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ABSTRACT

New directions in federal educational policy in the 1980s have had clear and consistent implications for state education finance systems. This study reviews the financing arrangements that have emerged during the 1980s at the state level, discusses the costs of new legislative mandates and state programs, and assesses the extent to which federal programs associated with special populations have been taken over by the states and how these programs are funded. Data for the study were derived from U.S. investments in education during the past decade and reform expenditures by states, regions, and the nation, along with questionnaires sent to the finance directors in each state department of education. The following selected results of this data collection effort are reviewed: revenue sources for education from 1980 to the present; state financing of education excellence policies; state financing of special pupil populations; and current systems of revenue distribution across the United States. In addition, the climate of education in the current year is reviewed, and emerging themes and collapsing constraints in education finance policy are considered throughout. Extensive tables and charts are appended, and 62 references and notes are included. (TE)

--The State of State Education Finance--
Emerging Themes and Collapsing Constraints

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INTRODUCTION

A number of policy thrusts in education during the 1980s have had clear and consistent implications for state education finance systems. First, the New Federalism agenda of the Reagan Administration had as its goals a reduction of government and spending, in addition to sorting out the intergovernmental transfer system in a number of functional areas. Education, health, and welfare, because of their status as nonenumerated powers in the U.S. Constitution, were singled out early in the Administration's first term to be returned to the states through e.g., block grants and the New Federalism Initiative. Some authors have concluded that this agenda was finally operationalized through the defacto retreat in the areas of equity and access in education from the national level through funds reductions for education.

Second, reports by the National Commission on Excellence in Education, and followed by a number of other groups such as the Twentieth Century Fund and the Education Commission of the states, together with action already occurring, called for new education policy initiatives to overturn the purported "rising tide of mediocrity" in the nations schools and to develop our country's most important resource into the twenty-first century: human potential. These initiatives were supported by contentions that increasing educational output would correlate to state and/or national economic development and competitiveness in both domestic and international markets.

With revenue reductions and decentralization for education on the national agenda, governors became the chief actors in carrying the policy agenda for excellence in education during the 1980s, with states as the major locus of new policy initiatives. The fact that the excellence policies had associated cost requirements contributed to increased state expenditures for education and changes in financing arrangements to accommodate the new demand. Currently, an assessment of the effectiveness and efficiency of recent state investments is the focus of activity in local, state, and national arenas.

What are the financing arrangements that have emerged during the decade of the 1980s at the state level and are currently in place in 1987-88? What new programs have been enacted? Have these carried significant cost increases with them or have legislative mandates been unfunded? To what extent have federal programs associated with special populations been taken over by the states and what is the funding for these programs? Finally, what is the future prognosis for education financing at the state level? These questions formulated the backdrop of this study.

Method

Two major data sources were utilized. First, data were examined on U. S. investments in education during the current year, and compared over the decade of the 1980s. Next, reform expenditures for states, regions and the nation were calculated utilizing a 1983 baseline. The data source consisted of figures drawn from the National Education Association's Estimates of School Statistics, 1987-88, prerelease data. Inflation adjustments were made utilizing the implicit price deflator for state and local government purchases of goods and services. A school year index was calculated, based on a July 1-June 30 year, for each specified year, e.g., 1981-82 began July 1, 1981 and ended June 30, 1982.

Second, questionnaires were sent to the finance director/associate superintendent for finance in each State Department of Education. Questions were included in several areas and intended to ascertain: the current education finance system which was in operation in each state; new initiatives enacted under the "education reform" legislation and their associated appropriation amounts including teacher salary increases, career ladders and merit pay, class size reductions, new graduation requirements, state testing programs, training for administrators, longer school day and year, full-day kindergarten, and preschool, in 1987-88. Also current arrangements in the finance system for (1) capital outlay/debt service, (2) transportation, (3) special education weights, (4) vocational education weights, (5) compensatory education weights, (6) bilingual education

weights, (7) grade level differences, and (8) district size adjustments, were collected. Last, specific state appropriation amounts for special program populations--compensatory, special, bilingual, gifted and talented, vocational, other--and the numbers served in these programs, were collected.

Data concerning school finance systems were returned by finance officers in all 50 states.[1] Data on financing education reform and special pupil populations were returned by 48 states: Massachusetts and Maryland's responses have not yet been received but are expected to be forthcoming. For other areas of interest, e.g., transportation, capital outlay, weighting systems, responses from all but 5 states have been received to date.

This paper will review the results of the data collection effort. Because of the volume of the data, however, and limitations on paper length, only selected areas are considered. They are: revenue sources for education from 1980 to the present and 1983 to the present; state financing of education excellence policies; state financing of special pupil populations; and current systems of revenue distribution across the U.S.A. In addition, the climate of education in the current year will be reviewed, particularly the educational thrusts at the state level as elucidated by governors and legislatures. And, emerging themes and collapsing constraints in education finance policy will be considered throughout, as related to the topic at hand.

THE CLIMATE OF EDUCATION IN THE UNITED STATES IN 1988

Education in general, and education finance in particular, are top priority issues across the United States, as we draw nearer to the close of the decade. This is evidenced by governors' budget addresses and state of the state messages; high rankings state legislative fiscal officers afforded education when asked to name the leading fiscal issues; and the priority position education committee chairs gave to education funding issues.

GOVERNORS STATE OF THE STATE MESSAGES

An analysis of 1988 budget addresses and state of the state messages[2] of the nation's governors, shows that governors across the country continue to maintain their leadership position in setting the agenda for excellence in education, with the states as the locus of new policy initiatives. Increasing state provisions for education, the governors find, will result in maintaining the competitive edge at home and abroad into the 21st century, in greater economic productivity, and in a better functioning democratic system of government.

o According to Governor Harold Guy Hunt of Alabama: "We need to ask more of our children. . .We must ask that they use their ability to prepare to lead us into the 21st century and be ready to compete with youngsters not just in Georgia, Mississippi, Tennessee and Florida . . . but in Japan, Western Europe, and Asia."[3]

o In Minnesota, Governor Rudy Perpich noted, "[E]very penny we invest in education produces dividends in our future economy."

o Requesting an additional $198 million for education, Mississippi's Governor Ray Mabus cited two consequences of educational failure: "[A] life-long handicap and economic failure for us all," concluding, "We invest in our future through our children."

o In Kansas, Governor Mike Hayden sounded this theme: "Demands in our economy for increased productivity, higher-order skills, and better thinkers require that education be assigned our highest priority."[4]

o Ohio's Governor Richard F. Celeste found: "Either we invest <u>now</u> or we pay the consequences later."

o According to Wisconsin's Governor Tommy Thompson: "When people acquire knowledge, skills and expertise through education, they become productive and positive forces for themselves, their families, and society."

Jean McDonald, writing for the National Governors' Association, remarks, "governors believe putting resources into education is an investment in the future."[5]

Maintaining the Reform Momentum

Maintaining the momentum of the education reform movement was also a topic highlighted in governors' state of the state messages this year.

o Nebraska Governor Kay Orr described efforts to improve education as a "marathon" and not a "sprint."[6]

o In Missouri, a transfer from the general revenue fund to the excellence fund of $31 million was recommended "in order to continue reform begun in 1985."

o In Indiana, Governor Bob Orr's main objective was protecting the A+ education program adopted by the legislature in 1987.

o Governor Terry Branstad of Iowa emphasized "There should be no retrenchment from [our Educational Excellence Program]."

o Governor of Rhode Island, Edward DiPrete, said that he "will not allow educational excellence to become last year's fad, something to be rolled out with great fanfare and then forgotten."[7]

Second Wave of Education Reform

Governors around the country are not only highlighting themes from the first wave of education reports, and emphasizing putting resources into education as a long-term investment, but also are focusing on the second wave of reform initiatives.

Restructuring Schools. Recommendations of two reports issued in the second wave of reform efforts, A Time For Results, and A Nation Prepared: Teachers for the 21st Century[8] included moving away from the traditional structure of school management toward school site management through principals collaborating with teachers. In 1987, Massachusetts and Washington enacted pilot programs to encourage school restructuring. This year seven governors proposed pilot schools that allow professionals to manage the school site and have control over curriculum, class time, personnel, and budget.[9] Also:

o Delaware Governor Michael N. Castle proposed seven "Innovation in Teaching and Learning Schools;"

o Kentucky Governor Wilkinson recommended a "benchmark schools" project; and,

o Iowa Governor Terry Branstand called for an "effective schools program.

o Demonstration school site management programs were also proposed for New York City by Governor Cuomo, and Milwaukee, by Governor Tommy Thompson.

At Risk Youth. The second wave of reform reports also stressed the needs of students at risk, and this area remained a concern of governors in 1988. Proposed in budget messages or state of the state messages were a wide range of initiatives to improve or expand programs for e.g., preschool youngsters, dropouts, teen pregnancy, and counseling.

o Ten governors urged legislatures to adopt early childhood education programs, primarily on a pilot basis.[10]

o In Minnesota and Oklahoma, governors proposed extended day care programs for children whose parents work.

o Governor Roy Romer in Colorado said he would focus "like a laser beam" on elementary and secondary education this year proposing "wraparound funds" to provide full-day quality day care for 2,000 of the states 20,000 at-risk pre-schoolers, with a goal of meeting the needs of all eligible youngsters.

o In New York, Governor Cuomo found, "Meeting the needs of the at-risk student is clearly the most serious education problem we confront."

Among a number of foci proposed by Governor Michael S. Dukakis in his budget message were equal opportunity grants to poorer school districts, funding for day-care services, and "Commonwealth Futures"--a dropout prevention program. He proposed reducing the drop-out rate to 10% and the inclusion of a poverty factor in the school aid formula with accompanying "targeted accountability." This approach allows for flexibility based on performance, yet requires detailed oversight where improvement is needed most.

Accountability

The concern for accountability was given marked support by governors in other states as well.

o In Virginia, Governor Gerald Baliles said it was time for schools to "keep score and be accountable."

o School report cards, to provide information and allow the state to reward schools for performance, were among proposals for New Jersey, made by Governor Thomas H. Kean. Report cards would include information on students scores on basic skills tests in 3rd, 6th, and 9th grades, daily attendance records, graduation rates and dropout rates, and new information on annual students SAT scores.

o School report cards, already in effect in states such as California, Illinois, and New York, were also proposed as a accountability mechanism by Vermont Governor Madeleine M. Kumin, and Utah Governor Norman H. Gangerter--because "when schools are doing well and are improving each year, public support and confidence will increase."[11]

o Alabama Governor Guy Hunt proposed that a group of business leaders, parents and others assess each school to ensure that tax money is well spent. A similar proposal was offered in Michigan.

The Third Wave

Michigan's Governor James Banchard, in A Report to the People of Michigan and the Legislature, quoted from a National School Boards Association report regarding the third wave of reform: "The emerging third wave of education reform is concerned mainly with productivity." According to Governor Banchard, this is a:

> [F]undamental reordering of the way we think about education. We must shift our focus away from inputs--from dollars--and focus more on results. We should define what we want our tax dollars to buy, set performance standards, then free up teachers to do the job creatively and efficiently.

Governor Banchard proposed establishing a $250 million Governor's Education Excellence Fund to offer incentives to districts to achieve excellence, financed by closing existing tax loopholes. The fund would enable the state to (1) reach every at-risk 4 year-old within 3 years, (2) offer a teacher in-service training program, (3) reward schools that show improved performance of "at-risk" students measured by test scores and other standards. Other initiatives in this regard, included PACE (Parents and Children Excelling) and adult basic skills and job training curricula which includes units on reading and prep techniques for infants and preschoolers.

Teacher Salaries/Other

Increasing the attractiveness and quality of the teaching profession was also a central focus of education recommendations by governors in many states this year including: Alabama, Colorado, Michigan, Pennsylvania, Tennessee, and Virginia.

Also receiving attention by governors this year were: special education funding, choice plans, and curriculum. As in previous years, how to finance school improvement efforts was a major concern of our nation's governors. This is also expected to be a top legislative priority according to education committee chairs in the 50 states, as reported by the National Conference of State Legislatures.

STATE LEGISLATURES

During the fall of 1987, the National Conference of State Legislatures education program staff contacted the education and higher education committee chairs in every state legislature to ask them about emerging issues in the 1988 legislative sessions. Financing education was identified as the most important issue facing legislatures in their upcoming sessions by a majority of states (AK, AZ, AR, CA, CT, FL, GA, HI, ID, IL, IN, KS, KY, LA, MA, MI, MN, MO, MT, NE, NV, NC, ND, OH, PA, SC, UT, VT, WV, WY). Three key issues in this regard were addressed by education committee chairs: (1) where to get money; (2) how to best allocate it; and (3) how to best evaluate its use.[12] According to the NCSL:

The sage who once said, 'The more things change, the more they stay the same,' could have been speaking about the education concerns of state legislatures. Year after year the NCSL education survey has identified the same top issues: school finance, teachers and teaching, and governance.[13]

School Finance

This year in response to the NCSL survey,

o Nine states mentioned reassessing their school finance formula would be a priority in 1988 (AK, AZ, CO, LA, MN, MS, MO, ND, WA). This issue was spotlighted by 13 states in 1987.

o Eleven states, down from 16 last year, indicated that they were interested in examining the equitable distribution of their funds in 1988 (AZ, CO, CT, DE, FL, MS, MT, NJ, OH, TX, WY).

o Thirty states noted adequacy issues as a primary issue facing their legislatures.

o Chairs from nine states spotlighted examining tax rate procedures for raising funds for education or debating changes in property taxes as a priority in their states during 1988 (CO, GA, IL, MO, OH, OR, PA, UT, WI). Of these, Illinois planned to review ways to create less reliance on local property taxes and Wisconsin indicated a possible focus on increasing sales taxes to compensate for reductions in property taxes. Only five states identified this issue in 1987.

o Fifteen chairs identified examining the state-local share of funding as a top priority during their 1988 sessions (AL, AK, CA, CO, ID, IL, LA, ME, MD, MI, NM, OH, OR, SD). Of these, Alabama planned to consider an increase in the local portion of revenues for the schools; California expected to review restrictions on state spending levels; and Ohio was considering addressing increases in state revenues used for education. This represents a decline from 1987 when 21 states focused on the distribution of costs for education at state and local levels.

Teachers

The second most frequently mentioned issue by education committee chairs was teachers and teaching.

o Chairs from sixteen states expected teacher salaries to be a key issue in 1988 (CO, DE, FL, GA, ID, LA, ME, MD, MS, NC, OK, SC, SD, TN, WA, WI). This compares to 10 states that mentioned this area issue in 1987. Related to issue, was career ladders, mentioned by five states for consideration in their 1988 sessions; and teacher training, certification, and evaluation. In contrast to the attention expected to be devoted to teachers,

o Two states highlighted issues related to administrators (CO, ID).

Governance/Other

According to the NCSL survey, the third issue of importance cited by committee chairs related to two governance issues. Areas expected to receive attention in 1988 included: school district reorganization, and the relationship between governing bodies of the overall education system.

o Accountability ranked fourth in the survey this year. It was mentioned by 17 states (AL, CT, FL, GA, HI, KY, LA, MI, MN, MD, NJ, NY, OK, UT, VA, WV, WI) indicating an increase over last year when 11 chairs ranked it as a top category.

o Priority five was education reform--especially maintaining the momentum for initiatives previously enacted, which was mentioned by 15 states (AZ, AR, HI, IL, IN, IA, MA, MI, MN, MO, NM, PA, SC, UT, WA).

o Fourteen chairs ranked programs for students at risk of dropping out of school, including funding considerations, as a priority in 1988 (AZ, CO, CT, FL, IN, IA, KS, MI, MS, NH, OR, RI, TX, VA).

Funding for special education, facilities, AIDS, capital construction and early childhood education also were expected by education committee chairs to receive attention during 1988 legislative sessions.[14]

NATIONAL ASSOCIATION OF LEGISLATIVE FISCAL OFFICERS

In a separate but related survey of the key fiscal issues in each state, the National Conference of State Legislatures surveyed the National Association of Legislative Fiscal Officers, and found the leading issues were taxation, education, and general budget policy.

o Taxation ranked first, according to the NCSL, because of federal tax reform which had a direct impact on state tax policy.

o Education ranked second. It declined as a leading fiscal issue consistent with the decline in the margin of growth of education spending compared to the growth rate of general fund spending.

Total general fund spending is expected to increase 6.2% this year, with elementary-secondary spending increasing 6.5% and higher education spending increasing 7.4%.[15] This could indicate that "the momentum for education reform has subsided"[16] according to the NCSL.

U. S. INVESTMENTS IN EDUCATION

While it is clear that state agendas across the nation are focused on education and its improvement, a key issue five years after the release of the initial reports which fueled much of the current interest in educational excellence is: How do expenditures on education match its priority position across the states? Given the intensity of the discussion, and the scope of the debate, what has been its effect on revenues? This section will address these questions by examining education finances (1) over the decade, e.g. from 1980-81; and (2) since the release of the National Commission on Excellence in Education's report, A Nation at Risk, e.g. 1983-84.

FEDERAL, STATE, AND LOCAL SHARES

In 1987-88 elementary and secondary education in the United States was a $172 billion enterprise serving 40.123 million students in 50 states and the District of

Columbia. Total funding for education was derived from a 6.2% federal share ($10.7 billion) a 49.8% state share ($85.9 billion) and a 44% local share ($75.8 billion) (Table 1).

During the decade, funding for education from the federal level declined as a percentage of total revenue receipts from 8.7% in 1980-81, to 6.2% in 1987-88. The diminution in federal aid has been attributed to (1) the Reagan Administration's New Federalism agenda which stressed a "reduction of government and spending," with a concomitant shift of control in education policy from the federal government to the states, (2) growing trade and budget deficits, and (3) demographic demands e.g., social security, medicare, on federal funds.[17]

The resulting decentralization of education finance across the states is evidenced not only in the diminishing federal share of education revenue, but also in the rising state-local share of total education support. State receipts rose from $51 billion to $85 billion, from 1980-81 to 1987-88--a 67.2% increase ($34.5 billion). Tod y state revenue comprises nearly 50% of total support for K-12 education and accounts for the largest single share of total education support from federal, state, or local sources. And, while state receipts for elementary and secondary education registered increases from 1980 to 1988, localities kept pace. The local share of total education support shows an increase from $106 billion to $172 billion from 1980-81 to 1987-88, respectively, or an impressive 65% rise ($29.9 billion)--nearly equaling state increases.

Overall, including federal, state and local sources, total revenue receipts for elementary-secondary education during the 1980s rose by nearly $66 billion in current dollars or 62% from 1980-81 to 1987-88.

Inflation Adjusted Revenue, All Levels

Although total current revenue for education increased about 62% from 1980-81 to 1987-88, when adjusted for inflation[18] only a 14% gain is shown (Table 2). Over this time, federal support dropped nearly a striking 19% in real terms, with state and local revenue increasing approximately 18% and 16%, respectively.

With regards to federal reductions for education, since 1980-81, aid fell steadily each year, from approximately 16% in 1980-81 to almost 21% in 1983-84, when compared to 1980-81 levels. The most precipitous annual drop in federal aid to education occurred in 1981-82 (15.65%) effectuated through rescissions to the last Carter budget, submitted in the beginning months of the Reagan administration. Beyond this, in 1982-83, federal aid was reduced another 3%; followed by a reduction of nearly 2% in 1983-84. After 1983-84, federal support for elementary-secondary education began to grow, but at an extremely modest pace--less than 1% a year, except in 1987-88. Estimates for 1987-88 show growth of .12% over 1986-87. In real terms, federal funding for education today (1987-88), however, is still $1.8 billion below 1980-81 levels, despite the small increases recorded since the 1983-84 low point.

For state support of education, the data show initial reductions in 1981-82 and 1982-83, after which yearly increases were recorded as follows: 1983-84, 2%; 1984-85, 7%; 1985-86, 4.5%; 1986-87, 3%, and 1987-88 (est), 1.7%.

No doubt, the release of A Nation at Risk in April of 1983, followed by a flurry of education reports criticizing education allowed states, some well underway in renewing their commitment to education support at this time, e.g., Texas, an additional impetus for change in 1983-84.[19] Others, propelled by the avalanche of criticism aimed at American public elementary-secondary education, were soon to follow with legislation and the revenues to support it. In fact, the high mark in state revenue increases for education was recorded in 1984-85, when state revenue increased 7% over the prior year. After that time, the annual rate of increase evidenced a downward trend, from 4.5% in 1985-86, to 3% in 1986-87, and less than 2% in 1987-88.

While steady increases over 1980-81 are recorded for local support of education for each year through 1987-88, the annual percentage increases have been sporadic. In 1981-82 and 1986-87, for example, funds rose 3.4% and 4.5%, respectively. For 1982-83 and for 1987-88, funds increased less than 1% over the previous year.

Overall, annual growth rates for education revenues show state and federal increases began to show real growth in the 1983-84 school year (because most elementary and secondary federal aid is forward funded, the 1983-84 appropriateness show up in the 1984-85 school year). Thus, the linkage between increased state-local investments in education and interest and support for education reform is suggested. The question, therefore, emerges regarding the current momentum of the education reform movement and its financing, particularly, what it means for the financing of education across the states into the future.

INVESTMENTS IN EDUCATION REFORM--HAS THE MOMENTUM BEEN RETAINED?

To many, the central education policy question for the next several years is whether the state educational reform movement can be maintained.[20] New proposals focus on the structure of elementary and secondary education and call for a new professionalism among teachers, greater productivity from the schools and a policy system to provide direction and oversight. The architects of these new proposals believe that full implementation will be a gradual process requiring steady infusions of new money. One concern in the development of education policy during the remainder of this decade and the beginning of the next is whether that money will be available?

Building essentially on two approaches that have been taken to assess funding increases for education reform elsewhere, this question was addressed herein.[21] First, total state funding increases since 1983 were examined. Then the percentage of specified reform dollars were detailed and compared to total state revenue, and revenue from all sources, over time.

State Revenue Increases

As is shown in Table 3, from 1983 to 1988, state revenue for education increased a substantial 49%. Even when adjusted for inflation, funding shows a 20% increase in real terms. These figures, of course, vary by region and by state (Tables 3 and 4; Figure 1). The New England region, for example, increased state funding by 73% (39% in real

terms), followed by the Far West at 57% (26% in real terms), and the Mid East--which shows a 54% increase in state revenue (24% in real terms). Next, the Plains states increased funds 45% (17% in real terms) over this five year term; the Rocky Mountain Region showed a 44% rise (15% in real terms); the Great Lakes, a 36% increase (9% in real terms), and finally the Southwest registered a 31% increase in state revenue (5% in real terms).

As can be noted in the last two columns of Table 4, when current expenditures per pupil are compared[22] across the regions, including state and local sources, funds per pupil in the Mideast rank highest ($6,166) with revenue per pupil in the Southwest ranking lowest ($3,4'0). The Far West ranks 4th in current expenditures per student, but has put an additional 57% in state funds behind education over the last five years. Apparently some regions of the country had some catching-up to do in the provision of revenues for education.

Total Regional and State Fund Changes Since 1983

Table 5 shows changes in education funding by state and region in real and nominal terms, from 1983 to 1988. From 1983, 10 states increased funding for education by 20% or more. Of these, four states increased state revenue by a remarkable 40% or more. The most substantial changes are shown for Connecticut, which increased state revenue 48% over this time in real terms, and Wyoming, which raised an additional 83% in education revenue in real terms. Conversely (in real terms) state revenue declined in 10 states (LA, IL, MI, IA, NB, SD, OK, AK, and OR) from 1983 to 1988. States with negative increases are reliant on farming or oil revenues--two areas which have been depressed nationally.

Assessing the Increases--The First Wave. Using a 20-25% increase in revenue as a benchmark[23] for the increase needed to finance the first wave of education reform, as a nation we have come close to meeting that mark in real terms, with several regions and states surpassing it. Of those that have lagged, however, some areas have had a

substantial total revenue base upon which to draw e.g., the Great Lakes. Others, with declining enrollments, showed more total funds behind each student over time, despite lower flat percentage increases since 1983. Finally, some individual states, due to depressed economies reliant on farming or oil, were unable to show real increases for education over the last five years.

Assessing the Increases--The Second Wave. If cost estimates for financing the second wave of education reform--as suggested by The Carnegie Forum[24]---are considered as a benchmark for increases in aid, and added to estimates on funding the first wave of reform, then another 20-28%[25] nationwide is needed (a total of a 40-48% real increase). The New England region and several individual states have met this mark already. However, as the Carnegie Report suggested, the additional effort to implement the suggested recommendations would require an average annual real increase of approximately 2.8% a year over 10 years. This suggests that, thus far, we are on target with regards to financing education reform, but that increased and continued attention to the second wave of education reports and their cost implications is necessary through the end of the decade and into the nineties, if they are to be adequately supported.

Earmarked Education Reform Funding

Like trends discussed for total state revenue for education, specifically earmarked aid for education reform[26] also showed real increases from 1983-88 (but of a remarkable 17 thousand percent). No doubt the dramatic percentage increase in reform funding is due, in part, to the low or absent base of revenue available for specified reform activities in 1983, across the states. With regard to estimated annual growth rates, increases in line item reform funds in 19[illegible]85 showed the greatest annual rise (over 4 thousand percent in real terms), after which a downward trend in real increases were shown at 48% in 1985-86, and 5.7% in 1986-87. Currently, funding for earmarked reform initiatives is apparently on the rise, showing a 19.05% real increase from last year (Table 6). Caution in comparison of specified reform funds over time is necessary, however, as

data to 1987 contained only 44 states; data in 1987-88 were comprised of 48 states. But, at any rate, the magnitude of these funds is low compared to either total education revenue or total state support (Table 7).

Categorical Reform Funds as a Percent of Total. Earmarked education reform funds totaled $9.7 billion over the last six years. This is approximately 1% of all sources over this time ($876 billion); or 2% of total state revenue. In per pupil terms, education reform funds have added approximately $42 per student per year (unadjusted) to total education revenues since 1983. In this Inman finds:

> Clearly, the percentage of the states' total allocations for education reform activities remains minuscule. It is critical to note the small percentage of reform dollars expended per year when considering the feasibility of a 2.8% increase per year to support the recommendations of the Carnegie Report.[27]

While funds for education reform are of small magnitude compared to funds from all sources, they have shown steady increases as a percentage of either total revenue (or total state revenue) each year since 1983. In 1983 specified education reform revenues were approximately .01% of total revenue (.03% of total state revenue). By 1988 they had reached approximately $3.7 billion, or 2% of total revenue for elementary and secondary education (4.36% of state revenue). In per pupil terms, funding for education reform activity in 1987-88 averaged $94, and ranged from $343 in Florida, to $1 in Colorado, Kansas, and Ohio. Four states provided no specifically targeted funding for reform activities in the 1987-88 school year (WV, NE, ID, AK).

State Investments of Earmarked Reform Funding. A question that naturally arises at this juncture is: Where have states invested their (earmarked) education reform dollars?[28] According to our survey of state education finance officers,[29] in 1987-88, states put almost 45% of their special funding into teacher compensation (Table 8). Of this, over $1 billion was invested in teacher salary increases (27.6%) by 20 states; approximately $519 million was allocated to career ladder plans (13.9%) by 17 states; and

an additional $127 million was put into merit pay plans (3.4%) by 4 states. Of the 20 states allocating funding to increases in teachers salaries (rank-ordered--VA, NY, CO, SC, IA, GA, NJ, KY, NC, MO, WA, TN, MS, CA, FL, AZ, NV, DE, ME, SD) Virginia led the nation with an increased investment of $146.8 million, followed by New York ($125 million), and Connecticut ($105.5).

A longer school day/school year received the next highest percentage share of total specified reform dollars in 1987-88, or 16.5% of total funding. This investment was accounted for by only six states (CA, CT, FL, IN, NM, TN), however. Of interest, were state inititated policy areas for reform spending, i.e. "other" programs. "Other" programs accounted for the third highest category of funding increases across all areas. Approximately 15% ($558 million) was spent by approximately 23 states (48%) who enacted 168 "other" programs.[30]

An analysis of "other" areas receiving attention by states, mirrors the overall data results on investment of earmarked reform funds but with interesting "twists.". Once again, the largest number of initiatives enacted and supported was related to teachers. States funded such areas as staff development activities (CT, IL, SD, MS), minority teacher programs (NJ), and beginning teacher support (OR). School improvement programs received the second highest amount of attention by states enacting "other" programs. For example, Florida funded Merit Schools, Arizona provided support for Effective Schools, Minnesota appropriated funds to improve schools through implementation of "effective characteristics," and Wyoming included "Super Schools" money in their elementary and secondary education budget. Students-at-risk also received the attention of states. Wyoming supported a Students-at-Risk Program, and, New Jersey, Pennsylvania, Rhode Island, and South Carolina included state aid for literacy initiatives; states also focused on basic skills (AR, IL, SC, TN). Specific appropriations for technology-related areas were provided in: California, New Hampshire, Tennessee, Arizona, Illinois and Minnesota. Also, a number of innovative program areas

were funded by states and included under their "reform" initiatives, e.g., incentive programs (MO), recognition programs (AZ), urban initiatives (NJ), school district enrollment options (MN), parent education programs (MN, AR), and specific subject area foci (AR, CA, IL, TN).

Following funding for "other programs," the fourth highest category of total expenditures for reform activities, supported by 18 states, was for reductions in class sizes, at $305 million (8.2%). Fifth and sixth were investments in early schooling. Approximately 6.8% of earmarked reform funding was invested in full day kindergarten ($254 million) by 6 states; while 2.77% ($103 million) was spent on preschool education by 14 states. Also consuming the same percentage share of total funding as preschool education, was drop-out prevention (2.7 percent or $101 million)--a new category of state interest and support.

Both preschool education initiatives and drop-out prevention programs, indicate the states' interest and support for *at-risk* populations.[31] This is significant in several respects. First, few of the education reforms enacted in the early 1980s addressed the needs of students who may see higher standards, stricter graduation requirements and academic curricula as a final push out the schoolroom door,[32] or who may start school "behind" and never catch up. Yet, dropping out of school, for example, has deleterious consequences for both the individual and society. For the individual, it means the loss if productive and purchasing power, at the very least. For society, the relationship between education and increased welfare costs, crime rates and incarceration, lost taxes, and citizens unable to partake in a democratic system of government; indicates the more effective policy solution is associated with initial investments in a better education for students at-risk. In this regard, one researcher has estimated that society loses $200,000 per dropout through loss of tax revenues and increased welfare, unemployment and crime costs.[33] This adds up to $200 billion for each school class, or, utilizing less optimistic labor assumptions, $26,000 per drop-out. In another study[34] costs and benefits of early

childhood programs were investigated. It was found that preschool programs provided benefits six-fold compared to costs or, that they saved society approximately $28,000 per participant.

Finally, the survey of 1987-88 education reform investments, showed initiatives emphasizing standards again receiving state priority. Funding for instate testing programs continued to receive attention ranking 7th overall. Twenty-five states targeted approximately $62.2 million to testing programs, or 1.7% of all earmarked reform revenue. Last, 7 states put about $53.6 million behind graduation requirements in 1987-88, or 1.4% of the total reform funding from all states for that year.

Unfunded Initiatives. Although the data show 34 states enacted some form of increased requirement for graduation, only 7 states put funding behind the initiatives in 1987-88; 27 states had passed graduation requirements but set aside no additional aid for the measure. This case of unfunded initiatives was also repeated, to some degree, with each of the other excellence policies. According to the survey:

o Twenty-six states enacted salary increases for teachers; 20 states funded the increases through line-item appropriations.

o Fourteen of 17 states had earmarked funding for career ladders.

o Thirty-three states mandated state testing programs; 8 of these did not provide specific funds for implementation.

o Adding days to the school year, or increasing the school day, while passed by the legislature in 13 states, received specific funding in only 6 of them.

o Preschool was enacted in 17 states, but only 14 provided separate funds.

o Administrator training was required in 29 states, only 21 provided support for the measure.

o Eighteen states mandated reduced class sizes but only 12 of them set aside specific appropriations for this purpose.

Emergent Issues[35]

Emergent education issues arising from the reform initiatives are interwoven with education finance issues in a number of ways, although the focus may be on different aspects of the same concern. For example, concern for drop-out prevention raises a number of finance concerns, e.g., very little is known about the structure of a successful intervention and there is little cost data to guide state policy development. Moreover, there are a bundle of distribution questions tied to this initiative. Do all districts receive dropout prevention funds or only those with exceptionally high concentrations of potential dropouts? Should state funding for dropout prevention be linked to the ability to pay i.e., district property wealth or income? How should funding for drop-out programs relate to state resources currently available for remediation, bilingual education or job training?

Many of these same questions could be directed to preschool measures, as well. Also, teacher supply and demand questions have definite and long term implications for school finance, e.g., How might new and better teachers be attracted and retained? How are current salary incentives addressing attraction and retention issues? What is the future scope of the problem? What are the trade-offs between increased salary incentives and better working place conditions? How will future retirement by more experienced teachers free up resources to attract new entrants into the profession? How do restructuring proposals impact supply/demand issues and projections?

Facilities concerns are also raised by excellence initiatives such as class size reductions, and by enrollment growth which is apparent in some parts of the country. These areas, together with special education and deteriorating buildings and equipment, are combining to create a massive education infrastructure problem. School buildings and their costs, no doubt, will be one of the concerns of educators and states alike into the nineties. Possibly the need to construct new buildings for education will provide the

opportunity, however, to effect an actual restructuring of (physical) workplace conditions and learning environments for educational excellence into the 21st century.

According to McGuire: "Stemming from a concern over the cost and impact of state educational excellence policies, and partly from new pressures brought about by enrollment growth, stabilizing property values, and rising property tax rates, a number of states are looking at their school funding systems with an eye toward improving the overall distribution of resources to school districts. Some states are realizing that rich and poor districts may differ in their capacity to implement many reform initiatives."[36] He concludes by anticipating that because of these and other concerns in the future, it is likely that education reform and education finance reform will be linked. This would provide an effort to achieve the tandem goals of equity and excellence in education.

DISTRIBUTION OF EDUCATION REVENUES ACROSS THE U.S.A.

Equity issues e.g., concerns related to both wealthy and poor schools' abilities to provide equal educational opportunities (thus implement reform programs), are a major consideration of philosophies embedded in state education finance systems across the United States, as are concerns for e.g., liberty and efficiency. In this section the current financing structure for education is reviewed and emergent policy themes highlighted in an effort to establish a much-needed baseline to guide improvement efforts over time.

An examination of data collected for this study indicates that in 1987-88 there is a bifurcated system of education finance in the United States (see Figure 2). The systemic prongs of financing arrangements across the 50 states are distinguishable through inherent differences in the manner in which equity is conceptualized and operationalized into the particular distribution scheme. As is shown in Figure 2, systems of finance in the United States can be classified into those which, on the one hand, seek to equalize funds between and among students; and on the other, those which seek resource equalization for the providers of education revenue. We call these systems fund

equalizers and resource equalizers. Some states attempt to accommodate both approaches to equity by including two tiers into their financing scheme, with one tier dedicated to e.g., fund equalization and another to resource equalization. When a two-tiered approach is taken, however, the first tier usually receives the major financing emphasis.

FUND EQUALIZERS

Today, 33 states--by and large the majority--are utilizing fund equalizing financing schemes. The objective of this scheme is to provide equal treatment of equals in education support, e.g., horizontal equity. Inherent in the concept of horizontal equity is that each pupil receives equal resources which provides support for a basic i.e., foundation, educational program. Vertical equity components are not at odds with the horizontal scheme. An assumption built into the foundation program is that components of a basic education can be determined and costed out. Revenue is then provided to support the cost of the basic education on an equal basis to the beneficiaries of the plan--our nation's children. A continuing issue in this regard, however, is "What is education." Until this is clear, fairness issues, regarding the cost of education remain debatable.

Of those states using the foundation approach to apportionment of state-local revenue, 25 states provide a foundation guarantee based on a pupil unit (in average daily attendance or average daily membership), and 9 states provide a guarantee based on instructional units (defined according to the number of students needed to support one classroom teacher together with indirect costs).

The guarantee per pupil across states shows a range from $1400 in North Dakota with additional weights added for school type and size, to twice that amount in Vermont, with a $2800 per pupil foundation guarantee. In Maine, the per pupil guarantee varies for elementary ($2030 per pupil) and secondary ($2703) schools. Nebraska provides $1187 for elementary and $1385 for secondary students. With regards to costs provided

instructional unit, these foundation plans also vary from i.e., $75,000 in Wyoming, to $32,781 in Idaho.

An important point in this regard, is that the portion of the total foundation cost of education that will be paid by states versus the locality, varies from state to state, e.g., 67 percent in Texas, 50 percent in Virginia. This makes a comparison of one component of the costs of education e.g., the foundation, strained at best. That is, 66 percent of a lower unit cost results in an equal or greater state assumption of costs, than a higher unit cost modified by a lower state share. Also, other components of a state financing system may be included in the shared cost portion of the funding, making the matter of comparisons even more complex. However, a method to compare costs after adjustments are made is available.[37] Recently, the method has been used to assess the equity of the education reform legislation and its financing compared to prior law, in Texas.[38] It has also been utilized to, e.g., compare the equity of distributions of funds across 35 states of the United States in 1976, but no large-scale effort has emerged since then. This points to an area where more research is needed, especially as education finance continues to decentralize to the state level, providing the possibility, again, in the quality of a child's education being dependent upon where that child lives.

Adequacy

The equity of a state financing program begins with the adequacy of the foundation guarantee. That is, if the basic funding for education is not enough to cover these costs, more affluent districts will easily raise those funds and more, with minimal effort, whereas poorer districts will not even be able to provide a minimum education for its children. Large disparities in program offerings will, no doubt, lead to great variations in life chances. Thus, inadequate support breeds unjust social policy.

To date states have focused on developing more precise estimates of the costs of various instructional programs.[39] Much of the interest in obtaining more precise

cost data stems from a concern with providing adequate resources to schools. For instance, Alaska, Illinois and Connecticut have used sophisticated "resource cost models" to predict differences in the cost of serving special student populations in different settings, e.g., rural, urban; large, small. Other states e.g., Texas and Missouri, have generated education cost indices to determine the variance in the purchasing power of the dollar across the state. Still others seek to determine actual cost differences for programs for special versus regular populations.

Another issue closely related to adequacy in providing the costs of education relates to the assumption that "a basic education" can be defined and distinguishable from e.g., a "quality education." As before, the assumption is they can be costed out and included in a financing plan e.g., the foundation guarantee. Because the definition of education must precede the determination of whether or not resources are adequate to fund it, school finance equity litigation in some states (West Virginia, Washington) has, therefore, focused on this issue--defining education, and then guaranteeing adequate provision for it across the state. As states continue to adopt a common curriculum from the state level, this past source of presumed inequity in apportionment may move to interstate substantive comparisons, and participation rates. On another level, the extent to which school districts can provide more than the basic program guarantee, and its effects on a student's achievement and future, may be important future intrastate issues.[40]

RESOURCE EQUALIZERS

While fund equalization formulates one prong of the bifurcated system of financing in the U.S.A., the other is based on an equalization of the ability of a locality to provide resources for education. State finance systems which reflect a resource equalization approach to equity allow school districts to determine how much education they desire, and how much they are willing to spend to reach their education goals, normally within prescribed limits, e.g., floors and ceilings. The state then provides the difference between what the district can generate from its own resource and some set of

state guarantees. There, education funding varies throughout the state. Currently only about 6 states have based their financing systems solely on these assumptions. New York and Rhode Island, although they conceptually fall into a resource equalizer category, set a fixed guarantee at the state level on spending. It could be argued that they would, therefore, be considered fund equalizers. This is because the major variable in resource equalizers is the ability of the locality, not the state, to set the amount of shared state-local costs, through tax effort.

Of states employing a guaranteed tax base, a resource equalizer scheme, the data show Connecticut guarantees a base set at two standard deviations above the statewide average equalized valuation per capita; New Jersey guarantees a tax base of $331,457; and Wisconsin sets two guarantees--a primary and secondary valuation. In the latter case, the guaranteed tax base is $283,800 per pupil for that portion of expenditures up to 110% of the second prior year state average expenditure per pupil, $3,860 (primary valuation). For expenditures over 110%, the guarantee is the state average equalized valuation per pupil ($172,100--secondary guarantee).

The guaranteed yield program is the mathematical equivalent of the guaranteed tax base plan, but it emphasizes the amount of money the tax base will raise, rather than the tax base itself. Of the states employing this type of plan, Colorado guarantees $66.33 per mill, and Michigan, $75.10 per mill. In Kansas, each district is guaranteed a yield of an approved cost per pupil when its local contribution is 1.87% of its wealth, adjusted by a factor that represents the ratio of its cost per pupil to a normed cost per pupil for its enrollment category.

Because resource equalizing schemes allow districts to have variable spending per pupil, an issue related to these plans would be whether the resulting disparities are justifiable and if less affluent districts have an equal opportunity to raise additional funds for schools.[41]

COMBINATION APPROACHES

A number of states have attempted to accommodate the bifurcated education financing arrangement across the U.S.A. discussed above, by incorporating both of the two major systems into their financing system.

Two Tiered Systems

Eight states use a two tiered approach in their financing plans. These systems attempt to accommodate both fund and resource equalization goals. Georgia and Missouri use a foundation program together with a guaranteed tax base; Montana has a foundation program with a guaranteed yield built on top; Kentucky, Oklahoma, and Utah have foundation programs with district power equalizing schemes; Pennsylvania and Massachusetts have a foundation program joined with a percentage equalization scheme.

Full State Funding

One state, Hawaii, provides full state funding of education. This approach provides both resource and fund equalization--combines the two prongs of the system. However, local control is likely constrained under this approach as the state determines the full cost and resources available for education. Thus, the realization of equity in this plan restricts liberty.

Changes Over Time

Over the last decade, states have moved away from resource equalization schemes, particularly percentage equalizing, toward funding equalization schemes i.e., the foundation plan. This is notable because resource equalizing schemes emphasize choice, liberty, whereas fund equalizers focus on equity.

Approximately 8 states have made major changes in the structure of their financing plans since 1978-79.[42] Four states have implemented a foundation program. Of these, Alaska, Delaware, and Vermont have replaced their percentage equalizing financing system under prior law with a foundation plan. And, Ohio has moved from a guaranteed yield program to a foundation plan.

Both Pennsylvania and Massachusetts changed from a percentage equalizing system to a two tiered approach to financing education, which incorporated a foundation program as one tier, and retained the percentage equalization component of prior law, as the other tier. Missouri, too, adapted a two tiered approach. It moved from a guaranteed tax base (GTB) plan to a foundation program which incorporated a GTB into the second tier. Finally, Georgia added a guaranteed tax base plan to its foundation approach resulting in a two tiered system.

The trend in financing is, then, toward a fund equalizer concept, and particularly toward the classic model of distribution: the foundation program. This may indicate that states incorporating recent reform initiatives into their finance system, rather than outside the equalization grant portion of the formula, can accomplish both equity and excellence goals.

Weighted Systems. Inherent in the conception of equity that undergirds state financing programs is the concept of vertical equity. It is the principle which specifies differential treatment of people in different circumstances, in accordance with those relevant differences e.g., unequal treatment of unequals. The manner in which vertical considerations have been operationalized into financing schemes across the United States varies. However, in most cases, provisions are made in the financing system for individuals and districts that require more revenue for equivalent services. Legitimate differences in funding for pupils or districts may result from e.g., diseconomies of scale, special needs--handicapped, bilingual, compensatory education--or variation in the purchasing power of the dollar. These differences are taken into account in a majority of states through pupil weighting systems; classroom unit systems, and excess costs or percentage reimbursement schedules are also utilized from federal funding loses. These provide more than basic cost guarantees when additional needs require more funding for equivalent services.[43]

FINANCING SPECIAL POPULATIONS

Because of the reduction in federal aids-to-education which have historically focused on vertical equity considerations and special populations, the survey questions for this research were directed to state initiatives for special populations to determine the extent to which states were funding special populations, and if they had made up the slack. According to the data from the state finance officers/associate superintendents for finance, a total of $10.95 billion in state grants supports 13.89 million special needs students across the states in 1987-88 (48 states responding). Categories of support included: (1) special education (with 56.64% of total funds across all special population programs); (2) compensatory education (12.9% of total); (3) vocational education (12.73% of total); (4) bilingual education (10.52% of total); and (5) gifted and talented education (7.14% of total).

In the aggregate, California ranks highest in state support for special populations. In 1987-88 it provided $1.74 billion in this area (15.9%); Texas is second with $1.254 billion (11.45%); and New York is third at $1.03 billion. New York also has the largest special needs population in the U.S. (15.15% of total U.S.A. special needs population), followed by Texas (12.25%) and California (11.66%). At the other extreme, Illinois, Wisconsin and Indiana have a negligible special needs populations, according to the data.

Average state grants per pupil across all special programs in the states are approximately $788 per pupil, ranging from $29 per pupil in Iowa to $2646 per pupil in Georgia. The data show there is wide variation in state spending within and between special population programs across the United States. (See Tables 9 and 10).

As this may be the first complete data set on state special populations funding, it likely will be potent in providing directions for future issues and concerns in this area. Chief among them are the extent to which equitable interstate special services are available to children in the United States. No doubt, future litigation issues may center

on differential treatment for special needs under the 50 unique systems of education across the country.

Compensatory Education

In 1987-88, about 26 states funded compensatory education at a level of $1.596 billion. This represents about 29 percent of total funding to LEAs from both federal and state sources (Table 11). Approximately 3.6 million children are served by state agency programs in the current year. The average state grant per pupil was $449, but ranged from between $1763 in Georgia and $1720 in Minnesota, to $13 in Kansas. Additionally, about 22 states provided no additional funding for compensatory education.

Overall, however, these data show a growth in the state assumption of compensatory education support. According to the Congressional Research Service,[44] in 1984-85, about 650,000 students were served in state agency programs by 16 states at a level of just over $1 billion.

Special Education

State programs in special education currently serve at least 3.3 million children in all states at an estimated spending level of $6.3 billion. Support for special education populations comprises over half of all state support for all special populations (56.64%), and 79% of total state and federal support. The average grant across all categories of special education is $1,924 per pupil.

Bilingual Education

Nineteen states currently provide support for just under 1 million bilingual education students at a level of $179 million or $183 per pupil. This represents about 48% of total federal and state support for bilingual education programs--an increase over previous estimates. California (500,000), Texas (220,532), and New York (99,727) have the largest populations of bilingual students across the states. Other states e.g., New Jersey (36,000), Virginia (10,000) also report relatively large bilingual student populations, however.

Gifted and Talented Education

Approximately 34 states provide state agency grants for gifted and talented student populations. The survey data showed that there were 908,463 gifted and talented children supported at a level of $196 million--or an average of $215 per pupil, in 1987-88. The range in support across the states is wide, with Rhode Island providing $5,000 per pupil and Mississippi, $20. Several states did not report expenditures in this area because funding for gifted and talented students was included in their special education support component. So, the estimate of states not providing services in this area is unclear at this time. Although there is currently no federal support to meet the special needs of gifted and talented children, H.R. 5, would establish a program of grants for this purpose. The program has been authorized to spend $25 million in FY 1988 and "such sums as are necessary" for FY 1989-FY 1993.

Vocational Education

Approximately 40 states support vocational education programs. Programs are provided for over 4.7 million students, with total state funding at over $2 billion. This comprises about 71 percent of total state and federal support for vocational education programs in the United States. The average state grant per pupil is $437.

Special Populations, Cross Time Comparisons

Over time, nominal (unadjusted) funding for compensatory, bilingual and special education has risen at federal, and state levels as shown in Table 12. Special education shows the most precipitous increase, with federal funding increases double state increases, when 1987-88 is compared to 1975-76. State grants for compensatory education grew about 300% over the last decade, but the population nearly doubled in that time as well, suggesting that increases may be more modest than shown by the aggregate figures alone.

Bilingual education has shown a 120% rise in state aid, but only a 42% increase in federal funding. It is likely that when inflation is taken into account, this area would

actually show decreases over time--yet, the identified population has increased by approximately one-third.

Since 1980, federal special education funding has been reduced -6.7% when adjusted for inflation, as have compensatory education (-16.5%) and bilingual education (-47.1%).[45] More research in this area is a pressing future need. Particularly of interest would be how state and federal support interacts to provide programs and services to special needs populations, and the numbers of students served together with unmet needs--and their individual and collective implications.

Funding programs for special populations is likely to be one of the major emerging themes for education finance into the nineties. Special populations are projected to increase dramatically over this time[46] while federal support in this area has diminished and shows no signs of new growth. Thus, while state and national economic success, together with the achievement of an equal educational opportunity for all children in the future will require a better educated workforce, students will be coming to school with greater needs. State legislatures will, therefore, need to make difficult choices on not only the level of services the budget will support, but also on the mix of services it provides between regular and special needs populations. In this regard, several states are incorporating special population funding into the regular finance formula, e.g., Texas. This year for example, both Minnesota and Virginia incorporated categorical programs for special populations into the shared cost portion of the financing system through weighted student units. This allows tandem growth for special populations with regular program support, and has the advantages of wealth equalizing these revenues while providing some local relief to states supporting these areas. The point has been raised, however, that weighted programs may provide incentives for overidentification of students served.

STATE BUDGETARY INDICATORS OF EDUCATION'S FISCAL HEALTH

With states assuming greater responsibility for financing excellence--under the education reform legislation, and equity--with special student populations support--a

remaining concern in the development of education policy for the remainder of the decade and the beginning of the next, is whether or not sufficient revenue will be available for achievement of these pressing needs. That concern formulates the topic of the last section of this paper.

The availability of new revenue to support education policy goals into the future can be estimated by considering the state of state finances in general, and the economic health and vitality of the country as a whole beyond that. The strong connection between state fiscal health and education fiscal health results from the fact that education is the largest component of all state budgets, with elementary-secondary and higher education usually accounting for at least half of state general fund spending.[47] One key indicator of the fiscal health of a state then, is the state general fund year-end balance[48] in relation to total general fund spending.[49] In this, a 5% balance is considered a minimum prudent level to maintain, according to state officials and Wall Street analysts.[50]

According to a report released by the National Conference of State Legislatures which surveyed state fiscal conditions and budget actions in June and July of 1987: "The total balances at the end of fiscal 1987--which is June 30 in 46 states--were $5.2 billion, which is 2.4% of general fund spending. According to NCSL, "this is considerably below the $10.2 billion they held two years ago and the 5% level recommended as prudent by many Wall Street analysts."[51] Further, the survey found that:

o Fifteen states estimated serious fiscal problems at the end of 1987[52]--two with deficits (TX, LA) and 13 with balances below 1% of spending (AK, AL, AR, AZ, CO, FL, ID, NB, NC, NY, OK, WA, WV).

o The situation is projected to grow worse in 1988, when four states project deficits (AK, ID, LA, TX), and 13 states project balances to be below 1% (AK, AL, AZ, IA, IL, KY, MO, MS, NC, NY, PA, WV, WA).

o Only the New England region has no state projecting either a deficit or a balance below 1% in either 1987 or 1988.

Of those states projecting less than 1% balances, a majority were located in the Southeast, in both 1987 and 1988. Overall, 20 states, or two-fifths of the country, in either 1987 or 1988, or in both years, project a meager general fund balance below 1% of general fund spending. Sixty percent of all states in 1987, and 80% of all states in 1988, expect to have less than a 5% year end balance. Therefore, the margin of safety separating many states from serious fiscal problems is relatively small. According to NCSL:

> If the economy experiences a recession or slows down further, many states will be in fiscal difficulty because their reserve balances are not large.[53]

Federal Considerations

Yet, in FY 1987, the 50 state-local governmental systems had approximately $1.10 in receipts for every dollar spent.[54] In the aggregate, state and local revenues exceeded expenditures by approximately $60 billion. In contrast, the federal government spent approximately $1.20 for every dollar of receipts.

In FY 1987, although real revenues were 17% higher nationwide, the three Ds--defense, deficits (interest payments), and demographics e.g., social security, medicare and other retirement expenses[55]--consumed 90% of the increase. Moreover, from FY 1980 to FY 1987, federal discretionary spending declined 15%, aid for "governing functions" was reduced by 34% in real terms, General Revenue Sharing was terminated, and federal per capita spending recorded the first post-Great Society one-year decline (from $3,744 to $3,709).[56] According to the Advisory Commission on Intergovernmental Relations, this resulted in states and localities emerging as more prominent actors in the federal system . . . particularly in "areas like economic development, individual rights and education."[57] Federalism, therefore, becomes finance, in this environment, and the states, the new locus of initiatives and funding for education.

CONCLUSION

The mid-1980s to the present may well be remembered in the long history of education policy and finance as the time when our nation's governors and state legislatures rose to top leadership positions in setting the agenda for the future of education in the United States. During this period the expressed federal policy preferences of the Reagan administration, a reduction of government and spending, have been realized. Federal sources of revenue for education have declined nearly 19% in real terms since 1980, while the rising federal budget and trade deficits, no doubt will dampen future efforts to reverse the present course of events. This, then, portends the devolution of the federal role in education as it has been known for over two decades or more, with continuing decentralization of education policy and finance to the state and/or local level. Further, unless new revenues can be found or the economy experiences an unanticipated and buoyant recovery for a sustained period of time, the current economic constraints at the national level are unlikely to support a redirection in policy and financing thrusts for the schools into the foreseeable future. Thus education policy and financing across the United States are in a state of transition.

The rise of the states to the center of the education policymaking arena, with Governors as the major actors, does provide a window of opportunity for education to maintain the visibility, interest, and support through the decade and into the nineties that is needed, if the improvement in education for our nation's children is to be realized, however. And, the record thus far is impressive.

Since the beginning of the decade, total revenue receipts from all sources show real growth of 14%, when adjusted for inflation. This occurred largely as a result of large infusions of revenue raised at state and local levels which increased 17.9% and 16.4% (in real terms), respectively.

Recent state investments in education appear even more vital than those since 1980. Using 1983-84 as a baseline to correspond to release of the Nation at Risk, the report

that launched the education reform movement, real receipts for education from state sources have grown approximately 50% from 1983-84 to 1987-88. Even when adjusted for inflation they show a 14% increase. While this figure varies for individual states and regions, overall, as a nation, we have come close to meeting the early projections for financing the first wave of education reform, i.e., 20 percent. However, if we are to realize a concomitant show of support for the recommendations included in the second wave of reform reports, according to cost estimates, the effort thus far must continue and grow over the next ten years. State involvement in improving the public schools will probably be challenging in the future, however. This is due to the complexity involved in implementing the second wave of recommendations for education reform and because school finance reform almost always involves adding resources to the system. Thus, it is unlikely that education finance reform will be attempted separately from school reform, underscoring the growing linkage between school finance and school improvement.

While state-level support for education and its financing is currently strong, state budget constraints and rising demographic demands may hinder full growth of education support in the near term, under current assumptions. When annual rates of growth in total revenues for education are considered i.e., fund growth from federal, state, and local sources; 1987-88 shows the lowest annual rate of growth since the 1982-83 school year--a time when the country was experiencing the worst recession since the depression. This, coupled with projections on state general fund balances showing the small margins of safety a number of states are reporting; together with large federal trade and budget deficits, the stock market collapse in October of 1987, and demographic changes, indicate a probable leveling-off of revenue increases for education. The future prognosis for education financing, therefore, will depend more on the financial condition of the state (and federal) treasury than on the political philosophy of the country at large--which, as

we have seen from the foregoing discussion, appears to place a high value on excellence in education.[58]

This is underscored in another respect, as well. With states providing the largest share of education revenue, now at 49.8% (not quite reaching projections of last year which estimated a 50% share) education financing becomes increasingly reliant on major state revenue sources, i.e., the income and sales tax. Local fund sources--historically derived from the local property tax--have increasingly used multiple measures of fiscal capacity in place of a single property factor. In 1986-87, for example, approximately 20 states used something other than a single measure of property for fiscal capacity, many of them including an income factor in their capacity measures. Thus, education funding is becoming increasingly reliant on elastic sources of revenue, and therefore, more vulnerable to changes in the overall economy--and a shaky economy it is.

The rise of the states to the largest single provider of funding for education has other implications for education policy and finance as well. It can be directly related to continued state increases in policy-making and oversight activities, for example. As Pfeffir explains, "He whose got the gold, makes the rules."[59] Thus, the major concern of legislatures across the country--where funding goes and what it buys locally--can be expected to continue and grow as governors, too, look for "Results in Education," and are pledged to continue their attention in this direction to 1991. This suggests the need that exists for research on indicators that are at once sensitive to state required accountability and local district autonomy, as we enter the third stage of the education reform movement focused on the assessment of recent investments in education.[60] Other issues conjoined to the increasing fiscal presence of the state in education finance include: the appropriate state role in elementary and secondary education; state versus local priorities in the use of funds; the use of general or categorical specified aid to allocate resources for reform initiatives and special student populations; and the use of state incentives to encourage local problem-solving for school improvement activities.

With regards to the education reform agenda, it appears to be strong and thus far, resilient. While the first set of reform activities were drawn chiefly from the federal level, the next round of initiatives appears to be emerging from the states agenda. State support for earmarked education reform initiatives in 1987-88 shows an emphasis on teacher support, standards and academic learning time, but also indicates the states are turning their attention to at-risk populations with funding albeit ever so small, for literacy, drop-outs, and preschool populations. And, funding for teacher recognition, super schools, minority teacher programs and the like are receiving the attention--and support of our nation's statehouses. This, coupled with data showing recent investments of states in special student populations, indicates that states are beginning to show activity aimed towards achieving the goals of both equity and excellence in education. An unanswered question in this regard, is the extent to which new programs enacted for either special populations or education reform initiatives are occurring outside the regular systems of education finance. This has implications for equity--a major concern of school finance systems.

Over the last decade states have been shifting towards fund equalizer schemes for apportionment of education funds. In this, it appears that resource equalizers may be experiencing their last hurrah. Only 6 states rely primarily on these state financing systems today, and 4 of them are currently receiving legislative and/or judicial scrutiny. This may ultimately lead these states to changes in their financing systems, and indicates, therefore, a strong trend by states towards providing equal resources to students rather than offering choice to providers of education funds.

Finally, the bottom line for state financing systems and education policy in the future will require making some hard choices. According to John Shannon of the Advisory Commission on Intergovernmental Relations, "The fundamental problem for the post-Proposition 13 era [is] going to be 'the harsh task of reconciling expenditure priorities with limited tax sources' as areas such as health and welfare--and special

education and gifted and talented education compete for limited state aid."[61] What the state emphases are, will likely set the stage for elementary and secondary education policy for some time to come into the foreseeable future. And then the policy cycle will turn full circle again. According to some researchers, "What the states are unable or unwilling to do will set the agenda for a revival of the federal role in educational policy some ten to fifteen years from now."[62]

References/Notes

1. Verstegen, D. A. (1988) School Finance at a Glance, Denver CO: The School Finance Collaborative, Denver, CO: Education Commission of the States, March, 1988.

2 This section is not intended to be an exhaustive listing, but rather to stress trends, and major areas in education recommendations of Governors across the United States, in 1988. Particularly, it is limited to elementary and secondary issues addressed in State of the State Messages and Budget Messages, by our nation's governors.

3. National Governors' Association, (1988) A Summary of 1988 State of the State Messages in Education. Washington, DC: Author. Unpublished data.

4. Ibid.

5. Jean McDonald (March 11, 1988), A Marathon Effort, Not a Short Sprint, Governors' Weekly Bulletin, Washington, DC: Author, Vol. 22, No. 11, p. 1 ff.

6. Ibid.

7. Ibid.

8. National Governor's Association, (1986) A Time for Results: The Governor's 1991 Report on Education. Washington DC: Author; The Carnegie Forum on Education and the Economy (1986) A Nation Prepared: Teachers for the 21st Century, Hyattsville, MD: Carnegie Corporation.

9. McDonald, A Marathon Effort, op. cit.

10. Ibid.

11. N.G.A. A Summary of 1988 Messages, op. cit.

12. National Conference of State Legislatures (January 1988). Emerging Issues: A Survey of Education Committee Chairs, State Issue Series. Author: Denver, CO. vol. 13, no. 3, p. 1 ff.

13. Ibid.

14. Ibid. It should be noted that Arizona, Montana, Nevada, North Dakota, Oregon, and Texas have no regularly scheduled legislative session in 1988.

15. Ibid., pp. 35 ff.

16. Ibid., p. 37.

17. See, Verstegen, D. A. (1984), The Education Block Grant: A Policy Evaluation, Journal of Education Equity and Leadership (4) 4, pp. 290-303. Idem, Redistributing Federal Aid to Education: The Education Block Grant, The Journal of Education Finance, (10), 4, p. 517-523. Idem, (1987) Two-Hundred Years of Federalism: A Perspective on National Fiscal Policy in Education The Journal of Education Finance, (12) 4, 516-548. Idem, (1984) The Education Block Grant: How It Measures Up to Meeting Its Stated and Implied Goals. ED 252 965. ERIC Clearinghouse on Education Management. The baseline

of 1980-81 is discussed in these articles. In essence, the Reagan budget for FY 1982 included rescissions to the FY 1981 budget, thus moving the baseline for analysis to FY 1980. As most federal programs for elementary and secondary education are forward funded, appropriations from FY 1980 would be available for obligation in the 1981-82 school year.

18. Implicit price deflator for state and local purchases of state and local government goods and services was utilized. An academic year was constructed, e.g., July 1 through June 30 utilizing quarterly figures from the U. S. Department of Commerce. (1980-81=100).

19. C.f. Verstegen, D. A., Hooker, R. L., and Estes, N. (1986), A Comprehensive Shift in Education Policymaking: Texas Education Reform Legislation. In M. McKeown and V. Mueller (Eds.), The Fiscal, Legal, and Political Aspects of State Reform of Elementary and Secondary Education, American Education Finance Association Annual Yearbook. Cambridge, MA: Ballinger, pp. 277-308.

20. McGuire, K. (1988) School Finance to Play an Increasing Role in Education Reform Efforts, State Education Leader, (6) 3, p. 8, ff.

21. The first includes an examination of total state revenue increases over this period of time. Odden, A. (April 1987) The Economics of Financing Education Excellence. Paper presented at the American Educational Research Association Annual Meeting. Washington, DC. The National Governors' Association, (1987) Results in Education: NGA 1991 Report on Education. Washington, DC: Author pp. 38ff. The second provides an analysis of specifically earmarked aid for education reform activities, which is then compared to total revenue sources. Inman, D. (1987) The Fiscal Impact of Education Reform New York: New York University Center for Education Finance. (Technical Report and Monograph).

22. Only for lack of any better comparative data, are these raw numbers utilized here. A great research need exists for a comparison of expenditures across the states with allowable adjustments for e.g., special population needs, peculiar state and district costs, and cost of living adjustments. For example, higher funding in one state than another, on its face, is meaningless if it buys comparable programs and services.

23. Odden, A. (1987) The Economics of Financing, op. cit., p. 2.

24. A Nation Prepared: Teachers for the 21st Century, (1986) sponsored by the Carnegie Forum on Education and the Economy, Hyattsville, MI: Carnegie Corporation.

25. Ibid., Odden specifies 20-25% or about $32.2 to $40.3 billion in 1987 dollars.

26. Complete data on earmarked aid for education reform is unavailable. The most complete source was utilized here (Inman, D. The Fiscal Impact, op. cit.) It is missing six states, however. For 1987-88, N=48: Massachusetts and Maryland are not yet received.

27. Ibid., p. 3.

28. For 1983-87 see, Inman, D., Fiscal Impact, op. cit.

29. All states responding except Maryland and Massachusetts.

30. Haught, J. and Verstegen, D. A. (1988, in progress). Financing Education Reform in the States, Issuegram. Denver, CO: Education Commission of the States.

31. See Van Dougherty, (November 1987) The First Step: Understanding the Data Denver, CO: Education Commission of the States.

32. MDC Inc. (1985) The States' Excellence in Education Commissions: Who's Looking Out for At-Risk Youth. Chapel Hill, NC. In Dougherty, Ibid.

33. Cattrell, J. (December 1985) On the Social Costs of Dropping Out. Palo Alto, California: School of Education, Stanford University. In Dougherty, Youth at Risk, op. cit., p. 2.

34. Schweinhart, L. and Weikart, D. (November 1986). Early Childhood Development Programs: A Public Investment Opportunity. Educational Leadership, pp. 4-12.

35. McGuire, School Finance to Play an Increasing Role, op. cit. p. 9.

36. Ibid.

37. Berne, R. and Stiefel, L. (1984) The Measurement of Equity in School Finance: Conceptual, Methodological, and Empirical Dimensions. Baltimore, Maryland: The Johns Hopkins University Press.

38. Verstegen, D. A. (1987) Equity in State Education Finance: A Response to *Rodriguez*, The Journal of Education Finance, vol. 12, no. 3, pp. 315-330.

39. This area draws on, McGuire, K. School Finance to Play Increasing Role, op. ..., p. 9.

40. There does not appear to be much evidence that a strong relationship exists between revenue/expenditure and achievement. C.f. Rossmiller, R. (1987) Achieving Equity and Effectiveness in Schooling. The Journal of Education Finance, vol. 12, no. 4, pp. 561-577

41. Verstegen, D. A. Legal Theory Gone Awry, op. cit.

42. Tron, Ester (ed.) (1980) Public School Finance Programs, 1978-79. Washington, DC: U.S. Government Printing Office.

43. McGuire, C. Kent (April 1982) State and Federal Programs for Special Populations, Report No. F82-2. Denver, CO: Education Commission of the States.

44. Jordan, K. F. (August 1987) Federal Elementary and Secondary Education Programs: Reauthorization Issues. Washington, DC: Congressional Research Service. No. IB 87055, p. CRS-3.

45. Irwin, P. M. et al. (1987) Impact of Legislative Changes on Major Programs Administered by the Department of Education, Fiscal Years 1980-1988. Washington, DC: Congressional Research Service.

46. Hodgekinson, H. (1985) All One System: Demographics of Education, Kindergarten Through Graduate School (Washington, DC: Institute of Educational Leadership).

47. Gold, S. D., Eckl, C. L., and Erickson, B. M. National Conference of State Legislatures, (August 1987) State Budget Actions in 1987: Legislative Finance Paper #59. Legislative Finance Papers. Author: Denver, CO, p. 35.

48. Budget stabilization or "Rainy Day Funds" are included for 33 states where they have been created to help finance services in years with low revenue collections, from funds saved during more prosperous times. Ibid.

49. Ibid.

50. For example, the Morgan Guaranty Trust Company's Municipal Credit Newsletter used the 5% standard in a January 1984 report. In Ibid , p. 49, 5. It should be noted that all states except Vermont have constitutional or statutory requirements to maintain balanced budgets. It may be technically possible to include a deficit for one year elsewhere, however. It is nonetheless avoided if at all possible.

51. Gold et al., State Budget Actions, op. cit., executive summary.

52. June 1, 1986- September 30, 1987.

53. Ibid., p. 1.

54. Gleason, R. (1988) Federalism 1986-87: Signals of a New Era, Intergovernmental Perspective: Federalism Becomes Finance. Advisory Commission on Intergovernmental Relations: Washington, DC, p. 10.

55. Ibid. These are referred to as the three-Ds by the ACIR Executive Director John Shannon. Shannon, J. The Faces of Fiscal Federalism, Intergovernmental Perspective, vol 14, no. 1, p. 16.

56. Ibid.

57. Ibid.

58. Salmon, R. G. (1988) The Status of Public School Finance Programs 1986-87. Presentation at the American Education Finance Association Annual Conference, Tampa, FL, March 17.

59. Pfeffir, J. (1981) Power in Organizations, Boston: Pitman--further, "He who pays the piper calls the tune."

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61. Shannon, The Faces of Fiscal Federalism, op. cit., p. 17.

62. Clark, D. L. (1988) Education Policy After Reagan: What Next? Paper presented at the annual meeting of the American Education Research Association, New Orleans, LA.

TABLE 1. REVENUE CHRONOLOGY FOR FEDERAL, STATE, AND LOCAL SUPPORT OF EDUCATION
(in thousands)

School Year	Federal Aid (Current)	% of Total	State Revenue (Current)	% of Total	Local Revenue (Current)	% of Total	Total Revenue
1980-81	$9,285,193	8.7%	$51,375,525	48.2%	$45,891,602	43.1%	$106,552,320
1981-82	8,419,359	7.4%	54,573,117	47.9	51,006,513	44.7	113,998,989
1982-83	8,623 079	7.1	57,557,593	47.7	54,578,820	45.2	120,759,492
1983-84	8,801,655	6.8	61,603,642	47.8	58,523,611	45.4	128,928,908
1984-85	9,282,798	6.6	69,138,507	49.0	62,588,260	44.4	141,009,565
1985-86	9,786,607	6.5	75,331,882	49.8	66,214,293	43.8	151,332,782
1986-87	10,188,798	6.2	80,545,294	49.6	71,718,765	44.1	162,452,857
1987-88	10,701,700	6.2	85,913,022	49.8	75,764,590	44.0	172,379,312
Change from 1980-81:							
Amount	$1,416,507		$34,537,497		$29,872,988		$65,826,992
Percent	15.3%		67.2%		65 1%		61.8%

Source: National Education Association, Estimates of School Statistics (Washington, DC) and author's calculations.

Note: Figures are in thousands of dollars.

TABLE 2: REVENUE CHRONOLOGY FOR FEDERAL, STATE, AND LOCAL EDUCATION (adjusted for inflation)

Academic Year	Federal Revenue Real Dollars (in thousands)	% Change From 1980-81	Increase/ Decrease From Prior Year	State Revenue Real Dollars (in thousands)	% Change From 1980-81	Increase/ Decrease From Prior Year	Local Revenue Real Dollars (in thousands)	% Change From 1980-81	Increase/ Decrease From Prior Year	All Sources Real Dollars (in thousands)	% Change From 1980-81	Increase/ Decrease From Prior Year
1980-81	$9,285,193	-	-	$51,375,525	-	-	$45,891,602	-	-	$106,552,320	-	-
1981-82	7,831,962	-15.65%	-15.65%	50,765,690	-1.19%	-1.19%	47,447,919	3.39%	3.39%	106,045,571	-0.48%	-0.48%
1982-83	7,564,104	-18.54%	-2.88%	50,489,117	-1.73%	-0.54%	47,876,158	4.32%	0.90%	105,929,379	-0.58%	-0.11%
1983-84	7,383,939	-20.48%	-1.94	51,680,908	0.59%	2.36%	49,096,989	6.98%	2.55%	108,161,836	1.51%	2.11%
1984-85	7,420,302	-20.08%	0.39%	55,266,592	7.57%	6.94%	50,030,584	9.02%	1.90%	112,717,478	5.79%	4.21%
1985-86	7,499,316	-19.23%	0.85%	57,725,580	12.36%	4.45%	50,738,922	10.56%	1.42%	115,963,818	8.83%	2.88%
1986-87	7,536,093	-18.84%	0.40%	59,574,922	15.96%	3.20%	53,046,424	15.59%	4.55%	120,157,439	12.77%	3.62%
1987-88	7,547,038	-18.72%	0.12%	60,587,463	17.93%	1.70%	53,430,599	16.43%	0.72%	121,565,100	14.09%	1.17%

Source: National Education Association, Estimates of School Statistics (Washington, D. C.) and author's calculations

* Implicit price deflator for state and local government purchases of goods and services, 1980-81=100.

TABLE 3. STATE REVENUE RECEIPTS FOR ELEMENTARY AND SECONDARY EDUCATION

Academic Year	Total State Revenue For Education (in thousands)	Percent Increase From 1982-83 (Unadjusted)	Percent Increase From 1982-83 (Adjusted for Inflation)b/
1982-83	$57,557,593 a/	--	--
1983-84	61,603,642	7.03%	2.34%
1984-85	69,138,507	20.12	9.40
1985-86	75,331,882	30.88	14.30
1986-87	80,545,294	39.94	17.95
1987-88	85,913,022	49.26	19.95

a/ For 1982-83 to 1985-86, National Education Association (1987) Estimates of School Statistics 1986-87 (West Haven, CT: Author, NEA Professional Library) p. 21. For 1986-87 and 1987-88, National Education Association (1988) Estimates of School Statistics, 1987-88 (West Haven, CT: Author, NEA Professional Library) Tables 8 & 9.

b/ Implicit Price Deflator for State and Local Government Purchases of Goods and Services. U. S. Department of Commerce, selected years. (1983=100). Author's calculations.

TABLE 4. REGIONAL INCREASES IN STATE FUNDING, 1983 TO 1988, AND AVERAGE PER PUPIL FUNDING RANKED

	Percent Increase State Revenue 1983 to 1988 (nominal)	Percent Increase State Revenue 1983-1988 (real)	Average Current Expenditures Per Pupil (1988)a/	Rank Expenditures Per Pupil (1988)
New England	73%	39%	5,322	2
Far West	57	26	4,087	4
Mideast	54	24	6,116	1
Southeast	47	18	3,479	7
Plains	45	17	3,925	5
Rocky Mountain	45	15	3,775	6
Great Lakes	36	9	4,142	3
Southwest	31	5	3,410	8

a/ Estimates. Figures are per pupil in ADA

Source: National Education Association (1988) Estimates of School Statistics 1987-88 (Washington, DC: Author), and author's calculations.

TABLE 5. TOTAL STATE REVENUE FOR EDUCATION: REAL AND NOMINAL AMOUNTS COMPARED, 1983 to 1988 a/

Region and State	Total State Revenue 1988 (in thousands) a/	Percent Change 1983-1988 Nominal	Percent Change 1983-1988 Real b/
NEW ENGLAND	4,082	72.53%	38.64%
Connecticut	1,227	84.23	48.04
Maine	471	73.80	39.66
Massachusetts	1,892	65.82	33.25
New Hampshire	48	71.43	37.75
Rhode Island	294	83.75	47.65
Vermont	150	50.00	20.53
MIDEAST	16,249	54.41%	24.08%
Delaware	330	44.10	15.80
District of Columbia	---	---	---
Maryland	1,358	41.95	14.06
New Jersey	3,189	64.30	32.02
New York	7,327	59.73	28.36
Pennsylvania	4,046	43.99	15.70
SOUTHEAST	18,999	46.52%	17.74%
Alabama	1,352	32.16	6.20
Arkansas	789	64.72	32.36
Florida	3,918	62.51	30.58
Georgia	2,042	49.71	20.30
Kentucky	1,492	42.37	14.40
Louisiana	1,367	11.14	-10.69
Mississippi	750	52.44	22.49
North Carolina	2,520	64.92	32.52
South Carolina	1,187	34.12	7.78
Tennessee	1,214	51.75	21.94
Virginia	1,484	32.97	6.85
West Virginia	884	49.58	20.19
GREAT LAKES	12,279	35.53%	8.91%
Illinois	2,884	23.94	-0.41
Indiana	2,222	62.07	30.23
Michigan	2,415	15.00	-7.59
Ohio	3,320	46.90	18.05
Wisconsin	1,437	43.41	15.24

Table 5 Continued

PLAINS	5,270	45.30%	16.76%
Iowa	780	16.59	- 6.31
Kansas	788	37.28	10.31
Minnesota	1,884	71.43	37.75
Missouri	1,226	53.25	23.15
Nebraska	254	18.69	- 4.62
North Dakota	220	25.00	0.45
South Dakota	117	23.16	- 1.04
SOUTHWEST	8,663	30.58%	4.93%
Arizona	1,100	50.07	20.59
New Mexico	785	24.80	0.29
Oklahoma	1,100	-12.00	-29.29
Texas	5,678	41.17	13.44
ROCKY MOUNTAIN	2,655	43.69%	15.46%
Colorado	967	35.06	8.53
Idaho	366	40.77	13.12
Montana	329	30.56	4.91
Utah	668	40.04	12.53
Wyoming	320	128.57	83.67
FAR WEST	17,721	56.77%	25.97%
Alaska	446	- 4.90	-23.58
California	13,438	67.99	34.99
Hawaii	592	20.57	- 3.11
Nevada	260	40.54	12.93
Oregon	541	14.62	- 7.90
Washington	2,444	44.87	16.41
TOTAL U.S.A.	85,913	47.30%	18.36%

a/ National Education Association, Estimates of School Statistics 1987-88 (West Haven, CT: Author, NEA Professional Library), and author's calculations.

b/ Implicit Price Deflator for State and Local Government Purchases of Goods and Services. U. S. Department of Commerce. (1983=100).

Figure 1. Percent Increase in State Revenue for Elementary and Secondary Education, 1982-83 to 1987-88, by Region: Nominal and Real Comparisons

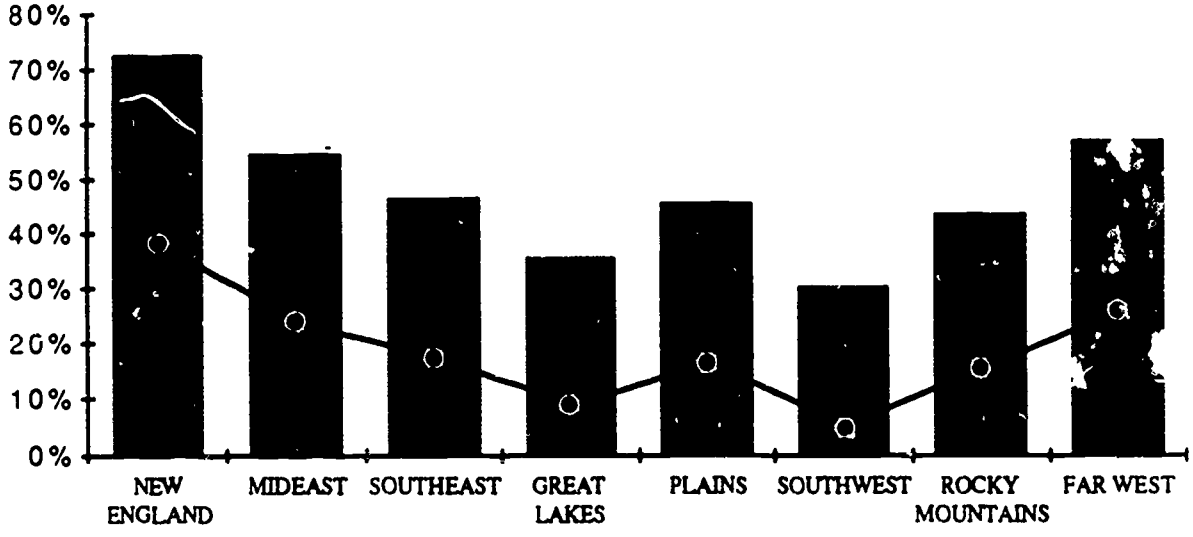

TABLE 6. CROSS TIME COMPARISONS: EARMARKED STATE FUNDING FOR EDUCATION REFORM

Academic Year	Earmarked State Revenues for Education Reform	Percent Increase From Prior Year (Unadjusted)	Percent Increase From Prior Year (Adjusted for Inflation) c/
1982-83	$ 15,244,584 a/	---%	---%
1983-84	25,546,384	67.58	60.23
1984-85	1,187,085,338	4,546.78	4,132.12
1985-86	2,015,495,590	69.79	48.28
1986-87	2,527,883,876 b/	25.42	5.71
1987-88	3,745,033,236	48.15	19.0.

a/ For 1982-83 to 1986-87, Inman, D. (1987) The Fiscal Impact of Education Reform (New York: New York University Center for Education Finance) p. 2. N = 44.

b/ For 1987-88, Verstegen, D. (1988), The University of Virginia. Data collected for The Education Commission of the States. Work in progress. N = 48.

c/ Implicit Price Deflator for State and Local Government Purchases of Goods and Services. U. S. Department . ommerce, selected years. Author's calculations. 1983=100.

TABLE 7: PERCENTAGE EARMARKED EDUCATION REFORM FUNDS OF TOTAL STATE AND ALL SOURCES

	Total Revenue for Education	State Revenue Education a/	State Revenue for Education Reform	Percent Reform of State	Percent Reform of Total
1983	120,759,492,000	57,557,593,000	15,244,584 c/	0.03%	0.01%
1984	128,928,908,000	61,603,642,000	225,446,384 c/	0.37%	0.17%
1985	141,009,565,000	69,138,507,000	1,187,085,338 c/	1.72%	0.84%
1986	151,332,782,000	75,331,882,000	2,015,495,590 c/	2.68%	1.33%
1987	162,452,857,000	80,545,294,000 b/	2,527,883,876 c/	3.14%	1.56%
1988	172,379,312,000	85,913,022,000 b/	3,745,033,236 d/	4.36%	2.17%
Total	876,862,916,000	430,089,940,000	9,716,189,008	2.26%	1.11%

a/ National Education Association (1987) Estimates of School Statistics, 1986-87

(West Haven, CT : Author, NEA Professional Library) p.21

b/ National Education Association (1988) Estimates of School Statistics, 1987-88

(West Haven, CT: Author, NEA Professional Library) Table 8 & 9.

c/ For 1983-1987, Deborah Inman, (1987) The Fiscal Impact of Educational Reform

(New York: New York University Center for Education Finance) p.2.

d/ For 1988, data collected for the Education Commission of the States, in progress.

TABLE 8. EDUCATION REFORM FUNDING ACROSS THE STATES, 1987-88.

	Teacher Salary Increase	Career Ladder	Merit Pay	Graduation Requirements	State Testing Program	Drop-out Prevention	Training for Administrators	Full-day Kindergarten	Preschool Education	Reductions in Class Sizes	Longer School Day/Year	Other
Alabama	0 •	67,065,303	0	0 •	0	0	0	0 •	0	0	0	0
Alaska	0	0	0	0 •	0	0	0 •	0	0	0	0	0
Arizona	17,690,000	9,094,619	0	0	932,700	0 •	40,000	0	1,100,000	0	0	0
Arkansas	0	0	0	56,434	500,000 •	0	417,131	0	0	0	0	2,065,694
California	20,983,167 a	49,750,000 f	0	0 •	0	12,250,000	4,202,000	0	0	0	491,310,984 •	9,804,000
Colorado	0	0 •	0	0	150,000	180,000	130,000	0	0	0	0	0
Connecticut	105,503,793	3,500,000	0	0	1,010,000	750,000	0	1,000,000	0	11,400,000	1,063,000	5,846,000
Delaware	10,700,000	0	0	0	0	0	402,800	0	189,000	0	0	2,143,400
Florida	20,000,000 b	0	23,113,871 i	0	0	2,563,000 q	400,000	0	1,670,000	132,399,194 z	85,857,340 cc	305,246,914
Georgia	62,575,751 c	115,514	0	0	6,174,606	0 •	40[illegible],000	151,308,900	0	0	0	0
Hawaii	0 •	0	0	0 •	0 •	6,994,511	163,000	37,430,001	0 •	5,256,246	0	0
Idaho	0	0 •	0	0 •	0 •	0	0	0	0	0	0 •	0
Illinois	0	0	0	0	900,000	9,610,000	800,000	0	12,700,000	0	0	56,258,300
Indiana	0	0	0	0 •	20,000,000	0 •	0 •	0 •u	0	64,000,000	34,000,000	0
Iowa	92,100,085	0	0	0	0	0 •	0	0	0	0	0	0
Kansas	0	0	0	0	266,900	0	0	0	0	0	0	252,420
Kentucky	53,400,000	0	0	0	0	550,000	0	0	0	32,109,500	0	0
Louisiana	0	0	0	0 •	400,000	0 •	100,000	24,000,000	130,000	0	0 •	0
Maine	9,000,000 d	9,000,000 g	9,000,000 j	0 •	0 •	0 •	0	0	0	0 •	0	0
Maryland	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	0	0	0	0	0	0	0	0	0
Michigan	0	0	0	39,000,000	0	00,000	0	0	2,300,000	18,200,000	0	0
Minnesota	0	250,000	0	0	0	0	167,360	0	0	0	0	33,966,500
Mississippi	24,542,574 e	0	0	460,939 l	460,939 n	48,000	551,840	40,000,000	0	0	0	469,580
Missouri	51,500,000	8,000,000	0	0 •	1,100,000	0	0 •s	0	10,800,000	0	0	6,600,000
Montana	0	0	0	0 •	0	0	0	0	0	0	0	0
Nebraska	0	0 •	0	0 •	0	0	0	0	0	0	0 •	0
Nevada	13,000,000	0	0	0 •	0	0	0	0	0	0	0	0
New Hampshire	0	0	0	0 •	100,000	50,000	500,000	0	0	0	0	2,450,000
New Jersey	59,000,000	3,211,000	0	1,040,000	520,000	0	656,000	0	11,737,000 w	0	0	0
New Mexico	0 •	0	0	762,500 m	762,500 o	762,500 r	762,500 t	762,500 v	762,500 x	762,500 aa	762,500 dd	0
New York	124,970,000	0	0	0 •	0	37,100,000	0	0	0	13,660,000	0	0
N Carolina	52,774,279	29,709,140	0	0	1,253,255	23,615,148	10 015	0	0	7,232,505	0	0
N Dakota	0	0	0	^	0	0	29,000	0	0	0	0	0
Ohio	0 •	250,000	0	0 •	0 •	997,500	0	0	249,288	0	0	736,209
Oklahoma	0 •	0	0	0 •	901,500 p	0	0 •	0	0	0 •	0	0
Oregon	0	0	0	0 •	100,000	750,000	0	0	3,700,000	0	0 •	1,900,000
Pennsylvani	0	0	0	0	0 •	500,000	0	0	0	0	0	9,000,000
Rhode Islan	0	0	0	0 •	300,000	300,000	500,000	0 •	0	0 •	0	7,300,000
S Carolina	97,572,633	0	12,310,000	5,320,000	1,335,105	0 •	4,689,075	0	11,709,793	0 •	0 •	66,292,537
S Dakota	500,000	0	0	0	0	0	0	0	0	0	0	1,950,000
Tennessee	26,625,600	92,900,000 h	82,700,000 k	7,000,000	1,330,000	0	1,076,000	0	0	3,009,200 bb	5,000,000 ee	3,000,100
Texas	0 •	212,148,375	0	0 •	5,500,000	150,000	600,000	0 •	46,161,339	0 •	0	42,429,321
Utah	0	34,332,300	0	0 •	0	0	0	0	0	8,164,324	0	0
Vermont	0	0	0	0 •	75 00	0	0 •	0	500,000	0	0	420,000
Virginia	146,829,945	0	0	0 •	1,057,000	500,000	0 •	0	0	0	0	0
Washington	35,000,000	0	0	0 •	0 •	2,700,000	0	0	0 •y	9,800,000	0	0
West Virgin	0	0	0	0 •	0 •	0	0 •	0	0	0 •	0	0
Wisconson	0	0	0	0 •	17,000,000	0	0 •	0 •	0 •	0	0 •	0
Wyoming	0	0	0	0 •	100,000	0	0	0	0	0	0	450,000
Subtotal	$1,024,267,827	$519,326,251	$127,123,871	$53,639,873	$62,229,505	$101,070,659	$16,596,661	$254,501,401	$103,708,920	$305,993,469	$617,993,824	$558,580,975
% of Total	27 35%	13 87%	3 39%	1 43%	1 66%	2 70%	0 44%	6 80%	2 77%	8 17%	16 50%	14 92%

TABLE 9. STATE REVENUE FOR SPECIAL PROGRAMS AND STUDENTS SERVED.

States:	Funds for Compensatory Education	Students in Compensatory Education	Funds for Special Education	Students in Special Education	Funds for Bilingual Education	Students in Bilingual Education	Funds for Gifted and Talented	Students in Gifted and Talented	Funds for Vocational Education	Students in Vocational Education	Funds for Other Programs	Students in Other Programs
Alabama	0	0	111,410,307	102,000	0	0	0 *	0	74,732,195	191,590	0	0
Alaska	0	0	64,246,800	0	14,040,000	0	0 y/	0	8,907,600	0	0	0
Arizona	0 •	0	17,900,000	3,865	0	0	0	0	8,156,300	119,204	14,900,000	169,765
Arkansas	0	0	3,000,000	48,222	0	0	1,920,896	20,480 hh/	6,789,573	133,473 ss/	1,361,364	6,900
California	196,952,000	500,000	1,063,466,000	400,000	0 s/	500,000	22,510,000	221,000	231,318,838	0	229,752,000	0
Colorado	0	0	53,969,280	60,499	2,500,000	5,470	120,000	3,000	14,565,338	42,000	0	0
Connecticut	9,479,000	0	160,800,000	78,604	2,180,000	1,200	0 z/	0 u/	55,278,426	11,500	0	0
Delaware	4,568,200	11,000	73,700,000	11,000	0	0	1,881 500	5,000	31,400,000	21,000	2,143,400	95,000
Florida	41,289,440	0	0 cc/*	98,658 rr/	0 tt/*	12,100	0 aa*	14,883 jj/	0	0	0	0
Georgia	22,031,977	12,495 ••	152,778,774	32,955 ••	250,000	3,500 x**	16,598,395	7,781 ••	88,013,501	48,979 ••	0	0
Hawaii	6,994,511	7,882	25,491,118	11,457	5,403,121	9,363	1,906,905	21,850	3,121,931	27,617 tt/	0	0
Idaho	0	0	22,800,000	16,400	0	0	2,700,000	2,510	0	0	23,150,000	0
Illinois	0	0	320,392,400	0	17,971,500	0	8,686,600	0	39,881,500	0	0 zz/	0
Indiana	0	0	90,000,000 ff/*	0 o/	0	0	5,500,000 bb/	0	30,000,000 pp/	0 uu/	0	0
Iowa	0	0	0 *	42,360	0	0	0	17,600	3,683,061	71,848	150,000	2,110
Kansas	126,500 a/	9,590	90,700,910	52,241	545,859	5,616	0 cc/	0 kk/	19,265,000	38,687 vv/	0	0
Kentucky	13,833,800	0	0	0	0	0	6,100,100	0	0	0	0	0
Louisiana	0	0	160,000,000	89,000	2,000,000	14,000	3,000,000	14,000	12,000,000	110,000	0	0
Maine	0	0	31,500,000	26,800	0	0	40,000	0 ll/	8,300,000	7,600	291,000	0
Maryland	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	0	0	0	0	0	0	0	0	0
Michigan	28,875,000	104,000	222,413,000	168,000	4,212,000	14,200	7,306,000	83,000	34,770,000	101,000	0	0
Minnesota	87,000,000	50,568 c/	156,016,300 gg/	118,600	3,469,600 uu/	13,700	1,372,700 dd/	35,300	19,502,600	29,600	4,185,300 ab/	9,700
Mississippi	250,000	4,500	70,540,927 hh/	54,638	0	0	312,71	16,000	60,778,670 qq/	169,747	0	0
Missouri	9,200,000	61,038	102,800,000	97,218	0 vv/	0	6,747,318	13,650	31,300,000	269,218 ww/	0	0
Montana	0	0	27,861,000	14,850	0	0	200,000	4,230	0	0	147,500	5,526
Nebraska	1,247,736	6,963	61,036,746	30,700	0	0	188,133	13,039	127,869	0 xx/	0	0
Nevada	0	0	25,000,000	13,700	0	0	12,000	150 mm	0	0	0	0
New Hampshi	0	0	15,882,662 ii/	16,967	0	0	200,000	0	2,249,891	1,700	0	0
New Jersey	148,909,000	239,000	291,542,000	188,000	30,434,000	36,000	200,000	0	8,646,000	0	0	0
New Mexico	0	0	101,679,826	29,353	6,075,282	12,413	7,223 . 34	5,052	0	0	0	0
New York	229,000,000	142,000 d/	641,000,000	294,000 pp/	19,600,000	99,727	13,220,000	69,361	130,000,000	1,500,000	0	0
N Carolina	33,320,419	116,914	172,626,894	110,062	0	0	20,422,922	13,296	145,029,369	330,662	0	0
N Dakota	0	0	12,088,000	24,000	0	0	0	0	7,375,000	0	0	0
Ohio	261,110,687	378,000	374,122,258	97,517	0	0	12,122,918	29,551 nn/	238,903,820	202,391	0	0
Oklahoma	0 b/*	187,529	0 jj/*	74,922	0 ww/	3,230	0 ee*	38,104	58,330,444 rr/	220,131	0	0
Oregon	1,000,000	7,000	31,800,000	47,000	0	0	730,000	6,000	0	0	0	0
Pennsylvania	28,000,000	195,000	366,129,000 kk/	275,000	0	0	0	0	36,531,000	130,000	0	0
Rhode Island	2,000,000	10,000	26,000,000	20,000	500,000	3,000	5,000,000	1,000	1,200,000	4,000	217,000,000	127,000
S Carolina	56,682,506	0	76,301,886	67,521 qq/	0	0	15,024,596	37,280 oo/	155,822,634	91,062 yy/	37,257,750 ac/	0
S Dakota	0	0	12,880,744 ll/	18,500	0	0	0 ff/	0	2,521,972	16,425	0	0
Tennessee	0	0	98,079,000	99,621 rr/	0	0	8,142,000	13,852	61,554,000	202,000	729,800	1,200
Texas	368,560,479	1,163,054	573,087,178	109,173	34,966,667	220,532	8,756,925	97,883	235,164,217	103,334	33,638,467	8,200
Utah	409.360	340	60,088,028	2,650	208,292	173	1,748,208	1,452	16,713,928	115,000	0	0
Vermont	0	0	20,660,000	11,000	0	0	0	0	7,800,000	5,200	600,000	500
Virginia	20,230,880	288,000	63,466,950	101,875	0	10,855	12,533,924	81,740	43,797,150	346,000	0	0
Washington	22,700,000	63,780	201,200,000	70,152	5,600,000	13,400	2,400,000	7,254	92,900,000	32,936	24,750,000 ad/	0
West Virginia	0	0	9,412,379 mm/*	45,062	0	0	0 gg/	10,787	0	0	0	0
Wisconsin	3,110,000	0	0	0	4,842,400	5,400	0	0	0	0	0	0
Wyoming	0	0	61,000,000	9,587	25,000,000	0	400,000	2,378	45,000,000	44,573	0	0
TOTAL	1,596,881,495	3,558,653	6,316,870,367	3,283,729	179,798,721	983,879	195,628,442	908,463	2,071,431,837	4,737,477	590,056,581	425,901

N=48, Maryland and Massachusetts not received

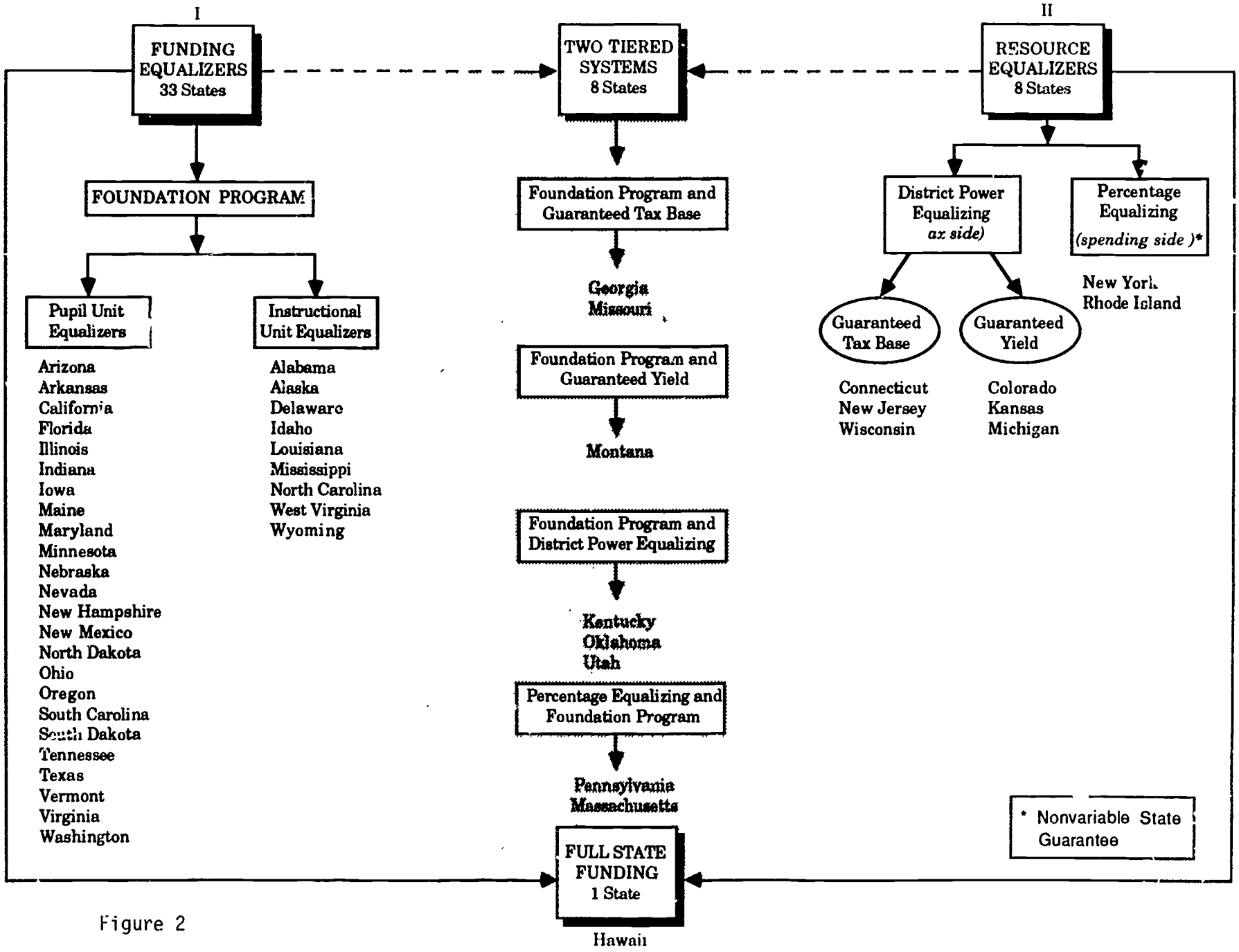

Figure 2

Source: D. A. Verstegen, The University of Virginia, The Curry School of Education

TABLE 10 STATE REVENUE FOR SPECIAL PROGRAMS AND STUDENTS SERVED

States:	Total Funds for Special Programs	Total Special Needs Students	Percent Population of All States	Percent Revenue of All States	Average Revenue Per Pupil
Alabama	186,142,502	293,590	2.11%	1.70%	634
Alaska	87,194,400	N/A	N/A	0.80%	-
Arizona	40,956,300	292,834	2.11%	0.37%	140
Arkansas	13,071,833	209,075	1.50%	0.12%	63
California	1,743,998,838	1,621,000	11.66%	15.93%	1,076
Colorado	71,154,618	110,969	0.80%	0.65%	641
Connecticut	227,737,436	91,304	0.66%	2.08%	2,494
Delaware	113,693,100	143,000	1.03%	1.04%	795
Florida	41,289,440	125,641	0.90%	0.38%	329
Georgia	279,672,647	105,710	0.76%	2.55%	2,646
Hawaii	42,917,586	78,169	0.56%	0.39%	549
Idaho	48,650,000	18,910	0.14%	0.44%	2,573
Illinois	386,932,000	N/A	N/A	3.53%	-
Indiana	125,500,000	N/A	N/A	1.15%	-
Iowa	3,833,061	133,918	0.96%	0.04%	29
Kansas	110,638,269	106,134	0.76%	1.01%	1,042
Kentucky	19,933,900	N/A	N/A	0.18%	-
Louisiana	177,000,000	227,000	1.63%	1.62%	780
Maine	40,131,000	34,400	0.25%	0.37%	1,167
Maryland	N/R	N/R	N/R	N/R	N/R
Massachusetts	N/R	N/R	N/R	N/R	N/R
Michigan	297,576,000	470,200	3.38%	2.72%	633
Minnesota	271,546,500	257,468	1.85%	2.48%	1,055
Mississippi	131,882,315	243,885	1.75%	1.20%	541
Missouri	150,047,318	441,124	3.17%	1.37%	340
Montana	28,208,500	24,606	0.18%	0.26%	1,146
Nebraska	63,000,484	50,702	0.36%	0.58%	1,243
Nevada	25,012,000	13,850	0.10%	0.23%	1,806
New Hampshire	18,332,553	18,667	0.13%	0.17%	982
New Jersey	479,731,000	463,000	3.33%	4.38%	1,036
New Mexico	114,978,792	46,818	0.34%	1.05%	2,456
New York	1,032,820,000	2,105,088	15.15%	9.43%	491
N Carolina	371,399,604	570,934	4.11%	3.39%	651
N Dakota	19,463,000	24,000	0.17%	0.18%	811
Ohio	886,259,683	707,459	5.09%	8.09%	1,253
Oklahoma	58,330,444	523,91	3.77%	0.53%	111
Oregon	33,530,000	60,000	0.43%	0.31%	559
Pennsylvania	430,660,000	600,000	4.32%	3.93%	718
Rhode Island	251,700,000	165,000	1.19%	2.30%	1,525
S Carolina	341,089,372	195,863	1.41%	3.11%	1,741
S Dakota	15,402,716	34,925	0.25%	0.14%	441
Tennessee	168,504,800	316,673	2.28%	1.54%	532
Texas	1,254,173,933	1,702,176	12.25%	11.45%	737
Utah	79,167,816	119,615	0.86%	0.72%	662
Vermont	29,060,000	16,700	0.12%	0.27%	1,740
Virginia	140,028,904	828,470	5.96%	1.28%	169
Washington	349,550,000	187,522	1.35%	3.19%	1,864
West Virginia	9,412,379	55,849	0.40%	0.09%	169
Wisconson	7,952,400	5,400	0.04%	0.07%	1,473
Wyoming	131,400,000	56,538	0.41%	1.20%	2,324
TOTAL	10,950,667,443	13,898,102	100.00%	100.00%	788

N=48, Maryland and Massachusetts not received. N/A=Not Available; N/R=Not Received

TABLE 11. A COMPARISON OF STATE TO FEDERAL SUPPORT FOR SPECIAL POPULATIONS, 1987-88, U.S.A.

	State Aid	Federal Aid	Total	Percent State Aid of Total
Compensatory Education	1,596,881,495	3,951,663,000 a/	5,548,544,495	28.78%
Special Education	6,316,870,367	1,741,900,000 a/	8,058,770,367	78.39
Bilingual Education	179,798,721	191,751,000	371,549,721	48.39
Vocational Education	2,071,431,837	822,500,000 a/b	2,893,931,837	71.58

a/ Forward funded; FY 1987 appropriations for use in the 1987-88 school year.

b/ Funds for basic grants and state advisory councils included.

c/ State Aid. Source: Verstegen, D. A. Data collected for the Education Commission of the States, work in progress.

N=48 (Maryland and Massachusetts not included)

TABLE 12: SPECIAL PROGRAMS: STUDENTS SERVED AND FUNDING, 1978-1988. OVER TIME, U.S.A.

COMPENSATORY EDUCATION

Year:	State Programs: Number of Students (Thousands)	Funds Appropriated (Millions)	Percent of Total Funds	Federal Programs: Number of Students (Thousands)	Funds Appropriated (Millions)	Total State and Federal Aid (Millions)
1976-77	1,505	$364	16.87%		$1,794	$2,158
1978-79	2,136	$762	20.31%	5,100	$2,989	$3,751
1979-80	2,456	$752	19.37%	5,560	$3,130	$3,882
1981-82	2,700	$750	19.48%	5,900	$3,100	$3,850
1987-88	3,559	$1,596	28.77%	N.A.	$3,951	$5,547
Percent Change	136.48%	338.46%	-	-	120.23%	-

SPECIAL EDUCATION

Year:	State Programs: Number of Students (Thousands)	Funds Appropriated (Millions)	Percent of Total Funds	Federal Programs: Number of Students (Thousands)	Funds Appropriated (Millions)	Total State and Federal (Millions)
1975-76	2,861	$2,038	86.25%	N.A.	325	$2,363
1978-79	3,912	$3,356	85.61%	N.A.	564	$3,920
1979-80	4,100	$3,396	80.86%	N.A.	804	$4,200
1981-82	N.A.	$3,750	80.66%	N.A.	899	$4,649
1987-88	3,283	$6,317	78.39%	N.A.	1,741	$8,058
Percent Change	14.75%	209.96%	-	N.A.	435.69%	241.01%

BILINGUAL EDUCATION

Year:	State Programs: Number of Students (Thousands)	Funds Appropriated (Millions)	Percent of Total Funding	Federal Programs: Number of Students (Thousands)	Funds Appropriated (Millions)	Total State and Federal (Millions)
1978-79	608	$82	37.70%	N.A.	$135	$217
1979-80	697	$82	35.43%	250	$149	$230
1981-82	768	$84	37.84%	255	$138	$222
1987-88	983	$180	-	N.A.	$192	-
Percent Change	61.68%	120.32%	-	-	42.22%	-

Note: Data for 1978-1986, C. Kent McGuire, (1982) State and Federal Programs for Special Populations, Report No. F82-2, Denver, CO: Education Commission of the States.