolidated, and independent school districts. Elementary districts would be taxed 8 mills, consolidated districts 16 mills, and independent districts 24 mills on the basis of equalized taxable valuation. State funds required would be about \$35,000,000.

Alternative 11. A single uniform tax rate on the assessed valuations of each of the 120 county and city assessment units in the state would pay the cost of the local district share of the program. The state equalization fund would be distributed in inverse ratio to the taxpaying ability of the assessment unit. In this plan, all property is assessed at the same rate whether the individual piece of property is within a high school or an elementary district. This alternative involves about \$34,5000,000 of state aid.

Alternative 111. Determine the share of the total cost of the foundation program to all local districts in the state by finding a tax rate required in one of the wealthiest districts in the state to raise the whole cost of its foundation program. Determine the per cent of cost of the foundation program the independent district would raise toward their foundation program by levying such rate on their assessed valuation. Require elementary and consolidated districts to raise the same per cent of the cost of their foundation program. The sum of these amounts represents the local share of the program and amounts to about \$53,000,000. The state share of this program would be about \$29,000,000.

The research committee recommended alternative 111 as the best method of raising and distributing the combined state, county, and local equalization fund.

## SUMMARY NO. 21

## IOWA RESEARCH COMMITTEE ON SCHOOL FINANCE

Title Minimum Foundation Program for Public School Education, 1952

Study Committee: The same as the 1950 study committee and in addition, members from the Iowa Taxpayers Association, Iowa Manufacturers Association, Iowa Superintendents Association, County Superintendents Association, Iowa State Industrial Union Council, and the Iowa Association of School Boards.

Purpose: to develop an adequate program for financial equalization of educational opportunity in Iowa.

Excerpts from the study

1. All taxpayers should share the tax burden for a minimum foundation program of educational opportunity according to their ability.
2. The measure of the local district's educational load should be the weighted elementary pupil and the level of cost of the program should be \$200 per weighted pupil.
3. A local effort of 10 mills based on equalized assessed valuations should be placed in a county equalization fund.
4. The county equalization fund would be distributed to the local district on the basis of the number of weighted pupils.
5. The state would support the difference between the cost of the Foundation Program and the share of the county fund for each district. (Approx. \$59,000,000)
6. Transportation, handicapped, and mining camp aid should be continued and general and supplemental aids discontinued.
7. No school would receive less under the new program than it would receive under the present General Aid formula.

## SUMMARY NO. 22

## STATE AID FUNDS FOR IMPROVEMENT OF PUBLIC EDUCATION IN IOWA

Report Issued: December 1954, Jesse Parker, State Superintendent of Public Instruction.

Excerpts from the report:

Reorganization of school districts should go hand in hand or possibly precede any new state aid program. Any new state financial support for school districts should include encouragement for redistricting of administrative units.

The report recommends that Chapter 286 and 286A be repealed and a new chapter written, setting forth the State Aid program including the formulas of General Aid, Supplemental Aid, and , a proposed new aid. The new aid involves the principle of equalization in that it requires that state funds be distributed to local districts in inverse proportion to local ability. No district is to participate in the new aid unless the average daily attendance in a 12-grade system is 500 pupils, it has a 17 mill general fund levy, and spent \$200 the preceding year per child in average daily attendance for current operating expenses. As the new aid program increases, the supplemental aid program declines.

The proposed program guarantees at least a 25% state support of a \$200 educational program, provided that amount is actually spent on current operation. The total support called for by the program is \$34,647,000.

## SUMMARY NO. 23

## IOWA TAXATION STUDY COMMITTEE

Authorized by : 56th General Assembly (1955)

Appointed by: Governor, - 3 members; Lt. Governor, - 3 members; Speaker of House,  
3 members.

Purpose: To study the adequacy and equity of the entire tax structure of state, County, municipal, and school methods of raising revenues, including a study of the equalization of real and personal property assessments.

## RECOMMENDATIONS PERTAINING TO SCHOOL FINANCE AND TAXES

Recommendations	Action by 1957 General Assembly
1. All area in Iowa should be in districts maintaining a public 12 grade school system by July 1962	1. Enacted
2. Supplemental aid to be modified by changing per pupil amounts and millage requirements to provide a greater degree of equalization of the tax load.	2. Enacted
3. A new form of financial aid called "Standard Aid" should be provided to all districts which conform to certain standards such as:	3. None
a. inclusion in a high school district.	
b. 500 or more elementary and high school pupils in the whole district.	
c. 10% limit in the increase in budget per pupil. Schools which cannot meet the qualifications would receive full aid the first year, with aid to be reduced by 20% each year they fail to qualify until 1962, at which time this aid would cease to all non-qualifying districts.	
4. A substantial sum of money should be appropriated for standard aid, such aid to be provided as direct property relief.	4. None
5. State aid to public Junior colleges should be increased from 25¢ to \$1.00 per day per student.	5. Enacted

## SUMMARY NO. 24

STATE DISTRIBUTIVE FUNDS FOR IMPROVEMENT OF PUBLIC EDUCATION  
by the Iowa State Department of Public Instruction - 1958

Purpose of the Report: to present a program for adequate state financial support for public education to the 58th. General Assembly (1959).

Recommendations pertaining to finance:

Pay present aids in full . The balance of a requested appropriation of \$53,000,000 would be allocated between general and supplemental aid on a 60% - 40% basis, respectively. Mining camp aid should be eliminated, with part of these funds to increase the Emergency Aid fund to \$100,000. The distribution of aids would be as follows:

	Present			
	Appropriation	To Pay in Full	Additional	Total
General	\$14,610,000	\$17,000,000	\$9,690,000	\$26,690,000
Supplemental	4,000,000	12,500,000	6,460,000	18,960,000
Transportation	3,000,000	5,000,000		5,000,000
Special Ed.	800,000	1,750,000		1,750,000
Vocational	300,000	500,000		500,000
Mining Camp	72,000			
Emergency	50,000	100,000		100,000
	<u>\$22,832,000</u>	<u>\$36,850,000</u>	<u>\$16,150,000</u>	<u>\$53,100,000</u>



## Summary No. 25

TAXABLE PROPERTY PER CHILD IN FARM AND  
NON-FARM COMMUNITIES OF IOWA

Study Conducted by: Wm. H. Lancelot, Iowa State College, (ISU), May 1943

The purpose of the study was to determine the average amount of taxable property per child of school age in typical Iowa farm communities and a like figure per child of school age in typical towns and cities of the state.

Sample groups of farm and urban communities scattered evenly throughout the state were chosen for comparison. The amount of taxable property per child of school age was determined for each community and for each group as a whole.

In each of three separate studies, a sample of farm communities was compared with a group of non-farm communities.

Study No.	Farm Property Per Census Child	Town Property Per Census Child	Ratio of Farm Prop. to Town Prop. /child
1.	\$7,732	\$2,434	3.17
2.	7,735	2,327 *	3.32
		2,116**	3.65
3.	6,696	2,146	3.12

\*villages and towns of fewer than 1000 population

\*\*urban communities of more than 1000 population

It was concluded that if urban and farm districts are merged, farm property would bear for education approximately three times as much per child as would non-farm property.

## Summary No. 26

## RURAL SCHOOL REORGANIZATION IN IOWA

Study Conducted by: Wm. H. Lancelot, Iowa State College (ISU), Dec. 1944

For the period 1925 to 1939, the author reported that the population of Iowa towns and cities of 1,000 or more people had increased, while the population in towns of less than 1000 and in farm areas having only elementary rural schools had decreased.

Children in the towns and cities of the state had an educational advantage as evidenced by the fact that 95% of them completed 8th grade, about 65% of them completed high school, and 19% completed one or more years of college. In districts having only rural elementary schools only 81% completed 8th grade, 43% completed high school, and less than 4% completed one or more years of college.

Though educational opportunity was satisfactory in the consolidated schools, costs were abnormally high due to small enrollments and the cost of transportation. It was also reported that in 191 consolidated districts including incorporated towns, that owners of farm property had paid 3.84 times as much per farm child for education as owners of town property per town child.

Due to the need for equal educational opportunity for rural children, and taking into consideration the declining rural population and the greater tax burden on farmers, the author proposed that legislation be enacted to provide the same educational opportunity for town and rural children and that town and rural groups each pay their proportionate share of the cost.

#### Summary No. 27

### SCHOOL SUPPORT IN IOWA

By E. E. Lindsay, Educational Administration and Supervision, Dec. 1921, pp500-9

It is the purpose of the article to present the partial findings of a study of school finance in Iowa relating to taxation. Taxation with respect to moneys and credits, real and personal property is examined.

In towns of less than 500 population, the per capita range in monies and credits was from \$0.75 to \$2,809.21 and in towns of over 10,000 this range was from \$9.60 to \$292.41. The medians of the various groups of towns also showed a wide range, that in towns of 500-999 being four times as great as in towns of 10,000 and over. This wide variation was found to be even greater than the variation in school support derived from real and personal property.

School taxation figures on Iowa Town Real and Personal Property were based upon figures derived from dividing the total amount spent for schools by the total real value of the school district. Real value was ascertained by treating the total taxable value as furnished by county auditors as one-fourth of the assessed value, and this assessed value as 44.2% of the real value. The widest range was found in towns of population 500-999, the school money raised per \$1000 of actual wealth ranging from a low of \$1.16 to a high of \$17.10. Similar wide ranges were found in the remaining groups of towns. Other data indicates that the farmer in the consolidated district is paying only \$4.86 per thousand dollars of real wealth and sending his children to a school where the per pupil expenditure is \$142.90 while the person living in a city of over 10,000 population pays \$8.37 per thousand where the per pupil expenditure is \$107.35.

School millages on real and personal property were also found to vary widely but were more uniform for towns of similar size than were the true rates of such taxation.

## Summary No. 28

## IOWA SCHOOL TAXATION

By E. E. Lindsay, Educational Administration and Supervision, Feb. 1922, pp. 65-79

The author states that Iowa school districts have been sorely pressed for funds over the past two years, teachers often being forced to accept warrants marked not payable "For want of funds", and districts sometimes dismissing schools for lack of funds. A random sample of 20 Iowa towns having a population of 5000 or more, taken early in 1922, revealed that 17 schools of the 20 were operating on borrowed funds as of January 1. On April 1, the total deficit of these schools amounted to \$1,500,000. The author also estimated that about 85 of Iowa town school districts ran for the first quarter of the year on borrowed money, and there was no reason to expect county and consolidated districts to be in better condition.

The conclusion is reached that the support of Iowa city and town public schools rests upon a poorly constructed basis and that a complete reorganization of assessment procedures is needed. Had all real and personal properties been taxed at their real worth or a uniform percentage of that worth, the author felt that the financial problems of the past two years would have found an easy solution.

## Summary No. 29

## SCHOOL FINANCE IN IOWA

By E. E. Lindsay, Journal of Educational Research, Feb. 1922, pp. 112-119

The purpose of the article is twofold: 1. to show how the amount of money going to school purposes in Iowa towns and cities compares with the amounts which these same towns and cities spend on other items, and 2. to determine how school money is spent by school authorities after it comes into their hands.

Data on 459 Iowa cities and towns revealed that the amount of the local tax levy spent for school purposes ranged from 59.4% in cities of 10,000 and over to 65.7% in towns of 500-999. In all cases, towns and cities, and towns included in consolidated school districts spent more for school purposes than for all other purposes combined. Larger cities tended to spend smaller percentages for school purposes but were able to raise larger amounts of money per pupil. It was also found that smaller towns were less uniform in practice than large towns with respect to the percent of total tax levy spent for school purposes.

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