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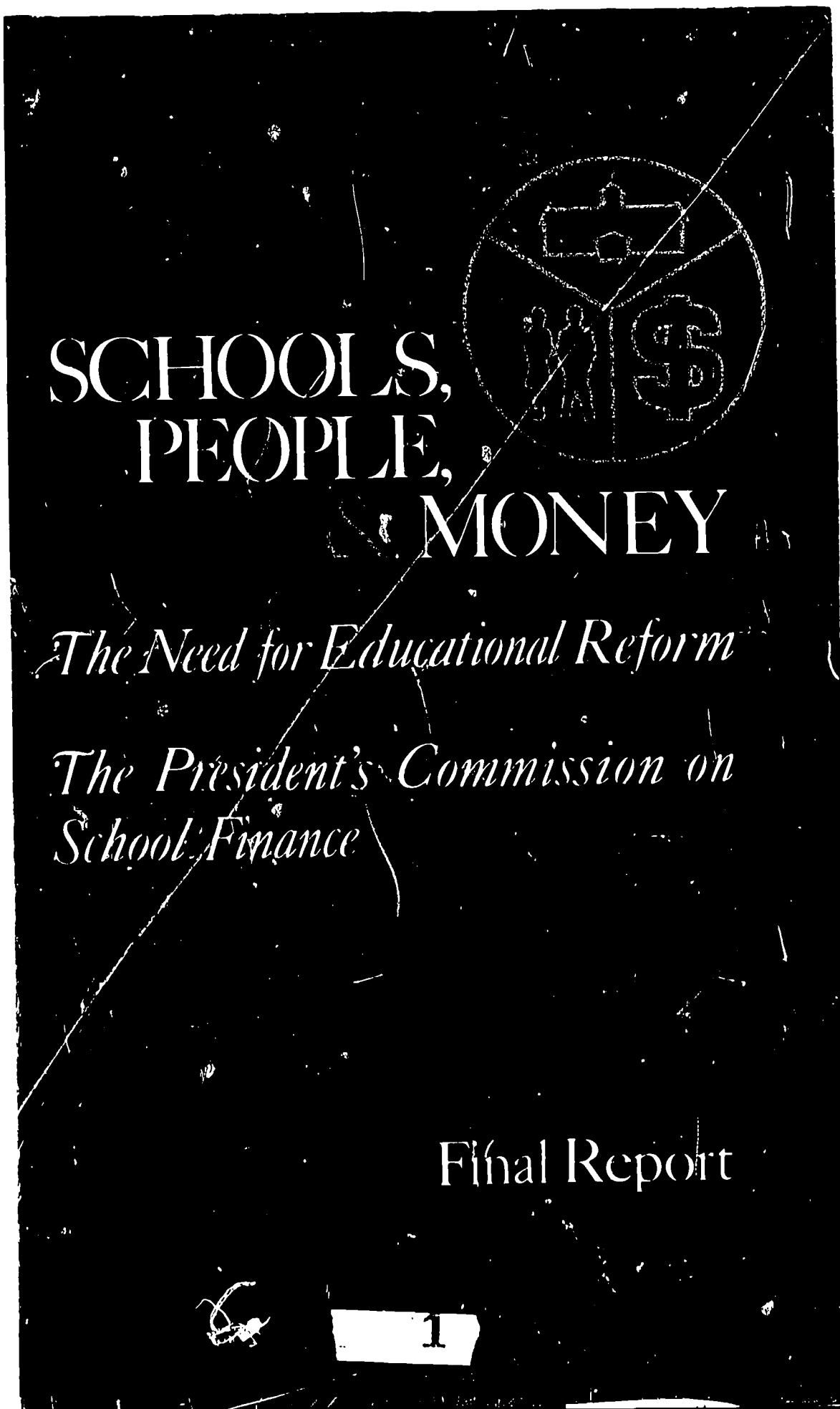
ABSTRACT

This report presents proposals for action at every level of government and in every kind of institution that affects and comprises American elementary and secondary education. Part 1, Summary of Findings and Recommendations, deals only with the major issues. Part 2, The Commission's Final Report, contains 15 chapters, as follows: I. Introduction; II. Background; III. The Need for Reform; IV. Preeminence of State Government in Education; V. Full State Funding of Elementary and Secondary Education; VI. Strengthening State Administration of Education; VII. Saving the Inner City Schools; VIII. Toward Early Childhood Education; IX. The Public Interest in Nonpublic Education; X. Making the Educational System Accountable; XI. Relating Education to Career Needs; XII. Creating School Districts with Balanced Resources; XIII. Exploring Innovations and New Alternative; XIV. Asserting the National Interest in Education; and XV. Concluding Comments. Part 3 contains supplementary comments and dissents. Part 4 is comprised of nine appendixes, as follows: A. Executive Order Establishing Commission on School Finance; B. Listing of Organizations that Submitted Statements to Commission; C. Listing of Contractor and Commission Staff Studies (28 studies in 34 volumes); D. State Boards of Education and Chief State School Officers; E. Number of School Districts Operating Schools by State and Type of District; F. Relative Educational Need Index; G. Estimate of Pre-Primary Enrollment; H. Alternative Bases for Federal Incentive Grants for Full-State Funding; and I. Federal Funding of Report Recommendations. (DB)


SCHOOLS,
PEOPLE,
MONEY
The Need for Educational Reform
The President's Commission on School Finance
Final Report

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All Commission members served as individuals and the contents of this report do not reflect the views of their organizations.

SCHOOLS, PEOPLE, & MONEY

The Need for Educational Reform

The President's Commission on School Finance

Final Report

President's Commission on School Finance

1016 Sixteenth Street, N.W., Washington, D.C. 20036 (202) 382-1646

March 3, 1972

The President
The White House
Washington, D.C.

Dear Mr. President:

The Commission on School Finance, appointed by you to carry out the provisions of Executive Order 11513, dated March 3, 1970, submits herewith its Report, which includes the Commission's findings and recommendations in the field of both public and nonpublic elementary and secondary school finance.

As you asked us to do, we have approached our task with open minds and without preconceived ideas. We have sought, and benefited from, the counsel of a wide range of experienced advisers. We have been liberally assisted in our work by many organizations, institutions, and individuals, to whom we express our sincere gratitude.

Some of our conclusions will be considered controversial. In a field as significant as the education of their children, many Americans have convictions, attitudes, and emotions which run deep. Traditional preferences, imbedded in the daily lives of our citizens, are being challenged by the pressures of changing demands and shifting emphases.

We hope that the recommendations contained in this Report will reflect both the clear need for change and the sensitivity required for orderly reform.

On most issues, members of your Commission were in strong agreement. On others, individuals have expressed their view points in supplementary statements which are part of this Report.

Included in our Report is a section dealing specifically with the financing of nonpublic schools. Separately, however, you will receive the Report of the Panel on Nonpublic Education, which you established within the Commission. The findings and recommendations of the Panel will be forwarded directly to you, but by prior understanding with the Panel, will not be reviewed or approved by the Commission as a whole.

As required by Section 809 of Public Law 91-230 of April 13, 1970, the Report of this Commission will be forwarded to the Commissioner of Education, meeting the requirements made of him to conduct a similar study and to submit a report to the Congress. In this connection, we also are providing the Commissioner all research reports which were prepared for us. These reports add a significant perspective to the vast body of literature and research in the field of school finance.

We offer our deep appreciation for your continuing interest in American education, and for the privilege of having served under your appointment.

Respectfully submitted,

Neil McElroy
Chairman

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PART 1

SUMMARY OF FINDINGS AND RECOMMENDATIONS

For millions of children, American education—both public and non-public—is not working as it was intended to work.

Having stated that, this Commission hastens to point out that, for many millions of others, the educational system has worked remarkably well. Despite the manifold problems which today beset our society, it is clear that our phenomenal progress as a Nation is due largely to the success of our schools.

Yet, commissions to study broad national problems seldom, if ever, are appointed to record only the good and the pleasant to hear. Like others with different concerns, this Commission was assigned to seek ways of making a vital system better. To do that, it is necessary to dwell more on what is wrong than on what is right, but to recognize that our present strengths provide the strongest resources for correcting our weaknesses.

There is regrettably, much that *is* wrong in education. The system which has served our people so long and so well is, today, in serious trouble, and if we fail to recognize it, our country's chance to survive will all but disappear.

That very recognition, however, provides a foundation for hope. This Nation surely possesses the intellectual and the physical resources to provide fruitful education for its children. Yet in the process of creating itself—the system of governments, public and private institutions, and people that comprise American education—the Nation has often lost sight of its fundamental responsibility to the children. Now, as education faces the urgent task of reforming its institutions and its functions, it must not lose sight of the children. That is the first premise of this Commission.

The interrelationships among the governments, institutions, and people—complex and intractable as they appear—must and, in fact, do provide means for reform. Both the Constitution and our history make that clear. The Constitution makes no reference to education as such, implying without question that it is a responsibility retained by the States. But in its Preamble, the Constitution seeks to "promote the general welfare, and secure the blessings of liberty to ourselves and our posterity." In that way, it assigns the Federal Government a significant role in education, which surely is an ingredient of "the general welfare" and of concern for "our posterity." Even before the Constitution was ratified, the Federal Govern-

ment began the practice of contributing public lands in States and Territories for school sites as incentives to the spread of local education. That relationship provides the basis for effecting the reforms American education requires now.

For both constitutional and practical reasons, the States must bear the primary responsibility for designing, financing, and implementing those reforms. But the Federal Government must provide the States with incentives sufficient to enable them to initiate and carry through the great changes in the financing and the distribution of educational resources without which changes our schools cannot really begin to deliver on their promises to our children.

Our Major Findings

The financial problems of education derive largely from the evolving inabilities of the States to create and maintain systems that provide equal educational opportunities and quality education to all their children. Having made that observation, we hasten to state that we are not assigning blame, but are rather attempting to locate the points where reforms must be achieved. Efforts by the States over the years to eliminate or at least reduce disparities in the delivery of educational resources have simply not kept pace with needs that have grown beyond the abilities of the States to fulfill them. These disparities among school districts and among schools have been thoroughly documented for this Commission.

The relationship between cost and quality in education is exceedingly complex and difficult to document. Despite years of research by educators and economists, reliable generalizations are few and scattered. What is clear is that when parents, with the means to do so, choose their children's schools, the ones they select, whether public or private, usually cost more to operate than the school they reject. There are exceptions, of course, where costs are relatively low and parent satisfaction high, or conversely other schools where costs are high and satisfaction nonexistent. And there are numerous examples of schools where increases in per pupil costs have been accompanied by no discernible improvement in educational quality.

The conviction that class size has an important or even a measurable effect on educational quality cannot presently be supported by evidence. A review of a great body of research on the effect of class size (pupil-teacher ratios, to use a technical term) yields no evidence that smaller classes, of themselves, produce more or better education in any accepted sense. Nor, conversely, has it been shown conclusively that larger classes, of themselves, provide less or poorer education to children—and they obviously cost less.

Reason would seem to dictate that there must be fruitful ways to spend money to improve schools, to equalize educational opportunity and to produce quality education for children. The fact that research has revealed no sure means for improving schools should surprise no one. The truth is that educational research itself is only beginning to come to grips with the complexity of the total teaching and learning process.

As we examine the special difficulties that have arisen in our urban educational systems, we recognize that education is itself only one in a group of economic and social services that affect the deteriorating quality of urban life. Some city schools may be shortchanging our children, but to expect schools alone to cope with the many faults of city life is unfair and, more to the point, unrealistic.

In reviewing the plight of the nonpublic schools, we find that the most serious problems exist among those schools sponsored by Roman Catholic institutions. And despite the pressing financial problems of the Roman Catholic schools, we find that their survival does not depend totally or even mainly on the amount of money available to them.*

Encouraging more research into needs, methods, and possible solutions may seem like counseling patience to a person trapped in a burning building. That is certainly not our intention. But we do not agree with those who argue that money is the remedy for virtually all the ills of our educational system.

With all that, we recognize that money builds schools, keeps them running, pays their teachers, and, in crucial if not clearly defined ways, is essential if children are to learn. And we find that money, whatever its effects, is not being collected equitably or spent according to the needs of children. We conclude that it will be better spent when the bulk of it is raised and distributed by the States to their districts and their schools. At the same time, parents are entitled to know whether their expectations for their children are being fulfilled by their schools.

The recommendations which follow deal only with the major issues associated with our deliberations. The reports of our contractors and staff cover, in considerable detail, many additional aspects of school finance. They will be available to those who wish to obtain additional background and information. (A list of those reports appears in the Appendix to this Commission report.) We have reviewed those reports and have found much value in them. However, we have drawn our own conclusions and we offer our own recommendations. It is our hope that the implementation of these recommendations will play a vital part in restoring public confidence in American education.

* See comment by Bishop McManus, pg. 91.

Recommendations

1. The Preeminence of State Government in Education

Educational reform, the theme of this report, is dependent upon the exercise by the States of their constitutional responsibility to provide equal educational opportunity and quality education to all children within their boundaries. Continuing reform requires the wise use of the State's instrumentalities—the local boards of education—and the process of reform must be encouraged by the Federal Government.

We recommend that each State assume responsibility for determining and raising on a statewide basis, the amount of funds required for education; for the allocation of these funds among the school districts of the State, and for the evaluation of the effective use of these funds.*

We also recommend that local boards of education be given wide latitude, within general State guidelines, to use resources provided by the State in ways that best meet their needs and demands. This should include choosing curriculums; employing, assigning and dismissing staff; and defining local goals and objectives. Within this flexibility, local boards of education should be held accountable to local taxpayers, parents, students, and to the State.

The Commission recommends that the Federal role in elementary and secondary education embrace the following major functions: (a) providing leadership in educational reform through research, evaluation and demonstration activities; (b) stimulating State and local public and private activity to meet national concerns and interest and, where necessary, providing continuing financial support; (c) providing incentives and mechanisms designed to more nearly equalize resources among the States for elementary and secondary education;** and, (d) serving as a center for collection, evaluation and publication of educational data. In brief, the Commission sees the Federal Government performing a leadership and pioneering role in long-range educational policy, but only a supplementary role to the States in the financing of school capital and operating costs.*

2. Full State Funding of Elementary and Secondary Education

Significant disparities in the distribution of educational resources have developed among school districts. Though every State has made some effort over the years to reduce these disparities, the results have been only partially successful at best. That, we believe, is because the States have relied on local district financing for the bulk of educational revenues.

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* See comments by Bishop McManus, Ivan Zylstra, and Norman Francis, pgs. 91 and 92.
** See comments by Neil McElroy and John Fischer, pgs. 93 and 94.
*** See comment by Bishop McManus, pg. 95.

Major structural reforms in current systems of school financing can increase the ability of the Nation to serve the educational needs of all citizens.

The Commission recommends that State governments assume responsibility for financing substantially all of the non-Federal outlays for public elementary and secondary education, with local supplements permitted up to a level not to exceed 10 percent of the State allocation.*

The Commission further recommends that State budgetary and allocation criteria include differentials based on educational need, such as the increased costs of educating the handicapped and disadvantaged, and on variations in educational costs within various parts of a State.

To aid the States in moving toward this objective, ***the Commission also recommends a general purpose Federal incentive grant that would reimburse States for part of the costs of raising the State's share of total State and local educational outlays above the previous year's percentage. This would be contingent on the submission by a State of a plan for achievement of full State funding over a reasonable period of time.***

Full State funding will provide each State with a greater opportunity to achieve these hitherto elusive goals of equal educational opportunity and quality education.

3. Strengthening State Administration of Education

If State governments are to assume their proper responsibilities for education, most of them urgently need to improve their present capabilities in educational planning, policy development, administration and evaluation. These improvements should extend to both their legislative and executive branches.

No single administrative arrangement would meet the needs of all State governments in the field of education. However, in most States, boards of education and chief State school officers should have more clearly defined relationships with their respective Governors and legislatures.

The future role of State departments of education will undoubtedly require strong leadership and action oriented to serving the needs of school districts.

Inasmuch as many of the recommendations made in this report require a strong State role in education, ***we recommend that Governors and legislatures take vigorous steps to strengthen the organization and staff of the education related components of their executive and legis-***

* See comment by John Davis, pg. 95.

*lative branches. What every State must do will vary, but it is imperative that every State act.**

*The Commission further recommends that, in light of the primary responsibility of the State for financing education, and in conjunction with our recommendation for full State funding, Federal educational aid funds should flow through the States, usually through State educational agencies. However, where a State is unable or unwilling to participate in a particular program, Federal funds for that program in that State should be channeled directly to the districts or other agencies involved.***

4. Saving the Inner City Schools

This Commission recognizes the enormity of the problems of urban decay. To define them in terms of education alone would be to overlook their many other social, economic, and historical sources. The big cities of the Nation are rapidly being left to the poor and the untrained. Whatever the causes of this concentration of human problems in cities, the solutions are surely more than local or even State matters. We urge that the situation demands strenuous effort now and a major part of that effort must be made through education.

We urge that the State governments assign a high priority to the critical problems of their major cities and especially to the schools of their cities. Education deficiencies are more concentrated within the cities and the educational opportunity gap between them and their suburban neighbors must be narrowed.

The Federal Government must assist the States in this area. We must learn why past efforts have not worked, and more important, just what will work.

*The Commission recommends the initiation by the Federal Government of an Urban Educational Assistance Program designed to provide emergency financial aid on a matching basis over a period of at least 5 years, to help large central city public and nonpublic schools finance such programs as: (a) development of experimental and demonstration projects on urban educational problems; (b) replacement or renovation of unsafe, unsanitary or antiquated school buildings and equipment; (c) addition of remedial bilingual, and special teachers and other professional personnel; (d) addition of teacher aides, and other supporting personnel; and (e) provision of instructional materials and services. Grant funds should not be used to increase salary or wage rates of school personnel.****

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* See comment by Bishop McManus, p. 95.
** See comment by Bishop McManus, pg. 96.
*** See two comments by John Davis, pg. 96.

The Commission recommends that States encourage and assist local education agencies, especially those in larger urban centers, in creating community schools which would include such elements as (a) close liaison with and involvement of parents and other citizens in the educational community; (b) extended availability—nights, weekends, and summers—of school facilities for use of youth and adults in educational, recreational, and other neighborhood activities; (c) cooperation with other community social agencies; (d) recruitment and use of community volunteers as classroom aides, hall monitors, library and clerical workers, and for other appropriate duties.

The Commission recommends that State and local education agencies authorize and encourage the provision of suitable support services and other incentives to attract qualified teachers who understand the special needs of those schools where educational achievement is lowest.

5. Toward Early Childhood Education

There exists today a clear and discernible movement throughout the country toward early childhood education. Public and private agencies are providing an increasing number of programs of preschool education and today 82 percent of the 5-year-old and 29 percent of the 4-year-old populations are enrolled in such programs. However, only 47 percent of 5-year-olds and 20 percent of 4-year-old children from low-income families are now receiving some form of preschool training.

The provision of some form of regular education beginning at age 4 offers significant promise for improving the subsequent educational attainment of children, and particularly for disadvantaged children.

This Commission recommends that the State, local school districts and nonpublic agencies continue to move towards the adoption of programs of early childhood education commencing at age 4 and that the Federal Government provide incentives for this purpose.

A distinction must be made between education at age 4 and day care or other preschool activities. There is a wide variety of the latter sponsored by both private and public organizations. Day care centers can be a valuable aid to the intellectual, social, and emotional development of children, particularly if they include an educational component as part of their program.

We believe that the Federal Government should encourage the development of early childhood education programs for all children and that financial assistance should be provided for children from low-income families. For those children from families in middle or higher income levels, arrangements should be made to enable them to participate on a shared-cost basis. If day care centers are made available in disadvantaged areas, we urge that an educational component be incorporated in their programs.

In addition to providing general-purpose funds to the States as an incentive for moving toward full State funding, ***we recommend that the Federal Government contribute part of the costs of a program to (a) assist public and private agencies in the operation of early childhood education programs that include disadvantaged children; (b) sponsor demonstration projects; (c) aid in the development of curriculums specifically designed for these children; and (d) disseminate the results of effective programs throughout the country.***

6. The Public Interest in Nonpublic Education

The legal responsibility for educating this and future generations of American youth will continue to rest with our institutions of public education; however, the Commission is also firmly convinced that private schools, both church and non-church related, also serve the public interest.

Nonpublic schools offer an alternative to public schools that is clearly desired by many people. They offer diversity and healthy competition. From the financing standpoint, they reduce the financial burden on public school systems by providing educational resources for some 10 percent of the Nation's student population.

A substantial decline has taken place in the enrollment in nonpublic schools, especially those which are church related. The reasons are more than simply financial; however, the financial problem in many of these schools is critical.

In considering what forms of financial aid to nonpublic schools might be recommended by the Commission, the restraints placed on such aid by Court decisions in interpreting provisions of the Constitution, especially to the church related schools, have greatly limited the available options.

The Commission recommends that local, State and Federal funds be used to provide, where constitutionally permissible, public benefits for nonpublic school children, e.g., nutritional services such as breakfast and lunch, health services and examinations, transportation to and from school, loans of publicly owned textbooks and library resources, psychological testing, therapeutic and remedial services and other allowable "child benefit" services.*

Aware that the provision of child benefit services alone will not make a substantial contribution toward the solution of the nonpublic schools' financial crisis, ***the Commission further recommends that governmental agencies promptly and seriously consider additional and more substantive forms of assistance, e.g., (1) tax credits, (2) tax deductions for tuition, (3) tuition reimbursement, (4) scholarship aid based on need, and (5) equitable sharing in any new federally supported assistance programs.*****

* See comment by Bishop McManus, pg. 96.

** See comment by Neil McElroy, pg. 97.

We believe that any aid to private schools must be conditioned upon the following elements: (1) equitable treatment of various income classes of parents, with special concern for low income, private school patrons in the larger inner cities; (2) full compliance with Title VI of the Civil Rights Act of 1964; and (3) accountability to the public in providing full information concerning enrollment, governance, pupil achievement, and expenditure data.

Evidence is inconclusive in regard to the amount of program participation that nonpublic school children are receiving under Federal education programs for which they are legally entitled. The Commission urges that the Federal Government take action to guarantee to nonpublic school children equitable participation in all Federal programs for which they are eligible. Though these programs would continue to be administered through public school systems, such action would insure that all eligible children attending nonpublic schools participate in federally aided programs.

7. Making the Educational System Accountable

At a time when the demand for public revenues for all types of services far exceeds the available supply, education officials have the dual obligation to use available resources in ways that produce the best possible results and to account to the public for their decisions and the results obtained. Such accountability requires more knowledge of the educational process than is currently available and better communication to parents, teachers and the public of the results of children's experiences in schools.

While fully recognizing the intangible nature of many aspects of education, the Commission urges State and local educational agencies to give increased emphasis to establishing and improving systems of assessing relative costs and benefits of various educational programs and organizational alternatives.

There is a need for more effective standards and procedures for measuring the performance of our educational systems, and in particular, the qualitative results of school programs. We have been concentrating for too long on the resources going into the schools, giving only minimal attention to the outcomes. The American public has assumed almost without question that educational benefits are automatically increased by spending more money. This is particularly the case in regard to the number of children per teacher in a classroom. The relationship of class size to educational achievement is open to serious question. Research has shown no consistent relationship between class size and pupil achievement in learning as measured by standardized tests, such as reading and mathematics. There is, however, wide agreement that when a class is too large for the purpose at hand, the teacher is overburdened, discipline problems

increase, and pupils may not be provided the individual attention they require.

We therefore urge that policymakers, school officials and leaders of professional organizations refrain from the simplistic assumption that reducing pupil/staff ratios will necessarily produce better education. Under some conditions it may well be possible to increase the number of pupils per staff member with no adverse educational effect, but with significant economic gains.

The Commission recommends that State governments establish statewide evaluation systems to measure the effectiveness of educational programs. These systems should include improved techniques for measuring progress and achievement in school as well as the ability of secondary school graduates to perform effectively in productive jobs or succeed in schools of higher education.

New and better methods are being developed to measure not only the acquisition of knowledge and skills, but also broader understandings and changes in attitudes. By combining such techniques with traditional achievement tests and other existing measurement instruments, it is becoming possible to report more accurately to parents and the public on the progress being made in improving the education of pupils.

The Commission also recommends that each State, in cooperation with local school districts, systematically provide for publication and other appropriate communication to the public of the results of the assessments of achievement and improvement in education. These results should be presented on a comparative basis in relation to school, district, State, and national norms, and for such grade levels and subjects as the State may determine.*

8. Relating Education to Career Needs

The Commission sees, as a serious inadequacy of educational planning at national and State levels, the failure to relate curriculum and counseling to long-range employment opportunities.

Too many of our citizens, political leaders and educators have defined adequate education largely in terms of preparation for and admission to institutions of higher learning. In so doing, they have neglected the educational needs of those who do not wish to go that route, as well as those who enter but do not finish college. Today, roughly 40 percent of those who graduate from high school do not go on to higher education.

As a consequence, many young people leave high school poorly prepared to offer any productive skills to prospective employers. In good part, this is the result of improper counseling or no training for employ-

* See comment by John Davis, pg. 97.

ment. Vocational education, long the stepchild of the educational community, has generally been avoided by pupils and parents because of the low esteem in which it has been held. The lack of interest for such training has resulted in a corresponding lack of attention by educators.

Corrective action in this area must be taken both within educational institutions and through community groups. Schools should provide opportunity for career education and parents and community leaders should give active support and encouragement to such efforts and programs.

The Commission recommends that career education be given priority and status at least equal to that now accorded to college preparation and that Federal, State and local governments and their education agencies take vigorous policy and financial steps in this direction.*

9. Creating School Districts with Balanced Resources

Today there are some 17,500 school districts in the United States, even though the number has been reduced substantially in the past several years. As the States implement recommendations for full State funding and more equitable distribution of educational resources, it becomes evident that further reorganization of school districts can facilitate the process.

In any reorganization of school districts two prime considerations should be taken into account. First is the attainment of diversity in the school population. The most important resource of any district is the people who are served. Economic or ethnic isolation of children reduces the ability of school systems to provide equal educational opportunity and quality education. Secondly, each district should be large enough to encompass to the extent possible a distribution of wealth comparable to that of the State as a whole. This would reduce disparities and make more economical the provision of specialized educational programs. At the same time, each school district should be divisible into organizational units sufficiently small and close to the people to enable each to be responsive to local needs and interests.

We recommend that States reorganize their school districts to encompass within each one, wherever possible, children of diverse economic, racial and social backgrounds. Other criteria for consideration in establishing school districts are a more equal tax base for local supplementation of State funding; the capability of offering all levels of schooling from kindergarten to high school as well as special educational programs for handicapped, for vocational purposes and for other special needs; boundaries that would facilitate cooperation with agencies providing health, welfare, and school-associated services, and administrative economies.

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* See comment by John Davis, pg. 97.

10. Exploring Innovations and New Alternatives

Despite the vast amount of research into the nature and processes of education, we remain sadly deficient in our understanding of how children learn, what methods work best, what combination of resources is most appropriate for any group of children, or even how best to prepare teachers to use the knowledge and skills that are available. But every segment of education is maintaining continuous efforts to learn more about the art and science of the field.

Without access to ultimate answers, we believe that the greatest hope for education lies with encouraging diversity in educational offerings by public and private interests, within the realistic limits of available resources.

In the pursuit of these answers, we must not limit our examination to the institutional systems which now provide education to the vast majority of the Nation's children. Quite often, change is brought about by external groups, unsatisfied with the status quo and earnestly desiring new and different methods and procedures for educating children.

Inherent in the process of experimentation in education is the length of time required for assessing its results. It is unfair and unrealistic to expect immediate results from most educational innovations. Improvements in attitude and motivation of children toward learning can be obscured by the premature assessment of results under the pressure of budget considerations. Sufficient time should be permitted for new approaches in education, depending on the circumstances, before final judgment regarding their effectiveness is made.

Several innovative or experimental concepts are now being considered in many parts of the country. Some have been attempted and are now operating. This Commission has reviewed many of them including a variety of applications of instructional technology, experimental schools, year-round schools, paired schools, differentiated staffing plans, community schools, voucher plans, and performance contracting. All of these, as well as other promising innovations, should be given a fair and reasonable opportunity to demonstrate their effectiveness.

We recommend that Federal, State and local governments and their educational agencies stimulate and finance experimentation in elementary and secondary education. This should include experiments both within and outside of the institutional systems now responsible for public education.

Innovation is not limited to educational practices or methods. It also includes alternative choices of selecting, educating and certifying individuals to teach in the schools. Much is heard from education officials

about the problems of poor teacher preparation as well as the difficulties in reassigning tenured teachers. Current certification practices can prohibit otherwise well-qualified individuals who lack certain credentials from teaching in schools. We believe that great strides have been taken in this area, but introducing new procedures into current practice is excessively delayed by system rigidities.

The purpose of certification should be to make possible the employment in the schools of persons with wide varieties of talents and skills, but also to protect the schools, pupils and the public from professional incompetence.

We recommend that States reexamine their policies and procedures regarding the selection, education, and certification of persons in the education professions with the objective of encouraging the entry into the professions of those people who are uniquely qualified to teach or administer schools and school districts.

The Commission believes that reductions should be made in the number of incompetent teachers in ways that are fair and generous to the individuals concerned and that respect due process. This is one of the most critical and difficult imperatives facing public education today.

We recommend that each State give consideration to the development of appropriate plans for dealing with the problems of less able teachers, including such possibilities as early retirement (at the option of school authorities) with appropriate financial incentives, periodic review and renewal of tenure, peer review of teacher performance, and use of student evaluations, among others. We also recommend intensive research in these areas.

11. Asserting the National Interest in Education

The reforms that have already been recommended place a heavy reliance on State government initiative. The reasons should be obvious. The choice of tax and revenue systems, the allocation of money among school districts, the policies and procedures related to the organization and operation of districts, as well as the many related considerations, are clearly within the jurisdiction of the States. If changes are to be made, the States must make them.

The Federal Government, however, can greatly facilitate the reforms which we consider essential. In recognition of the financial and political constraints on the States, we have recommended considerable increases in Federal outlays. But we have seen the need to tie these outlays to reform. More money, of itself, will not produce the reforms we believe to be in the national interest. In the process of reform, however, there must be a continuous reaffirmation of confidence in American education.

In addition to the financial incentives previously recommended, the Commission offers the following additional recommendations:

A. *Creation of a National Educational Policy Development Council*

The work of this Commission and similar groups has highlighted the need for a continuous and concerted approach to the study of national policies in education. National needs and goals should be clarified through a combination of local, State, and national interests and set forth from time to time at the Federal level. The President's influence on educational policy has increased markedly in recent decades and his role is likely to expand further in the future. To assist him in dealing with issues of national educational policy and to give appropriate visibility to education as a fundamental interest of the Nation and its people, we propose the establishment of a National Educational Policy Development Council.

The Commission recommends the establishment of a National Educational Policy Development Council, with membership drawn from the broad spectrum of American society, to advise the President on national educational policy; to assess the relationship between education and major social, cultural and economic problems; and to give continuing attention to education as a fundamental national concern. The scope of this council should include all levels and types of education.*

B. *Concentration of Funds for Low-Income Children*

The single largest educational assistance program now being administered by the Federal Government provides approximately $1.3 billion for the education of economically deprived children. In the allocation of these funds among the States and counties of the country, equal support is provided for equal numbers of those children, wherever they attend school. This results in distributing these funds to counties without regard to the percentage of low-income children in the total enrollment. A greater proportion of low-income students in a school requires more special services and other resources than does a smaller proportion of these students, but current allocation procedures do not provide for this.

We believe that this program would be greatly strengthened if funds were distributed on a weighted basis, taking account of relative concentration. Rural areas of the country have the greatest concentration of low-income children, and would gain additional funds by this approach.

The Commission recommends that funds now being provided to States and local school systems for the education of children from low-income families be allocated according to the relative concentration of these children within school systems.

* See comment by David Kurtzman, pg. 98.

C. *Timely Appropriation of Federal Funds*

Federal financial aid to elementary and secondary education has become an integral part of local and State operating programs. Though intended as specific categorical grants, these funds have been used to expand general school programs to pay teachers, and buy supporting services and supplies. Schools have become dependent on these Federal funds for basic parts of their total programs.

State and local agencies start planning for the next school year sometime in the spring. At that time, planners need to know how much and what kind of Federal funds will be available. Individual programs that suddenly stop and late appropriations make planning a difficult and haphazard operation. We believe that the Federal Government could alleviate part of this problem by assuring local and State officials that they would receive a minimal, continuing flow of previously authorized Federal funds.

The Commission recommends that legislation be enacted that would insure to State and local school systems, in event of delays in Federal appropriations, 80 percent of the funds provided in the previous year which have been authorized for the current year.

In addition to the above recommendations for Federal Government actions, the Commission considers that the following pending programs would greatly facilitate the implementation of recommendations included in this report:

Emergency School Assistance—School systems throughout the Nation are attempting to bring about a more heterogeneous mix of students from differing social, economic and ethnic backgrounds. We believe that equal educational opportunity is enhanced in such a student body. But achieving it is a costly activity and, in many instances, it is difficult for the States to finance. The funds that would be provided by the pending program would make a substantial difference.

Special Educational Revenue Sharing—The consolidation of many categorical aid programs, with limited transferability among them, will greatly relieve the administrative burden now imposed on State and local officials as well as increase flexibility in the use of these funds. The additional Federal funds proposed beyond this consolidation clearly indicate the Federal concern for education. We support, as part of this proposed program, the modified distribution of funds for federally impacted areas. A significant portion of these funds is currently going to school districts which, on a comparative basis, need them the least. State educational agencies should be given the opportunity to use these funds in districts of greatest need.

General Revenue Sharing and Welfare Reform—We have reviewed these proposals only in regard to their effect on school finance. By sharing a percentage of the annual Federal tax base on an unrestricted basis, general revenue sharing significantly improves the fiscal situation of State and local general governments. We support the concept of general revenue sharing because it will allow the States to assume their proper financial responsibility with regard to education in a manner that allows more flexibility than has been the case with Federal grants-in-aid.

The proposal for national reform of our welfare system will also provide fiscal relief to State and local governments. It will also help the States to assume their proper role in financing education.

The National Institute of Education—Leadership in research is a significant aspect of the Federal role in education. Seriously neglected in the past, such leadership is now imperative. We must know more about how children learn, how technology influences learning, how new modes of providing education can be adapted, how to improve communication between teacher and student, and much more. The NIE, separated from operational activities and staffed with professional researchers, offers a new opportunity to improve our knowledge of the educational process in all of its dimensions.

Concluding Comments

The Commission began this report by asserting that for millions of children, American education—both public and nonpublic—is not working as it was intended to work. It was for that very reason that the President of the United States established this Commission: to determine why it wasn't working, and to recommend a course of action that could make it work.

Yet it must be repeatedly recognized that despite its difficulties, the present educational system is basically sound. What is needed is not its rejection but its improvement. The schools of this Nation have served America well. The capacity of American people not only to build a strong Nation but to criticize and alter the institutions of this Nation is among the precious products of American schools and colleges.

As we seek to strengthen those schools for the new tasks laid upon them in recent decades, we must alter many parts of our American educational structure but as we rebuild, we shall do well to protect its foundations, for they are solid.

This country has reached unparalleled heights in its economic and social development—due, in good part, to our educational system. Our public and nonpublic schools have served the majority of Americans well

and are continuing to do so. The fact that many, too many, have not enjoyed the benefits to which they are entitled, should not be generalized into an indictment of the total system. It is a well recognized flaw that must be corrected by constructive and deliberative measures, not by divisive mandates.

The Commission recognizes that education, by itself, cannot be expected to solve the many problems now being faced by the American public. Housing, health care, welfare, economic stability, fair employment practices, and many other such considerations, impact heavily upon the well being of the Nation. Offering all citizens equal educational opportunity is essentially a base starting point, a beginning, that prepares an individual for a productive life. It does not guarantee anything else. Further action in many other areas of public concern is necessary, if a balanced approach to the strengthening of American society is to take place. But no yardstick is available to tell us how the Nation's resources are to be divided amongst all public functions.

Priorities are difficult to establish. To a sick person, one hundred dollars of health care is much more necessary than a gymnasium in the local school; to a person living in a slum, adequate housing is infinitely more necessary than another career counselor; and the analogies are endless. We can only state that this Commission has not been oblivious to the critical needs of public functions other than education.

We have offered many recommendations for reform of the educational system, with primary emphasis on its financing. We are not unaware that these reforms, if implemented, will have an effect on virtually all the people of this country, be they taxpayers, parents, students, or government officials. We do not doubt that these reforms will be controversial. They will be challenged and debated. This is as it should be. No single set of recommendations can be applied to all situations and circumstances. But if they can productively contribute to a national dialog on one of the most pressing problems of the day, this Commission will have served its purpose.*

* See comment by Clarence Walton, pg. 98.

PART 2

THE COMMISSION'S FINAL REPORT

I. INTRODUCTION

The Commission on School Finance was established on March 3, 1970, "to study, and report to the President on, future revenue needs and resources of the Nation's public and nonpublic elementary and secondary schools." Though our mandate was clear, it was very apparent that there would be no simple solutions to the extremely complex problems of financing schools.

From the inception of this Commission, we knew that we were not at a starting point, but in the midst of what may well be the most pervasive examination ever directed at a fundamental aspect of our national life. Our role was to participate as a deliberative body rather than as another research agency. Fundamental values attributed to the educational process had been under intensive reevaluation for some time and the national direction was clearly uncertain. What was needed, we believed, was a redefined objective of the role of education from both an individual as well as a national perspective. The last 5 years had seen many attempts at alleviating "pockets of deprivation" in the midst of plenty, but generally with no clear evidence that these attempts were succeeding. It was our hope therefore that we might produce some answers to many of the most pressing questions being asked throughout our society.

To fulfill our mandate to study and report on "revenue needs and resources," it has been necessary to engage in this broader examination. A narrower view would have been fruitless; raising and spending money have meaning, after all, only in the context of what is and what should be bought, by whom, and for what ends.

To perform that task, we first had to inform ourselves most thoroughly. In the process, we have caused to be brought together a substantial body of opinion and knowledge relating to practically every phase of elementary and secondary education. It is worthwhile, therefore, to describe the way the Commission went about creating this foundation for its deliberations.

The first step toward the development of a course of action included more than 50 interviews with key personnel of local, State, and Federal governments, with officials of school systems, with representatives of

professional organizations, with representatives of the U.S. Office of Education and other Federal agencies, with authorities in educational testing, and with authorities in school finance in academic institutions, foundations, and other public and private organizations. We sought their advice and counsel in our efforts to define our methods and objectives. These interviews were to provide valuable insights into the attitudes and opinions of key participants in the educational process.

We knew that an enormous body of research, much of it recent, already existed and that more was underway. Clearly there was no sense in duplicating what already had been done. The Commission's staff, therefore, was assembled from among people in government, industry and education trained to manage a complex undertaking as well as to organize and consolidate this vast pool of information to bring to bear on our objectives the views of many outstanding authorities throughout the field.

Since the financing of education affects many institutions in our society, we attempted to engage and involve as many as possible. An announcement in the *Federal Register,* the Federal Government's bulletin board, outlined the Commission program and invited every interested organization in the Nation to express its views on our work. Then, to insure against the possibility that some might not have seen this invitation, we approached more than 30 professional, religious, and civic organizations and invited them to submit statements and to meet with Commission members. Most submitted statements, and many sent representatives to meetings of the Commission.

The Commission defined the basic issues which would direct our efforts toward this report. These issues and a series of alternative policy recommendations which might be made by the Commission were submitted to a group of distinguished consultants representing the broadest possible range of opinion. They were asked to comment on the perceived possible policy recommendations and to add other recommendations they considered effective alternatives.

At the same time, in pursuit of these issues, the Commission approved the necessary projects to be conducted by outside contractors including academic institutions, independent research organizations, government agencies, educational consultants, and the Commission staff. These projects covered five broad areas of investigation:

Who is responsible for running schools and school systems and how is this responsibility exercised?

Who pays for the schools and who gets the money?

How school systems operate and how effective are they?

How do nonpublic schools participate in the educational system?

How available are adequate statistical data regarding what is happening?

The contractors were requested, as part of their projects, to bring together and evaluate where possible all related work by other researchers. That brought into the process the ideas and efforts of hundreds of other authorities in every phase of the Commission's investigations. A bibliography was requested to be included in the contractor's report, indicating the extent of research in their respective subject areas.

The Commission was determined to reach beyond scholarly research and get to the people who make and implement the policies that produce our education—those who can bring about reform. Constitutional and administrative responsibility for education rests solely with the States. Nowhere else can structural reform of the system be effected. It was essential, therefore, that we include among our projects several major efforts to determine the opinions and attitudes on education of the people who control the process, including separate surveys of:

- The chairmen of all the education committees in all the 50 State legislatures.
- The superintendents and school board chairmen of big city school systems.
- State Governors, legislators, local board members, labor union officials, Federal education officials, and other key people who affect them.
- Policymakers and administrators who use educational information.
- Teachers, parents, and virtually everybody else involved and interested in schools and schooling (through questionnaires and interviews).

The breadth and depth of these consultations, studies, surveys, and hearings have given this Commision a most valuable foundation for its deliberations. And this assembly of facts, figures, ideas and opinions, which measure, describe, explain, and evaluate the system, will become a permanent legacy.

Included in appendix B is a table indicating those organizations that were requested to submit statements to the Commission, those that did submit statements, and those that met with us in informal discussions.

Appendix C is a list of reports prepared by the contractors and Commission staff which provided to the Commission the data and information upon which our deliberations were based. It is our hope that those reports will represent a significant contribution to the literature related to school finance.

II. BACKGROUND

The purpose of this report can be stated simply: to present proposals for action at every level of government and in every kind of institution that affects and comprises American elementary and secondary education. It is our hope that this report and its proposals will stir the national conscience and stimulate significant reform, restoring public confidence in the schools of this country.

Dissatisfaction, crisis, urgency—these words have become painfully common in the lexicon of American education. No one who has observed or participated in education recently need be told how frequently, how widely, and how aptly they are used. Nor is there any need here to defend against them with references to the remarkable past and present accomplishments of education, however flawed parts of the system and its purposes may have become.

What has been significant for this Commission in its researches and its deliberations, and what is equally significant for society, is this: History, our history, and certainly the history of education records a continuing process—a becoming, not the arrival at some unchanging condition.

As this Nation approaches the end of its second century, it should be remembered that in the history of nations and of institutions, two hundred years is young indeed. Perhaps, without twisting an analogy, our country is now struggling through the painful identity crises of adolescence. Surely we are now more aware of our inadequacies than ever before. We are more concerned with our failures than our successes. We see more clearly the gaps between our goals and our accomplishments. Yet, without evading the many compelling issues that confront us, we ought to recognize that much of our current dissatisfaction is not less than unfulfilled hopes.

American education, like most institutions in society, was not built according to plan. It evolved to meet fundamental needs as they emerged. These needs relate abstractly to human rights and human development and concretely to the roles of citizens and to the concern for and the love of children. Yet every institution, whatever its intentions and its successes

in achieving them, inevitably acquires an inertial force independent of—and often contradictory to—its purposes and the people and the structures that comprise it. It then requires fundamental reshaping if it is to continue to function effectively in an environment of change. American education has reached that stage. That, in good part, is why this Commission was created, and that is where we begin.

The starting place for any approach to the diverse complex of institutions we called American education is to recognize that diversity and that complexity. Pluralism is a term often heard these days to express some aspects of that diversity and complexity. New York and the eastern seaboard, these are not America, we are told. We hear of middle America. Is it a place, a community of economic interest, a state of mind? Nobody knows for sure. How about "the ethnics"? That is a term that has replaced "the melting pot" lately. What happened to the melting pot? The Nation simply did not create itself in that image, however appealing it may have once been. People's differences do not dissolve and amalgamate like metals in a cauldron. Hardly anywhere are there homogeneous communities, no matter how small they may be. A man born, raised, and schooled in North Dakota, supposedly the heartland of America, speaks with a trace of a German accent, but none of his neighbors seems to notice. A recent dictionary article assures us that standard American speech is a myth, spoken nowhere, and instead offers choices of pronunciation to conform to these undeniable differences.

Ethnic, racial, cultural, social, and economic differences persisted, too often submerged in wishful thinking about melting pots and homogeneity. The institutions we created to implement our hopes—including our schools—often failed to recognize and reconcile those distinctions. American education never became the inflexible monolith that many critics describe. But neither did it confront the disparities and the dissatisfactions as rapidly as they emerged into the mainstream of our national life.

Then suddenly the "system" was overwhelmed by them. Beginning nearly 20 years ago, a series of events uncovered widespread discontent with American education. The controversy and conflict that erupted into the Nation's consciousness have and will continue to produce enormous changes. Whatever it had been, American education would never be the same after:

- That day in 1954 when the United States Supreme Court, in *Brown* v. *The Board of Education of Topeka,* struck down the doctrine of "separate but equal" and held unanimously that racial segregation of schools was inherently unequal. The long and painful process of desegregation had begun.

- The publication, in 1955, of *Why Johnny Can't Read* by Rudolph Flesch. Irrespective of the merits of its argument, and whether in fact Johnny or anybody else could or couldn't read, parents throughout the country began questioning aspects of education that they hardly knew existed before. From then on, the results of schooling became major concerns of citizens of every community.
- The opening of Central High School in Little Rock, Arkansas, in 1957, when a confrontation of national guardsmen by Federal paratroopers resulted in the admission of nine black children for the first time.
- And almost at the same time, the Soviet Union announced the launching of Sputnik, the first earth satellite. That enlarged the debate about the content and the aims of education and resulted, among many other changes, in passage of the National Defense Education Act of 1958 and the massive reorientation of our thinking about science and mathematics.
- The publication in 1962 of *The Other America* by Michael Harrington. The "discovery" of vast pockets of poverty ended the myth of pervasive affluence that millions of Americans had come to accept without question. This jarring awareness of another America contributed to passage of the Economic Opportunity Act of 1964 and key provisions of the Elementary and Secondary Education Act of 1965. The process of reexamination of education, already under way, intensified. Despite increased spending, expansion of educational programs, and an unparalleled degree of experiment and innovation, dissatisfaction continued to mount.
- The strike that closed the schools of New York City in September, 1968, and centered the Nation's attention on a part of Brooklyn called Ocean Hill-Brownsville. What made the strike a big news story—the personality clashes of the protagonists, the armed-camp atmosphere, the occasional violence, the racial and ethnic overtones—all but obscured the underlying and crucial issues. The conflict centered on fundamental questions about the responsibilities and powers of community boards and the city board of education. Other controversies arose over the job rights of teachers and the processes by which they may legally be hired, fired, and transferred. Underlying the entire unpleasant episode was difficulty inherent in transferring power from a group that has held it to another that is seeking it. Much of the future of American education depends upon willingness and ability to define the relationship among teachers, parents, and community leaders.
- *Sesame Street,* the television program begun in 1970 to teach preschool children by using show business techniques. Whatever the merits of teaching tender minds with the pace and tone of oldtime, two-a-day vaudeville, *Sesame Street* has at least forced serious consideration of home

television as an educational device. Intended as an experiment, it will certainly encourage further investigation.

- The decisions by the U.S. Supreme Court in June, 1971, in *Lemon* v. *Kurtzman, Earley v. DiCenso* to prohibit certain forms of State financial aid to nonpublic schools in Pennsylvania and Rhode Island. The effect of these decisions is expected to extend to programs and pending legislation in other States as well, exacerbating the financial difficulties of many nonpublic school systems and threatening the very existence of others. The consequences of the closing of nonpublic schools clearly go beyond the fact that they eliminate a choice of schools. These closings may still require outlays of public money if nonpublic school children are then enrolled in public schools. Or they may encourage movements by families to other communities, thus changing the ethnic and religious composition of neighborhoods.
- The decision by the California Supreme Court in August, 1971, in *Serrano v. Priest,* that the State's reliance on local property taxes for school financing is unconstitutional in that it "invidiously discriminates against the poor because it makes the quality of a child's education a function of the wealth of his parents and neighbors." This decision has since been reinforced by others. Already many States are reexamining their school financing methods to eliminate the inequities created by typical local property tax systems. Ultimately, if these decisions are sustained, virtually every State will have to revise its school finance system.

Clearly these events, dramatic for what they motivated or for what they portend, have meaning only against the background of sweeping changes that have characterized American life in recent decades. Nobody needs to be reminded any more that the sources of discontent are many and that they include the great population shifts from farms and small towns to cities and then suburbs and the migrations to the cities of the North and West of Afro-Americans, Puerto Ricans, and Mexican-Americans. Our governments and our social and economic institutions, public and private, too frequently have failed to meet the enormous and unprecedented new demands that confronted them.

The failures of the educational system alone did not create these pressures. Nor can the remaking of the system by itself relieve them. But, after all, it is in the nature of the educational system that its immediate concern is the next generation. And the parents of this next generation, in expressing their discontent, have increasingly demonstrated their determination to hold the system accountable for the way it educates their children.

When we talk about American education as a "system" or an "institu-

tion," we know very well that it is many systems and many institutions, public and private, ethnic and religious, State, local, district, and community. Despite all the differences among these systems and institutions, they obviously share broad objectives that permit us to view them together. They are all concerned with recognition and development of the talents of children. They all seek to impart to them skills that will enable them to lead fruitful and productive lives. And they all try to instill in them the qualities of citizenship that will equip them to inherit the Nation.

These are among the common values by which parents attempt to judge their children's schools. When we speak of accountability, that is essentially what we mean. Yet the very ideas of measurements and standards implicit in accountability are hard to pin down and define. We are only beginning to understand what questions ought to be asked, and yet we are called upon to provide answers. Research into the nature, the processes, and the results of education has produced little that can be called hard, indisputable facts. That is not to say that these efforts have been wasted. But educational research has not been as productive as could be hoped for. And the best that can be said for it is that it has provided us with bases for making considered judgments rather than enunciating scientific principles. In the deliberations of this Commission, we have attempted to avoid blind acceptance of conventional wisdom and to steer clear of the recent outpouring of strident polemics and cure-alls. In place of these, we have endeavored to devise rational alternatives.

The proposals we offer may raise as many questions as they provide solutions; they may reveal new problems while attempting to solve old ones. But the urgency of our task demands a willingness to act and to take calculated risks.

III. THE NEED FOR REFORM

To deal rationally with the future of American education requires that we confront an essential combination of elements that do not necessarily yield equally to systematic analysis. We must, in the first place, accord education its position as a service to the Nation that is as fundamental to our lives as any other, perhaps even more so. For education, after all, provides us with values and skills, the means for living productive lives in an ever more complex social environment. Literally, we cannot survive as a nation or as individuals without it.

Neither values nor skills seem to be at first approachable in terms of hard facts. Yet both are in fact surrounded by numbers, awesome numbers as we look ahead to the middle and to the end of this decade. When we focus in on our purview as a Commission, that is, on school finance, one unquestionable fact emerges: This Nation cannot continue to finance and distribute education as it has in the past. For many reasons—fiscal, legal, political, and moral—the system will have to change. If the system elects to reform itself, it will change rationally by developing other means of raising and distributing money, by developing methods for improving the structure by which it raises and distributes its scarce resources. The educational establishment will attack the sources of waste and inefficiency. It will reorganize and spend to eliminate, as much as education can, the cause of human waste—the inability of children to become productive adults. New ways will be devised to make all educational resources yield greater returns. For if the complex of American education systems does not respond in these ways, it will have to shortchange society in the future with school closings, shorter hours, and all the other harsh measures that together mean less education.

Cost projections are startling. Outlays for education will rise substantially during the next decade, if present trends continue. Total expenditures of public school systems during the 1970-71 school year came to approximately $45 billion. During 1975-76, according to projections provided to the Commission, expenditures are estimated to reach $60 billion, and will continue climbing to the end of the decade, so that in 1980-81, they will come to some $64 billion. This is in 1970 dollars. If we

assume that prices increase at an annual rate of 3 percent, these figures will be approximately $69 billion for 1975-76 and $86 billion for 1980-81. Paying for education is going to place enormous strains on the Nation's taxpayers. What is more, the costs of other public services are going to climb at least as much, if not more.

The greatest single cause of the increase in projected educational costs during the coming decade is instructional salaries. Continuing pressure from parents for smaller classes, greater seniority and education levels of teachers, and stronger teacher unions will send these costs soaring, even in the face of a leveling off of enrollment toward the middle of the decade and even a decline toward the end.

In the 1970 school year, 45.9 million students were enrolled in our public schools. In 1975, those enrollments are projected to increase to 47.4 million, and in 1980, to decline to 46.1 million. These figures assume the transfer of approximately 2.5 million students from the nonpublic schools, where enrollments have been estimated to drop from 5.3 million in 1970 to 2.9 million in 1980.*

These projections are expressions of continuing trends. The alternative, simply stated, is to reverse the trends, where possible, and to devise means to increase productivity of existing resources. That is not easy, because it requires the separate as well as the concerted efforts of every level of government as well as of educators, administrators, and public officials. But it is possible, and it is essential if this Nation is to achieve the goals of equal educational opportunity and quality education for every child.

This is the new reality this Nation confronts in the coming decade. To temporize and mark time in the hope that it will go away can hold only tragic consequences for an already deeply troubled society. Not every cost element included in our projections represents a necessary and unalterable expenditure. We can alter the speed and perhaps even the direction of the trends, statistically at least, by changing the pupil-teacher ratios we have based them on. To the extent that larger classes are implied, it is extremely unappealing to both parents and teachers. But to the degree that these ratios can be made less costly by alternative methods of delivering instruction, including new personnel systems and new technological developments, we will have attained an elusive objective: increasing the productivity of teachers. Harsher means to achieve this objective—and inevitable ones if others are not implemented—would be to close schools and shorten classroom hours.

Reform becomes imperative in view of these circumstances. And this reform must be evaluated in terms of its effect on productivity and, ultimately, on the quality of education. Only if we can increase the productivity of our educational system will we be able to afford the kind of education we want for our children.

* See comment by Bishop McManus, pg. 99.

mately, on the return on the investment of public and private capital in education.

It may at first seem cynical to view money spent on schools as an investment on which a return, in economic terms, ought to be earned. The idea evokes the image of children as raw materials and schools as factories for turning out a product of some sort. That sounds inhuman, but it is emphatically not. In fact, one can argue that every effort to plan rational education systems that does not take into account the return on invested capital is a grave disservice to the public interest.

Allocating public funds among public services is an agonizing process. There are limited funds and unlimited needs. Therefore, unless rational criteria are applied to the process, those with the loudest voices rather than the most compelling needs will win out. Tradition and inertia, rather than reexamination and innovation, will prevail. And within the broad field of education, the same difficulties exist. The value of various kinds of education can be advocated in many ways. Every level of government concerned with education, every institution in the process can and should participate in the vast decisionmaking activities. In the end, however, there will always be more needs than there will be funds to fulfill them. But by using the concept of return on investment as a broad guideline in the allocation of money, the decisionmakers can at least gain some assurance that they are giving considerations to fundamental human values as they necessarily express themselves in economic terms.

To state that it is desirable for everyone to get as much education as he can absorb cannot be questioned; but for both fiscal and political reasons, neither is it realistic. But it is possible to review the fruits of education, that is, the return on investment, in terms of community and individual benefits, compared with physical and human capital invested. Economists have calculated these inputs and returns. They have examined the values and the costs of varying kinds of education to those who have received them, to their communities, to their fellow workers, and to society in general. They have even dealt with the discrimination by race and sex as it has affected human capital and output, and they have estimated that cost alone at more than $12 billion a year. These are issues that go beyond economic analysis. But the fact remains that valid conclusions about the value of the return from physical and human capital invested in various ways in education can be determined and ought to be considered in allocating resources.

This Commission has been concerned with the lack of public knowledge about educational institutions. It is a fact that in a democratic society, public understanding of public issues is necessary for public support. Schools generally include in their courses of instruction a wide variety of

subjects related to the history, structure and principles of American government at all levels. In so doing, schools provide students with a background of knowledge which is deemed an absolute necessity for responsible citizenship.

But schools rarely, if ever, teach about schools, with the result that there is today considerably less public understanding of the school system than of almost any other entity under government control. Public school systems use a major share of local and State tax revenues, employ one of the largest and most highly educated work forces, are responsible for an immense amount of public property, influence the lives of all citizens, and command more time of children outside the home than anything else. Yet, students go through school learning virtually nothing about schools, and in just a few years after graduation they become voters and are called upon to help determine the financial future of school systems.

This Commission is convinced that the financial and operational problems of the public schools will be the subject of a national dialog for many years to come. The reforms which this Commission is recommending will most likely be a significant part of that dialog. We would strongly urge the States and local school districts to include curricular material in high schools related to the American system of education, including its history, structure, and purpose. This should be related to, and part of, the current government or civics curriculums.

The recommendations and conclusions of this Commission are efforts to provide a rational basis for achieving the reforms that can repair our Nation's schools and enable them to deliver on their promises to our Nation's young. Our charge has related to the hard facts of finance, and we have addressed ourselves to that charge. But, in the process, we have had to establish attainable and measurable definitions of our objectives of equal educational opportunity and quality education for every child. That is the answer to the question: Reform for what?

Quality and Equality in Education

This Commission's assignment must be considered in the context of two broad goals—to make "quality education" a reality throughout the country and to make such education equally available to every American child. It is possible to consider these goals separately, but as objectives of public policy, they become twin aspects of a single problem. If the education offered is inadequate, equal opportunity to obtain it is meaningless; to offer effective education to only some of our children is manifestly unjust.

The only reasonable and defensible public policy for communities,

States, and the Nation is to ensure to all children equal access to education that is good enough to meet their individual needs and the collective demands of a growing economy in a democratic soicety.

Equality of Educational Opportunity

The only equality appropriate to a free society is equality of opportunity to perform to the limits of one's potential and to make a maximum contribution to the common good. What complicates the attainment of such a state of equality, especially in educational opportunity, is the variation in circumstances in which people find themselves. In some cases these circumstances aid selffulfillment; in others they impose crippling handicaps.

To offer children only equal education, disregarding differences in their circumstances, is merely to maintain or perhaps even to magnify the relative effects of advantage and handicap. Equal treatment of unequals does not produce equality.

Education does not take place exclusively in the classroom or school building. It goes on in the home, the neighborhood, the church or synagogue, and in the circle of the child's personal contacts. Schools are quite limited in what they can accomplish outside their legal jurisdiction, but they have an obligation to relate realistically their programs to the needs of the individual student as well as to the total student body. Specifically, to provide equality of opportunity, school programs and all levels of government must take into account the economic, social, ethnic, and cultural characteristics of the child's family, neighborhood, and community and provide relevant resources and attention for children from disadvantaged environments. This is an expensive and demanding requirement often not provided for in school financing.

Research results are not yet conclusive on the effect of the socioeconomic backgrounds of other students on a child's educational achievement. However, it is becoming increasingly apparent that the student-mix within a school exerts a strong influence on learning patterns of the total student body. A student body reflecting different social, economic, ethnic, and cultural family backgrounds tends to improve the learning of lower achieving students.*

Accordingly, the Commission concludes that the effect of the student-mix appears to be such that equal educational opportunity is enhanced in a heterogeneous student body. Moreover, such a student body better prepares all its members for productive and creative participation in a free society.

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* See comment by John Davis, pg. 100.

Quality Education

A major purpose of education is to prepare a person to relate to others and to the world around him. No one can survive in isolation. He must deal with others—often considerably different from himself—to obtain even the basic needs of food, clothing, and shelter; he must offer his personal services in the market place in exchange for compensation to sustain himself; he must be sensitive to the effect of his actions on those around him; and he must recognize the role of institutions—social, religious, economic, and governmental—in an ordered society.

Technology advances more rapidly than man's ability to assess and deal with its consequences. In a society where demands are infinite but resources are limited, where change is rapid but adaptation to change is slow, our youth must be taught how to work together in confronting common problems, if we are to maintain the basic integrity of our social and economic system.

In schools where children are encouraged and guided toward healthy and useful maturity, the people, the purposes, and the procedures reflect certain common characteristics:

1. The concept that education aids greater fulfillment of the aspiration of man, and that the educational experience must provide each child, no matter how limited his potential, with a sense of accomplishment.
2. A pupil-teacher relationship reflecting concern, respect, and empathy.
3. Educational techniques leading to the maximum development of each child, enhancing the prospect of responsible self-direction and self-control.
4. Pride in one's own culture and respect for the culture of others.
5. Flexible curriculums to motivate each child, that are adopted, modified, or discarded as empirical evidence dictates.
6. Mastery of basic communication skills such as speech, reading, writing, arithmetic.
7. Acquisition of cultural literacy—art, language, literature, music—and recognition of the value of natural and social environments and the need to protect them.
8. Acquisition of skills in both argument and objective inquiry through fact collection, discrimination, and selection.

These characteristics largely determine the quality of the education a school can be expected to provide. However, the revealing test of a

school is neither the purposes it claims to support nor the values its leadership and patrons applaud. The only evidence that really counts is the progress the student makes as a result of the school's influence. No school is entitled to credit for what its pupils learn at home or elsewhere. Nor can it be held responsible for the effects of an inhibiting family or community environment. But the school is accountable if it fails to build upon a student's resources so as to enable him to make the most of whatever advantages he enjoys. Likewise, the school is at fault if it is insensitive to a student's handicaps or fails to give him the special help he needs to cope with them. Most of all, schools are at fault if students (and teachers) are more bored than excited.

Quality education should lend itself to substantive evaluation. It should include components or criteria which, for the most part, can be identified, observed, and measured. While no single listing of such components can be assumed to be all-inclusive or applicable to all situations, the following are believed generally appropriate and constitute the base upon which rest certain findings and projections relating to school costs.

1. To prepare children to meet the demands of educational environment, early education, commencing at age 4, should be made immediately available to all children from disadvantaged families, and perhaps eventually to all children from all families. (Considerable support exists for beginning educational exposure of the child at an earlier age than 4, but the Commission finds that research results on this question are not yet conclusive.)

2. To insure that children are not handicapped in their ability to gain knowledge, there should be:

   a. Hot breakfast and lunch available to all elementary and secondary children, and at no cost to those from low-income families.

   b. Periodic physical examinations available to all elementary and secondary children, and remedial visual, auditory and dental care or disease treatment at no cost to those from low-income families.

   c. Clothing allowances for elementary children from low-income families.

   d. In addition, quality education is deterred when education must take place in unsafe, unsanitary or obsolete buildings, or with insufficient or outmoded equipment.

3. To insure that children are learning:

   a. Systematic evaluations in skills and subject fields should be

planned for at least the third, sixth, and ninth grades and should include appropriate help for children with special difficulties; by the third grade, for example, each child should either be able to read or be provided with the special help he requires to learn to read.

b. School systems and teachers must be accountable to the public, parents, and children for the pupils' effective performance in skill subjects. Analysis and evaluation, including achievement tests and other measures, should be made school by school and classroom by classroom.

c. By the end of the 12th grade, each pupil who has successfully completed the course of instruction or its equivalent (e.g., work-study program, "schools out of schools," etc.) should be qualified in terms of skills and attitudes for an entry job compatible with his training or be prepared for education beyond high school.

4. To provide necessary resources, children with educational needs greater than others should receive special attention. This can be expected to require more resources, generally in the form of adult classroom staff. While it is difficult to determine absolute needs for any child, the principle of *relative* or comparative needs should be employed.

5. To relate the schools more closely to the local economy, there should be available to all secondary students employment services comparable to those provided to adults by the public and private employment services.

6. To encourage the return to school of all nonadult dropouts, schooling should be available on either a part-time or full-time basis.

In striving towards these goals of quality and equality in the profession of education, policies at each level of government must respect and preserve the plurality of institutions and initiatives that give variety and vitality to our educational establishment. And if we are to avoid a deadening of aspirations for the future, we must stimulate excellence with no less imagination and zeal than we promote equality.

IV. PREEMINENCE OF STATE GOVERNMENT IN EDUCATION

The power to reform education in America lies mainly with the States. The Constitution of the United States does not even mention education as such. The responsibility for providing every child with an equal educational opportunity and a quality education is implicitly and unquestionably retained by the governments of the 50 States of this Nation. This does not deny significant roles in the realm of education to the Federal Government and to the local governments of the States, but it places on the States themselves the preeminent responsibility for what must be done. The words, "local control," have tended to obscure this. Fulfilling these responsibilities entails certain specific obligations. Among these are the following:

1. To maintain a free public school system that provides arrangements for assigning and governing operating responsibility;
2. To set objectives and provide ways to evaluate the degree to which they are achieved;
3. To insure that no child is denied access to education because of race, religion, or ethnic origin;
4. To insure that all schools offer programs of instruction that meet the varying needs of all the children in the States;
5. To encourage the development and application of new educational programs;
6. To provide a comprehensive and compatible system for collecting and disseminating the information necessary to manage schools and systems properly;
7. To assure that the system for collecting and distributing total State revenues for education produces adequate funds and allocates them fairly;
8. To provide guidance rather than mandatory controls to school districts and to schools so that they may have flexibility in making

decisions about such matters as curriculums, teacher qualifications, attendance requirements, and class size;

9. To establish school district boundaries that:

   (a) encourage equal educational opportunity by encompassing children of diverse economic, racial, and social backgrounds in their schools; and

   (b) contain a generally equalized tax base for local supplementation of State funding; include primary, secondary and special educational programs and facilities; simplify administration; facilitate cooperation with other governmental units providing such public services as health, welfare, recreation, and other school-associated services.

We recommend that each State be responsible for determining and raising on a statewide basis the amount of funds required for education; for the allocation of these funds among the school districts of the State; and for the evaluation of the effective use of these funds.*

The Function of Local Levels of Government in Education

The only point for implementing operating responsibilities remains, in most State educational systems, at the local level. It is here that education is provided. It is here that local desires, State requirements, and national goals must be merged and imparted. It is here where the needs of pupils to be educated and the concerns of citizens to whom education must be responsive and accountable are met.

To discharge these responsibilities most effectively, local school districts should be constituted and operated so that they are able:

1. To develop educational goals in terms of local needs, with the participation of local citizens, but in recognition of the relationship of these goals to the broader needs and interests of the State and the Nation;
2. To exercise freedom in using the resources provided by the State to fulfill these educational goals, under procedures established by law (we assume that the criteria for distribution of resources will define "educational need" and endeavor to achieve equal educational opportunity within each district);
3. To exercise freedom in employing, assigning, and dismissing staff people and, at the same time, to be held accountable for such actions;
4. To implement periodic and systematic reviews of the scope and

* See comments by Bishop McManus, Ivan Zylstra and Norman Francis, pgs. 91 and 92.

effect of education programs, especially in terms of actual achievement compared with stated goals;

5. To levy local taxes to finance programs and facilities desired by district citizens, within the limits established by the State.

Community self-determination—The traditional belief that all power resides with whoever controls the purse does not necessarily follow in matters relating to education. The bulk of a school district's money may come from State aid at the same time that the district continues to retain and exercise a wide degree of latitude in determining the kind of education it provides its children. As it happens, the reverse seems also to be true in many instances. That is, States that provide only a relatively small proportion of school district funds may nevertheless exercise substantial control over many aspects of the operation of local schools.

These two factors—source of funds and degree of local control—are not always consistently related in any discernible fashion. It is possible, therefore, for school systems to operate whereby funds come entirely or substantially from the State, while the community determines the kind of education it provides its pupils. This arrangement permits significant reforms of school fund raising and distribution without preventing communities from creating and operating the kinds of schools they want.

School district decentralization and community control are explosive issues in many communities, and there have been numerous confrontations related to those issues. And teachers, more than any other part of the educational system, generally find themselves in the middle of such disputes. Teachers, along with others who provide public services, have organized, through unions and professional associations, to bargain collectively on such matters as job security and working conditions as well as compensation. In New York City, for example, while such bargaining was going on, parents and local community leaders were attempting to assert greater local community control over their schools.

These kinds of conflicts exist elsewhere, and quite probably will arise in many other communities throughout the Nation. The diversity and pluralism of American society certainly merits expression in the kinds of schools our communities establish for their children. It is obvious to this Commission that there is no single solution that would be applicable to all communities throughout the country. These are matters which must be resolved between the school administrators, the teachers, the community, and the State. Schools must be seen as serving a broader interest than solely the needs of local communities. They must also provide, within their educational programs, for national requirements and interests.

It is imperative that new relationships be created between educators

and communities as they assume new roles in specifying and providing education. The tea parties that used to characterize the meetings of teachers and parents no longer seem suitable forums for the kinds of relationships the new situations demand. Parents and other citizens are intent on playing larger roles in the quality and the nature of education. And educators, proud of professional training and achievements, are fearful of encroachment by laymen into their areas of special competence. A line cannot be drawn between the respective provinces of communities and educators, though occasionally a line has been drawn at the door of the classroom.

Failure on both sides to develop new solutions to these problems that confront education at the community and the school level will be tragic. But it is easier to exhort and inveigh than to offer answers. Phrases like "development of meaningful communication" are meaningless, because they merely restate the problem. The term "community control" itself raises hackles and invokes in many people the image of local meddlers removing books from school libraries on spurious grounds. But the problem is more than semantic, however explosive the words may have become. Fundamental questions are involved about the purposes and the limits of schools, about why and where children learn or don't, about what teachers can be expected to accomplish, and about what parents can reasonably expect their tax money to buy for their children.

The Commission's consideration of early childhood education included the need for the training of parents of very young children, particularly the disadvantaged. Such programs certainly would provide opportunities for informing these parents about what they can contribute to and how they can participate in the effective operation of the schools their children will attend.

We strongly suggest that new efforts be made to clarify the relationships between educators and communities. We endorse the efforts of parents to affect the quality and performance of their community education facilities. But we understand the difficulty of teachers attempting to function if the environment is charged with acrimony and they are confused in their efforts to determine the public they serve.

We recommend that local boards of education be given wide latitude, within general State guidelines, to use resources provided by the State in ways that best meet their needs and demands. This should include choosing curriculums; employing, assigning and dismissing staff; and defining local goals and objectives. With this flexibility, local boards of education should be held accountable to local taxpayers, parents and students, and to the State.

The Role of the Federal Government

Though the States are preeminent in the field of education, the Federal Government has always played a significant part in the process. Even before the Constitution was ratified, the Northwest Ordinance of 1787 provided that public land be set aside for educational purposes in the Territories covered by the Ordinance. With the adoption of the Constitution, the States retained their primacy, but the Federal Government has continued to function in the field in significant ways. The Nation's land-grant colleges, among others, were the result of Federal statutes. The law that established what is now the U.S. Office of Education is more than a century old. That Office now distributes in excess of $3 billion annually for elementary and secondary education. Thus a substantial degree of Federal interest has always been a recognized part of the educational systems of the Nation.

Recently, the acceleration of changes in the nature and structure of American society has created circumstances that have made education a matter of concern extending beyond the boundaries of individual States. The increasing complexity of agricultural technology and the growth of industry in all parts of the country have increased markedly the demand for skills among an increasing share of the Nation's workforce. Curtailed and inadequate educational opportunity was not a serious handicap for many people in a day when the bulk of the employed population was engaged for the most part in manual labor. But now, poorly educated and untrained children become underemployed and unproductive adults.

The pervasiveness of mass communication and transportation has encouraged movement, even mass migrations, as people seek to improve their social and economic environments. A single technological development can cause sharp declines in the demand for unskilled labor and send people to other regions looking for a better life.

As these developments take place, the Nation has become increasingly aware of the high degree of interdependence that has evolved among States and among regions. The workforce has become more and more a *national* pool of human resources. As a result, the disparities and inadequacies in educational quality and opportunity, once matters largely of State and local concern, have become a major national interest as well. The problems of people unable to assume places in the economic life of a community commensurate with their natural abilities, because of inadequate education, are national, not merely local or State problems. The responsibility for solving these problems must therefore be shared by all levels of government. Disparities in local education, to the extent that they affect the functioning of the national economy and the quality of people's lives, have become concerns of the Federal Government.

But here we are faced with the question of how that national interest ought properly to be expressed. When Congress enacted the Northwest Ordinance in 1787, it clearly sought to provide the Territories that would soon become States with an opportunity to develop educational systems to serve their citizens in ways comparable to those that already existed in other parts of the young Nation. But the problem then was far simpler than it has now become. And the Federal relationship to education has become far more complex than providing unused public land for schools. Some have said that money is the answer, that if enough Federal funds were pumped into the Nation's educational process, all would be well or at least a lot better. There are those who would specify the precise share, usually somewhere in the vicinity of one-third of total national educational spending.

The Commission does not deny that money can help solve many of the educational problems that have surfaced in recent years. We know that it can. But so too can it help all levels of government that find themselves hard pressed in their ability to dispense all manner of other public services as well. The limited availability of resources for education and other public services and the virtually unlimited demand for them requires a more reasoned approach to the issues of Federal involvement in education than the conventional exhortation merely for massive infusions of cash into the system.

We believe strongly that the functions and responsibilities of the Federal Government that most directly serve the national interest are these:

1. To provide leadership and direction to the Nation in efforts to identify national educational needs and deficiencies;
2. To encourage the States and local governments to direct their attention to those needs;
3. To provide assistance when the scope of the problem or the achievement of a solution is beyond the political or financial capacity of the States;
4. To provide incentives and mechanisms designed to more nearly equalize resources among the States for elementary and secondary education;
5. To provide guidance and, where necessary, incentives to the States and local governments to help them to bring about reforms that will increase their ability to finance their educational systems;
6. To provide States and local governments with the information they could not otherwise gather and research results they could not

otherwise obtain to enable them to carry out their educational responsibilities more effectively.

In expressing these functions and responsibilities of the Federal Government, it has been our intention to define the broad framework within which all education, in varying degrees, affects the national interest.

The Commission recommends that the Federal role in elementary and secondary education embrace the following major functions: (a) providing leadership in educational reform through research, evaluation and demonstration activities; (b) stimulating State and local public and private activity to meet national concerns and interest and, where necessary, providing continuing financial support; (c) providing incentives and mechanisms designed to more nearly equalize resources among the States for elementary and secondary education;* and (d) serving as a center for collection, evaluation, and publication of educational data. In brief, the Commission sees the Federal Government performing a leadership and pioneering role in long-range educational policy, but only a supplementary role to the States in the financing of school capital and operating costs.**

* See comments by Neil McElroy and John Fischer, pgs. 93 and 94.

** See comment by Bishop McManus, pg. 95.

V. FULL STATE FUNDING OF ELEMENTARY AND SECONDARY EDUCATION

The process by which funds are raised and distributed for public education throughout the United States has, during the past century, evolved into a dense jungle of legislation, formulas, and procedures. More than that, whatever its initial intentions and results, it is no longer effective or equitable by the present criteria we apply to measure public purposes. To say this is in no way an indictment of the legislators and administrators who have created, revised, and operated the system. On the contrary, the Commission's proposals aim to assist them in redefining the objectives they have sought and to make more manageable, a complex conglomeration of education legislation.

For many years, the methods that evolved focused almost entirely on fiscal considerations rather than educational objectives as such. Thus, school finance is still largely thought of in terms of "property valuation per pupil," "equalized tax base," "foundation program," "per-pupil expenditure," and other strictly dollar considerations. Rarely has the structure concerned itself, except inferentially, with the educational needs of our children. The exigencies of day-to-day operations prohibited the backing off and reflection necessary to reform. This Commission, however, has had such an opportunity.

We have endeavored to give consideration to the many rational desires for changing education, for improving its quality, and for bringing about reforms in financing and distributing the money to achieve greater equity for taxpayers and for children.

Recent court decisions, such as those handed down by the California Supreme Court, U.S. District Courts in Texas and Minnesota, and the Superior Court of New Jersey, have called into question the reliance on local property taxes as they affect the raising and distribution of funds for schools. They have determined that inequalities in school financing based on the wealth of school districts are violations of the Fourteenth Amendment to the Constitution. Whether or not the U.S. Supreme Court acts on this question, a number of State constitutions, such as in New Jersey, are quite specific on the issue of educational equity, so the question is not solely for Federal courts to decide. In the meantime, this situation has created considerable confusion among State and local govern-

ments and taxpayers, and it has thwarted efforts by school districts to raise money they urgently need.

Even before these decisions were reached in the courts, however, it was apparent to the Commission that continuing use of present revenue raising and distribution methods was perpetuating gross inequities and inefficiencies, whatever their legality. These court rulings have, therefore, in no way altered the direction of our findings. They have instead reinforced our determination to develop and recommend alternative solutions. Well before these problems were determined to be the result of inadequate law, we recognized them as factors in the persistence of inadequate education.

This Commission envisions the enactment by State legislatures of systems in which (a) substantially all education revenues now derived from State and local sources would be raised by the States; (b) these resources would be distributed by the States in ways that provide equitably for the different educational needs of all children; and (c) local school districts would be permitted to provide their children with limited additional educational resources. As a means of encouraging and motivating the States to reform their tax and distribution structures in accord with these objectives, the Commission recommends a program of Federal incentives to those States that enact these proposals.

Revenue Sources

The following table indicates some basic data regarding local revenues for educational purposes. Several pertinent facts should be pointed out:

(1) 42.3 percent of all local revenue goes for education;

(2) 80.0 percent of all local education revenue comes from the property tax; and

(3) 95.0 percent (not shown) of all education *tax revenue* comes from the property tax—$17.4 billion, out of a total of $18.4 billion.

1970 National Data

Local Revenues from Local Sources	Total Yield billion	Total Yield percent	Educational Portion of Yield billion	Educational Portion of Yield percent	Percent of Local Revenues Used for Education
Property Taxes	$33.0	64	$17.4	80	52.7
Non-Property Taxes	5.9	11	1.0	4	17.5
Total Taxes	$38.9	75	$18.4	84	47.3
Other Revenues	12.6	25	3.4	16	27.2
Total Revenues	$51.5	100	$21.8	100	42.3

How we raise money for public schools is obviously bound up with the ways we distribute and spend it. And the whole subject of school finance is itself inseparable from the larger issues of education. Yet there are compelling reasons to begin with an examination of the ways school money is raised.

For one thing, the traditional means for producing the bulk of school money—local property taxation—has become inadequate to do the job. Historically it may have made good sense to tax local real estate to finance local schools. Population shifts and the changing importance and location of many industries have created serious imbalances in the money available and the money needed for tax revenues for schools.

For another thing, as we have noted, recent court decisions have invalidated the traditional reliance on highly unequal local sources of revenue for education. And traditional State efforts to overcome the inequities with various "foundation" and "equalization" formulas no longer serve the purpose. (Contrary to widely held belief, the *Serrano Decision* in California did not invalidate the use of property taxes, per se, for financing elementary and secondary education.)

The steady stream of reports of cutting school hours and facilities and even of closing down entire school districts makes even more pressing the need for reexamination and reform of educational revenue systems. The means to accomplish needed reforms are not only available, but they offer opportunities for actually increasing school revenues at the same time that they reduce the inequities. Getting these reforms enacted in the State legislatures is at best a large and complex matter. But the benefits to taxpayers and educational systems can readily be demonstrated.

The present system of financing schools through local taxation, whatever its disabilities, has behind it the force of tradition. For decades, that is where the money came from. But a brief look at the effect of this system on school finance will provide ample evidence for the desirability of change now. When we were a Nation largely of farmers and home owners, real estate comprised the bulk of the wealth and offered a valid basis for taxation. Wealth could reasonably be measured by holdings of real estate. Taxing it for schools and other government services raised the money close to where it was used.

But the growth of manufacturing and other industries, the relative decline in the importance of agriculture, the migrations to cities and to suburbs have created enormous imbalances in this traditional system. Real estate is no longer the fundamental measure of the ability of people to pay for government services or of their need for them. Yet it has

persisted as practically the sole local basis for financing schools and other community activities. And that very persistence became one of the principal causes of the growing inequities and inefficiencies.

The complexities of urban life raised the cost of government services. As low-income people came into the cities, they required more public services, which meant higher taxes. Meanwhile, many of those who could moved to the suburbs where lower tax rates were required for considerably less public services. And as industry has begun also to head for the suburbs, cities have lost still other sources of property tax revenues. Public acquisition of private property has lessened the tax rolls even more. The resistance of suburban residents to such changes in their communities as multiple housing developments stems as much as anything from their recognition that mass housing means more children to educate and therefore higher school taxes. And their wooing of commercial and industrial enterprise from the cities reflects their desire to gain taxable property even if it means dotting their landscapes with office and factory buildings. Many of these same people continue to commute to cities, where they expect to find high quality government, transportation, and cultural services, while they pay the bulk of their taxes in their suburban home communities.

That is not to say that people make decisions about their lives and their places of residence only because of taxes and public services. But these wide and growing disparities among taxes and the amount and quality of public services, such as education and welfare benefits, do contribute to social distortions of many kinds.

Fundamental to this problem is the fact that only about 10 percent of government revenue is a product of real estate. Yet roughly 64 percent of local revenue comes from local real estate taxes, and more than half of that money goes for school finance. Additionally, local property taxes are presently administratively inefficient in many States. The process of local assessment and collection of these revenues by thousands of school districts and local communities is cumbersome, redundant, and wasteful. Merely simplifying the process would produce a lot of extra money.

Real estate taxes produce relatively less revenue in a rising economy than do income or sales taxes, but they provide more stability for public revenue in periods of recession. At least in recent years, new construction has not kept pace with other measures of economic growth. And taxpayers have resisted increases in assessed valuation (the base on which property taxes are computed) and have increasingly voted down efforts to raise tax rates.

All of these factors have contributed to the flaws in the local property tax as the sole source of school finance and to its inability to provide the new money that schools must have. Adequate school finance requires a new State and local tax system that raises money more fairly and more efficiently, and, at the same time, produces more money.

State sales taxes are currently the primary source of State revenues and only five States do not now have a broad based sales tax: New Hampshire, Delaware, Montana, Oregon, and Alaska.

State income taxes provide the second largest source of revenue to the States. As of now, 10 States make no effective use of the personal income tax: New Hampshire, Connecticut, New Jersey, Tennessee, Florida, South Dakota, Texas, Wyoming, Nevada, and Washington. (Only New Hampshire has neither a sales nor income tax.)

In summary, we conclude that the best way for the States to reform their tax structures for education is to reduce the current reliance on local property taxes and transfer the fund raising mechanism to the State.

The power to make the changes rests with State legislatures. We recognize that there are serious implications which must be considered if a State is to move from local property taxes to other sources of funding, and we also recognize that there is no single method that this Commission could suggest that would be appropriate for all States. Conditions vary from State to State and their legislatures know best how to blend together the appropriate State taxes to meet their needs.

Our investigations of present school financing and our deliberations on the issues confronting us led us to an inescapable conclusion: *The most practical system for fulfilling the requiremnts for reform would be one in which revenue raising and the distribution of educational resources were centered at the State level.* We recommend such a system, in contrast to traditional separation of revenue sources by State and local governments, as the means of coming to terms with and correcting the unequal tax burdens and the inequitable distribution of the State's educational resources.

Intra-State Allocation of Educational Resources

Inequalities of educational opportunity stem from many causes, including some beyond our knowledge and beyond our purview. But to the extent that they derive from disparities in the distribution of funds among school districts, they have been a concern of this Commission from its inception. We have determined that there are two broad approaches to the reduction of disparities among school districts. One approach retains the present methods by which revenue sources are shared by the school districts and the

State. The other involves methods for distributing the bulk of the money by the State to the school districts.

Both approaches and alternatives which will be discussed would be in compliance with those court decisions that have banned disparities in education spending based on differences in district wealth.

Briefly these two approaches and the means of implementing them can be summarized this way:

A. More equitable sharing of funds derived and distributed by the district and the State through:
   1. Creation of new district boundaries
   2. Power equalizing

B. Full State funding (with limited local supplementation):
   1. Equal per-pupil expenditures
   2. Equal expenditures, adjusted for differences in costs among districts
   3. Expenditures related to educational needs
   4. Educational vouchers

There are still other methods and variations that might be examined, but we have determined that these are the ones deserving of most serious consideration. We will consider all of these methods in turn, in the light of the Commission's conviction that the most efficient and the most equitable system of distribution of school money will come from the funding of the major share of all money being dispersed to districts by the State.

A. *SHARING OF COSTS BY THE DISTRICT AND THE STATE*

1. *Creation of new district boundaries*—This method is closest to the present system of cost sharing between the local school district and the State. It represents an effort to continue to distribute education funds derived largely from local wealth but in a more equitable way by revising boundaries to create new districts. Within these new districts, the distribution of the wealth upon which local taxes are collected would itself be made more nearly equal. Since disparity among school districts is greatest when measured in terms of property value per pupil, a system that incorporated personal income criteria with property valuations would eliminate many of these disparities, though precise measures of this potential change are not now available.

This alternative should not be viewed in the same terms as a reduction in the absolute number of school districts, a trend that has been underway for years and one which the Commission endorses. What we are considering here is not a matter of numbers of districts but rather of creating dis-

tricts of whatever number that are more nearly equal as sources for educational revenues and, therefore, of funds to be spent on schools.

Certain drawbacks inhere in this approach. For one thing, wealth and poverty are often distributed within a State in such a way that creation of equal-wealth districts would require monstrous gerrymandering and would, in many instances, create geographic entities virtually impossible to administer. For another thing, changes in income distribution would almost certainly require periodic redistricting, if the principle of equal distribution of wealth were to be maintained over the long term.

But beyond these considerations, this approach would not address itself to a basic objective of the Commission, namely substantially reduced reliance by education on local wealth locally taxed. Moreover, this method does not incorporate the conviction of the Commission that there be relatively narrow limits set by the State on future local increases in funding for education.

For these reasons, the Commission has not elected this as the means of reducing disparities among school districts in the distribution of education funds.

2. *Power equalizing*—The objective of this method of sharing education costs among districts and the State is to guarantee to every district a given revenue yield for any tax rate a district chooses to impose on itself. In effect, if two districts, whatever their relative wealth and tax base, established school property taxes at the same rate, the State would guarantee—through payments—that per-pupil revenue for each district would be equal. Differences in district revenues, therefore, would depend not on their respective tax bases but on the rates at which they chose to tax themselves.

The following example demonstrates the way this method operates, assuming a State guaranteed a return of $25 per pupil in revenue for each mill levied and both districts chose the $750 per-pupil expenditure level which would require a 30 mill tax rate:

District	Tax Rate Selected (in mills)	Guaranteed Yield		Actual Yield		Difference Between Actual Guar.
		1 Mill	30 Mills	1 Mill	30 Mills	
Rich	30	$25	$750	$35	$1050	+$300
Poor	30	$25	$750	$15	$ 450	−$300

As can be seen in this example, in the rich district, the tax rate of 30 mills produces the equivalent of $35 per pupil per mill for a per-pupil total of $1,050, which is $300 per pupil more than the guaranteed level based on $25 per mill. This surplus would accrue to the State. The poor district, taxing at the same rate of 30 mills, generates only $15 per pupil

per mill or $450 per pupil. But since this district has taxed at the same rate as the wealthy district, under this plan, the State would supplement this district to the degree necessary to provide it with $25 per pupil per mill, or $300 per pupil. This method would equalize the yield in the different property evaluation of both districts.

We do not find this a satisfactory solution to the problem of disparities for a number of reasons. This power equalizing system relies heavily on inefficient local property taxation, and it would be extremely difficult to establish an upper limit on district tax rates that would enable the State to plan its educational fund requirements. While power equalizing would eliminate disparities based on wealth, it would nevertheless continue vast differences in funding among school districts and, therefore, among children in the State.

B. *FULL STATE FUNDING* (with limited local supplementation)

1. *Equal per-pupil spending through the State*—This is certainly the simplest of all State funding methods. But on closer examination, what appears to be equality is not, for several reasons. The same services may cost different amounts in different parts of the same State, so equal funds may not even produce equal services and facilities. Moreover, it fails to recognize that equality of education varies with the needs of children rather than simply with the amount of money spent. This is particularly true in the case of specialized types of education such as secondary versus elementary, vocational, and programs for mentally and physically handicapped children. And its egalitarian approach could produce a leveling down in education of higher spending districts.

2. *Equal expenditures, adjusted for differences in costs among districts*—Though this remains an essentially egalitarian approach, it at least has the advantage of recognizing the cost differences of educational services and facilities among a State's districts.

Determining those differences and applying them to the funds the State distributes to its school district, however, is no simple matter at present. The differing costs of delivering comparable educational programs would require the construction of a cost-of-education index by districts in each State. The fact that none exist today means that if a State adopted an educational resources plan based on adjustment of cost differences, it would have to develop such an index. That is both technically and administratively feasible.

3. *Per-pupil expenditures related to educational needs*—Of all the methods for distributing State funds, this is the one that comes closest—in theory at least—to achieving the objectives of equal educational opportunity and quality education for all children. It can be and has been

argued that, in practice, varying the amount of educational resources applied to differing needs of children has produced research findings that are inconclusive at best. Nevertheless, practical experience in classrooms seems, by contrast, to have established several palpable conclusions about children's educational needs: There are slow learners and fast learners; motivations vary with the size and composition of classes; techniques that work well with some do not work as well with others; some children require more attention and effort than others to produce the same results. It seems more reasonable to assume that a system of educational resources distribution based on recognizing these differences merits serious consideration.

4. *Educational vouchers*—Though this method of fund distribution is discussed elsewhere in this report, it is mentioned here because it can be used as an alternative to other ways of distributing State educational resources. The obvious difference between this and the other methods described here is that voucher plans place the power to choose the schools where money would be spent in the hands of parents rather than school districts. Under this system, of course, parents could choose from many types of eligible schools. Advocates of this plan generally offer it not primarily as a means of eliminating inequalities in financing but rather as a way of giving parents a broader choice over the kinds of schools their children attend, assuming that there are alternatives in their areas. But voucher plans do, as a matter of fact, provide a vehicle for achieving equality to the extent that they provide parents with equal per-pupil spending power, which may also be adjusted for differences in costs and of needs.

We have presented four methods of State distribution of educational resources. Each, as we have noted, seeks to achieve some measure of equality of education. But rather than recommend one or another of these four, we propose instead to blend their best aspects into a plan for distribution of resources by the State that is soundest in terms of educational and economic criteria and most acceptable to the legislators, the administrators, and the citizens.

Two essential purposes form the foundation of this recommendation:

1. To reduce as much as possible the disparities in educational resources among school districts, and
2. To recognize and provide for the differing needs of children.

To produce a plan that accomplishes these purposes in a realistic context requires that certain assumptions be made.

First of all, no feasible plan can eliminate *all* disparities, since the most extreme ones result from atypical situations rather than from inequalities.

Secondly, while certain essential measures may not be immediately

available, we believe that they can in fact be developed and used by State agencies. These include:

1. Definition of cost differentials of various aspects of education among districts within a State and the development of a cost-of-education index to clarify these differences among districts.
2. Measures of relative educational need, which would be required to effect equitable distribution of available resources.

Thirdly, we advocate that no school district receive less resources than are now being spent by that district.

Finally, we believe strongly that, after State resources are distributed, local educational agencies should be given the widest latitude in applying them to their particular educational requirements.

Cost-of-Education Index

The need for such an index is so obvious, it is surprising that none exists. Costs of educational personnel, facilities, services, and equipment vary from area to area as they do for all other public and private activities. Aside from self-evident variables as wage rates and land values, costs are affected by delivery distances and volume of consumption at various places, among other factors. Distribution of educational resources equally requires that the value of the resources at the receiving end be equal. To achieve this objective, an index must be applied.

The cost-of-education index would be similar to other indexes now in operation. The best example is the cost-of-living index maintained by the Department of Labor, which gives comparative costs of consumer goods and services in various parts of the country.

Another similar measure in use today is a construction cost index, which gives comparative costs of construction in various cities.

Educational Need Index

This is a considerably more complex process, but a necessary one. It requires that: (a) categories of varying needs be identified; and (b) the value of relative educational resources necessary to meet these varying needs be established.

Certain categories of need are relatively simple to identify. These include vocational education, preschool education, education of the handicapped, compensatory and remedial education, and elementary compared with high school education, among others. The effects of socio-economic factors on children's learning ability are not so readily accessible. But our research indicates that they have considerable impact especially on knowledge and skills and are, in fact, ascertainable.

Despite the controversy linked with the measurement of relative needs for resources, this Commission believes strongly that we must attempt to express in quantitative terms what we mean by equal educational opportunity and quality education. Otherwise all efforts to achieve these objectives bog down.

There is another reason why relative needs must be expressed in quantitative terms. That is because demands for educational resources will always exceed supply. Thus we must be able to assign relative weights to defined needs for resources or we will not be able to distribute those limited resources rationally and equitably.

In its recent report, the National Educational Finance Project, sponsored by the U.S. Office of Education, assigned relative values to the various educational needs we have identified. Though these values cannot be viewed as precise, they nevertheless offer a sound basis for developing an educational need index. We, therefore, commend them as the starting point for State efforts to develop a method for allocating available resources among school districts and children. An index of differential cost factors prepared by the National Educational Finance Project appears in appendix F.

Local Supplementation

We recognize that some local school districts will want to provide additional funding above the amount provided by the State.

We believe that some latitude should be provided in this regard, but it must be kept in mind that local funding has been the root cause for the wide disparities in educational financing between districts. We believe that school districts should be provided authority to supplement the State allocation up to a level not to exceed 10 percent. As an example, a State allocation of $300,000 could be supplemented by $30,000 from local sources.

The Commission recommends that State governments assume responsibility for financing substantially all of the non-Federal outlays for public elementary and secondary education, with local supplements permitted up to a level not to exceed 10 percent of the State allocation.*

The Commission further recommends that State budgetary and allocation criteria include differentials based on educational need, such as the increased costs of educating the handicapped and disadvantaged, and on variations in educational costs within various parts of the State.

To aid the States in moving toward this objective, ***the Commission also recommends a general purpose Federal incentive grant that would re-***

* See comment by John Davis, pg. 95.

imburse States for part of the costs of raising the State share of total State and local educational outlays above the previous year's percentage. This would be contingent on the submission by a State of a plan for achievement of full State funding over a reasonable period of time.

There are several different approaches that would implement the above recommendation for Federal assistance to the States in shifting over to substantially full State funding of elementary and secondary education costs. Regardless of the particular approach, it is probable that in most States, the progression from the status quo to substantially full State funding will involve most of the following steps and characteristics:

(1) A significant and widespread lessening of local property tax burdens for education;
(2) Adoption of a statewide property tax levy for education at a level very significantly below the present local property tax rate for schools;
(3) Greatly increased reliance upon State sales, personal and corporate income and other taxes for the support of schools, and*
(4) A phased, in contrast to an overnight, shift to full State funding except for those few States that are already contributing a major portion of State and local funds.

There are many different methods which can be used by the Federal government to provide to States an incentive grant for them to move to full State funding.

We are not recommending a specific method. To do so would require this Commission to become involved in many considerations of intergovernmental relations and tax policies that would go beyond the problems of school finance. Nor did we feel it appropriate to offer recommendations affecting national tax policy, including among other things, new revenue sources such as the value-added tax. Instead, we have identified four alternatives, all of which would provide significant incentives for States to reduce their reliance on local revenue for education.

These alternatives appear in appendix H to this report. In describing them, we have arbitrarily chosen percentages and unit amounts. This was done to provide a reasonably common base for our calculations. The four alternatives presented result in Federal financing from a low of $4.6 billion to $7.8 billion, over a 5-year period.

It is the Commission's best judgment that between $4 and $5 billion will be required to provide sufficient incentives for States to move to full State funding.

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* See comment by Bishop McManus, pg. 100.

VI. STRENGTHENING STATE ADMINISTRATION OF EDUCATION

We have reiterated the unexceptionable fact that, in matters relating to the public education of children, States have primary power and responsibility. But States have not generally exercised that responsibility and they have permitted and encouraged this State function to be performed by local governments. If the education function of government was not now encountering serious difficulty, the fact that States have apparently avoided responsibility would not matter. But as we know, education is a public service characterized by dissatisfaction and engulfed in controversy. The lack of State involvement did not create the dissatisfaction and the controversy, but assuredly it has not helped alleviate the enormous difficulties that have resulted and that are among the major concerns of this Commission.

As we are all well aware, the problems of education stem from many causes and require many solutions. But we must assume that since the States are the principal instrumentalities for exercising the power to educate, the solutions must come largely through them. If that is going to happen—as it must—then the governing structures of the States must be strengthened. And this strengthening can best be implemented by focusing the power in the hands of those State officials most directly responsible for its exercise, namely the Governors and the legislators.

Every State has a chief school officer, and every State but one has a State board of education. That would seem a reasonable way to operate education at the State level, and we do not dispute that assumption. What seems to create much of the diffusion of power and responsibility in the States in matters of education is the fact that in most, these education officials and bodies do not have clearly defined relationships among themselves. Few citizens have any sense of the relative responsibilities of their Governor, chief State school officer and the State board of education in educational matters. In more than half the States, the chief State school officer is selected by the State board of education and is the board's executive officer. In 21 States, he is elected by the voters, which tends to make the relationship between the board and the Governor less clear. The board itself is usually composed of laymen appointed by the Gov-

ernor, but in some States, board members are elected. Both methods dissipate and confuse responsibility and authority. Appendix D to this report illustrates how States currently choose their State boards of education and their chief State school officers.

In a sense, this situation has produced what has been called a special government for education. Yet this special government does not in any sense eliminate the involvement of the general government in education for a couple of crucial reasons: First, the legislatures retain the power to legislate in all aspects of education including creation of administrative machinery, altering it, and assigning and reassigning its functions. Moreover, legislatures enact State budgets. Second, a primary function of the Governor is to prepare and submit the State budget, including the education component, to the legislature. Whatever budgets State education boards and school officers recommend, neither the Governor nor the legislature is required to accept their recommendations. These special educational governments, therefore, do not in any sense replace the general government, nor do they, with some notable exceptions, play a particularly active role in relating education to other functions of State government.

State education organizations and procedures must now undergo enormous change if they are to exercise aggressively and effectively their inescapable responsibility and authority. And they must, because they have the basic responsibility and their actions are central to the entire federal system. Without strong State intervention in education, things cannot go well in the Nation's schools.

The need for greater strength in State education departments was recognized by Congress when in 1965 it provided Federal funds for the support of these agencies. The result, whatever the intent, was to lead State education agencies to devote a disproportionate amount of their time to the administration of Federal programs. Further, State education departments came to depend to an excessive degree on Federal money for their operations, in some instances for as much as 70 percent of their budgets.

The necessary changes in the structure of State educational instrumentalities must be initiated by State Governors and enacted by State legislatures. We can offer only guidance as to the general direction that these changes can take. Our suggestions in this area are neither more nor less than helpful counsel to the repositories of the sovereign power of the States.

As we examine the traditional relationships of State education boards and the State education officer to the executive, we see the need for a better defined arrangement. We suggest that where this is not the practice,

every Governor exercise his central responsibility for education by being empowered to appoint the members of the State board of education. Though we would not attempt to define the composition of these boards, we would hope that every Governor will recognize the enormous importance of education to the State and would therefore choose able and representative citizens as members, a procedure not often associated with the selection of board members in the past, by Governors, by legislature, or, for that matter, by voters. Boards appointed by and accountable to the Governor would seem to be the proper authorities to appoint a chief State school official.

We would expect that this combination of procedures would clarify the assignment of responsibility for education within a State. Moreover, if, as we hope, Governors exercise their power thoughtfully and with full recognition of the mounting concern of their citizens over education, we are certain that the link through the governor to the voters will have constructive force.

However States choose to conform their taxing systems and educational funding methods to the new realities of public pressure and judicial decisions, State legislatures must become immersed in fiscal and procedural matters relating to education. Yet these legislative bodies traditionally operate under severe handicaps when it comes to their ability to obtain necessary information. Few legislative committees have adequate research staffs in education, in public finance, or in many other of the fields in which they act. Yet the tasks that confront legislators now require continuing flows of research on a year-round basis. To provide this vital information, State legislatures should provide adequate committee staffs and upgrade their other capabilities so as to analyze the many alternatives for reforming educational policy, the revenue structure, and the distribution of resources throughout the State.

At the present time, virtually all collective bargaining takes place between the local school district and its own teachers. This arrangement has often caused severe difficulties. For one thing, school district officials have entered into agreements which they cannot pay for out of their own local funds. They are forced to plead with the State for additional funds to honor the contracts which the State had no part in negotiating. For another thing, local district bargaining has created considerable pressures among districts as agreements raising salaries in one school district are used to get even more in neighboring districts. Further, "quality education" is now often equated with higher teacher salaries.

Some of this may be eliminated as the States assume a more active role in education, particularly by increasing their share of the total funds available to school districts. It is likely that they will find themselves

assuming a more active role in collective bargaining with teacher organizations. Collective bargaining is, of course, a recognized and accepted aspect of industrial relations in many fields. However, when it first becomes a part of employer-employee relations in the public sector, it can exacerbate old antagonisms and create new ones. That is not an inevitable concomitant of this development, however. To avoid it, we suggest that States develop professional industrial relations staffs to assist local educational agencies in collective bargaining arrangements with teacher organizations. Continuing relations during and between bargaining sessions between the parties tend to ease the difficult and abrasive aspects of the process, reduce the elements of surprise and hostility, and make industrial relations a process among equals rather than a war between enemies.

Inasmuch as many of the recommendations made in this report require a strong State role in education, ***we recommend that Governors and legislatures take vigorous steps to strengthen the organization and staff of the education related components of their executive and legislative branches. What each State must do will vary, but it is imperative that every State act.****

We are concerned with the problems encountered by State educational agencies in planning for the allocation of funds throughout the State. Though the proportion of State aid to the total State and local outlay for elementary and secondary schools may vary, all agencies must be informed as to the total resources available for this purpose. Federal aid offers no exception to this rule. However, in past years, several education programs financed by the Federal Government have been operating outside of the scope of the State educational agency. In many instances, this has created serious gaps of knowledge and inconsistencies in State planning efforts. It has also created sharp antagonisms between school officials and other recipients of Federal educational aid dollars.

We recognize that there may have been good reason for the Federal programs to operate in a dispersed manner within some States in the past. Many separate organizations have had to be created to deal with special problems related to programs providing financial assistance to special target groups. Nevertheless, this program dispersion has severely inhibited the formulation of an overall planning for education throughout the State.

We recommend that, in light of the primary responsibility of the States for financing education, and in conjunction with our recommendation for full State funding, Federal educational aid funds should flow through the States, usually through State educational agencies.

* See comment by Bishop McManus, pg. 95.

*However, where a State is unable or unwilling to participate in a particular program, Federal funds for that program in that State should be channelled directly to the districts or other agencies involved.**

* See comment by Bishop McManus, pg. 96.

VII. SAVING THE INNER CITY SCHOOLS

The schools in the big cities are caught in two desperate crises—one financial, the other racial. And the two are becoming a single overriding emergency as inadequate funds affect school and education quality. Faced by rising property taxes and decreased social services including lowered school quality, business establishments and white middle-class families continue to flee to the suburbs. That flight, in turn, increases the isolation of low-income and minority children in the city schools. It also further reduces the ability of the cities to produce the funds to help them. This entire dismal cycle is already well known. Its effects have been publicized throughout the Nation as school budgets are cut, forcing systems to cut personnel, close schools for extended periods, and even consider "payless paydays" for teachers. School buildings decay as maintenance funds are slashed. Meanwhile, tax bases decline as the exodus increases, further cutting revenues as needs mount. As the struggle goes on, the children using these schools are being cheated of the opportunity to obtain a decent education.

The big cities are rapidly being left to the poor and the untrained. The big city school populations are moving even more rapidly toward systems which are devoid of white middle-class children. Poor education is both a cause and an effect of other urban problems.* The strained relationship between city school systems and government, both local and State, inhibit solutions to the complex social, economic, political, and historic problems that are increasingly evident throughout American urban life.

Education alone cannot solve the problems of the cities. Housing, health care, welfare, and law enforcement all play critical roles, and no single activity, by itself, can provide a solution. But we do believe that the educational process, both within and outside schools, provides the strongest possibility for retaining the productive ingredients of city life. The future of the cities may well depend upon how well we educate the children, assuming that we commit sufficient resources to other urban problems as well.

* See two comments by John Davis, pg. 100.

In this context, we cannot overlook the crucial contribution of the nonpublic schools. They educate approximately 20 percent of the total number of children attending schools in the Nation's cities; 17 percent of their enrollment is from minority groups; and they relieve the public school system of significant additional costs. The nonpublic schools, to many people, are the only reason for remaining in the inner city.

The unique problems of urban education stem from the fact that the cities are called upon to educate a large proportion of children who are economically and socially disadvantaged in locations where costs are highest. In comparison with suburban and rural areas, cities must pay higher salaries and higher prices for land, facilities and virtually all other services associated with the schools. The declining resources and the increasing cost of education combine to make an already difficult situation worse. The higher cost of educating disadvantaged children adds even more to the financial burden of the cities.

The Commission has approached this tangle of circumstances from several points of view. The attitudes and opinions of school superintendents and school board presidents in the 25 largest cities have been surveyed and analyzed. Complex intergovernmental relationships have been studied by highly qualified research organizations. We have reviewed many proposals and plans, seeking the best thinking on the attendant issues. And we concur with those who hold that the plight of our cities requires action now and that urban school systems ought to get a major share of that action to halt and perhaps reverse the process of social disintegration that is taking place. The condition of big city schools should clearly become a matter of immediate concern to the States and should be supported by special Federal efforts because of the explosive nature of the problem.

Any hope of solution to the complex of urban problems must begin with the States' assigning high priorities to the urgent needs of their cities, most particularly to the needs of inner city schools. We have proposed that the Federal Government provide incentive money to the States to motivate reforms in their systems of distribution of educational resources. But beyond these funds, which will be committed as States move toward full State funding, we believe more is necessary.

The Commission recommends the initiation by the Federal Government of an Urban Educational Assistance Program designed to provide emergency financial aid on a matching basis over a period of at least 5 years, to help large central city public and nonpublic schools finance such programs as: (a) development of experimental and demonstration projects on urban educational problems; (b) replacement or renovation of unsafe, unsanitary or antiquated school buildings and equip-

ment; (c) addition of remedial, bilingual, and special teachers and professional personnel; (d) addition of teacher aides, and other supporting personnel; and (e) provision of instructional materials and services. Grant funds should not be used to increase salary or wage rates of school personnel.*

This program must be aimed at those aspects of the problem that State and local governments can't handle. They must reach beyond the status quo and serve purposes that encompass more than simply meeting deficits and financing existing school programs. Defined in terms of the special needs of cities, these efforts should provide opportunities for developing new approaches to urban educational problems and for applying other techniques and methods that have often been neglected amid the crisis of survival of these schools. We recognize that many school districts outside the big cities suffer from economic and social problems. But we are convinced that the scale of urban disintegration has created problems that are distinctive.

It is essential that Federal grant funds for the Urban Educational Assistance Program not be made generally available for the increase of salary or wage rates of school personnel. The fear is continually expressed by representatives of minorities of the urban poor, as well as by city school officials, that unearmarked Federal assistance in the field of education, when applied at the city school level, will largely be absorbed in salary increases through aggressive bargaining by unions of teachers and other school employees. The philosophy of the Commission as expressed earlier in this report regarding the role of the Federal Government, emphasizes the use of Federal funds to stimulate needed new activity in the field of education at the State or local level. Certainly revenue sharing or other kinds of unearmarked Federal aid mingle with other State and local monies and may be used for any purpose. In the Urban Educational Assistance Program, however, the needs are so urgent in the fields of remedial teaching, building renovation and replacement, security and other supporting personnel, that these funds should not be diverted to salary and wage increases. State and local funds should be used to meet that problem.

The situation in and around inner city schools has been extremely serious for the last few years and in some areas is getting worse. Although it may be repugnant to many school administrators and teachers, necessities have arisen for the employment and placement of monitors and other security personnel in and around school buildings to help maintain order and to prevent unauthorized persons from entering school buildings. In some cases, auxiliary city police or special law enforcement personnel

* See two comments by John Davis, pg. 96.

are used for this purpose. School children need to be able to walk from their home or bus to the school building in safety and need to be free from physical violence and extortion while attending schools. Until the atmosphere of terror is removed from these schools, little progress can be made in restructuring and maintaining environment conducive to learning.

Demonstration projects should be aimed at reexamining the role of education as an element in the solutions to larger urban problems. Our concern is with the effect of improvements in education on other inner city problems. We believe good schools can help, but we do not know how much. Grim as the overall picture may appear, we know that there have been many successful efforts to upgrade the quality of urban schools and teaching with definite improvement in performance of pupils. Those efforts should be identified and made known to all who search for ways to improve their schools.

As stated in our proposal, we envision the financing of the Urban Educational Assistance Program to be on a matching basis, with States sharing part of the costs. This arrangement is recommended for at least two reasons. First, the States are responsible for addressing the educational problems of their cities, and secondly, they will have been provided Federal funds as they move toward full State funding.

In regard to the Federal outlay for this program, we believe that an annual amount of approximately $1.0 billion will be necessary if the problems of the inner city schools are to be adequately dealt with. We suggest that this amount be contingent on a non-Federal contribution of an additional $250 million. This matching arrangement is consistent with the Commission's view regarding the responsibilities of the State and Federal Government in financing the educational needs of the country.

Community Schools

Usually the schools and the community are isolated from one another. Although the schools are physically in the community there is limited interaction. While it is accepted that the social services of a community exist to serve the needs of the community, it is less generally conceded that the schools exist also to serve the community.

The school building closes in the afternoon, is closed in the evening, on weekends, and during the summer. The school can better serve the community by opening up to that community. In a community school the education facilities become community facilities as well. Buildings remain open all day and evening throughout the entire year. Other social services which serve the community are brought into the school. The school

becomes, in addition to an educational center, a focal point for responding to community needs—health, welfare, housing, recreation, and so on.

The Commission recommends that States encourage and assist local education agencies, especially those in major urban centers, in creating community schools which would include such elements as (a) close liaison with and involvement of parents and other citizens in the educational community; (b) extended availability—nights, weekends and summers—of school facilities for use of youth and adults in educational, recreational and other neighborhood activities; (c) cooperation with other community social agencies; (d) recruitment and use of community volunteers as classroom aides, hall monitors, library and clerical workers and for other appropriate duties.

Attracting Qualified Teachers

One of the more serious problems in the urban school is the high rate of teacher turnover. There is a high degree of teacher migration from the central city to the suburbs as well as a high incidence of withdrawal from the teaching profession.

Beginning teachers often view teaching in the urban schools as serving an apprenticeship which will enable them to then move on to the suburban schools, while many who remain in the urban school system feel they have been punished or passed over. The more experienced teachers who do remain are often "rewarded" by being promoted to school administration or by going on to teach the more advanced courses. The teaching of general mathematics, grammar, and reading is left to the inexperienced or the substitute teacher. Desperately needed in these urban schools are teachers who have the basic teaching skills, who have a knowledge and understanding of the cultural heritage of these students, and who above all have a strong commitment to improving the position of the urban school child.

Accordingly, the Commission further recommends that State and local education agencies authorize and encourage the provision of suitable support services and other incentives to attract qualified teachers who understand the special needs of those schools where educational achievement is lowest.

VIII. TOWARD EARLY CHILDHOOD EDUCATION

For a variety of reasons, the idea of beginning the education of children earlier than kindergarten has received impressive support in many quarters. For some, it grows out of a desire to "liberate" mothers. For others, it allows women to enter the work force. For still others, it stems from a concern that many young children are not exposed to educational motivation at home. There is a growing feeling that all children ought to begin their education early to achieve greater intellectual, social, emotional, and physical development.

This Commission is concerned with the educational component of early childhood programs. We are not dealing here with the pros and cons of getting welfare mothers to work or with providing babysitting services to middle-class parents. Our concern is with maximal development of children—mentally, socially, emotionally, and physically. While joining in this broad endorsement of the principle, we believe that ultimate decisions on the details of childhood education must rest with the States.

It is for the States and their localities to decide the shape, the purposes, the eligibility, the methods, and the facilities for educating young children. We have included the principle of early education in our discussion of equal educational opportunity and quality education in chapter III of this report. We feel that the States, in their efforts to devise programs to realize those objectives, should certainly give consideration to the idea. Furthermore, we submit that the Federal Government ought to provide encouragement and leadership for such efforts.

The history of preschool education and day care centers in America extends back more than a century. Recently, especially since the mid-1960s, a wide range of programs involving Federal agencies and funds has been instituted, even including the renowned *Sesame Street,* a preschoolers' television teaching program. Evaluations of these many efforts, while they have not necessarily provided comparable data, have nevertheless indicated that the basic ideas of early childhood education are sound and worthy of encouragement.

Among the research findings provided to us, the following are the most pertinent:

For children of 4 and 5

We find substantial justification for a program of group-administered, preprimary education for children of ages 4 and 5. This conclusion is based on findings related to such output variables as increased "school success" or academic achievement, improved ability to adjust to the routine and life of the school, increased promotions to first grade, reductions in first grade retention, increased success on "readiness tests," gains in IQ points and reduced likelihood of dropping out.

For children of 3

We find less substantial evidence for a program of group-administered, preprimary education for children at age 3. While 3-year-olds are ready for some degree of socialization experience, less is known about how to manage such programs for them.

For children from birth to 3

We find strong justification for educational programs for *parents* of children from birth to 3 and especially for parents of children up to age 3 or 4. Evidence that differences in various abilities between socioeconomic groups generally begin to appear in the 2nd year suggests that parent education early in the child's life may work to prevent the gap that appears then and later widens.

Learning by television for preschoolers

We find that specially designed television programs can produce achievement gains for children of all socioeconomic groups, independent of socioeconomic status, sex or regional groupings. Programs of this kind should be made a part of the experience of all children, not only at home, but at group facilities as well, from home and family day care to full-day kindergartens.

Diagnostic evaluation in early childhood

We find strong evidence for the importance of complete medical, psychological, social service, and educational diagnostic services at the time of entry into preschool programs, along with provision for referral and treatment where necessary.

A needed research and evaluation base

We find the need for an expanded and continuing program of research, demonstration and evaluation of programs on development of infants and children up to 6.

Models for training of staff for early childhood programs

We find a need for models of staff training as well as preservice and inservice training programs for professional staff, aides, assistants and paraprofessionals, both volunteer and paid.

In our deliberations on early childhood education, we have not lost sight of the fact that the home environment still remains the most influential and critical aspect of child development. We cannot endorse programs which would minimize the importance of the family unit, nor do we believe that programs can succeed without family involvement.

But if we are to seek new approaches to educating those whom we call the disadvantaged, we cannot ignore many research findings which lead us to believe that much of the lack of success of past efforts has been because we started too late in a child's life. Starting to educate children at very early ages raises many problems which are even now unknown to us.

It is against this background that the Commission proposes the Federal encouragement of further activities in the area of preprimary education programs.

We believe there is much that can be done by the States themselves to deal with the provision of early childhood education. The most obvious step is the strengthening of the kindergarten programs now in process and the initiation of those programs where none now exist.

Thirty-six States have adopted legislation permitting kindergarten programs; eight States have mandated these programs; and 38 States make State aid available.

Public and private agencies are providing an increasing number of programs of preschool education and today 82 percent of the 5-year-old and 29 percent of the 4-year-old populations are enrolled in such programs. However, only 47 percent of five-year-olds and 20 percent of 4-year-old children from low-income families are now receiving some form of preschool training. The children needing this form of education the most, are receiving the least.

There is great potential for improving educational attainment by providing some form of education beginning at age 4, particularly for disadvantaged children.

This Commission recommends that the States, local school districts and nonpublic agencies continue to move towards the adoption of programs of early childhood education commencing at age 4 and that the Federal Government provide incentives for this purpose.

We believe the States should consider inclusion of a preparent program of child development and child care curriculum in their high schools. Many States are already doing so. Such a program, instituted through local school district choice, brings together preschoolers in need of an educational experience and high school students who most assuredly will be the parents of the next generation. Under the direction and guidance of professional instructors, both age groups benefit greatly. Equally im-

portant, such a program would take advantage of facilities and staff assistants (the students) already available, with minimal additional expenses. If 20 preschool children could be enrolled in each of the 24,000 secondary schools, 480,000 preschool children and an even greater number of high school students would benefit.*

A distinction must be made between education at age 4 and day care or other preschool activities. There is a wide variety of the latter sponsored by both private and public organizations. Day care centers can be a valuable aid to the intellectual, social, and emotional development of children, particularly if they include an educational component as part of their program.

We believe that the Federal Government should encourage the development of early childhood education programs for all children and that financial assistance should be provided for children from low-income families. For those children from families in middle or higher income levels, arrangements should be made to enable them to participate on a shared-cost basis. If day care centers are made available in disadvantaged areas, we urge that an educational component be incorporated in their programs.

In addition to providing general-purpose funds to the States as an incentive for moving toward full State funding, ***we recommend that the Federal Government contribute part of the costs of a program to (a) assist public and private agencies in the operation of early childhood education programs that include disadvantaged children; (b) sponsor demonstration projects; (c) aid in the development of curriculums specifically designed for these children; and (d) disseminate the results of effective programs throughout the country.***

Though the value of education to 3-year-olds in day care centers has not been clearly established, there is much evidence to suggest the value of some sort of education for parents dealing with child development. Children of that age, whose parents have participated in such parent training programs, give evidence of doing better in school than others. Such parent training programs, therefore, ought to be considered as part of the programs offered in those communities that seek to use their school buildings as community schools. Moreover, private employers should be encouraged to invest in and operate similar programs for employees and their children wherever feasible.

There are now approximately 800,000 children of 4 and 5 years of age from low-income families who are not receiving any preschool

* See comment by Eugene Gonzales, pg. 101.

training. We believe that Federal outlays should first be directed in their behalf.

We are recommending that such outlays be at a level of $250 million annually to provide sufficient incentives for the expansion of early childhood programs throughout the country.

IX. THE PUBLIC INTEREST IN NONPUBLIC EDUCATION

In our deliberations, we formulated two key issues as means to approach the subject of nonpublic education as it relates to our responsibilities. The first was to "determine the degree to which the public purpose is served by the operation of nonpublic schools." The second was "to what extent can public resources be used for nonpublic schools and what are the attendant obligations of nonpublic schools?"

The term "nonpublic" is used here to describe any school that is not publicly governed, including parochial, other church related, independent, and private schools. It described accurately the one common aspect of a group of educational systems and schools that differ greatly among themselves: None of them is a public school in the traditional sense. They differ as to sponsors, purposes, locations, and problems, even including financial.

Total enrollment in these schools exceeds 5.2 million, or about 10 percent of total school enrollment. Of these, about 93 percent are enrolled in schools affiliated with one of a wide variety of religious groups including Baptists, Christian Reformed, Friends, Jewish, Lutheran, Methodist, Presbyterian, Episcopalian, Roman Catholic, and Seventh Day Adventist. To a substantial degree, therefore, nonpublic means religious. Roman Catholic schools enroll far and away the greatest proportion of all nonpublic students, 4,367,000 or about 83 percent of the total.

One significant way in which nonpublic schools serve the public purpose is that they provide diversity, choice and healthy competition to traditional public education. There are many who equate diversity and pluralism with divisiveness and polarity. They argue that the very persistence of ethnic and cultural differences causes prejudices and discrimination. They hold that a major function of education is to eliminate these differences and create a more pervasively American ethnos and culture.

Without passing on the desirability of the persistence of differences or in any way attempting to design the future of American culture, we must remember that differences do exist. Where they are submerged or repressed and cannot be expressed through social and political institutions,

they eventually erupt in detrimental ways. At the very least then, nonpublic schools serve the public purpose by providing the means for a substantial group of Americans to express themselves socially, ethnically, culturally, and religiously through educational institutions.

In terms of school finance, these institutions are also highly diverse in their needs. Sponsors of some nonpublic schools and systems either have not encountered the financial difficulties that have lately plagued others or, for doctrinal or other reasons, do not seek public financial assistance for their institutions. Moreover, the relationship between financial need and public purposes is a complex matter that encompasses constitutional restrictions, inner city school problems, and migrations to suburbs, among other factors.

One of every 10 American children attends a nonpublic school; the proportion is much higher in urban areas where the nonpublic school is a much more significant part of American education than it is in the Nation as a whole. Roughly 83 percent of all nonpublic school children are found in what are known as Standard Metropolitan Statistical Areas (the cities and their suburbs), and nearly half (47.5 percent) of all nonpublic children attend schools in center cities. Of the total elementary and secondary school enrollment in our 10 largest cities, 24.6 percent is found in nonpublic schools.

It is apparent that nonpublic education is largely an urban phenomenon. Inner city nonpublic schools—mainly Roman Catholic, but also Lutheran in many areas—provide a substantial part of the total investment in urban education. And where their existence is threatened by financial and other problems, our cities must confront the prospect of assuming the additional burdens of educating nonpublic children.

The recent increases in the closing of Roman Catholic schools stem from many causes including the migration of their communicants to the suburbs as well as the desire of some parents to choose other kinds of education for their children. But to the extent that financial difficulties have affected most school systems in recent years, they have affected Catholic schools even more. As all teachers' salaries have climbed during the past decade, the cost of instruction in Catholic schools has increased even more, largely because of the increased demand for instructional services and a decline in the number of members of religious orders engaged in teaching (and who receive far less monetary compensation than lay teachers).

The investment in nonpublic schools through contributions, tuition, and aid from their sponsoring institutions represents a substantial share of total American educational capital. Were these schools to cease to exist, the burden on the public sector would be great. But since nonpublic

enrollment is not spread uniformly across the Nation, it would be a particularly arduous burden in some areas and virtually none at all in others. Depending on the rate of closings and the size of public school classrooms that would be tolerated by various communities, the total increases in public school operating costs might run from as low as about $1.3 billion to as high as $3.2 billion, and the cost of building new facilities would range from $4.7 billion to just short of $10 billion. Some 70 percent of these total costs would be borne by seven States—California, Illinois, Michigan, New Jersey, New York, Ohio, and Pennsylvania—because they have the greatest concentrations of nonpublic students and the highest costs of public education and because their public school enrollments are not falling as rapidly as those in other areas. It is somewhat unrealistic, however, to assume that all nonpublic schools would close their doors at once. Whole segments may find that necessary but not all of them. Even so, those figures do represent at least the outer limits of the financial aspects of the closing of nonpublic schools.

As burdensome as these additional outlays would be to the communities that would have to bear them, there are other consequences of the crises of nonpublic education that might create even worse problems. Roman Catholic schools in America were often established by immigrants from Ireland and Germany and later from eastern and southern Europe as antidotes to the Protestant orientation of American public education in the 19th century as well as means of preserving their ethnic values and as refugees from what must have been an inhospitable new cultural environment. Though these causes for their existence no longer may be as cogent as they once were, they nevertheless persist. There are schools in our cities that can be identified with Polish, Italian, or other ethnic groups. And as these old ethnic minorities confront new migrants—Afro-Americans, American Indians, Puerto Ricans, Mexican-Americans—in their old neighborhoods, their religious schools provide them with an important reason to stay in the cities. When these nonpublic schools close, parents are faced with a difficult choice, enrolling their children in inner city public schools or moving out of the neighborhood if they can afford to move.* These inner city religious schools may preserve a degree of ethnic and racial separation but, at the same time, they also preserve at least a semblance of racial balance in these old neighborhoods.

Thus closing of urban nonpublic schools can damage not only already decaying public schools, but also increase the racial isolation of inner city neighborhoods. Moreover, these urban nonpublic schools often enroll a significant number of children who are not adherents to their faith. This would indicate that their parents consider these schools preferable in

* See comment by John Davis, pg. 101.

quality to public education available to them. These are surely elements of consequence to the public purpose.

Providing public money to those nonpublic schools whose survival depends on it is fraught with controversy and is circumscribed by constitutional and judicial limitations, some reasonably clear, others still unsettled. There are permissible ways of providing public aid to children, who happen to be enrolled in nonpublic schools, and there are also ways of providing certain resources, facilities, and even personnel to nonpublic schools under carefully defined conditions, although some of these means may not survive future court tests. We have commissioned a great deal of research in this area and we have devoted much time and thought to the subject of supporting financially the public interest in nonpublic schools.

In considering what forms of financial aid to nonpublic schools might be recommended by the Commission, the restraints placed on such aid by court decisions in interpreting provisions of the Constitution, especially to the church-related schools, have greatly limited the available options.

The Commission recommends that local, State and Federal funds be used to provide, where constitutionally permissible, public benefits for nonpublic school children, e.g., nutritional services such as breakfast and lunch, health services and examinations, transportation to and from school, loans of publicly owned textbooks and library resources, psychological testing, therapeutic and remedial services and other allowable "child benefit" services.*

The types of support included in the above recommendation are currently being provided in at least one or more of the States of the country. They have, in most instances, met the constitutional tests and are helping parents who chose to send their children to nonpublic schools.

Aware that the provision of child benefit services alone will not make a substantial contribution toward the solution of the nonpublic schools financial crisis, ***the Commission further recommends that governmental agencies promptly and seriously consider additional and more substantive forms of assistance, e.g., (1) tax credits, (2) tax deductions for tuition, (3) tuition reimbursement, (4) scholarship aid based on need, and (5) equitable sharing in any new federally supported assistance programs.*****

We believe that any aid to private schools must be conditioned upon the following elements: (1) equitable treatment of various income classes of parents, with special concern for low-income, private school patrons in the larger inner cities; (2) full compliance with Title VI of the

* See comment by Bishop McManus, pg. 96.

** See comment by Neil McElroy, pg. 97.

Civil Rights Act of 1964; and (3) accountability to the public in providing full information concerning enrollment, governance, pupil achievement, and expenditure data.

Evidence is inconclusive in regard to the amount of program participation that nonpublic school children are receiving under Federal education programs for which they are legally entitled. The Commission urges that the Federal Government take action to guarantee to nonpublic school children equitable participation in all Federal programs for which they are eligible. Though these programs would continue to be administered through public school systems, such action would insure that all eligible children attending nonpublic schools participate in federally aided programs.

X. MAKING THE EDUCATIONAL SYSTEM ACCOUNTABLE

Public functions, such as education, health, welfare, environmental control, transportation, and public safety are placing increasing demands on public treasuries. Education, therefore, can only seek to share in the total funds which become available for all purposes. If education is to compete successfully with these other functions, its proponents must be able to demonstrate that whatever funds are provided are achieving the desired results. This is extremely difficult because of the intangible nature of its product—learning. It is vital, therefore, that local school systems and State agencies work to develop better methods for measuring achievement and improvement.

Educators are expected to perform functions which impart to students the knowledge of basic skills such as reading, writing, and arithmetic, and they can, and should, be held accountable for their ability to teach those skills. In addition to basic skills, they must try to develop for students, a desire to learn; a socially acceptable set of values and attitudes; and an ability to relate with others. These latter student attributes are not easily measured.

The attempt to determine how well students have learned basic skills is not new. What is new, and what is now seriously lacking, is the ability to determine how well the student, as an individual, has benefited from his school experience.

Several States are now using evaluation systems with this broader perspective. Others ought to begin. We would suggest that all States avail themselves of the methods and experience embodied in the National Assessment Program being administered by the Education Commission of the States.

The Commission recommends that State governments establish statewide evaluation systems to measure the effectivenes of educational programs. These systems should include improved techniques for measuring progress and achievement in school as well as the ability of secondary school graduates to perform effectively in productive jobs or succeed in schools of higher education.

What is being addressed here is the need to make something rational out of what has often been emotion and manipulation in the guise of measurement. Consider the reaction of many parents and, for that matter, educators to the term "pupil-teacher ratio." It borders on reverence. The fewer pupils per teacher, many people believe, the better the quality of the education delivered. That ratio has become a kind of instant measurement. In a recent demonstration by parents and teachers against school budget cuts in a large city, one of the placards read: "37 pupils to 1 teacher!" That information was offered without explanation, because, it was assumed, everybody must know that a class so large had to be, *prima facie,* ineffective. The truth may not be so simple as that however. In a study prepared for this Commission by a distinguished research organization, all available research projects were examined in an effort to determine the effect of class size on educational effectiveness. This study—which examined the body of research in this area—found no discernible difference in student achievement even though classes ranged from 18-to-1 up to 35-to-1.

It cannot be concluded from these results that class size is irrelevant to educational quality. Large classes can increase the difficulty of dealing with discipline problems. They most certainly can create more work for teachers who must read student papers and grade tests. We may even assume that when classes are very small, children who require individual attention are more likely to receive it.

It would be wrong to conclude, based solely on the lack of evidence to the contrary, that class size has no effect whatever on student performance. But on the basis of what has been presented to us, we must caution against the use of pupil-teacher ratios as instant measures of anything remotely approaching the quality of education. Additional studies certainly are warranted, particularly those that deal with the attitudes of teachers on class size and the effect of those attitudes, rather than size itself, on the development of children.

Despite diligent searches and widespread opinion to the contrary, the Commission finds no research evidence that demonstrates improved student achievement resulting from decreasing pupil-teacher ratios.

The Commission recommends that class size standards and pupil-teacher ratios be used both sparingly and selectively in the preparation of school budgets and the allocation of staff until or unless further research indicates conclusively otherwise.*

The question of accountability in general raises other questions. An obvious one is who is accountable for what children learn. Traditionally,

* See comment by John Davis, pg. 101.

children have been held accountable for what they learn. Success or failure in school was largely a matter of how hard the child tried. Children are often graded on such things as attitude and cooperation. We do not deny that the child's attitudes toward teachers, school, and learning play a significant role in his performance. Nor would we deny that these attitudes are, to a large extent, conditioned outside the school building. But if education is to accomplish more than it has, it seems reasonable to look to the teacher as a key factor in the development and improvement of learning ability, whatever the outside factors may be. What goes on behind the classroom door has often been considered off limits to parents and even to administrators. To the extent that teaching is an art rather than a science and learning a mystery, other than a measurable process, we ought to continue to permit the teacher to exercise a wide degree of latitude in selecting the proper method for doing the job. But that does not mean that parents and citizens in general have no right to know the results.

Schools must do more than teach basic skills such as reading and mathematics. They must prepare children for aspects of life other than reading and doing the simple calculations. What educators call the affective aspects of education such as attitudes, values, or inter-personal relationships, are of enormous importance to our children. However, it is difficult to measure them. What can be measured is how well children acquire cognitive skills such as reading, comprehending what they read, mathematics, the ability to assemble information, and make decisions based on what they know.

Schools can test the acquisition of the foregoing skills by their pupils, and many do. Far fewer make the results of these tests available to parents and to citizens in general. They fear, often with good cause, that they will be held responsible for failures for which they are not responsible and for their inability to alter patterns that are beyond their control. A child's ability to read is simply that and nothing more. But measuring it and publishing the results for grades and schools at least provides some evidence of the effectiveness with which some educational resources are applied. Although the public cannot ascribe all successes and failures to the formal educational process, at least the air ought to be cleared by letting everybody know what the schools can do and how well they do it. Then the other problems that precede and supercede education can be examined in the proper context, and other remedies can be sought.

New and better methods of measuring the outputs of education are developing rapidly, covering attitudes as well as knowledge and skills. By combining these techniques with achievement tests and other existing measurement instruments, it is possible to report more accurately to the public the progress being made in improving the education of pupils.

The Commission is not unaware of the potential misuse and misinterpretation of achievement test results. Historically, this has been an extremely sensitive subject. In fact, test scores indicate the severity of educational problems, rather than the ability or inability of school programs to affect learning patterns. To point an accusing finger at teachers, schools, or administrators, without fully investigating the causes for poor test results could destroy the potential benefits of carefully conceived assessment efforts.

The Commission recommends that each State, in cooperation with local school districts, systematically provide for publication and other appropriate communication to the public of the results of the assessments of achievement and improvement in education. These results should be presented on a comparative basis in relation to school, district, State, and national norms, and for such grade levels and subjects as the State may determine.*

The recent increase in the organization of professional associations and teachers into unions that seek and obtain bargaining rights has created an additional requirement of accountability in the educational process. Traditionally, labor unions in many fields assume responsibility for worker compliance with work rules and production quotas of their members. While teaching clearly involves more than safely piloting an airplane from one city to another, or acquiring all the skills of a professional football player, unions in education that demand a role in determining working conditions and workloads ought to be involved also in the process of measuring output. It is reasonable to hold teachers responsible for whatever may be determined as the analogy to "a day's work for a day's pay" in industry, however elusive that may at first seem to be. If teachers are able to negotiate their pay and workload, they should be obligated to submit to output measures.

The whole area of the application of educational resources and investment to effective schooling is extremely complex and clearly cannot be equated directly with input-output analyses of other industries and services. But, to the extent that measures of educational need and educational effectiveness can be developed, they ought to be translated somehow into a system that permits discretion on the part of supervisors, principals, and teachers in their applications. Resources distributed to the schools are often defined in terms of days of substitute teachers' pay or other units of educational measurement. But when a principal wants to send a class of an absent teacher to a zoo or put the class in the auditorium for some special programs, he may find that all he can get for this purpose is the pay allotment for a substitute teacher, when what he needs is a chartered

* See comment by John Davis, pg. 97.

bus or a couple of movies and a projector. The rigidity of such controls of educational practice demonstrates the need for translating alternative resource applications into some freely usable common denominator. One that comes readily to mind, of course, is money, which has a transferability as a resource that surpasses anything any State or district board could possibly devise. In the hands of a principal or teacher, it can provide a variety of educational experience that could not possibly be anticipated by anybody who writes rule books. We urge that this kind of flexibility be made available throughout school systems, districts, and schools, with proper checks and balances. Our research has revealed that many of the presumptions about proper uses of educational resources have not been established to the point where hard and fast rules can be laid out. Children learn in many ways; teachers teach in many ways. Some children learn better from one teacher than another and by one method better than another. Until education becomes an exact science, we ought to encourage as much flexibility as possible.

While fully recognizing the intangible nature of many aspects of education, the Commission urges State and local educational agencies to give increased emphasis to establishing and improving systems of assessing relative costs and benefits of various educational programs and organizational alternatives.

XI. RELATING EDUCATION TO CAREER NEEDS

The Commission sees, as a serious inadequacy of educational planning at national and State levels, the failure to relate curriculum and counseling to long-range employment opportunities.

Too many of our citizens, political leaders, and educators have defined adequate education largely in terms of preparation for and admission to institutions of higher learning. In so doing, they have neglected the education needs of those who do not wish to go that route, as well as those who enter but do not finish college. Today, roughly 40 percent of those who graduate from high school do not go to higher education.

Our high school program across the Nation is compartmentalized into the academic, the general, and the vocational tracks. Some of our high school students are in the so-called academic track, which does a reasonably good job of preparing them for college entrance. Other students are in the vocational track, which prepares them for entry into specific jobs. However, about 50 percent of our high school students are in the so-called general track, which prepares them neither to go to college nor to enter a job.

Nearly 2.5 million students leave this three-track system each year without adequate preparation for careers. In 1970-71, in the United States, there were 850,000 school dropouts, many of whom left because they found their school experiences irrelevant. There were 750,000 students who graduated from the general track, did not go on to college, and lacked preparation for entry into a job. There were 850,000 high school graduates who had entered college in 1967, but did not complete the baccalaureate degree or an organized occupational program and thus were forced to enter the job market without any kind of job preparation. In total, 2,450,000 students left the formal educational system in 1970-71 and entered the work force ill-prepared to offer any productive skills to prospective employers.

Corrective action in this area must be taken both within educational institutions and then community groups. Schools should provide opportunities for career education and parents and community leaders should give active support and encouragement to such efforts and programs.

The Commission believes that elementary and secondary schools should

restructure their programs and refocus their offerings around the career development theme. In such a "career education" program—organized in a pyramid approach—the student would first be helped to develop a very broad awareness of the full range of career options in the world of work.

From kindergarten through grade six, students should be informed about the wide range of jobs in our economy, and the associated societal roles. In junior high schools, students should explore specific clusters of occupations through actual experiences and observation, in addition to classroom instruction. In senior high schools, students should prepare themselves either for job entry through classroom, laboratory, and co-operative education activities, or for further education. Placement in a job or in further education are options that will be open to all students. At the postsecondary and adult levels, opportunities should be provided for entrance or exit at any level and at any time in the individual's career development.

In such a "career education" program, the so-called general track would cease to exist. All students would be working toward and preparing for a career, whether that career be one that they enter, with appropriate preparation, at the end of the 12th grade, at the end of a technical institute or community college program, or at the end of a university program. The entire school program would be focused around helping the individual student achieve his own self-established career goal. The various subjects in the school curriculum would then become relevant to the student, because they would be taught in relation to the kinds of work which are performed in the career area in which he is interested. The student would perceive the completion of these school subjects as stepping stones to the career goal which he had established for himself. He would see meaning to math, science, the language arts, etc., because he would realize that practitioners in his chosen career area utilized these skills in the performance of their duties. He would view the school subjects as useful tools which he would need in his future career, rather than as abstract hurdles which must be jumped over to achieve a high school diploma.

This type of "career education" program which represents a blending of the best of the older academic and vocational approaches, and which involves elimination of the so-called general track, is already beginning to emerge in a few localities and should be fostered as a restructuring of the school program across the country.

Businessmen are complaining that they cannot get the people they need, and students are complaining that they cannot find jobs. The link between the two is supposed to be the educational system. It ought to perform that part of its function in the context of economic and productive realities rather than in terms of a standard that measures the worth of

people by the number of years they have spent in schools and the number of degrees they have acquired. This attitude that has become an integral element in educational values has unquestionably played an important role in shaping the current student attitudes about the irrelevance of their school experiences.

Industry, on its part, has tended in recent years to demand of entering job applicants more education than is necessary for entering many jobs, irrespective of the applicant's actual ability to do the work required. More reality in setting job qualifications would certainly open the job market for many to whom it is now closed.

The many Federal, State, and local agencies concerned with youth employment, job training, and apprenticeship programs, among other related areas, must reexamine the entire field in terms of the currency of training methods and personnel, the value of various levels of intensity of training, and the nature of the changes in the economy and the industrial society that create the demand for trained manpower.

Such questions as where career preparation ought to take place must be reconsidered. Job training centers away from conventional schools may serve to isolate these students socially and intellectually to a greater degree than is desirable. The assumption that vocational preparation and academic education are somehow incompatible is a notion that this country should work hard to dispel. Both the students who are going to enter a job at the end of high school and the students who are going on for further education would benefit from mixtures of educational components as well as personal contact. The idea should be fostered that all students are preparing for a career, and that they should share many experiences in common, although some will be spinning off from the formal educational system at the end of the 12th grade, some at the end of the 14th grade, and some at graduation from the university. Also fostered should be the concept that an individual can reenter the formal educational system at any point in his life and work toward a higher rung on the career ladder, should he be motivated to do so.

Job demand increasingly is affected in significant ways by two major trends in modern economic society: high technology and the rise of service industries. Both these trends have reduced markedly the proportion of the work force engaged in traditional blue-collar jobs. In their places have appeared a wide variety of technicians and service workers of many sorts. The result is that more than 20,000 job titles are now listed in the *Dictionary of Occupational Titles*. If all youngsters are to be made broadly aware of their full range of career options, helped to choose an appropriate career goal, and provided with an educational path to reach that goal, school systems will need to broaden greatly the scope of their offerings so

as to open pathways to all of the many career areas which characterize the current American labor force. This will mean providing exploratory and job preparation experiences in many career areas with which the schools have not dealt in the past.

However, before school systems make investments in costly equipment and facilities in a wide variety of career areas, they ought to consider the fact that industrial processes change frequently in modern society. A corporation will install new equipment and abandon even relatively modern processes when new ones offer important savings. Schools obviously cannot keep pace with industry in this respect, nor can they expect to set up and maintain elaborate physical facilities in all of the wide variety of career areas which constitute the current labor force. Therefore, school systems should investigate ways to maximize the use of cooperative work experience programs which take advantage of existing equipment and facilities in local business, industry, and government installations to provide students with specific and realistic job preparation experiences in conjunction with related course work which is undertaken on the school campus.

A problem which can be expected to continue is technological unemployment. As long as industries continue to incorporate new technologies, there will be a continuing pool of technologically displaced people. School systems must recognize this fact, as must governments and private industry, and include funds and facilities for retraining these people. This is a significant component of the process of continuing education. Technological unemployment is an economic fact of life and should be dealt with as a continuing by-product of economic growth and development, not simply as an emergency that will finally go away. This argues that a viable career education system should be built around clusters of careers which are enduring over time. That is, each career cluster should represent a continuing societal function which will be carried on throughout the foreseeable future. For example, it can be assumed that for the foreseeable future our society will be manufacturing things, constructing things, transporting things, and providing health services for the people. Therefore, clusters in the manufacturing occupations, the construction occupations, the transportation occupations, and the health occupations are likely to be enduring over time. Although individual jobs within these clusters may be phased out due to technological change, other new and emerging jobs will appear in each cluster to take the place of those phased out. If an individual has had well rounded training in the common core of a particular cluster, his flexibility for moving to another job within that cluster will be facilitated, should his present job disappear as a result of technological change. Having mastered the common core of the cluster,

he would be able, with a minimum amount of retraining, to move to another type of emerging job within that same cluster. This will provide individuals with the flexibility needed to cope with the changing nature of our economy and our labor force.

A corollary of this is that a viable program of career education should include the teaching of the process of continuing education by the student himself. In the rapidly changing context of modern economic life, this function becomes even more important than ever before. It is hardly productive to teach a student to do a job that won't be required in a few years unless he is also prepared to learn what is replacing his old skill or to learn another related skill.

In summary, the present school program with its academic, general, and vocational tracks is not adequately meeting the needs of the Nation or of its young people. The newly emerging concept of career education, blending the best of the academic and vocational tracks and eliminating the general track, clearly offers highly significant opportunities for improving the quality of education and of the lives of all our young people. It merits major research efforts, invites highly creative new developments in methods, facilities, and objectives, and promises high social rewards.

The Commission recommends that career education be given priority and status at least equal to that now accorded to college preparation and that Federal, State, and local governments and their education agencies take vigorous policy and financial steps in this direction.*

* See comment by John Davis, pg. 97.

XII. CREATING SCHOOL DISTRICTS WITH BALANCED RESOURCES

The size and shape of school districts often affect the quality of the education they deliver to their children. Some are too small to provide a broad enough range of educational services or to purchase and dispense economically those they do offer. Others may be large enough to achieve efficiencies of size but are too big to permit officials to know how well their schools are serving children.

District boundaries may also have been drawn in ways that result in concentrations of rich, poor, black, or other ethnic families. Children in these districts may thus be deprived of a diverse school experience. And where local taxes support education, the lines creating rich or poor districts tend to affect the distribution of educational resources unequally.

That is not to say that school district boundaries were drawn to produce these effects. As a matter of fact, the boundaries of most of the Nation's 17,500 school districts are the products of historical accidents or designs that were never intended to have such results. In the 19th century, when this Nation was predominantly rural, most school districts were simply the area served by a single school. As cities and suburbs grew and as one-room country schools were closed and consolidated into larger units, districts as we know them came into existence.

Many districts followed the same lines as those of other governmental units, such as towns in New England, townships in the middle of the country, and perhaps counties in other areas. And in many instances, a school or group of schools occupied a territory of its own, different from any other governmental unit.

In recent years, educators have sought and often achieved redesign of school district boundaries to produce educational objectives. Small districts were combined to produce larger ones so that administration would be more efficient. Districts were also made larger to allow them to support large high schools that could offer a wider range of courses and such high-cost facilities as laboratories and swimming pools. Big cities often put all their schools into single districts.

The objectives of these district reorganizations were certainly rational,

and they generally produced the desired results. But recently a reaction has set in, based on the belief that big districts have become impersonal bureaucracies remote from the needs of children and the problems of neighborhoods and communities. These beliefs have often been valid. But the best solution may be neither big districts nor small ones as such. Instead, the solution for many school systems would seem to be a restructuring of the school administration process that would put schools into more than one kind of unit, depending on the educational services to be distributed and the objectives to be achieved. For example, such services as food purchasing would continue to benefit from the economies of size and would therefore be best handled by relatively larger units. But the children and their parents are concerned almost entirely with what goes on in their own school attendance zone. The area served by that zone would be an appropriate unit for the management and the control of those aspects of schooling which are particularly applicable to the needs of the community within the zone. In rural areas and small towns, local districts often achieve this goal with present boundaries; big city districts ordinarily do not.

Raising and distributing revenues for services, in addition to those financed by the State, can be most equitably managed in relatively larger units that are more nearly equal in the wealth and incomes of their citizens. And such units also are likely to bring together into a single system a diverse group of social, economic, and ethnic families, thus providing a basis for diversifying the composition of school populations in an effort to overcome some of the handicaps of isolation of these groups.

No single set of criteria can be laid down for the reorganizing of all school districts. Yet it is equally apparent that reorganizing them in one or another way can produce significant economic and social benefits, such that State agencies and local governments ought to devote prompt attention to district reorganization in terms of individual district needs and objectives.

We believe that two prime considerations should be taken into account. First is the attainment of diversity in the school population. The most important resource of any district is the people who are served. Economic or ethnic isolation of children reduces the ability of school systems to provide equal educational opportunity and quality education. Secondly, each district should be large enough to encompass, to the extent possible, a distribution of wealth comparable to that of the State as a whole. This should reduce disparities and make more economical the provision of specialized educational programs. At the same time, each school district should be divisible into organizational units sufficiently small

and close to the people to enable each to be responsive to local needs and interests.

We recommend that States reorganize their school districts to encompass within each one, wherever possible, children of diverse economic, racial and social backgrounds. Other criteria for consideration in establishing school districts are a more equal tax base for local supplementation of State funding; the capability of offering all levels of schooling from kindergarten to high school as well as special educational programs for handicapped, for vocational purposes and for other special needs; boundaries that would facilitate cooperation with agencies providing health, welfare and other school-associated services; and administrative economies.

The Commission has not addressed the issue of how precisely to reach a satisfactory level of integration in elementary and secondary schools. We recognize, however, that the reorganizing of school districts and the attainment of better racial balance in schools may require pupil movement including, in some situations, the use of buses as one of the means of achieving educational opportunity and quality education, as set forth in this report. However, it is increasingly apparent that busing to produce a uniform racial ratio in all the schools of a district may not be the best procedure. More viable alternative methods, within legal constraints, must continue to be evaluated.

The Commission is not convinced that the attainment of quality education is dependent upon the imposition of uniform racial ratios in all schools of a district.

XIII. EXPLORING INNOVATIONS AND NEW ALTERNATIVES

As education has become a major source of public concern and broad dissatisfaction, it is inevitable that the field should fill with authorities offering certainties, panaceas, and all manner of instant cures. When we consider the relationship between teacher and child in the classroom, we find experts telling us that schools are dull but need not be, that learning should be fun and is not, that much basic learning cannot be fun and ought to ge gotten through quickly if harshly, and, above all, that schooling must be relevant—to something. Unfortunately, the only certainty that can be gleaned from the profusion of conflicting advice is that we do not know enough about teaching or learning to draw any final conclusions.

The distinction between teaching and learning is a subject well worth pursuing. Teachers teach, but children may or may not learn. Among the many unsettling developments in the education field recently, the most useful involves focussing on the child as a kind of consumer of education. If for no other reason, this brings us back to those we are serving. Children often get lost in the many other pressing considerations that comprise education and confront educators.

That was the case in the movement that came to be known as The Knowledge Explosion. It was assumed that business methods and newly developed technology could be quickly adapted to educational needs. For a brief period, it seemed perhaps, after centuries, the answer was at hand.

Many of these devices were brought to market without adequate attention to the fact that teaching and learning in schools among children were a lot different from training and communicating in industry among adults. The programs and other "software" materials for these devices were often either unavailable or didn't work. Teachers were insufficiently consulted in their production and inadequately trained in their use. What is more, it was often unclear whether these new developments were intended to replace teachers or extend their reach. And relative costs were barely considered.

The dazzling prospect of bringing the wonders of information tech-

nology into every classroom was extremely attractive to everybody. In the context of the mounting problems that have surfaced in the past decade throughout education, no one can be blamed for the hope that some splendid breakthrough was at hand. It simply has not turned out that way yet. But it would be unfortunate if the whole idea of technology and innovation fell into disrepute because it has failed to bring the millennium.

Again, the evidence is not sufficient to draw absolute conclusions, but there is certainly good reason to believe that at least some technology has proved extremely worthwhile. Local school systems that have tried one or another method claim notable successes. Unfortunately, they gather their cost figures and their results in ways that often have made them incomparable. And what can be gleaned does not necessarily indicate that technology has lowered per-pupil costs. In fact, in many instances, technical innovation has been an additional expense, but one that has produced good results for some systems. At least the subject is worth further study and investment, if preliminary figures and comparisons are to be believed. Machines and television screens are not teachers, but they most certainly can be useful and economical tools.

Perhaps the most important impetus to the whole field of educational technology has been the remarkable success of *Sesame Street.* If the program does nothing else, it will at least have increased the willingness of parents to support and participate in further experiments. And, at this stage, that is no small accomplishment. But it has apparently already accomplished more than that. It appears to have demonstrated that its methods of teaching have produced measurable results at a low cost per child with children from virtually every sort of family background and income level.

Other less ambitious applications of technology have proven useful in many school systems. Districts that cannot afford to provide each of their schools with an art or a music teacher, for example, have at least been able to bring those special teachers they can afford into many classrooms at the same time via closed-circuit television and relatively inexpensive videotape systems.

We can offer no concrete recommendations as to one or another of these devices and developments for the simple reason that neither this Commission nor any other organization or individual has enough information to discover answers. What we can do, however, is urge support for every reasonable effort to experiment with these and other techniques and innovations in every phase of educational processes and facilities.

We recommend that Federal, State, and local governments and their educational agencies stimulate and finance experimentation in elemen-

tary and secondary education. This should include experiments both within and outside of the institutional systems now responsible for public education.

To put this broad statement into a more manageable perspective, we will approach several specific types of innovation for closer examination and more detailed recommendations.

Teacher preparation—Many teacher-education institutions focus undue attention on meeting the technical requirements for State certification. However that may be, it tends to distract these students, who will soon be teachers, from the needs and the realities of the communities in which they will eventually serve. The other side of this problem is that the citizens of these communities rarely know enough about these institutions, their methods, problems, and objectives. The establishment of consistent relationship between teacher education institutions and the communities and schools their graduates serve offers obvious benefits to everybody involved in the process. Education students would have increased opportunities for preservice and inservice training. Faculty members would have first-hand involvement in community problems and needs. Professional development programs would be enriched or at least would be brought closer to actual teaching circumstances.

We urge the States to encourage the establishment of a direct and continuing system of contact between teacher-education institutions and school districts to create a diversity of input and feedback. This contact could provide teaching personnel for school districts who are already familiar with the problems of the children they would be teaching.

While this proposal will produce teachers better oriented to a community environment than they might otherwise be, it makes no provision for recruitment of teachers from these communities. It is apparent though that people who have grown up in a troubled inner city or a depressed rural area may have especially valuable insights into the nature of the educational needs and problems of their home areas. Finding such people and then educating them as teachers on the job in their communities provide a useful means of developing especially effective teaching personnel for problem areas.

An active recruitment program of individuals selected from the communities where educational needs are greatest and educated to teach in those communities would produce far-reaching results. The Career Opportunity Program, now administered by the Department of Health, Education, and Welfare, could serve as the model for such an effort.

In addition, the Teacher Corps, now primarily concerned with the training of college graduates for careers in education, could add a new

component and recruit volunteers for paraprofessional careers in education. In all cases, a special effort should be made to recruit people with cross-cultural experience.

Inevitably, implementation of such proposals will require a reexamination of teacher certification and accreditation practices. Certification requirements, though enacted by State legislatures, are generally arrived at through the interaction of teacher training institutions and the State agency responsible for the function. Often, such requirements are a matter of law, but more often, they are established by administrative regulation under broad legislative guidance.

The purpose of certification should be to make possible the employment in the schools of persons with wide varieties of talents and skills, but also to protect the schools, pupils, and the public from professional incompetence.

State certification requirements are often related too closely to traditional teacher education curriculums. While some flexibility does exist to permit provisional certification, we believe that State agencies must reexamine their criteria to insure that they do not exclude from teaching those whose only deficiency is the inability to satisfy outmoded technicalities. The same can be said for school principals and superintendents who need skills that go far beyond a knowledge of education alone.

We recommend that States reexamine their policies and procedures regarding the selection, education and certification of persons in the education professions with the objective of encouraging the entry into the professions of those people who are uniquely qualified to teach or administer in schools of all types.

The Commission believes that reductions should be made in the number of poor and mediocre teachers in ways that are equitable and generous to the individuals concerned. This is one of the most critical and difficult imperatives facing public education today.

We recommend that each State give consideration to the development of appropriate plans for dealing with the problem of less able teachers, including such possibilities as early retirement (at the option of school authorities) with appropriate financial incentives, periodic review and renewal of tenure, peer review of teacher performance, and use of student evaluations, among others. We also recommend intensive research in these areas.

Instructional technology—If the Nation's school children are to benefit from the advances of information technology, it is necessary that we get some sense of the possibilities and the limits of the many techniques that have been proposed. Those school systems that acquired equipment, during the days when technology seemed to offer easy answers to difficult prob-

lems, ought to have the opportunity to get some return on their investments. Such equipment ought not to gather dust in storerooms because its manufacturer did not follow through with usable programs or because school systems could not train their people to use them.

The gap between educational technology and educational needs cannot be great. Every unit in the educational process, from schools to manufacturers, ought to make an effort to close it. But first we must know what we know and what we do not know about such methods as closed-circuit television, computer-assisted instruction, and all the other devices and techniques that can help children learn better, faster, or just cheaper.

The Commission is dismayed at the snail's pace at which technological innovations have been incorporated into teaching practices. We cannot offer solutions as we are not technically competent to do so. But we are of the conviction that much more can be done. We are told by our researchers that the state of the art today—and for that matter the state of the art of several years ago—can be adapted to many aspects of the teaching and learning processes. The links connecting the machine, the educator, and the student have eluded us.

Therefore, we propose that the projected National Institute of Education serve as a means of communication among schools, teacher-education institutions, and manufacturers of educational technology hardware and software and develop, through these contacts, experimental programs and perhaps even schools to test the uses, values, and costs of the more promising of these devices and methods.

Alternative schools—The emergence of new kinds of schools, most of them outside the traditional public and nonpublic school systems, may have consequences for American education far beyond the relative insignificance of their numbers. Known as free schools, freedom schools, cooperative schools, and by other names, they are all unconventional. Some offer middle-class children greater freedom to choose the pace and content of their education. Others address themselves to the special educational problems of the poor, of minorities, and of children with social and emotional problems that conventional schools have failed to solve.

In at least four cities—Philadelphia, New Orleans, Chicago, and Minneapolis—the public school systems operate schools that, aside from the auspices, would qualify as alternative schools. In the case of the Philadelphia Parkway Program, the school is not one building, but space in museums and other non-school facilities in the area.

To the extent that alternative schools succeed where other schools fail, they should command the attention of all school people, and obstacles to their continued operation ought to be removed. Beyond that, however, it is impossible to determine what, if anything, ought to be the position of

governments and traditional school systems toward these new institutions. Even their founders do not agree on such matters as financing them out of public funds and inclusion of them in public or other school systems. While some public school administrators view this phenomenon as polarizing, it can also be argued that it encourages pluralism. The point is that we really do not know enough about them to respond adequately. The Commission wishes to encourage alternate schools, both public and private, as they seek new and better ways of educating children.

Much public controversy and concern about the state of education today centers around the issue of "traditional or structured" schools versus "open" or experimental schools. The Commission believes that, in the administration of large school systems, efforts should be made to avoid a single approach to educational methods and that, where feasible, options be provided to parents and students in respective neighborhoods as between different educational philosophies and approaches, through geographically adjacent "paired" schools or other appropriate means.

The Commission recommends that the States, not already having done so, initiate appropriate legislative and administrative action to make their laws and regulations governing school attendance and graduation requirements more flexible so as to accommodate the increased desire for diversity in education; consideration also should be given to such alternatives as: (1) part-time school attendance under work-oriented curriculums; (2) early graduation if all course requirements are met; (3) return of dropouts to school on a part-time basis; and (4) learning experience outside the institutional setting.

We also propose that the National Institute of Education study the effectiveness of alternative schools to define and develop new patterns of education that can be applied profitably to other schools. This program would be financed on the same basis as other educational demonstration projects by Federal funds.

Educational vouchers—There are several variations on the basic idea of providing parents with some sort of voucher with which they can purchase education for their children. Once they had indicated their choice from among acceptable schools, the State would then make good on the voucher by providing the funds to the school the parents chose. The benefits, according to proponents, include greater diversity of educational opportunity, a chance for parents to pick the kind of education they think their children need most, and an otherwise salutary requirement that schools and school systems compete for their money and their pupils. Opponents see vouchers as a means of undermining education by financing educational gimmickry, by encouraging further segregation of schools by race and social class, and by placing in the hands of parents, who may

be poorly informed about the means to judge educational values, the power to choose which schools survive. Whatever the merits and the faults of this idea, it is still only an idea, because no voucher plans are yet in operation. Demonstration projects have been proposed and may soon be in operation.

The Commission recommends experiments with voucher systems with the concurrence of local communities and State agencies and with Federal participation on the same basis as for other educational demonstration and experimental projects aided by Federal funds.*

Performance contracting—This innovation in the delivery of education involves a contract between a school district and a private organization in which the contractor agrees that, for a price, he will instruct a given group of children in a stated subject or subjects. In effect, the contractor gets paid for what he teaches the children, on a basis set forth in the contract. The contractor may use his own staff personnel as instructors or he may retrain and employ the school's regular teachers. In some instances, teachers themselves have sought performance contracts in schools where they teach, competing for the contracts with outsiders.

Obviously this development creates all kinds of new possibilities and, perhaps, problems for education. And, to date, the results of the few contracts actually implemented have been inconclusive at best. Contractors, whose earnings depend on test scores, make every effort—including some reportedly dubious ones—to have their pupils score high enough to make their projects profitable. Some educators question a system that relies so heavily on test results, while others hold that tests can be valid methods of determining children's learning of such skills as reading and mathematics. The argument that the commercializing of education is undesirable can be countered with one that holds that these contracts, if they achieve their objectives, make it possible to measure the cost and the value of educational services. Before final judgments are made, educators need more information.

In view of the need for the development of valid means of measuring the effectiveness of educational resources, this Commission recommends continued experimentation with performance contracts with Federal financial participation on the same basis as in other experiments in public education services.

More intensive use of school buildings—School buildings, as everybody knows, are used a little more than 6 hours a day. That fact, when put in terms of a school week and a school year, means that most school buildings are actually used about 16 percent of the total hours in a

* See comment by John Davis, pg. 101.

calendar year. Hardly any facility in our society works at anything like capacity, but it surely makes sense from an investment standpoint, if for no other reason, to make more use of existing school buildings. Various plans have been advanced and, in some cases, implemented for using schools for classroom teaching more hours per day and more weeks per year. Where shortages of classrooms and of construction money exist, such plans have obvious merit and ought to be considered by communities, especially those faced with the prospect of absorbing children from parochial schools that close in their districts.

Many circumstances will not be susceptible to more intensive use of school buildings for ordinary classroom teaching in every community. Yet there are opportunities for use of school buildings even where classroom facilities are plentiful. A significant development in this area is the so-called community school. The operating idea here is that the school building is not merely the property of the educational system, to be locked up when classes are over, but that it is a facility belonging to the community or the neighborhood that ought to serve that constituency in other ways besides teaching its children. Where community school programs have been instituted, buildings are used for such obvious extensions of education as evening schools for adults and dropouts, but they have also been used to dispense other services to local citizens, such as health, welfare, housing information, recreation, and so on. Such diverse and expanded uses provide relatively greater benefits in those communities that are poor in other types of facilities. Such community school projects are already operating in Flint, Michigan, New Haven, Connecticut, and elsewhere. In Flint, all 54 of the district's schools are now community schools.

The Commission recommends that State Governments take legislative and administrative action to authorize local educational agencies to operate schools on a year-round basis using quarter, trimester, summer school, or other appropriate methods and providing State financial support for summer attendance comparable to that provided for the conventional school year.

The subject of community schools has also been discussed in our section on the inner city schools. However, we feel that the concept has a broader application and is worthy of consideration for schools throughout the country. Accordingly, we repeat our recommendation on this subject.

The Commission recommends that States encourage and assist local education agencies, especially those in larger urban centers, in creating community schools which would include such elements as: (a) close liaison with and involvement of parents and other citizens in the educational community; (b) extended availability—nights, weekends, and summers—of school facilities for use of youth and adults in educa-

tional, recreational, and other neighborhood activities; (c) cooperation with other community social agencies; and (d) recruitment and use of community volunteers as classroom aides, hall monitors, library and clerical workers, and for other appropriate duties.

Differentiated staffing—This term refers to a system that aims in varying degrees to lower per-pupil instructional costs and to increase the number of people—including teachers, teacher aides, and paraprofessionals—per class. In principle, the system works this way:

> The teaching staff is differentiated, that is, classified in terms of master teachers, senior teachers, staff teachers, aides, and so on, with descending salaries. Higher ranks supervise and oversee several classes and are otherwise distributed in lesser degree per class, while the proportion of lower ranks per class is increased. In practice, such a system is said to offer a greater degree of flexibility in teaching methods at the same time that it puts more people, at lower cost, in classrooms. But implementing differentiated teaching is bound to run into resistance as the supply of teachers grows, relative to the demand. In fact, there may simply be too many high-seniority teachers on the job to permit differentiated staffing to be implemented in many places. Nevertheless, the method is receiving serious consideration in many communities and ought to be examined elsewhere.

We urge the educational community and local educational agencies in particular to explore and make appropriate use of differentiated staffing. Furthermore, we recommend that the proposed National Institute of Education and State education agencies undertake programs to provide technical assistance in developing, implementing, and testing differentiated staffing plans.

Other programs—The ideas and proposals for innovation that we have dealt with here in no sense exhaust the number of such projects worth study and experimentation in the interests of improving educational quality and reducing costs, among other compelling motives. Every prospect for improvement—whether it involves traditional methods or innovation—ought to be examined and reexamined in the light of developments in the field of educational research. Past conclusions may have to be reviewed as we develop better tools for measurement and new values as well.

XIV. ASSERTING THE NATIONAL INTEREST IN EDUCATION

In a socially, economically, and culturally diverse Nation such as ours, certain common beliefs and philosophies hold us together. One is the right of every person to pursue his own interests and desires to the fullest extent consistent with the right of others. The national commitment to this principle is imbedded in the Bill of Rights of the United States Constitution. Our guarantee to the individual of these rights has become intertwined with the concept of equal opportunity in general and equal educational opportunity in particular.

This Commission has attempted to relate equal educational opportunity to the governmental structure of our country. We have stated in broad terms how we see the role of the school district, the State Government, and the Federal Government, and we have stated what we believe to be the necessary reforms in the financing and governance of education at the State and district level.

This Commission believes that improvements in the financing and delivery of education can occur only through positive action of State Governments. The many structural reforms which we have recommended are based on that belief. But it is becoming increasingly apparent that the States cannot bring about these reforms by themselves.

The Federal Government must play an important role in effecting these reforms. There must be a continuing reaffirmation of confidence in American education expressed through a strong commitment to reform, backed up by money.

It has been advocated by many that educational activities be elevated to Cabinet status in the executive branch of the Federal Government. This would, it is said, give greater visibility to education, would coordinate Federal programs better, and would enable the Secretary of this Department, by virtue of his Cabinet status, to have a greater voice in the deliberations of the President. We do not believe a convincing case has been made for this. We do agree that national policy in education should have greater emphasis and sharper focus and we are recommending a course of action toward that end.

We have previously recommended in this report that the Federal Government provide the necessary impetus for educational reform through such actions as these:

a. Provide financial incentives to the States to move toward full State funding.
b. Seek solutions to the problems of inner city schools.
c. Expand early childhood education programs.
d. Insure, through appropriate action, that children attending nonpublic schools receive the financial support to which they are entitled.
e. Encourage and finance as required, new approaches in educational offerings, particularly to those students with learning difficulties.

In addition, the Commission recommends the following:

f. *Creation of a National Educational Policy Development Council*

The importance of education in national affairs has reached unprecedented levels in recent decades. With that growth has come a corresponding expansion of the President's leadership and his influence in the development of national policy for education. With increasing frequency, successive Presidents have found it necessary to appoint Commissions and task forces to study specific aspects of education, to propose how particular groups of institutions might be strengthened, and to recommend more effective ways to focus their capabilities on the Nation's problems.

During this same period, many Federal agencies have become deeply and intricately involved with various segments of education. The allocation of responsibility for educational programs within the executive branch will doubtless continue to be debated; whatever operational pattern obtains, the President's role in policy matters will remain crucial.

To assist the President in the concerted and continuous examination of the relations between education and major social, cultural, and economic problems, we recommend the establishment of a National Educational Policy Development Council. The Council's membership, which would be appointed by the President and responsible to him, should reflect the broad spectrum of American society. Meeting periodically and working with a small compact staff, its function would be to provide the President with informed, objective, and impartial advice and counsel on questions of educational policy. Its recommendations would carry weight only to the extent that the President chose to accept them or as their publication might influence public consideration of particular matters.

The Council would neither compete with nor duplicate the work of the National Institute of Education. The National Institute of Education focus would be upon research, development, and dissemination aimed chiefly

at improving teaching, learning and institutional operations. The Council, by contrast, would deal mainly with educational goals and purposes. The Institute's stock in trade should be scientific knowledge and professional expertise; the Council's, hopefully, should be wisdom and mature judgment applied to promote the general welfare through education.

The Commission recommends the establishment of a National Educational Policy Development Council, with membership drawn from the broad spectrum of American society, to advise the President on national educational policy; to assess the relationship between education and major social, cultural, and economic problems; and to give continuing attention to education as a fundamental national concern. The scope of this Council should include all levels and types of education.*

g. *Concentration of Funds for Low-Income Children*

The single largest educational aid program now being administered by the Federal Government provides approximately $1.3 billion for the education of economically deprived children. In allocating these funds among the States and counties of the country, equal support is provided for equal numbers of these children, wherever they attend school. This results in distributing these funds to counties without regard to the percentage of low-income children of total enrollment. A greater proportion of low-income students in a school requires more special services and other resources than does a smaller proportion of these students, but current allocation procedures do not provide for this. Here is a simple illustration of the problem:

County	Low-Income Children	Total Enrollment	Percent Low-Income
A	500	1,000	50
B	500	2,000	25
C	500	5,000	10

As the program is administered today, each of the above school districts receives the same amount of funds.

We believe that this program would be greatly strengthened if funds were distributed on a weighted basis, taking account of relative concentration. County A clearly has a greater educational problem than County C, because a large proportion of poor children ordinarily means a county low in financial resources.

We have analyzed in detail data for all counties in the Nation now eligible for this program, and we have determined that a restructuring

* See comment by David Kurtzman, pg. 98.

of allocation procedures in terms of relative concentration is feasible and desirable. Rural areas of the country have the greatest concentration of low-income children, and would gain additional funds by this approach.

We also urge that data be assembled and methods devised for extending this concentration principle to the district and even to the school building itself. Obviously, the closer the money is moved to points of greatest relative need, the more power each dollar acquires.

The Commission recommends that funds now being provided to States and local school systems for the education of children from low-income families be allocated according to the relative concentration of these children within school systems.

h. *Timely Appropriation of Federal Funds*

Federal financial aid to elementary and secondary education has become an integral part of local and State operating programs. Though intended as specific categorical grants, these funds have been used to expand general school programs to pay teachers, and buy supporting services and supplies. Schools have become dependent on these Federal funds for basic parts of their total programs.

State and local agencies start planning for the next school year sometime in the spring. At that time, planners need to know how much and what kind of Federal funds will be available. Where programs suddenly stop or where appropriations are delayed until late in the year, planning is a difficult and chancy operation. We believe that the Federal Government could alleviate part of this problem by assuring local and State officials that they would receive a minimal, continuing flow of previously authorized Federal funds.

The Commission recommends that legislation be enacted that would insure to State and local school systems, in event of delays in Federal appropriations, 80 percent of the funds provided in the previous year which have been authorized for the current year.

i. *Upgrading Educational Information Systems*

Our review of the data available for educational policymaking indicated a serious deficiency in our knowledge of the education function. Data collection, analysis, and dissemination activities are woefully inadequate to meet current needs. The information we do have is sketchy, often inconsistent, generally out-of-date, and, as a consequence, of limited use. Measured only in terms of volume, however, it is more than we can digest.

One of the earliest responsibilities of the Federal Government in the field of education was the collection and dissemination of statistical

information that would portray the state of education in the country. How this responsibility was exercised 100, 50, or even 20 years ago is unimportant now. We can say, however, that the Federal activity today does not measure up to the present need.

At a time when most of our attention is being directed toward the educationally disadvantaged, we are not in a position to describe with assurance the size of this target population now being served in the public and nonpublic schools, those not being served, or the extent to which our dollars are reaching the schools where these students are being taught.

Even in routine areas such as enrollments, expenditures, revenue sources, graduations, and dropouts, we either do not have data at all or what we do have are severely limited in value because of being too old.

The need to upgrade educational information can best be appreciated by comparing it with statistical activities in other areas of government. In the Special Analyses of the Fiscal Year 1972 Budget, $6.1 million was cited as the expenditure for educational statistics. This compares with $51.1 million for labor statistics; $35.0 million for health statistics; $52.9 million for production and distribution statistics; and $12.1 million for crime statistics.

Serious consideration should be given to the establishment of a separate organization to manage this function. Included in the U.S. Office of Education, the statistical function tends to get lost among various operating programs. The proposed National Institute of Education offers a reasonable place where this activity may be performed better, with additional financing.

The Commission recommends that the Federal Government, in conjunction with State educational agencies: (a) develop a comprehensive plan for the collection, analysis, and dissemination of data necessary for both operational and policy determination; (b) maintain a national data base through appropriate reporting channels; (c) assist State and local educational agencies in the collection procedures; and (d) expand and strengthen the current statistical activities now underway.

In addition to the foregoing recommendations for new Federal Government actions, the Commission endorses the following pending programs:

Emergency School Assistance—School systems throughout the Nation are attempting to bring about a more heterogeneous mix of students from differing social, economic, and ethnic backgrounds. We believe that equal educational opportunity is enhanced in such a student body. It is, however, a costly activity, and in many instances, it is difficult for the States to finance. The funds that would be provided by the pending program would make a substantial difference.

The amount proposed for this program is $1.5 billion. We have attempted to analyze the projected costs of this effort beyond this level, should it be required. However, the unique nature of each program in each area is such that we found no evidence upon which to base any future cost estimates.

Special Educational Revenue Sharing—The consolidation of the many categorical aid programs, with limited transferability among them, will greatly relieve the administrative burden now imposed on State and local officials as well as increase flexibility in the use of these funds. We support, as part of this proposed program, the modified distribution of funds for federally impacted areas. A significant portion of these funds is currently going to school districts which, on a comparative basis, need them the least. State educational agencies should be given the opportunity to use these funds in districts of greatest need.

This proposal carries with it a provision that insures that no State will receive less money than it is now receiving for the programs being consolidated. This additional cost is estimated at $3 million.

General Revenue Sharing and Welfare Reform—This Commission engaged in a review and evaluation of these proposals, only to the degree that they would affect school finance. Both proposals would provide State and local governments with additional revenues for general governmental functions.

In terms of dollar magnitudes, these proposals would provide $6.6 billion to State and local treasuries ($5.0 billion for General Revenue Sharing and $1.6 billion for Welfare Reform). On the assumption that the same proportion of State and local funds now going to education (29 percent) would continue, approximately $1.9 billion of the $6.6 billion would go for increased educational expenditures.

The Welfare Reform Proposal does not contemplate the assumption of all State and local welfare expenditures by the Federal Government. In its present form, the proposal would relieve States and local governments of approximately $1.6 billion. If, however, all State and local welfare costs were to be absorbed by the Federal Government, an amount estimated at $6.8 billion, an additional $1.5 billion would accrue for educational purposes, also on the assumption that the same share of State and local expenditure for education would apply to these additional funds.

We conclude that the funds which would accrue to the States and local governments, as a result of these proposals, would greatly aid in the move toward full State funding and increase the ability of the States to finance education.

The National Institute of Education—Leadership in research is a significant aspect of the Federal role in education. Seriously neglected in the past, it is now imperative. We must know more about how children learn, how technology influences learning, how new modes of providing education can be adapted, how to improve communication between teacher and student, and much more. The NIE, separated from operational activities and staffed with professional researchers, offers a new opportunity to improve our knowledge of the educational process in all of its dimensions. We have included in our recommendations throughout this report several new efforts which we believe will contribute to an improved system of financing and providing education within the States. Among these are the Cost of Education and Educational Need Indexes, and the improved measures of educational achievement. We would anticipate that the NIE would also be engaged in their development and testing.

XV. CONCLUDING COMMENTS

The Commission began this report by asserting that for millions of children, American education—both public and nonpublic—is not working as it was intended to work. It was for that very reason that the President of the United States established this Commission: to determine why it wasn't working, and to recommend a course of action that could make it work.

Yet it must be repeatedly recognized that despite its difficulties, the present educational system is basically sound. What is needed is not its rejection but its improvement. The schools of this Nation have served America well. The capacity of American people not only to build a strong Nation but to criticize and alter the institutions of this Nation is among the precious products of American schools and colleges.

As we seek to strengthen those schools for the new tasks laid upon them in recent decades, we must alter many parts of our American educational structure but as we rebuild, we shall do well to protect its foundations, for they are solid.

This country has reached unparalleled heights in its economic and social development—due, in good part, to our educational system. Our public and nonpublic schools have served the majority of Americans well and are continuing to do so. The fact that many, too many, have not enjoyed the benefits to which they are entitled, should not be generalized into an indictment of the total system. It is a well recognized flaw that must be corrected by constructive and deliberative measures, not by divisive mandates.

The Commission recognizes that education, by itself, cannot be expected to solve the many problems now being faced by the American public. Housing, health care, welfare, economic stability, fair employment practices, and many other such considerations, impact heavily upon the well being of the Nation. Offering all citizens equal educational opportunity is essentially a base starting point, a beginning, that prepares an individual for a productive life. It does not guarantee anything else. Further action in many other areas of public concern is necessary, if a balanced approach to the strengthening of American society is to take

place. But no yardstick is available to tell us how the Nation's resources are to be divided amongst all public functions.

Priorities are difficult to establish. To a sick person, one hundred dollars of health care is much more necessary than a gymnasium in the local school; to a person living in a slum, adequate housing is infinitely more necessary than another career counselor; and the analogies are endless. We can only state that this Commission has not been oblivious to the critical needs of public functions other than education.

We have offered many recommendations for reform of the educational system, with primary emphasis on its financing. We are not unaware that these reforms, if implemented, will have an effect on virtually all the people of this country, be they taxpayers, parents, students, or government officials. We do not doubt that these reforms will be controversial. They will be challenged and debated. This is as it should be. No single set of recommendations can be applied to all situations and circumstances. But if they can productively contribute to a national dialog on one of the most pressing problems of the day, this Commission will have served its purpose.*

* See comment by Clarence Walton, pg. 98.

PART 3

SUPPLEMENTARY COMMENTS AND DISSENTS

Page xi—By BISHOP McMANUS

I dissent from the "Commission's finding" that the survival of Roman Catholic schools "does not depend totally or even mainly on the amount of money available to them." There is no official record to indicate that the Commission made this kind of "finding." The Commission only heard some researchers allege, in my absence, that the Catholic school crisis was more ideological than financial. The only sure fact is that the Catholic school crisis has ramifications other than financial difficulties.

(Concurring—Gonzales, Walton)

Pages xii and 20—By BISHOP McMANUS

While I agree in principle with the Commission's endorsement of "full State funding," I do not agree with the report's assertion that "State governments" have a "preeminent" role in American education. All governments, local, State, and Federal, have not a "preeminent" but a subservient role. The preeminent role belongs to parents whose reasonable and legal preferences and wishes for their children's education should be respected by governmental agencies charged with the responsibility equitably to raise and to distribute tax funds for the support of approved schools of parents' choice.

(Concurring—Gonzales, Walton, Francis, Zylstra)

Pages xii and 20—By IVAN ZYLSTRA

As a member of the Commission, I feel conscience-bound to totally reject the concept contained in the report which advocates that the government has preeminence in educating the Nation's children. The Commission report fails to acknowledge that parents have the prior right and responsibility of educating their children. The right of parents, being God ordained, has preeminence over the State or any other agency or institution.

It is my firm conviction that the responsibility of the State is to assure that no parent will be denied the freedom, by economic sanction or in any other way, of educating his child in a school of his choice. For a parent who is financially bound to the publicly supported and controlled school system, freedom of choice is but a sham.

(Concurring—McManus, Walton)

Pages xii and 20—By NORMAN FRANCIS

This report has attempted to deal with financing elementary and secondary education and the State's constitutional responsibility in this regard. However, I must demur from the overemphasis and the strong implications in the several recommendations which provide, wittingly or unwittingly, for total State control of the system which must guarantee this Commission's view of quality education and equal educational opportunity for all children in this Nation.

Historical and current practical reasons demand serious reservation to the suggestion that the poor and/or minority citizens will be effectively served under existing governmental conditions and attitudes in too many States of this Union.

In endorsing the suggested alternatives for accomplishing greater and full State funding, I would prefer to see it made clear that the question of funding must be separated from the primary responsibility for designing and implementing the goals this Commission suggested for educational reform.

The simple fact of the matter is that parents and local school officials cannot muster, for the time being at least, enough power, political and otherwise, to demand from State governments accountability in the degree and kind necessary to assure the educational reforms covered in this report. This is particularly true in States which have been, and show signs of continuing to be, insensitive to the educational needs of nonwhites, the physically and mentally handicapped and the economically disadvantaged. Until there is a reordering of priorities in these States and a more realistic demonstration by the presence of ethnic and cultural pluralism in the total State governmental system, consistent with the principles this Commission recommended for schools, I cannot endorse the total consigning of the major aspects of the primacy in education to governors, State legislators or State boards of education.

Parents and local educational personnel reflective of the cultural and

ethnic pluralism of the local districts must be greater partners with government in the obvious need for educational reform.

In fact, any participation by the Federal Government in incentive awards presently recommended to assure full State funding should also be conditioned on the progress State governments, local ones as weli, make in full governmental use of the pluralism in human personnel in their governments.

This Commission report has reemphasized in its total presentation, checks and balances for the interrelationships of parents, school officials and government. This parity is not clear, in my judgment, in the tone and recommendations dealing with the preeminence of the State in education.

The ultimate effect is a denial, and perhaps a naive belief, of any hope for other effective changes which the principles in this report have recommended.

(Concurring—McManus, Gonzales, Walton)

Pages xii and 25—By NEIL McELROY

I dissent from (c) of the statement of the Commission which describes its conception of the Federal role in elementary and secondary education. I do not consider it necessary at this time to encourage the complicated task of equalizing resources among the States for elementary and secondary education because—

1. The disparity between the tax base of the poorest and of the richest States calculated on a per-pupil basis has been steadily narrowing as the industrialization of the southern States has proceeded. Informed forecasts indicate that this gap will still further narrow in the years to come.

2. Under a program of State funding of elementary and secondary education costs there is an adequate tax base per pupil even in the poorest States to support a quality education program.

3. This Commission is recommending a major shift for raising and distributing funds for elementary and secondary education from the local school districts to the States. This transfer of responsibility will take the best efforts of the States and of the Federal Government, which is being urged by this Commission to provide incentive grants to the States which undertake this responsibility. It would be far better for a concentration of effort in this area to be applied to achieve State funding than to have a distraction from this concentration, which would be necessary, in order to achieve equalization of resources among the States.

4. Some years from now, after the States have completed their assumption of responsibility for financing elementary and secondary education, the question of equalizing resources among the States can be reviewed in the light of existing tax base disparities at that time.

(Concurring—Brooks, Ford)

Pages xii and 25—By JOHN FISCHER

The Commission's recommendations on the Federal role scarcely touch the one task on school finance that can be performed only by Federal action—equalizing educational opportunity at a reasonable level *among* the States. The justification for such action has been argued full elsewhere and here it is enough merely to review the familiar premises.

The first is that differences in wealth among the States are so wide that the poorer ones cannot support their schools adequately except by neglecting other public functions or by imposing much heavier taxes than the wealthier States require to provide good schools for their children.

The second is that if we really mean it when we say that every American child (rather than every Californian, or every Arkansan) is entitled to equal educational opportunity, we must be prepared to use Federal means to bring about such equality.

The third premise is that since every passing year sees the affairs, the problems, and the people of our fifty States more closely co-mingled, our failure to share equitably the current cost of educating the Nation's children will inevitably force us to share the higher future cost of its uneducated adults.

I recognize that on so important a policy question honest differences will persist. There are grounds for concern that larger amounts of Federal money may bring undesirable levels of Federal influence. It is conceivable that the economies of the poorer States may improve enough to assure adequate school support at some time in the future. But, for me, two considerations are compelling now. One is the evidence throughout our society of the tragic consequences that inferior education has had in the lives of millions of individuals, to say nothing of its effect upon their children and their neighbors. The second is my conviction that whatever uncertain hazards Federal influence may imply, they will be infinitesimal compared to the clear danger of denying a substantial fraction of one more generation the essential foundation for productive life in an open society.

(Concurring—Thompson, Mattheis, Kurtzman, Gonzales, Francis, J. Davis, Saltonstall, Walton)

Pages xii and 25—By BISHOP McMANUS

While I am not adverse to being a "big spender" for education, I am reluctant at this time to endorse universal preschool education for four year olds, school-served breakfasts for all pupils, establishment of new State and Federal educational bureaus and agencies, urban demonstration projects and other not-so-essential projects which might reasonably be considered if every child in this Nation were assured schooling which meets present-day minimum standards. School systems on the verge of bankruptcy, like all too many of the large city school systems, need immediate, unrestricted, emergency Federal help to stay in business. Federal funds for demonstration projects and other specialized purposes, ideal though they may be, are not the real need in most cities today.

(Concurring—Zylstra)

Pages xiii and 36—By JOHN DAVIS

The report states that local communities should be able to supplement by 10% the amount of State support. This may be appropriate, but in the absence of knowledge as to how the several States will view the unusual problems and needs of central cities and their children, I cannot assume that the basic State support will be sufficient.

Pages xiv and 41—By BISHOP McMANUS

I fear that a massive buildup of State activity in education may be a serious threat to the autonomy of the local school board, a unique American institution, which quite successfully has managed to immunize public schools from undesirable political influence. At a time when much American sentiment understandably is directed toward the simple values of the little red school house, locally controlled, sensitive to local needs and highly esteemed by the populace, I would question the timeliness of erecting collosal State structures to systemize the educational process throughout a State.

(Concurring—Gonzales, Zylstra, Saltonstall)

Pages xiv and 42—By BISHOP McMANUS

If the Federal Government should decide to distribute Federal funds to the States as bloc grants, it should guarantee that such funds actually benefit all children eligible to participate in the federally financed programs, even if this were to require special Federal arrangements to achieve that purpose. The Commission's position is not sufficiently specific on this point.

(Concurring—Zylstra, Walton)

Pages xiv and 45—By JOHN DAVIS

The report should have made reference to the need for providing funds sufficient to permit the direct involvement of parents in at least some of the educational process their children are involved in. Partnership approach through family educational commitment could greatly strengthen schools and society.

(Concurring—McManus, Gonzales, Ford, Walton, Francis)

Pages xiv and 45—By JOHN DAVIS

I do not disagree with the proposal that aid be allocated for programs or equipment rather than salary, but it is imperative to keep in mind that salaries for school personnel must be kept competitive if persons of ability are to be retained and attracted to the profession.

(Concurring—Ford)

Pages xvi and 56—By BISHOP McMANUS

While the Commission's recommendation that public funds be used to provide child benefit services for nonpublic school children is a reassuring sign of goodwill toward the Nation's nonpublic schools, it is, in fact, only a reaffirmation of a recommendation made some 32 years ago by President Franklin Roosevelt's Advisory Committee on Education. A Commission recommendation favoring Federal tax credits for tuition payments would have been a much more meaningful way for the Commis-

sion to come to grips with the well-documented financial emergency in many of the Nation's nonpublic schools.

(Concurring—Walton)

Pages xvi and 56—By NEIL McELROY

My concern about this paragraph, which refers to additional and more substantive forms of assistance, arises from my belief that the examples given are most unlikely to be permitted under present judicial restraints on government payments toward nonpublic school education. The fact is that the Commission, after considering the best legal advice it could recruit, could not find any proposal for a substantive form of assistance to nonpublic schools which appeared both practical and a probable winner of judicial challenge. Thus, the implications of this paragraph are to raise what I consider to be false hopes, and I am unwilling to be a party to such a result.

(Concurring—Mattheis, Fischer, Thompson, Brooks, Ford, J. Davis, Kurtzman)

Pages xviii and 61—By JOHN DAVIS

Accountability is an essential requirement of a responsive school system, but much care must be taken to insure that what is divulged in no way penalizes the learner or places an undue burden on the faculty for failing to have overcome great deficiencies in society which affect learning.

(Concurring—Thompson, Ford, McManus, Kurtzman, Mattheis, Brooks)

Pages xix and 67—By JOHN DAVIS

Career education is extremely important and it must receive the support of all educators. In my experience, many high schools have provided excellent opportunities for student exposure to the world of work through actual on-job experience, coupled with part-time school attendance through vocational education. Vocational educational programs could serve as excellent examples for the overall inclusive career education program which blends the best of the older academic and vocational approaches.

(Concurring—Kurtzman, Ford, Thompson, Mattheis)

Pages xxii and 82—By DAVID KURTZMAN

I disagree with the recommendation for the establishment of a National Educational Policy Development Council. The President now has ample facilities to obtain the type of advice contemplated by this recommendation. This recommendation would proliferate the number of Commissions.

Pages xxv and 88—By CLARENCE WALTON

Fresh insights from the Commission's report will result in the chartering of new directions in education and a mere enumeration of some of the findings and recommendations should give some sense to the wide-ranging work the Commission has undertaken.

For years to come policymakers and parents will wrestle with ways to:

- Shore up or replace the tottering local property tax base;
- Meet the needs for early childhood education;
- Promote, as part of the public interest, the effective work of both public and nonpublic schools;
- Disseminate and evaluate pupil achievement records recognizing, finally, that publication and analysis make more sense than a calculus of concealment;
- Judge high schools on criteria other than simply the number who go to college;
- Challenge the conventional wisdom regarding pupil-teacher ratios;
- Trim the fat off budgets and increase quality and productivity.

The foregoing illustrates significant achievements. Yet, I confess to a lingering doubt. Have we measured up to the challenge given by President Nixon in Executive Order 11513—the order which brought into existence the Commission on School Finance? Possibly the President asked too much. Since, however, we did not demur we may be delivering too little. As a matter of fact official reports are often best gauged by the hostility levels they generate. Who will take umbrage with the Commission—the professional establishment? Teacher organizations? Bureaucracies? I doubt it. The taxpayer might.

Selective examples may explain my restiveness. The Commission was asked to examine the "adequacy of the existing tax base and structure for the support of the public schools, *and possible alternatives*." The examination was undertaken but the Commission judged, incorrectly in

my view, that transferring the financial burden from local communities to the States and the listing of a series of alternatives met the challenge. This recommendation for full State funding suggests greatly increased reliance on a State sales tax, personal and corporate income, and other taxes, yet no logical case was offered why one was to be preferred over others. And despite a flurry of public comment on a possible Federal value-added tax, the Commission was disinclined to examine the merits of such a tax or speak to the principles which might govern the distribution formula.

Certain omissions worry me. The problem of the inner-city schools rightly receives attention. But Appalachia and other parts of rural America fared less well. Nor did the Commission seek to answer the question: Are the schools being asked to do too much? Some things might be better done elsewhere.

Two remaining points deal with (a) the Federal role in financing education and (b) parental rights and obligations. It seems unrealistic to suggest transferring the financial burden from communities to the States, (which I accept) while according to the Federal government "only a supplementary role to the States in the financing of school capital and operating costs." I would argue that if financial responsibility is transferred from local sources to the State capitals, and if States vary widely in their capacity and will to provide equal access to quality education, the Federal government will—and should—assume a more nearly co-equal role with the States. And this is said despite my own Jeffersonian nostalgia for State's rights and State's responsibilities.

Finally, note must be taken of what appears in the report to be the permeating philosophy; namely, that States hold primacy in the education of children. What no Commissioner specifically asserts, many seem implicitly to accept. I hold that the primary responsibility for the child's education rests with the parent. I hold that education is more effectively achieved when there is fostered a healthy triangular relationship among child, parent, and teacher. I hold that too much benign neglect of the parent's role already exists and that steps should be taken to halt it!

Page 12—By BISHOP McMANUS

The report's "assumption" that between 1970 and 1980, 2,500,000 pupils will transfer from nonpublic to public schools has no solid foundation. The assumption fails utterly to make a distinction between figures projecting enrollment decline because of transfers plus a lower birth rate, and figures projecting decline only in terms of probable transfers. More-

over, the assumption makes no allowance whatsoever for the possibility that the downward trend will be reversed when nonpublic schools intensify their recruitment procedures and when some form of government aid to parents encourages them to keep their children in nonpublic schools.

The authors of the Notre Dame University study, from which the 2.5 million figure was drawn, have told me that they can make no reliable projections of nonpublic school enrollments beyond the year 1975.

(Concurring—Gonzales)

Page 15—By JOHN DAVIS

Reference should have been made in the report to the research which indicates that not only are low achieving pupils assisted by being placed in heterogeneous grouped classes, but that there is also no evidence from the research to suggest that the performance of high achieving students is adversely affected.

(Concurring—Mattheis, Francis)

Page 37—By BISHOP McMANUS

I dissent from the Commission's stand that full State funding probably will be implemented by greater reliance on State sales tax among other forms of increased State taxes. There is no point in asking the States to rely upon a grossly inequitable tax, the most regressive tax there is, to bring about more equitable patterns of State funding of education.

Page 43—By JOHN DAVIS

It is important to assert that city schools, in many cases, are succeeding. While there are many problems, there is increasing evidence of more success and the report does not make this point with clarity.

(Concurring—Ford, Kurtzman, McManus, Mattheis)

Page 43—By JOHN DAVIS

The report should have indicated that positive programs of urban reconstruction, including provisions for improved quality integrated edu-

cation, can and will halt the exodus from city to suburb and indeed attract people back, for cities are exciting and convenient places abounding with great resources.

Page 51—By EUGENE GONZALES

The secondary schools do not have the facilities required to adequately serve this purpose. Most schools have limited enrollments. This function tends to lessen the main objectives for which secondary schools are established. This idea is impractical and too specific.

(Concurring—McManus, Walton)

Page 55—By JOHN DAVIS

There are, in many cities, public schools providing sound quality educational opportunity for students; hence, except for the loss of the religious training, I do not believe all of the parents of children in church-related schools will, in the event their schools must unfortunately close, choose to leave the city.

(Concurring—Mattheis)

Page 59—By JOHN DAVIS

The report makes several references to class size. I do not quarrel with the research findings but am compelled to point out that the management of classrooms and schools and the provision of adequate learning opportunities for the many pupils who are disinclined toward education and disoriented to the requirement for reason and order, necessitates increased numbers of staff.

(Concurring—Ford, Mattheis, Thompson)

Page 77—By JOHN DAVIS

I do not suport the voucher proposal as a viable plan, believing that public schools given the resources, can provide a wide range of educational options. I base this negative position on my personal experience

and study of the proposed voucher systems which I believe have built into them the seeds of great harm for public education. I do not object, however, to a reasonable number of voucher plan experiments.

(Concurring—Ford, Kurtzman, Mattheis, Thompson)

PART 4

APPENDIXES

APPENDIX A

Executive Order 11513—March 3, 1970
Establishing the President's Commission on School Finance

Presidential Documents

Title 3—THE PRESIDENT

Executive Order 11513

ESTABLISHING THE PRESIDENT'S COMMISSION ON SCHOOL FINANCE

By virtue of the authority vested in me by the Constitution and statutes of the United States, and as President of the United States, it is ordered as follows:

SECTION 1. *Establishment of the Commission.* (a) There is hereby established the President's Commission on School Finance (hereinafter referred to as "the Commission").

(b) The Commission shall be composed of not more than sixteen members to be appointed by the President. The Chairman and Vice Chairman of the Commission shall be designated by the President from among the members.

(c) Members of the Commission who are otherwise compensated by the United States for full-time service shall serve without compensation in addition to that received for their full-time service; but they shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law. Other members of the Commission shall receive compensation at the rate of $100 per diem when engaged in the actual performance of duties vested in the Commission, and they shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by 5 U.S.C. 5703, for persons in the Government service employed intermittently.

SEC. 2. *Functions of the Commission.* It shall be the function of the Commission to study, and report to the President on, future revenue needs and resources of the Nation's public and non-public elementary and secondary schools. Such study and report shall include:

(1) The implications of the leveling-off in school enrollments for fiscal and educational planning on all levels of government and for non-public schools.

(2) The fiscal status of non-public elementary and secondary schools, and attendant implications for public schools and public policy.

(3) The probable rate of growth in per-pupil expenditures in the coming decades and its consequences for tax policy, for educational finance, and for educational quality.

(4) A review of the financial structure of elementary and secondary education and an assessment of future trends in the public and private sectors.

(5) The adequacy of the existing tax base and structure for the support of public schools, and possible alternatives.

(6) An assessment of the potential of non-public schools to contribute more effectively to the nation's educational progress, of the present and future needs and problems of non-public schools, and of ways and means by which non-public schools can be assisted, within the limits of the law, in carrying out their educational responsibilities.

(7) An assessment of present public programs which aid non-public schools and comparison with programs aiding public schools.

(8) Recommendations for achieving greater cooperation between public and non-public schools in furthering the education of all children.

(9) Possible inequities and disparities in educational expenditures among States and between urban, suburban, and rural systems; and the effects of Federal and State aid programs on such disparities.

(10) Recent proposals by State and local governments to revise the organizational and financial structure of their school systems and the need for complementary changes in Federal programs and organization.

(11) The implications of Federal revenue sharing for the financing of public and non-public education.

(12) The implications of possible changes in the public welfare system and in the program of aid to Federally-impacted areas for school services and for the financing of public and non-public education.

(13) The ways to achieve possible efficiencies in the use of educational facilities and personnel.

(14) The advantages and disadvantages of changing the organization of public education on the State and local level and of consolidating some districts and decentralizing others.

(15) Ways of altering the distribution of Federal education funds so as to simplify and improve their usefulness for State, local and non-public education agencies.

(16) The adequacy of present data concerning the distribution of Federal, State, and local education funds among States, communities, neighborhoods, and individual schools within districts, and ways of improving the collection and use of such data.

(17) Existing measures of the results of schooling, possible improvements in helping local schools make such measurements, and ways to enable schools to compare their results with schools in similar circumstances.

(18) Such other matters as the Commission finds it necessary to study in order to treat adequately those mentioned above.

SEC. 3. *Assistance to the Commission.* (a) The Commission is authorized to appoint such personnel as it deems necessary, to fix their compensation in accordance with law, to obtain services in accordance with the provisions of 5 U.S.C. 3109, and to enter into contracts for the conduct of studies necessary to the performance of its functions.

(b) In compliance with the provisions of applicable law, and as necessary to serve the purposes of this order, (1) the Department of Health, Education, and Welfare shall provide or arrange for necessary administrative and staff services, support, and facilities for the Commission, and (2) each executive department or agency shall furnish the Commission such information and other assistance as may be available.

SEC. 4. *Reports and Termination.* The Commission shall present such interim reports to the President as the President or the Commission shall deem appropriate. The Commission shall present its final report not later than two years from the date of this order. The Commission shall terminate thirty days following the submission of its final report.

Richard Nixon

THE WHITE HOUSE,
March 3, 1970.

[F.R. Doc. 70-2764; Filed, Mar. 3, 1970; 5:03 p.m.]

APPENDIX B

Listing of Organizations that Submitted Statements to Commission

Organizations Submitting Statements to the Commission

Public Educational Organizations:	Specifically Requested	Other Responses	Statement Received	Met With Members
Am. Association of School Administrators	X			
American Vocational Association	X		X	X
Council of Chief State School Officers	X		X	X
National Association of State Boards of Education	X			
National Congress of Parents and Teachers	X		X	X
National Education Association	X		X	X
National School Boards Association	X		X	X
American Federation of Teachers	X			X
Private and Religious Organizations:				
Lutheran Education Association	X			
National Association of Episcopal Schools	X		X	X
National Association of Independent Schools	X		X	X
National Catholic Education Association	X		X	X
National Society for Hebrew Day Schools	X		X	X
National Union of Christian Schools	X		X	X
Seventh-Day Adventists	X		X	X
U.S. Catholic Conference	X		X	X
Other Organizations:				
American Civil Liberties Union	X			
Americans United for Separation of Church & State	X		X	X

Other Organizations—*Continued*	Specifically Requested	Other Responses	Statement Received	Met With Members
Chamber of Commerce	X		X	
Citizens for Educational Freedom	X			
Council of State Governments	X		X	
International City Management Association	X		X	
NAACP	X			
National Association of Community Schools	X			
National Association of Counties	X			
National Association of Manufacturers	X		X	
National Committee for Support of Public Schools	X		X	X
National Conference of State Legislative Leaders	X			
National League of Cities	X			
National League of Women Voters	X		X	X
National Tax Action, Inc.	X			
National Urban League	X			
Supreme Council of Freemasonry	X		X	
Urban Coalition	X		X	
National Association of Educational Broadcasters		X		
American Association of University Women	X			
National Tax Association	X			
National Association for Personal Rights in Education		X	X	X
Parents Rights in Education, Cleveland		X	X	
Parents Rights, Inc., St. Louis		X	X	
City of Memphis (Memphis Manpower CAMPS Commission)		X	X	

APPENDIX C

Listing of Contractor and Commission Staff Studies

PRESIDENT'S COMMISSION ON SCHOOL FINANCE

A List of Major Project Reports

Report Title	Description	Report Prepared By:
Intergovernmental Relations and the Governance of Education	A discussion of the roles of each level of government —Federal, State, and local —in providing quality education and equal educational opportunity.	Education Commission of the States
What State Legislators Think about School Finance	A survey of the attitudes of the chairmen of State legislative education committees concerning possible changes in the financing and governance of education.	Educational Testing Service and Commission Staff
The Concept of Education as an Investment	A report on the economic benefits and investment functions of education and the relationship to other human resource investments. Also included is a report on the revenue yields of various taxes related to economic conditions.	Irving J. Goffman, University of Florida
State-Local Revenue Systems and Educational Finance	A report on how State and local revenue systems for education function.	Advisory Commission on Intergovernmental Relations

Report Title	Description	Report Prepared By:
Public School Finance: Present Disparities and Fiscal Alternatives (Volume I) (Volume II)	A study of several States to illustrate various levels of State support of public schools, present disparities in raising and distributing funds and a test of alternative models for redistributing tax burdens and educational expenditures.	The Urban Institute
Review of Existing State School Finance Programs (Volume I)	A study of how existing State school finance formulas operate.	Commission Staff
(Volume II)	A detailed documentation of disparities in per pupil expenditures and revenue in each State.	
The Foundation Program and Educational Needs	A conceptual analysis of the differences between the "foundation program" and educational needs, related to the distribution of school funds.	Arthur E. Wise, University of Chicago
Legal and Constitutional Problems of Public Support for Nonpublic Schools	A review of the basic legal and constitutional issues facing public aid to nonpublic schools.	Rev. Charles M. Whelan, Fordham University Law School; Paul A. Freund, Harvard University Law School

Report Title	Description	Report Prepared By:
Economic Problems of Nonpublic Schools	A study of the economic elements affecting enrollment trends; a projection of enrollment and financial trends in nonpublic schools through 1980; and a study of the effects of nonpublic school closings on public schools.	University of Notre Dame, Office of Educational Research
The Financial Implications of Changing Patterns of Nonpublic School Operations in Chicago, Detroit, Milwaukee and Philadelphia	A study of the effects of nonpublic school closings in selected communities.	University of Michigan, School of Education
Issues Aid to Nonpublic Schools	A study identifying the social benefits to the Nation made by nonpublic schools, the public aid programs at Federal, State, and local levels and the attendant obligations of nonpublic schools receiving aid. Included are case studies that assess problems and accomplishments of nonpublic schools.	Boston College, Center for Field Research and School Services
Volume I: Economic and Social Issues of Educational Pluralism		
Volume II: The Social and Religious Sources of the Crisis in Catholic Schools		
Volume III: Public Assistance Programs for Nonpublic Schools		
Volume IV: Appendices		
Summary Analysis	Highlights of the four volumes	

Report Title	Description	Report Prepared By:
Public Aid to Nonpublic Education	A compilation of Federal, State, and local aid available to nonpublic schools, with emphasis on State-aid programs.	Commission Staff
The Three R's of Louisiana Nonpublic Education: Race, Religion and Region	A study of the recent trends in nonpublic education in Louisiana including the interaction between public and nonpublic schools.	Donald A. Erickson, University of Chicago
Big-City Schools in America	A survey of the attitudes of big-city school superintendents and school board officials concerning the operations of their schools.	Mark Battle Associates and Commission Staff
Problems of Financing Inner-City Schools	A study of the problems of financing the inner-city schools and alternatives for dealing with the problems.	The Ohio State University
How Effective Is Schooling?	A review of the state-of-the art for measuring educational effectiveness, including an analysis of the relationship of educational resources to achievement.	The Rand Corporation
Pre-primary Education: Needs, Alternatives, and Costs	An analysis of present efforts toward education of pre-schoolers.	Education and Public Affairs, Inc.

Report Title	Description	Report Prepared By:
Schooling for the Future	A study of educational change and innovation with a specific focus on the changes in purposes, procedures, and institutional arrangements which are needed to improve the quality of American elementary and secondary education.	Educational Inquiry, Inc.
The New Instructional Technologies: Are They Worth It?	A review of the educational technological innovations, their costs and effectiveness.	Academy for Educational Development
Free and Freedom Schools	A national survey of alternative schools and educational programs.	Bruce Cooper
Economies in Education	A report of possible approaches to greater economies in education.	Cresap, McCormick & Paget
Tax Credits for Education	An analysis of the potential use of tax credits to finance elementary and secondary education.	James A. Maxwell, Clark University and Bernard Weinstein; Roger Freeman, Hoover Institution on War, Revolution and Peace
Improving Information Systems for Educational Policymaking	A report on educational data inadequacies and recommendations for improving information systems for educational policymaking.	Syracuse University Research Corporation

Report Title	Description	Report Prepared By:
Population, Enrollment, and Costs of Public Elementary and Secondary Education	Projections of enrollments in nursery, elementary and secondary schools through 1980.	Simat, Helliesen & Eichner, Inc. (Joseph Froomkin)
Estimates and Projections of Special Target Group Populations in Elementary and Secondary Schools	Projections of special target group populations in elementary and secondary schools.	Joseph Froomkin, Inc.
In Search of a Rational Basis for Measuring Disparities	A review of the methods used to calculate education expenditures per pupil and recommended changes.	Sigmund L. Sklar
A Prototype National Educational Finance Planning Model	A simulation model designed to test the fiscal implications of varied sets of assumptions and policies relating to changes in educational needs and educational resources over the next decade.	Commission Staff
Selected Staff Studies in Elementary and Secondary School Finance	An analysis of (a) performance contracting; (b) educational vouchers; (c) potential Federal revenue sources for education; (d) listing of Federal educational programs; (e) the status of nonpublic education.	Commission Staff

APPENDIX D

State Boards of Education and Chief State School Officers

STATE BOARDS OF EDUCATION AND CHIEF SCHOOL OFFICERS FOR THE COMMON SCHOOL SYSTEMS, 1970

State	Chief method of selecting state board			Chief method of selecting chief State school officer		
	Elected by People	Appointed by Governor	Other	Elected by People	Appointed by state board	Appointed by Governor
Alabama		o			o	
Alaska		o			o	
Arizona		o		o		
Arkansas		o			o	
California		o		o		
Colorado	o				o	
Connecticut		o			o	
Delaware		o			o	
Florida			o	o		
Georgia		o		o		
Hawaii	o				o	
Idaho		o		o		
Illinois*	No State board			o		
Indiana		o		o		
Iowa		o			o	
Kansas	o				o	
Kentucky		o		o		
Louisiana	o			o		
Maine		o			o	
Maryland		o			o	
Massachusetts		o			o	
Michigan	o				o	

State	Chief method of selecting state board			Chief method of selecting chief State school officer		
	Elected by People	Appointed by Governor	Other	Elected by People	Appointed by state board	Appointed by Governor
Minnesota		o			o	
Mississippi			o	o		
Missouri		o			o	
Montana		o		o		
Nebraska	o				o	
Nevada	o				o	
New Hampshire		o			o	
New Jersey		o				o
New Mexico	o				o	
New York			o		o	
North Carolina		o		o		
North Dakota		o		o		
Ohio	o				o	
Oklahoma		o		o		
Oregon		o		o		
Pennsylvania		o				o
Rhode Island		o			o	
South Carolina			o	o		
South Dakota		o		o		
Tennessee		o				o
Texas	o					o
Utah	o				o	
Vermont		o			o	
Virginia		o				o
Washington			o	o		
West Virginia		o			o	
Wisconsin	No State board			o		
Wyoming		o		o		
Total	11	32	5	20	26	4

* Illinois has adopted a new constitution which provides for a State board and for State board appointment of the chief school officer, effective in 1975.

Data provided by U.S. Department of Health, Education, and Welfare, Office of Education, Division of State Agency Cooperation.

APPENDIX E

Number of School Districts Operating Schools by State and Type of District

NUMBER OF SCHOOL DISTRICTS OPERATING SCHOOLS BY STATE AND TYPE OF DISTRICT
July, 1970

State	Number of School Districts Operating Schools				
	Total	Unified (all grades thru 12)	Elementary	Secondary	Other
Alabama	115	115	3	—	—
Alaska	29	23	4	—	2
Arizona	283	5	198	77	3
Arkansas	386	363	22	1	—
California	1,123	244	715	112	52
Colorado	181	178	3	—	—
Connecticut	171	108	51	8	4
Delaware	26	22	—	1	3
District of Columbia	1	1	—	—	—
Florida	67	67	—	—	—
Georgia	190	190	—	—	—
Hawaii	1	1	—	—	—
Idaho	115	105	8	—	2
Illinois	1,176	411	594	170	1
Indiana	317	300	14	1	2
Iowa	453	453	—	—	—
Kansas	311	311	—	—	—
Kentucky	192	188	5	—	—
Louisiana	66	66	—	—	—
Maine	239	117	112	3	7
Maryland	24	24	—	—	—
Massachusetts	379	285	137	50	5
Michigan	626	526	87	—	13
Minnesota	668	441	188	—	39
Mississippi	155	150	—	3	2
Missouri	647	460	186	—	1

State	Number of School Districts Operating Schools				
	Total	Unified (all grades thru 12)	Elementary	Secondary	Other
Montana	684	—	518	166	—
Nebraska	1,461	306	1,121	23	11
Nevada	17	16	1	—	—
New Hampshire	159	67	83	3	3
New Jersey	573	200	310	52	11
New Mexico	89	88	1	—	—
New York	742	662	58	5	17
North Carolina	152	152	—	—	—
North Dakota	365	257	107	—	1
Ohio	631	627	3	—	1
Oklahoma	668	461	206	—	1
Oregon	349	151	171	27	—
Pennsylvania	550	525	13	1	11
Rhode Island	40	28	7	1	4
South Carolina	93	93	—	—	—
South Dakota	262	189	69	4	—
Tennessee	147	128	19	—	—
Texas	1,192	997	163	—	32
Utah	40	40	—	—	—
Vermont	252	47	179	18	8
Virginia	129	128	—	—	1
Washington	320	249	56	—	15
West Virginia	55	55	—	—	—
Wisconsin	455	368	71	16	—
Wyoming	132	58	62	10	2
U.S. Totals	17,498	10,947	5,545	752	254

Source: *Directory of Public School Systems, 1970,* Department of Health, Education, and Welfare; U.S. Office of Education.

APPENDIX F

Relative Educational Need Index

APPENDIX F

Relative Educational Need Index

RATIO OF MEAN CURRENT OPERATING EXPENDITURES PER PUPIL, BY PROGRAM AND GRADE LEVEL, TO MEAN EXPENDITURES PER PUPIL IN BASIC PROGRAMS, GRADES ONE THROUGH SIX—1968-69

Program (1)	Cities 12 Districts (2)	Suburbs 8 Districts (3)	Independents 8 Districts (4)
1. Basic Program			
Grades 1-6	1.000	1.000	1.000
Grades 7-9	1.177	1.174	1.135
Grades 10-12	1.446	1.219	1.454
2. Mentally and Physically Handicapped			
Grades 1-6	2.397	2.436	2.821
Grades 7-9	2.098	1.878	2.113
Grades 10-12	2.220	1.752	2.111
3. Socially Maladjusted			
Grades 1-6	2.954	2.499	.000
Grades 7-9	2.880	1.368	.000
Grades 10-12	2.432	1.567	.000
4. Remedial and Compensatory			
Grades 1-6	1.805	1.702	2.354
Grades 7-9	2.940	1.996	2.157
Grades 10-12	1.718	1.962	1.616
5. Vocational-Technical			
Grades 7-12	1.915	1.680	1.781
6. Prekindergarten	1.133	1.047	1.499
7. Kindergarten	1.298	1.110	1.199

Source: National Educational Finance Project. Special Study No. 1, "Early Childhood and Basic Elementary and Secondary Education", William P. McClure and Audra May Pence, page 96.

APPENDIX G

Estimates of Preprimary Enrollment

APPENDIX G

ESTIMATES OF PREPRIMARY ENROLLMENT
(Numbers in thousands)

Age	1970 Population	%	No. & % of Population Enrolled	%	Not Enrolled	%
5						
Poverty*	635	17%	297	(47%)	338	(53%)
Non-Poverty	3,095	83%	2,758	(89%)	337	(11%)
Total	3,730	100%	3,055	(82%)	675	(18%)
4						
Poverty*	582	17%	114	(20%)	468	(80%)
Non-Poverty	2,949	83%	893	(30%)	2,056	(70%)
Total	3,531	100%	1,007	(29%)	2,524	(71%)
4 & 5						
Poverty*	1,217	17%	411	(34%)	806	(66%)
Non-Poverty	6,044	83%	3,651	(60%)	2,393	(40%)
Total	7,261	100%	4,062	(56%)	3,199	(44%)

* In 1970, the poverty income level was defined as $3,968 for a non-farm family of four.
Source of Information: Bureau of Census.

APPENDIX H

Alternative Bases for Federal Incentive Grants for Full State Funding

APPENDIX H

ALTERNATIVE BASES FOR FEDERAL INCENTIVE GRANTS FOR FULL STATE FUNDING

There are many different methods which can be used by the Federal Government to provide to States an incentive grant for them to move to full State funding.

We are not recommending a specific method. To do so would require this Commission to become involved in many considerations of intergovernmental relations and public finance that would be beyond the problems of school finance. Nor did we feel it appropriate to offer recommendations affecting national tax policy including, among other things, new revenue sources such as the value-added tax. Instead, we have identified four alternatives, all of which would provide significant incentives for States to reduce their reliance on local revenue for education.

In describing these alternatives, we have arbitrarily chosen percentages and unit amounts. This was done to provide a reasonably common base for our calculations. The four alternatives presented result in Federal financing from a low of $4.6 billion to $7.8 billion, over a 5-year period. It is the Commission's best judgment that between $4 and $5 billion will be required to provide sufficient incentives for States to move to full State funding.

The four alternatives are listed below and discussed briefly in the following pages:

A. Flat 25 percent of local school expenditures. Amounts to $5.5 billion for education. Annual amount $1.1 billion.
B. Sliding scale percentage of local school expenditures. State spending at lower rate receive less—States spending at higher rate receive more. Amounts to $5.2 billion for education. Annual amounts increase from $700 million to $1.3 billion.
C. Grant based on number of school-age children (5-17) would begin with $10 per child and increase to $50 per child. Amounts to $7.8 billion for education. Annual amounts increase from $525 million to $2.6 billion.

D. All local education taxes (predominantly property taxes) become State taxes. Grant would be 25 percent of local taxes transferred to other type State taxes. Amounts to $4.6 billion for all public services with education receiving $1.2 billion of that amount, assuming States continue to apply current share of total State and local funds to education.

ALTERNATIVE A—Flat 25 Percent of Local School Expenditures

(1) Each State would receive an annual grant of 25 percent of the increase in State school expenditures above the preceding year,

a. Reduced by the increase in local school expenditures above the preceding year,

and

b. Reduced further by the decrease in total State and local school expenditures below the preceding year.

(2) The grant would be limited to 25 percent of the local educational expenditures during the 1970-71 base year. This would amount to $5.450 billion.

(3) On the assumption that each State completed its transition from local to State funding in equal phases over a 5-year period, the Federal outlay would be $1.090 billion per year.

1970-71
Actual Expenditures
(billions)

	Amount	Percent
Local	$21.8	55.9
State	17.2	44.1
Total	$39.0	100.0

ALTERNATIVE B—Percentage Based on Sliding Scale

(1) Each State would receive an annual grant based on the current and future State percentage of State and local school expenditures.

(2) The range of Federal grants could be as follows:

10% for States spending 29% or less of total
15% for States spending 30% to 39% of total
20% for States spending 40% to 59% of total
25% for States spending 60% to 75% of total
30% for States spending 76% to 100% of total

For States spending at a lower percentage, a low Federal participation grant would result, with the Federal grant increasing for a State as it assumed a greater share of total State and local expenditures. The Federal outlay would be highest during the last year of the program.

(3) Based on the level of expenditures and the percentages existing during the 1970-71 school year, total Federal outlays would amount to $5.173 billion.

(4) On the assumption that each State completed its transition from local to State funding in equal phases over a 5-year period, and using the graduated range of Federal grants indicated above, the Federal outlay for each of the 5 years would be:

First year	—$ 736.7	million
Second year	— 909.3	"
Third year	— 1,034.2	"
Fourth year	— 1,195.0	"
Fifth year	— 1,298.9	"
Total	$5,173.1	million

ALTERNATIVE C—Increasing Amount Based on School Age Population

(1) Each State would receive an annual grant based on the number of school age children (5-17) within the State. In 1970, the national population age 5-17 was 52,518,000.

(2) The grant can be set at any range. One possibility would be:

First year	$10 per person
Second year	20 " "
Third year	30 " "
Fourth year	40 " "
Fifth year	50 " "

(3) On the assumption that each State completed its transition from local to State funding within five years, and based on the 1970 Census data, the Federal outlay for each of the five years, under each of the above possibilities, would be:

First year	$ 525.0 million
Second year	1,050.0 "
Third year	1,575.0 "
Fourth year	2,100.0 "
Fifth year	2,625.0 "
Total	$7,875.0 million

ALTERNATIVE D—Transfer of Local Taxes to State Taxes

(1) Local taxes for education (predominantly property taxes) become State taxes—$18.4 billion in 1970.

(2) 50 percent of these taxes are shifted to other type State taxes, as desired by the State.

(3) 50 percent of the amount of taxes shifted from property taxes to other type State taxes will be matched by the Federal Government on a dollar-for-dollar basis.

(4) Limited in total to 25 percent of the amount of local tax revenues collected in 1970—$4.6 billion.

(5) *The grant would be for all public functions,* with the assumption that the same proportion of State and local funds now going to education would be applied to this grant. This would be approximately 29 percent or $1.3 billion for education purposes.

Example:

Local tax revenue for education	$18.4 billion
50 percent transferred from property to other States taxes	9.2 billion
50 percent Federal matching grant	4.6 billion
Proportion for education (29 percent)	1.3 billion

APPENDIX I

Federal Funding of Report Recommendations

FEDERAL FUNDING OF REPORT RECOMMENDATIONS

Alternatives A, B, or C

	Millions of Dollars		
	Education	General Funds	Annual Total
1. Full State Funding	$1,040*	—	$1,040*
2. Urban Education	1,000	—	1,000
3. Early Childhood	250	—	250
Subtotal	$2,290		$2,290
Endorsements			
Emergency School Assistance	$1,500	0	$1,500
Special Educational Revenue Sharing	3	—	3
General Revenue Sharing	1,450	$3,550	5,000
Welfare Reform	464	1,136	1,600
Subtotal	$3,417	$4,686	$8,103
TOTAL	$5,707	$4,686	$10,393

* Lowest estimate of Alternative A, B, or C. This would total $5.2 billion over a 5-year period.

Alternative D would have the following effects:

	Education	General Funds	Annual Total
1. Full State Funding	$1,300	$3,300	$4,600
2. Urban Education	1,000	—	1,000
3. Early Childhood	250	—	250
Subtotal	$2,550	$3,300	$5,850
Endorsements			
Emergency School Assistance	$1,500	—	$1,500
Special Education Revenue Sharing	3	—	3
General Revenue Sharing*	—	—	—
Welfare Reform	464	$1,136	1,600
Subtotal	$1,967	$1,136	$3,103
TOTAL	$4,517	$4,436	$8,953

* General Revenue Sharing has been earmarked, in part, for full State funding of education. The grant would be related to property tax reductions.

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