

DEPARTMENT OF THE INTERIOR
BUREAU OF EDUCATION

BULLETIN, 1923, NO. 11

THE PUBLIC SCHOOL SYSTEM OF ARKANSAS

REPORT OF A SURVEY MADE UNDER THE DIRECTION OF THE
UNITED STATES COMMISSIONER OF EDUCATION AT
THE REQUEST OF THE ARKANSAS STATE
EDUCATIONAL COMMISSION

PART II PUBLIC SCHOOL FINANCE

By

FLETCHER HARPER SWIFT,

Professor of Education, University of Minnesota, Minneapolis, Minn.



WASHINGTON
GOVERNMENT PRINTING OFFICE
1923

ADDITIONAL COPIES
OF THIS PUBLICATION MAY BE PROCURED FROM
THE SUPERINTENDENT OF DOCUMENTS
GOVERNMENT PRINTING OFFICE
WASHINGTON, D. C.

AT
15 CENTS PER COPY
SUBSCRIPTION PRICE, 80 CENTS PER YEAR

**PURCHASER AGREES NOT TO RESELL OR DISTRIBUTE THIS
COPY FOR PROFIT.—PUB. RES. 57, APPROVED MAY 11, 1922**



CONTENTS.

	Page.
Chapter I.—The present educational situation.....	1
How Arkansas is attempting to finance her schools.....	3
Existing educational inequalities—General view.....	8
Chapter II.—The causes of educational inequalities.....	17
Inequalities in district burdens.....	20
Chapter III.—Receipts and sources of school revenue, Federal, State, and private, in 1921.....	28
Federal aid.....	31
Federal forest reserve fund.....	31
Smith-Hughes subventions.....	32
Smith-Lever subventions.....	33
The Morrill Fund.....	34
State aid.....	35
Permanent school fund.....	35
State appropriations.....	44
State taxes.....	46
Institute and library fund (teachers' fund).....	48
Private foundations.....	49
Chapter IV.—Local sources of school revenue.....	51
County aid.....	51
Township aid.....	51
District aid.....	52
Chapter V.—How school moneys are apportioned and used.....	60
Lawful and forbidden uses.....	62
Requirements for participation.....	64
Recommendations.....	65
Chapter VI.—How much will it cost Arkansas to reach the average level?.....	67
More money for education.....	67
Recommendations.....	69
What Arkansas ought to spend on public schools.....	69
What Arkansas must spend on normal schools to reach the average	
State level.....	72
What must Arkansas do for the preparation of colored teachers?.....	74
What Arkansas ought to spend on her university.....	75
What Arkansas must do for the agricultural, mechanical, and normal	
school.....	76
Chapter VII.—Is Arkansas rich enough to have good schools? Where	
shall the money come from?.....	79
Chapter VIII.—Recommendations.....	102
Summary of recommendations.....	102
The permanent school fund.....	106
Recommended constitutional provisions affecting the permanent	
school fund.....	106
INDEX.....	109

THE PUBLIC SCHOOL SYSTEM OF ARKANSAS.

PART II. PUBLIC SCHOOL FINANCE.

Chapter I.

THE PRESENT EDUCATIONAL SITUATION.

A proclamation issued October 1, 1921, by Gov. Thomas C. McRae called the attention of the citizens of Arkansas to the fact that among the 48 States of the Union, Arkansas ranks forty-sixth¹ in educational conditions. If we include in our group the District of Columbia as is commonly done, Arkansas's position falls still lower; becomes in fact forty-seventh. The same year (1918) in which Arkansas ranked forty-seventh with respect to her entire educational situation she ranked forty-eighth in average length of school year, forty-third in per cent of children enrolled who were in daily attendance, and fortieth in average annual salary paid to teachers.

Although there are individual schools and individual communities in Arkansas which would be a credit to any State, yet there is not one single feature of her school system, taken as a whole, which does not fall below the middle level of educational progress in the United States. The conditions which lie back of the numerical ranks given in the preceding paragraph, and which are described elsewhere in this report,² leave no room for denying the fact that at the present time Arkansas, as a State, is failing to bequeath to her children the educational heritage to which they are entitled.

The underlying causes and the cure of the present situation are chiefly financial. It is true in education as in other stable enterprises, we get what we pay for. Arkansas ranks at the bottom of the scale in public education because she ranks at the bottom of the scale in the money she invests in it. This is evident the moment we compare her expenditures with those of the other States of the Union.

We shall not compare Arkansas with the other States on the basis of the total amount spent for public schools. Such a comparison is both unscientific and misleading, because it overlooks two all-

¹Ayres, Leonard P. An Index Number for State School Systems.

²The Public School System of Arkansas, Part I, U. S. Bu. of Educ. Bul. 1923, No. 10.

important questions, namely, How many children are in school in each of the States compared and how much are these States spending on the education of each child? The explanation of the low educational rank of Arkansas, therefore, may be expected to lie in how she ranks with respect to the amount of money she spends on each child she attempts to educate; in other words, expenditure per child in average daily attendance.

This expectation we find fulfilled. In expenditure per pupil in average daily attendance she ranks forty-sixth; in general educational position, forty-seventh. Table 1 shows the range of expenditure per pupil in average daily attendance for the United States as a whole and for various groups of States. Arkansas falls in the lowest group. There are only two States in the Union which rank lower, Georgia and Mississippi.

TABLE 1.—*Total expenditure per pupil in average daily attendance in the United States, 1917-18.*¹

[Forty-nine ranks; forty-eight States and the District of Columbia.]

I. RANGE OF EXPENDITURE, \$12-\$103.		Expenditure.
State ranking first, or highest	Montana	\$103
State ranking twenty-fifth, or middle	Pennsylvania	56
State ranking forty-ninth, or lowest	Mississippi	12

II. STATES GROUPED ON BASIS OF EXPENDITURE.			
Group.	Range of expenditure.	Number of States in group.	Ranks in group.
I	More than \$100	1	1
II	\$80-\$89	2	2, 3
III	70-79	7	4-10
IV	60-69	9	11-19
V	50-59	11	20-30
VI	40-49	3	31-33
VII	30-39	6	34-39
VIII	20-29	3	40-42
IX	10-19	7	43-49

It has been noted that Arkansas belongs in the lowest group of States included in Table 1. Table 2 shows that in this group she is fourth.

TABLE 2.—*Expenditure per pupil in average daily attendance by the seven States ranking lowest, 1918.*

State.	Amount.	Rank in group.	
		In group of seven States.	In the entire Union.
South Carolina	\$19.41	1	43
Tennessee	18.97	2	44
Alabama	17.76	3	45
Arkansas	16.70	4	46
Georgia	16.53	5	47
North Carolina	15.77	6	48
Mississippi	12.32	7	49

¹ Based upon data contained in Bureau of Education Bulletin, 1920, No. 11. At the time of making the present study, 1918 was the most recent year for which comparative data covering all the United States were available. This should be borne in mind in many of the subsequent tables and comparisons.

The United States as a whole spends \$7.26 per capita of total population for public schools. The State ranking twenty-fifth spends \$7.20; the State ranking highest \$19. Arkansas spends \$2.79 on public schools per capita of her population and ranks forty-fifth. In view of these facts the conditions which the survey staff has found are not to be wondered at. Hundreds of schools are closed for the greater part of the school year; children are crowded into dismal, insanitary buildings; they are taught by underpaid, overworked, and proportionately ignorant and untrained teachers; school after school is closed or about to close for lack of funds. In a Commonwealth

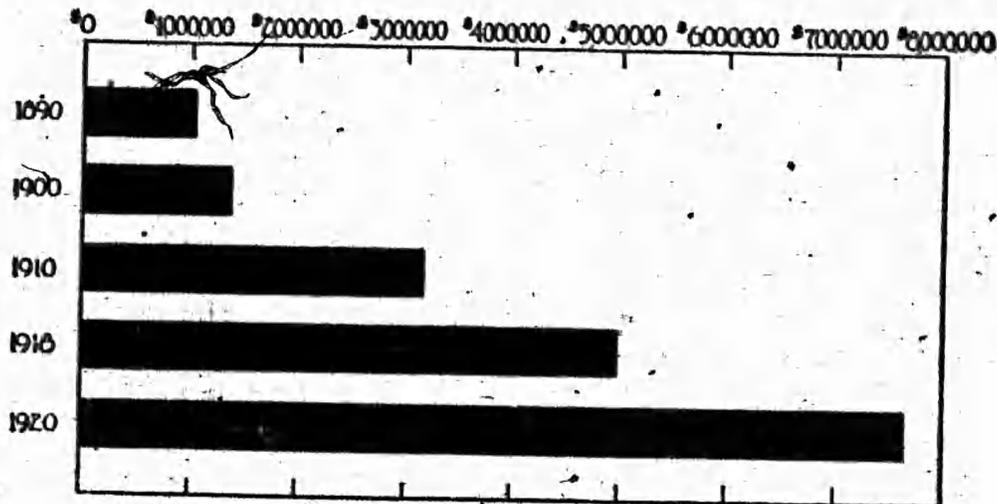


FIGURE 1.—Growth of total expenditure for common schools for Arkansas. Based upon United States Bureau of Education data.

whose constitution requires that the legislature shall provide a system of schools free to all persons between the ages of 6 and 21 years, such conditions should not exist.

HOW ARKANSAS IS ATTEMPTING TO FINANCE HER SCHOOLS.

GROWTH IN SCHOOL EXPENDITURE.

In the year 1910 Arkansas spent on her public schools (rural, elementary, and high schools) 3.1 millions of dollars; in 1920 she spent 7.6 millions; for each child enrolled in school she spent in 1910 \$8 and in 1920 nearly \$16. In 1910 she had invested in school property a sum equal to approximately \$17 for each child enrolled, and in 1920 \$35. Comparing these two years, we see that in nearly every case Arkansas spent approximately twice as much in 1920 as in 1910. Table 3 shows the increase in expenditure for the United States and for Arkansas from 1890 to 1920. Figure 1 presents this growth graphically for Arkansas. Table 4 summarizes these facts for the years 1910 and 1920.

THE PUBLIC SCHOOL SYSTEM OF ARKANSAS.

TABLE 3.—Growth of total expenditure for common schools in the United States as a whole and in Arkansas.

States.	1890	1900	1910	1918	1920
United States as a whole.....	\$140,277,484	\$213,274,354	\$426,250,434	\$644,595,145	\$963,678,123
Arkansas.....	1,016,776	1,369,810	3,187,083	4,972,443	7,602,634

TABLE 4.—Increase in expenditure and investment for public schools in Arkansas—Comparison for the years 1910 and 1920.

Years.	Total expenditure	Expenditure per child enrolled.	Value of school property per child enrolled.	Total value of school property.
1920.....	\$7,602,635	\$15.72	\$35.19	\$17,005,730
1910.....	3,187,082	8.00	17.52	7,872,855
Increased amount.....	4,415,553	7.72	17.67	9,132,875
Per cent.....	138	90.6	100	116

¹ In 1911.

From Table 4 we see that in 10 years Arkansas increased her total expenditure for public schools 138 per cent; expenditure for each child enrolled, 90 per cent; and her investment in school property, 116 per cent. From Figure 1, which shows the increase for what may be considered approximately a generation, i. e., 31 years, we see that for every million dollars Arkansas spent on public schools 30 years ago she is to-day spending eight millions, and that for every dollar per pupil in average daily attendance then she is spending to-day nearly \$4.

The increase in educational expenditure, whether viewed from the period of the past 10 years or for the past 30 years, is impressive; we might well say astonishing. Nevertheless, the fact remains that the educational rank of Arkansas is one of the lowest in the Union. Is she to be regarded as culpable for this, or is the effort she is making to finance her schools all that may be reasonably expected? Our answer to this question must be based upon a comparison of what Arkansas is able to do and what she is actually doing with what other States are able to do and are doing. How does the expenditure for public schools in Arkansas in proportion to her wealth compare with that of other States on the same basis?

Table 5 shows the growth of the estimated value of school property for each child enrolled for the United States as a whole and for Arkansas. The growth is presented graphically in Figure 3.

TABLE 5.—Growth in estimated value of school property for each child enrolled in the United States as a whole and in Arkansas.

[Based upon U. S. Bureau of Education data.]

States.	1890	1900	1910	1918	1920
United States as a whole.....	\$42.10	\$35.10	\$61.75	\$95.12	\$109.23
Arkansas.....	16.04	8.28	17.52	30.13	35.19

¹ Approximately.

According to the most recent data available, Arkansas expends \$2.18 for public schools on each \$1,000 of estimated taxable wealth, and in this respect ranks thirty-ninth in the Union. Only nine States in the Union spend less in proportion to their wealth. Of the Southern States, Florida, Georgia, Kentucky, Louisiana, Missouri, Tennessee, Texas, Virginia, and West Virginia all surpass Arkansas in the proportion that their expenditure bears to their wealth. In 1918 the expenditure of Arkansas per pupil in average daily attendance was \$16.70. Only three States spent less.

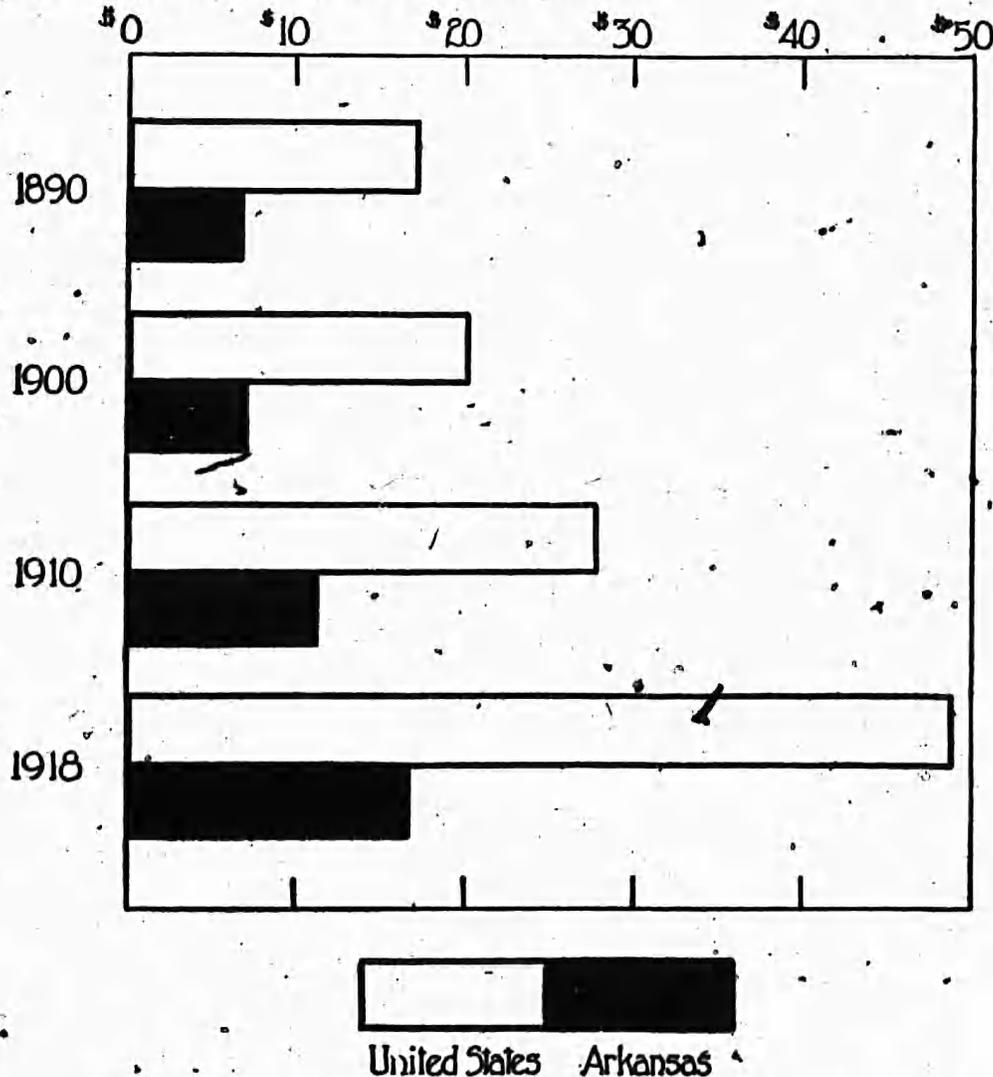


FIGURE 2.—Growth in estimated value of school property for each child enrolled for the United States as a whole and for Arkansas.

Based upon United States Bureau of Education data.

The fact that Arkansas has increased her total expenditure for public schools 138 per cent in the past 10 years, and approximately 700 per cent in the last 31 years, has little bearing upon the present situation. The significant facts are that, compared with the other States of the Union, the amount of money she is spending upon her schools in proportion to her wealth is excessively low, as is also

the amount of money she spends for the education of the child attending school. Table 6 shows how Arkansas compares with the other Southern States as to the ratio between her wealth and tax expenditure for public schools. This ratio may be said to show how these States compare as to the effort (expenditure) they are making to support education in proportion to their ability (wealth). The last column, which shows the expenditure per pupil in average daily attendance, suggests the result of this effort.

TABLE 6.—Arkansas compared with nine other Southern States and the United States as a whole as to ability and effort to support schools.

State.	Expenditure for public schools on each \$1,000 of estimated taxable wealth.		Total annual expenditure per pupil in daily attendance.			
	Amount.	Rank.		Amount.	Rank.	
		In group.	In Union.		In group.	In Union.
For the United States as a whole.....	\$2.76			\$49.12		
Kentucky.....	3.41	1	12	26.53	5	40
Tennessee.....	3.01	2	15	18.97	8	44
Missouri.....	2.65	3	28	45.29	1	32
Virginia.....	2.42	4	32	25.45	7	42
West Virginia.....	2.31	5	34	31.42	3	38
Florida.....	2.29	6	35	34.05	2	37
Louisiana.....	2.24	7	36	25.78	6	41
Georgia.....	2.22	8	37.5	16.53	10	48
Texas.....	2.21	9	39	31.15	4	39
Arkansas.....	2.18	10	40	16.70	9	47

Table 6 shows that Arkansas is making the least effort in proportion to her ability of all of these 10 Southern States, and that only 1 of the 10 (Georgia) spends less per pupil in average daily attendance. We have noted how rapidly the expenditure of Arkansas for schools has increased in the last 30 years. Table 7 shows how Arkansas's increase in expenditure compares with that of other States in the geographical division to which Arkansas belongs, namely, the South Central States.

TABLE 7.—A comparison of the expenditure per pupil in average attendance for the whole school year for the United States as a whole, for Arkansas, and for the other States of the South Central Division.¹

State.	1890	1900	1910	1918
United States as a whole.....	\$7.22	\$20.29	\$27.85	\$49.12
Arkansas.....	6.84	7.01	11.60	16.70
Kentucky.....	9.78	8.58	14.81	26.53
Tennessee.....	4.72	5.17	10.12	18.97
Alabama.....	4.88	3.10	10.05	17.76
Mississippi.....	5.52	6.48	10.20	12.32
Louisiana.....	8.60	7.76	19.65	25.78
Texas.....	10.89	11.35	16.16	31.15
Oklahoma.....		10.77	20.62	42.46

¹ Based upon United States Bureau of Education data.
² In 1896-97.

³ In 1898-99.
⁴ Approximately.

Table 7 reveals at a glance the fact that Arkansas has not kept pace with many of the other South Central States. Table 8 shows the amount and percentage of increase for the United States as a whole and for each of the South Central Group, also the rank of each State in 1890 and 1918 as to expenditure per child in average daily attendance.

TABLE 8.—Increase in expenditure per pupil in average daily attendance, 1890-1918.

	Increase in expenditure.			Rank in expenditure.	
	Amount.	Per cent.	Rank.	1890	1918
United States as a whole.....	\$31.90	185			
Arkansas.....	9.86	144	7	4	7
Kentucky.....	16.75	171	6	2	3
Tennessee.....	14.25	301	1	7	5
Alabama.....	12.88	263	3	6	6
Mississippi.....	6.80	123	8	5	8
Louisiana.....	17.18	199	4	3	4
Texas.....	20.26	186	5	1	2
Oklahoma (1900-1918).....	31.69	294	2		1

From Tables 7 and 8 we see that of the eight South Central States, every one except Mississippi has increased its rate of expenditure per child far more rapidly than Arkansas. Whereas Arkansas's rate of increase was approximately 150 per cent, that of Tennessee was over 300 per cent, and that of Oklahoma nearly 300 per cent. We see further that, whereas Arkansas stood fourth from the top in 1890, in 1918 she stood next to the bottom. In 1890 the United States as a whole spent \$10.38 more per child in average daily attendance than Arkansas, i. e., 152 per cent more. If we compare the actual amount spent by the United States as a whole with that spent by Arkansas per child in average daily attendance, we discover that in 1890 the United States spent 2.5 times as much as Arkansas, 2.9 times as much in 1900, 2.4 times in 1910, and 2.9 times in 1918. It is evident that Arkansas has made no headway whatsoever in catching up with the United States as a whole or with the rest of the States individually. This situation is revealed graphically in Figure 3.

We have now seen that Arkansas, when compared with the United States as a whole and with the States of her own group, the South Central States, ranks exceedingly low as to (1) the amount of money she spends on the education of the individual child, and (2) as to the amount she spends in proportion to her ability (taxable wealth). We have also seen that, far from gaining in the general forward movement which has characterized education in the United States

during the past two decades, she has sunk in her own geographical group from the fourth place (1890) to the ninth place. Let us now consider just what these facts mean as to the actual school conditions.

EXISTING EDUCATIONAL INEQUALITIES—GENERAL VIEW.

- Every great American leader, from Washington to the present time, has insisted that without a system of free universal education democracy is doomed. The acid test of democracy is equality of opportunity. The foundation and safeguard of democracy is equal-

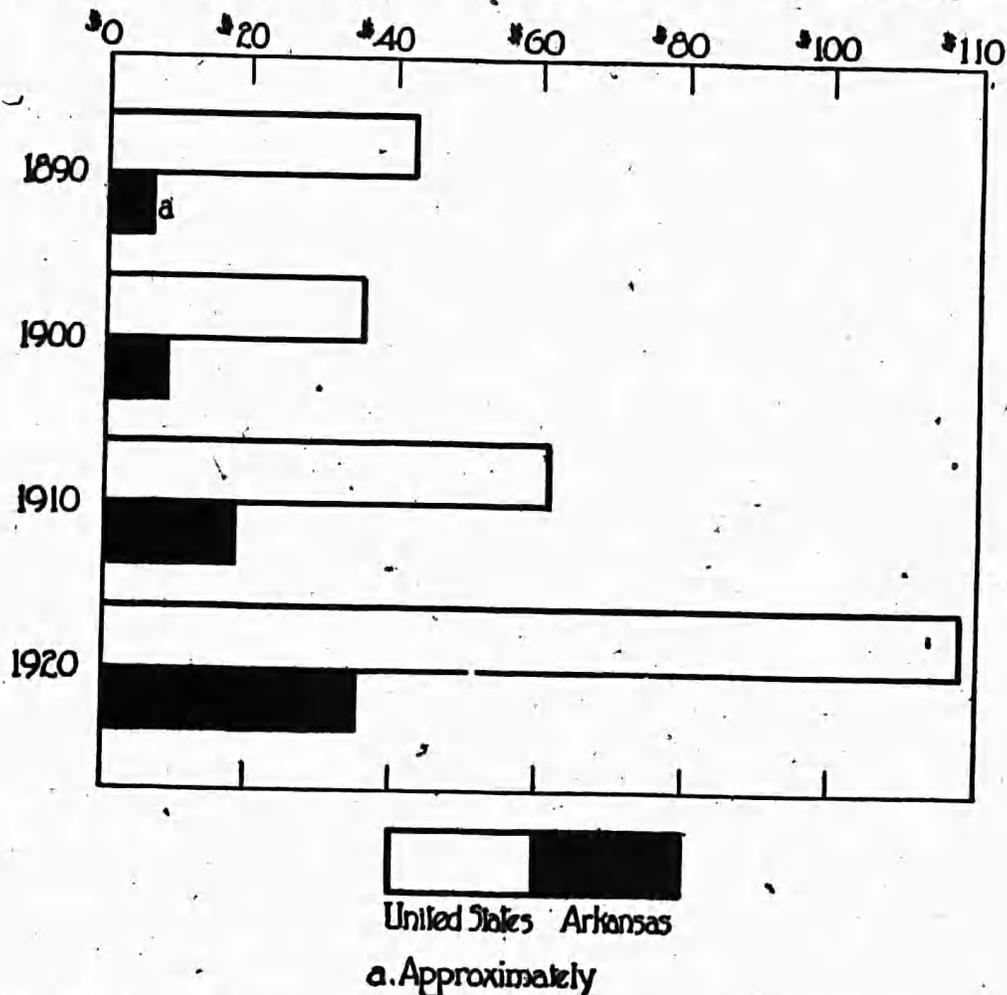


FIGURE 8.—A comparison of the expenditure per pupil in average attendance for the whole school year for the United States as a whole and for Arkansas. Based upon United States Bureau of Education data.

ity of educational opportunity. With these principles in mind, let us attempt to discover to what extent Arkansas is providing educational opportunity for her future citizens, to what extent this opportunity which she provides is universal and equal.

To the first of these two questions' the answer is that for thousands of children Arkansas is providing absolutely no chance. To these children to be born in Arkansas is a misfortune and an in-

justice from which they will never recover and upon which they will look back with bitterness when plunged, in adult life, into competition with the children born in other States which are to-day providing more liberally for the education of their children. Not one child here and there in Arkansas, but multitudes of children, the future citizens of this rich Commonwealth, are doomed to illiteracy. These are facts which everyone who familiarizes himself with the situation will admit, and which can not be refuted.

In 1910 there were 55,000 whites and 86,000 negroes over 10 years of age in Arkansas who could not read or write a single word. The child who was 10 years old in 1910, in 1920 had given the State 10 years in which to educate him, yet in 1920 there were 41,000 illiterate whites and 79,000 illiterate negroes.

In 1920 on every school day in the year 32 out of every 100 children who were enrolled in school did not attend school at all, and 28 out of every 100 children of school age were not enrolled.

Arkansas has from time to time adopted certain progressive policies and has increased her rate of school tax, but all that she has done thus far has been merely to attempt to improve the educational machinery provided over 50 years ago. Everyone knows that there comes a time when it is no longer sufficient to remodel an old machine. The old machine must be discarded and an entirely new one installed, if a corporation is to compete with other corporations. This is the situation in which the State of Arkansas, a sovereign corporation, finds itself to-day with respect to its machinery for producing education. No mere remodeling or patching will suffice. An entirely new machine must be introduced.

Reserving for the present a complete statement of recommendations, we may note here that one of the first things which Arkansas must do is to see that communities are provided with sufficient funds to guarantee educational facilities to every child. Following upon this she must enact a compulsory school law which has teeth in it. She must provide salaried truant officers to enforce this law, and place severe penalties upon parents, guardians, and employers of children who violate it. Members of the survey staff found communities which would have regarded the enforcement of the compulsory educational law as a genuine calamity. Men in these communities said:

The fact that the compulsory education law is not enforced is our salvation. Our schools are already crowded to the bursting point. What would we do if we were forced to make room for the large number of children who do not come?

In a word, every progressive State is committed to the nine months' school, 180 days. Arkansas maintains next to the shortest school year of all the States in the Union, and only six States have a smaller

TABLE 9.—Financial conditions in Arkansas city systems of 10,000 inhabitants and over, 1921.¹

City.	Are schools in debt for maintenance equivalent of one year's income?		Is tuition charged or are there other unusual means of raising funds?		Is school building in debt for one-fourth of assessed valuation?		Does the city face building program costing one-fourth of assessed valuation?		Is there a paid secretary of board?		Does superintendent make a budget?		Does board have three or more standing committees?		Is there a system of records at all similar to United States Bureau (fiscal) form?		Is board responsible for financial policies of school?		Would one-half the buildings be scored 500 or below? ²			
	Yes.	No.	Yes.	No.	Yes.	No.	Yes.	No.	Yes.	No.	Yes.	No.	Yes.	No.	Yes.	No.	Yes.	No.	Yes.	No.		
Blytheville.....	X		X		X		X		X		X		X		X		X		X		X	
Eldorado.....																						
Fort Smith.....	X		X		X		X		X		X		X		X		X		X		X	
Jonesboro.....																						
Helena.....																						
Hot Springs.....	X		X		X		X		X		X		X		X		X		X		X	
Little Rock.....	X		X		X		X		X		X		X		X		X		X		X	
North Little Rock.....	X		X		X		X		X		X		X		X		X		X		X	
Paragould.....	X		X		X		X		X		X		X		X		X		X		X	
Pine Bluff.....	X		X		X		X		X		X		X		X		X		X		X	
Texarkana.....	X		X		X		X		X		X		X		X		X		X		X	
Total.....	4	5	6	4	4	4	5	6	3	7	4	5	6	7	4	3	7	3	6	4		

¹ Shelton Phelps, "The Administration of Education in Cities Having Population of Ten Thousand and More," a chapter in the Survey of Public Education in Arkansas conducted under the direction of the Bureau of Education.
² Negro building included.
³ Called matriculation.
⁴ Voluntary 10 mill tax.
⁵ Schools were closed last year for lack of funds.



percentage of enrolled children in daily attendance. In 1920 the average school year maintained was approximately six months (126 days), yet, as we shall see, this average is entirely misleading, for in Newton, Van Buren, and other counties the average school year was only slightly over three months. Out of nine counties studied, five had a school year of less than six months, and three of these less than five months. In many communities the schools were closed most of the school year for lack of funds, and in some communities they were closed for the entire school year. Arkansas is probably the only State in the world enjoying membership in a nation of the first rank in which the free public schools of a city of 10,000 inhabitants (North Little Rock) were closed for an entire year. The schools of Hot Springs and of Texarkana would have closed for the remainder of the present year at Christmas, because they had exhausted their finances, but were saved by resorting to tuition fees and private subscriptions.

In his study of cities of over 10,000 population, Doctor Phelps brought to light a number of exceedingly important facts which revealed financial conditions in 11 of the cities of Arkansas.³ Five of the 11 cities were in debt for maintenance a sum equivalent to one year's total income. Seven of the 11 charged tuition or employed some other unusual means for raising funds. These facts are presented in the Table 9, taken directly from his report.

Arkansas schools in the great majority of cases are lacking in equipment, in many cases totally lacking. Moreover, the number of teachers in many instances has been cut and the salaries of all reduced in order to continue open on inadequate funds. The average monthly salary of teachers in the United States in 1918 was \$112, but the average monthly salary in Arkansas in 1920 was \$72, or \$40 less than the average monthly salary in the United States in 1918.

Table 10 shows something of the chance a child is given in different counties, how poor the chance is for many children in each of the counties selected, and how unequal. A county's ability to provide a child with a proper education depends not upon the county's total wealth, but upon the amount of wealth back of each child to be educated.⁴ It would be both impractical and confusing to attempt to present here the conditions in each of the 75 counties of Arkansas; consequently in Table 10 we confine our comparison to the

³ See Ch. VIII, *The Public School System of Arkansas*, U. S. Bu. of Educ., Part I, Bull., 1923, No. 10.

⁴ So many children of school age in Arkansas are not enrolled, and so many children enrolled are not in average daily attendance, that these two bases (number of children enrolled and number of children in average daily attendance), which might be more satisfactory in some States, are open to more serious objection in the case of Arkansas than that of the number of children enumerated.

three richest, the three poorest, and the three counties of middle rank on the basis of assessed valuation behind each child of school age.

TABLE 10.—*A child's chance in Arkansas—Existing inequalities in educational opportunity.*¹

	Counties.								
	Pu-laski.	Ar-kansas.	Gar-land.	White.	Hemp-stead.	Boone.	Stone.	Van Buren.	New-ton.
Rank in assessed valuation per child enumerated.....	1	2	3	37	38	39	73	74	75
Per cent of enumerated not enrolled (1920).....	31	28	8	22	33	13	39	21	24
Per cent enrolled not in average daily attendance (1920).....	31	30	47	36	35	25	39	30	34
Length of school year (1921) in months, weeks, days.....	8-3-1	7-1-2	6-2-2	6-0-2	5-3-2	5-1-4	4-1-4	3-3-2	3-3-2
Average monthly salary of white women teachers in rural school districts (1921).....	\$84	\$49	\$76	\$70	\$82	\$62	\$63	(²)	\$62
Type of teachers provided in 1921: Per cent ³ who held State or professional certificates.....	32	11.5	22	6.7	4	5.8	2.9	4.7	31
Per cent who were less than high-school graduates.....	(²)	33	60	52	33	74	92.5	68	(²)
Average annual expenditure per child enrolled (1921).....	\$30.54	\$16.39	\$18.96	\$11.19	\$10.21	\$11.12	\$6.24	\$9.42	\$8
Average value of all school property per child enrolled (1921).....	\$151	\$56	\$72	\$28	\$30	\$40	\$11	\$21	\$19

¹ Data for 1920 from report for 1919-20 of Arkansas superintendent of public-school instruction.

² Data not reported.

³ Per cent of the total number of teachers whose scholastic preparation was reported; approximately one-third of those reported were not classified as to preparation.

From Table 10 we see that if a child lives in the richest county in the State, Pulaski County, the chances are 31 out of 100 that he will not even be enrolled in school; and if enrolled, the chances are 31 out of 100 that he will not be in school on any particular day. If he lives in Hempstead County, the chances are 33 out of 100 that he will not be enrolled; and if enrolled, 35 out of 100 that he will not be in school on any particular day. If he lives in Newton County, the poorest county in the group, the chances are 24 out of 100 that he will not be enrolled; and if enrolled, 34 out of 100 that he will not be in school on any particular day. If he lives in Garland County, the chances are strongly in favor of his being enrolled, being 92 out of 100; but this promising situation is offset by the fact that if enrolled, the chances are 47 out of 100 that he will not be in school on any particular day. In Stone County the chances are 39 out of 100 that he will not be enrolled; and if enrolled, 39 out of 100 that he will not be in school on any particular day. It is evident that there are many children in Arkansas of school age whose names are not even on the school books, and many more who, although enrolled, are daily not in school.

Table 10 shows further the inequalities in the amount of educational opportunity offered to those children who do go to school. It shows that if a child belongs to that small group who never miss a day, the average amount of schooling offered him in the year 1921 would vary all the way from 8.4 months in Pulaski County to 3.8 months in Van Buren and Newton Counties. In other words, the schools in the two poorest counties in the group, Van Buren and Newton, are open $4\frac{1}{2}$ months less than the schools in Pulaski County,

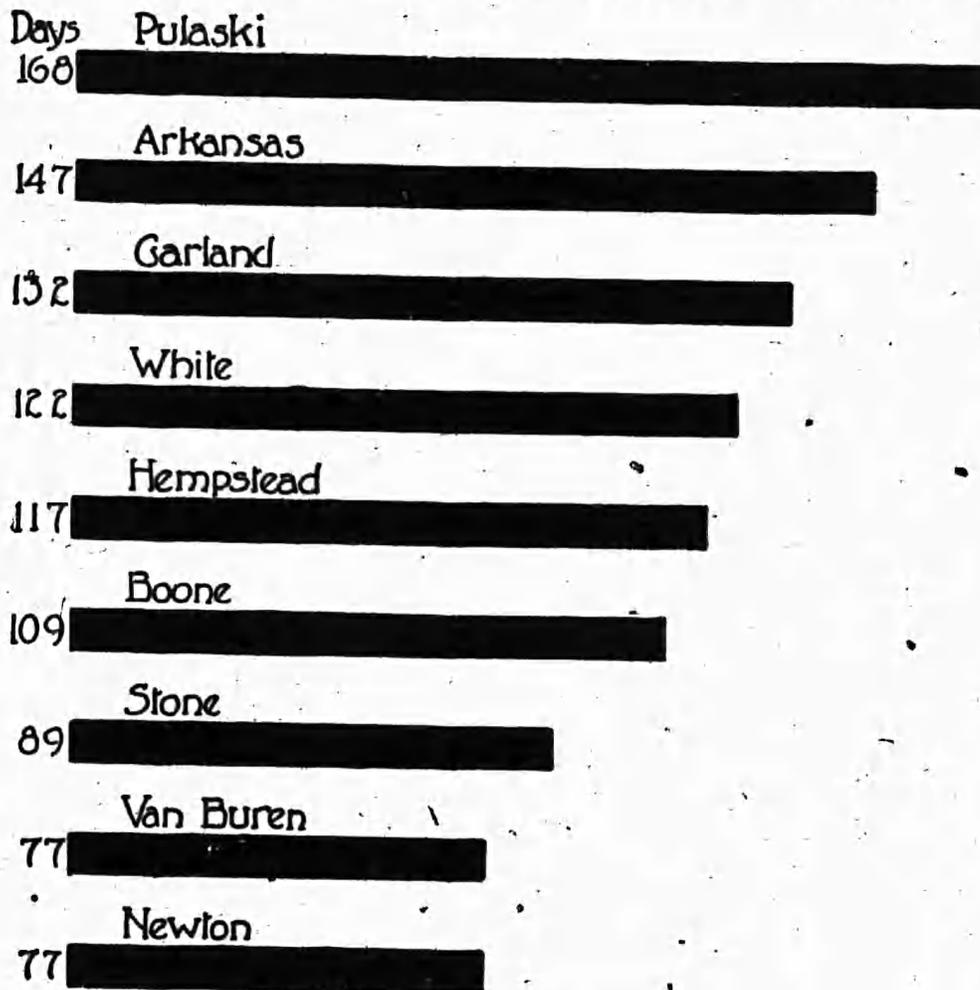


FIGURE 4.—Average length of school year in nine Arkansas counties.

a difference greater than the entire length of the school year in 3 out of 9 counties included in Table 10. We see, moreover, that as the wealth per child decreases, so does the length of the school year. This situation is presented graphically in Figure 4.

A county's effort to secure good teachers for its children may be largely judged by the salaries it pays. The group of teachers which lends itself most readily to comparison is that composed of white women teachers in rural school districts. Table 10 shows that of the eight counties reported two paid an average salary of over \$80 per month, two paid between \$70 and \$80, three between \$60 and \$63,

and one paid \$49. Two of the poorest counties, Newton and Stone, paid \$13 and \$14 more, respectively, per month than the second richest county, Garland, but employed their teachers for a school year approximately only half as long.

If we multiply the average monthly salary by the number of months in a county's average school year, we may approximate the average annual salary. If we do this we discover that the white women teachers in rural school districts in Arkansas County are of a type which can be secured at a salary of \$360 per school year; in Benton at \$337 per year; in Stone at \$279 per year; and in Newton at \$231 per year. What sort of training can counties demand of teachers to whom they pay annual salaries of \$360, \$337, \$279, and \$231? This question is answered by the data which show the grade of certificate held and the per cent of the total number of teachers⁵ who have received less than a high-school education.

The highest grade of teacher's certificate in Arkansas is the so-called "State certificate," and the next highest is the "professional certificate." From Table 10 we see that, whereas in Pulaski County 32 teachers out of every 100, and in Garland County 22 out of every 100, hold a certificate of one of these two highest grades, in Arkansas County such certificates are held by fewer than 12 teachers out of 100; in White, by fewer than 7; in Boone, by fewer than 6; in Van Buren, by fewer than 5; in Hempstead, by only 4; and in Stone, by fewer than 3 out of 100.

In 1921 the Arkansas State Department of Education endeavored to ascertain the character of the scholastic preparation of the teachers of the State. For 35 per cent of the total number of teachers reported, no record of scholastic preparation was returned. Of those whose scholastic preparation was reported, fewer than 5 out of 100 were college graduates, fewer than 3 were normal-school graduates, more than 20 were high-school graduates, and between 55 and 56 were less than high-school graduates. From the table we see that of the persons undertaking to teach the children of the nine counties there represented, the number out of every 100 in 1921 who had not so much as graduated from high school was 33 in Arkansas and Hempstead Counties, 52 in White County, 60 in Garland County, and 92 in Stone County. Newton County, it will be observed, failed to make any statement regarding the number of teachers who were less than high-school graduates.

The extent to which the opportunity for education is available to the children of a county depends upon many different factors, such

⁵I. e., the per cent of the total number whose scholastic training was reported to the State department of education. For a considerable number of teachers no report was returned, and the data received from Pulaski County were too incomplete to be considered at all.

as topography, the condition of roads, enforcement of compulsory education laws, and the number of schools and teachers provided. The number of teachers provided in the nine counties under discussion for each 1,000 children enrolled varies from 21 to 41, and for each 1,000 enumerated, from 13.1 to 24.7. Stone, one of the three poorest counties, provides by far the largest number of teachers per 1,000 children enumerated, but it should be recalled that this county pays an average annual salary of only \$279, and that 92.5 per cent of its teachers have had less than a high-school education, and that its school term is only four months.

The highest average number of pupils per teacher in any of these nine counties is 50; yet in Prairie County the average number of pupils per teacher was 80, and the survey staff found many high-school rooms where between 50 and 60 pupils were crowded together under the charge of one teacher, and elementary schools in which one teacher was attempting to instruct 60, 70, or 80 pupils. One one-teacher negro school reported an enrollment of 160 pupils.

Perhaps the best single index of a child's chance to secure an education is the amount of money spent on his schooling. A comparison of the amount of money spent annually by the various counties upon each school child, together with the amount invested in school property, will throw much light upon the question of a child's educational opportunity, and upon the question of the equality or the inequality of the educational opportunities provided for the children in Arkansas.

From Table 10 we see that a child living in Pulaski in 1921 was given on the average an education which cost \$30 per year, whereas a child living in Stone County was given an education which cost \$6 per year. Nor was this all; for the amount of money invested in school property for such a child amounted to \$151 in Pulaski, but to only \$11 in Stone County. Figure 5 presents graphically this inequality in expenditures and investments for education in the nine counties included in Table 10.

Let us not leave Table 10 without noting that the data represent averages, and that averages fail to record the extremes. In considering inequalities of educational opportunity, the lower extremes are particularly significant. This is evident the moment we discover that there are certain districts every year in a number of counties which levy no school tax whatever and maintain no schools. It is obvious that a child's chance in such a district is zero. Nor do the data presented convey an adequate idea of the lack of fitness of the teachers to whom many children are intrusted, nor of the meagerness of the educational facilities available to many children. We have already noted that more than one-quarter of the teachers in

Arkansas have completed no more than an elementary education. Undoubtedly many of these have not gone beyond the sixth grade.

The last statement suggests that the extremes of inequality in educational opportunity can only be revealed by an intensive study of district variations and by taking into account the differences made in provisions for white and for negro children.

The data in Table 10 do not reveal the extremes of variation, but rather the situation and conditions characterizing counties representing different gradations of wealth. For this reason Table 11 is presented to show the extremes of variation as to teachers' monthly salary, length of school year, and average annual expenditure per child.

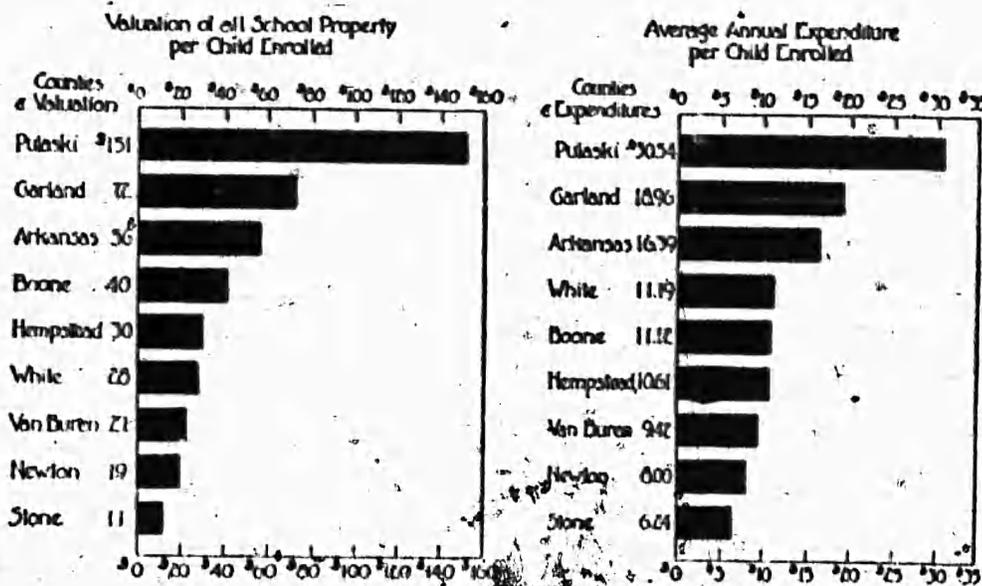


FIGURE 5.—Investment in education in nine Arkansas counties.

It will be seen that, where monthly salaries recorded in Table 10 vary from \$82 to \$49, those recorded in Table 11 vary from \$114 to \$35. The variation in annual expenditure per child enrolled is, in Table 10, from \$30 to \$6; in Table 11, from \$46.22 to \$2.20.

TABLE 11.—Extremes of inequalities in educational opportunities among Arkansas counties.

	White.		Colored.	
	Highest.	Lowest.	Highest.	Lowest.
Average monthly salary to women in rural common school districts.....	Little River. \$114	Izard. \$53	White. \$75	Perry. \$35
School year, in months, weeks, and days, 1921..	Pulaski. 8-2-0	Newton and Van Buren. 3-3-2	Hot Springs. 8-0-2	Izard. 3-0-0
Average annual expenditure per child enrolled.	Pulaski. \$46.22	Marion. \$3.75	Garland. \$14.45	Johnson. \$2.20

Chapter II.

THE CAUSES OF EDUCATIONAL INEQUALITIES.

Inequalities in school burdens, inequalities in ability, inequalities in effort, and inequalities in assistance received—these may be said to be the most important causes of the educational inequalities thus far discussed.

A moment's consideration will show that, viewed from the financial standpoint, the weight of the school burden of a community depends upon the number of children it must educate, the amount of wealth it has to draw upon, the amount of money it spends, and the aid it receives from the State.

A considerable number of children in Arkansas of school age—6 to 21—are beyond the probable as well as the compulsory school age. It might seem, therefore, that wealth per child enrolled would be a better index of a community's ability to provide schools than wealth per child enumerated. On the other hand, such a measure would be exceedingly unfair when comparison is made between communities which enroll a large per cent of all children of school age and those which do not.

Inequalities in wealth per child enrolled or per child enumerated are inequalities in ability to provide schools; inequalities in rate of taxes levied represent inequalities in effort; inequalities in State aid received from quotas per child enrolled are obviously inequalities in assistance received. Table 12 shows that back of the inequalities in educational opportunities revealed in Table 10 lie inequalities in ability to support schools, inequalities in effort, and inequalities in State grants. It will be seen at once that the counties included in Tables 10 and 12 are identical; the basis of selection is therefore the same, rank in assessed valuation per child enumerated.

We see at once that the counties included in Table 12 are the three ranking highest, the three ranking lowest, and the three of the middle rank, selected on the basis of the assessed valuation per child enumerated. In total assessed valuation the nine counties vary from 61.6 to 1.6 millions; in valuation per child enrolled, from \$3,151 to \$598 (ratio, 5.8); in average tax rate, from nearly 12 mills (11.75) to approximately 6.5 (ratio 1.7); in State aid per child enrolled, from \$5 to \$3 (ratio, 1.3).

TABLE 12.—*Inequalities in school burdens of Arkansas counties, 1921—A comparison of ability, effort, and aid.*¹

County.	Assessed valuation (million dollars).	Assessed valuation per child enumerated.		Total enrollment, white and colored.	Assessed valuation per child enrolled.	Average rate of total district school tax (mills). ²	Proceeds of district tax per child enrolled.	State aid per child enrolled.	Per cent of school children not enrolled.	Average annual expenditure per child enrolled.
		Rank in State.	Valuation.							
1	2	3	4	5	6	7	8	9	10	11
Pulaski.....	61.6	1	\$1,802	19,549	\$3,151	11.75	\$37.05	\$1.25	31	\$30.54
Arkansas.....	12.8	2	1,732	5,818	2,205	8.55	18.91	3.24	28	16.34
Garland.....	15.2	3	1,655	7,405	2,079	11.15	23.00	3.50	8	18.96
White.....	10.8	37	793	10,622	1,017	10.75	10.95	3.15	22	11.19
Hempstead.....	9.6	38	782	9,537	1,002	10.65	10.78	3.46	33	10.21
Boone.....	4.4	39	779	4,832	922	10.60	9.81	3.09	15	11.12
Stone.....	1.6	73	431	3,028	540	6.55	3.55	3.16	39	6.24
Van Buren.....	2.0	74	383	2,918	737	6.70	4.78	5.14	21	9.42
Newton.....	1.7	75	377	2,944	598	7.90	4.73	4.13	24	8.00

¹ Data in columns 2 and 3 are for 1920; data in all other columns for 1921. Obviously 1920 assessments are the bases for such 1921 computations as appear in these remaining columns.

² Includes both maintenance and building tax. Rate is computed by dividing the sum of 1921 total county proceeds of district building and maintenance tax by 1920 assessed valuation.

³ Of this sum approximately 15 cents per child comes from the United States forest reserve fund.

The most able county, Pulaski, levies the heaviest taxes, and spends the largest amount of money per child enrolled. We find the same situation with respect to White County, when compared with Hempstead and Boone. But equitable division of ability, effort, and aid are not the outstanding characteristics of the situation revealed by Table 12. Arkansas County, which is more than twice as able as White and Boone, levies more than 2 mills less than each; in other words, it makes about four-fifths the effort, derives from this lighter tax approximately twice as much revenue per child enrolled, is able to spend \$5 more on every child enrolled than either of the other two, has a considerably larger per cent of children not enrolled in school, yet receives more help from the State than either White or Boone County. Newton County's valuation per child enrolled is \$598, Van Buren's, \$737. Van Buren levies 1.2 mills less than Newton, derives therefrom more funds per child, yet receives from the State \$5.14 per child enrolled, whereas Newton receives only \$4.13.

If educational burdens in Arkansas are to be equalized, local school units must exert themselves in proportion to their ability, and State aid must be given in such a manner as to render relief proportionate to a community's effort and need. The present system and methods of support violate these, the most fundamental principles of State aid. Further evidence of this is presented in Table 13, in which are included 17 counties selected with a view of representing not merely differences in wealth, but differences in

social, educational, industrial, racial, and economic conditions, and in geographical locations. These differences can be easily grasped from the following tabular statement:

North: Marion, Clay, Baxter, Searcy, Van Buren, Newton.

South: Lafayette, Union, Bradley, Hempstead.

East: Chicot, Desha, Arkansas, Crittenden.

West: Johnson, Sebastian.

Central: Pulaski, Jefferson.

Sebastian is the second richest county in the State, containing considerable mining property, and represents the living conditions of the hill country, being on the edge of the Ozarks.

Lafayette, situated in the extreme southwestern corner of the State, is about equally divided between rich farming land and poor hill land.

Pulaski is included because it is the richest county in the State and because it contains the largest commercial center, Little Rock.

Johnson is a mining county, rich in coal, medium as to area, and with an almost entirely white population. (Only 1.6 per cent of the total population is negro).

Hempstead is a county in which the racial division is nearly equal, 44.9 per cent of the population being negro. It ranks thirty-eighth as to assessed valuation per child enumerated.

Chico and Crittenden are overwhelmingly negro in population, 73.8 per cent of the population of the former and 84.1 per cent of the population of the latter being colored. Chicot lies in the Mississippi Valley and contains some of the most fertile farming land in the State.

TABLE 13.—*Inequalities in wealth, population, and school expenditures in Arkansas counties, 1920.*

Counties.	Assessed valuation per child enumerated.		District tax per child enrolled.		State appropriation per child enrolled.		Total expenditure per child enrolled.	
	Rank in group.	Amount.	Rank in group.	Amount.	Rank in group.	Amount.	Rank in group.	Amount.
Pulaski.....	1	\$1,802	1	\$37.05	2	\$4.34	1	\$44.02
Sebastian.....	2	1,504	2	24.97	13	3.31	2	29.22
Lafayette.....	3	1,051	5	12.68	15	3.26	5	17.91
Desha.....	4	996	3	14.13	8	3.48	3	19.31
Jefferson.....	5	908	10	10.02	6	3.51	14	13.13
Crittenden.....	6	888	12	9.62	5	3.83	12	13.80
Bradley.....	7	881	4	13.57	11	3.36	4	19.04
Clay.....	8	819	6	12.66	14	3.29	9	14.72
Hempstead.....	9	782	8	10.78	7	3.48	11	14.66
Johnson.....	10	766	9	10.36	42	3.34	8	15.42
Chicot.....	11	759	7	11.26	4	3.89	6	17.39
Marion.....	12	715	13	8.42	9	3.47	16	12.83
Union.....	13	698	11	9.93	10	3.43	15	12.84
Baxter.....	14	626	14	6.67	16	3.22	7	15.83
Searcy.....	15	543	15	5.40	17	3.13	13	13.22
Van Buren.....	16	393	16	4.78	1	4.69	17	12.32
Newton.....	17	377	17	4.73	3	3.97	10	14.68

Marion is an all-white county, mountainous and poor. Union County is a typical south-central county, large in area, much of which is covered with poor sand hills. As this county contains Eldorado, it has become famous during the past year for oil discoveries and for its potential wealth.

INEQUALITIES IN DISTRICT BURDENS.

As with educational opportunities so with school burdens, the greatest extremes of inequality are to be discovered only through a study of school districts. Table 14 enables us to compare the richest and poorest districts of seven Arkansas counties with respect to their ability (assessed valuation per child enrolled), their effort (tax rate), and the amount of State aid received. The counties were selected from a group of 17 chosen at random, and are arranged in the order of the assessed valuation of richest districts.

TABLE 14:—*Inequalities of school burdens of Arkansas districts—A comparison of ability, effort, and aid.*¹

County.	District. ²	Num-ber.	En-rollment.	Total assessed valuation per child enrolled.	Ratio of assessed valuation per child enrolled of richest and poorest districts.	Cost per child enrolled.	District tax rate (mills).	State aid per child enrolled.
Sebastian.....	Richest.....	81	102	\$2,538	5.8	\$34.60	12	\$2.92
	Poorest.....	41	30	433				
White.....	Richest.....	103	88	2,000	6.6	25.33	6	3.39
	Poorest.....	70	29	317				
Ashley.....	Richest.....	6	187	1,678	5.9	42.03	12	4.21
	Poorest.....	18	53	281				
Carroll.....	Richest.....	32	35	1,512	8.3	12.32	12	2.81
	Poorest.....	95	28	181				
Union.....	Richest.....	5	281	1,243	5.7	20.90	12	3.25
	Poorest.....	70	65	215				
Benton.....	Richest.....	109	412	800	3.6	11.59	12	2.89
	Poorest.....	56	71	217				
Marion.....	Richest.....	65	27	570	5.6	5.00	5	3.59
	Poorest.....	4	255	101				
Sebastian.....	Richest of the rich.....	81	102	2,538	25.1	34.60	12	2.92
Marion.....	Poorest of the poor.....	4	255	101				

¹ Based upon data furnished by the Arkansas State Department of Education, November, 1921.

² "Richest district" means not necessarily the district having the greatest total assessed valuation, but the district having the greatest assessed valuation per child enrolled; likewise, "poorest district" means the district having the lowest assessed valuation per child enrolled.

From Table 14 we see that, among the seven counties selected, in that county (Benton) where the difference between the richest and the poorest district is the least, the richest district has 3.6 times as much wealth to draw upon for maintaining schools as the poorest.

In four counties of the seven the richest district is more than five times as able as the poorest district; in other words, its burden is

not more than one-fifth. In White County, the richest district's assessed valuation per child enrolled is 6.6 times that of the poorest district, and in Carroll County, 8.3 times. District No. 65, the richest rural district of Marion County, has a burden more than four times as heavy as that of the richest district of Sebastian County, and is proportionately less able to provide its children with free schools. Finally, we discover that district 81 in Sebastian County is more than 25 times as able to provide schools as district 4 in Marion County.

In five of the seven counties the poorest district levies as heavy a tax as the richest. In White County the tax rate levied by the poorest district was 1 mill heavier than that levied by the richest; and in Marion County it was 2.4 times as heavy. In Carroll County the richest district, No. 32, is more than eight times as rich as No. 95, the poorest district; levies a tax of the same rate and is able to spend more than three times as much per child enrolled, yet receives from the State twice as much aid for every child enrolled. Equally striking is the situation in Marion County, in which the poorest district, No. 4, has less than one-fifth as much wealth as the richest upon which to draw for maintaining schools, yet levies 2.4 times as heavy a tax, spends more, but receives less State aid per child.

The fact that the constitution of Arkansas fixes the maximum district tax at 12 mills makes it impossible for many a district to express its real zeal for education by levying an adequate tax. This constitutional provision also results in producing a variety of district rates which extend from zero to 12 mills. On the one hand, the fact that no district is compelled to levy any school tax whatsoever, and that some districts take advantage of this, makes it possible to discover those communities in which zeal for education and effort to maintain schools may well be represented as zero. On the other hand, we find many communities in Arkansas giving evidence far beyond that betokened by the levying of the maximum 12-mill tax. Such is the case with a considerable number of communities which increase their inadequate school funds by various other funds, such as voluntary supplementary taxes, gifts and subscriptions, and tuition fees.

On the basis of zeal and effort we have therefore four general classes of districts: (1) Those which levy no tax and maintain no schools; (2) those which levy a tax less than the maximum 12 mills; (3) those which levy the maximum; and (4) those which levy the maximum tax and provide by taxation or other means supplementary local support. Because such supplementary support is not provided by all districts, and because the data available concerning

the revenue thus provided are incomplete, we shall continue to limit our account of inequalities in zeal and effort to a consideration of the ordinary local tax rates.

In the year 1920-21 there were in Arkansas 5,021 school districts: of these, 599 were special districts and 4,222 were common school districts. Of the special school districts 563, or approximately 94 per cent, levied the maximum 12-mill tax; 20, or approximately 3 per cent, levied a tax of more than 12 mills. For 16 districts, approximately 2 per cent, no report is available. Of the common school districts, 56 per cent levied a 12-mill tax; 11 per cent levied less than 7 mills; nearly 2 per cent levied no tax at all. Table 15 shows the various rates levied by common school districts and the number and per cent of districts levying each rate.

TABLE 15.—Arkansas common school district tax rates, 1920-21.¹

Rates of district school tax (mills)	Number.	Per cent of total number of common-school districts.
12.....	2,489	56.3
10 to 11.....	466	10.5
8 to 9.....	255	5.8
7.....	627	14.2
Less than 7.....	507	11.5
None.....	78	1.7
Total.....	4,422	100.0

¹ Data furnished by State department of education.

From Table 15 we see that approximately 56 districts out of every 100 are levying the maximum school tax. The remaining 44 vary all the way from that degree of effort represented by an 11-mill tax down to zero. In a State which ranks educationally third from the bottom of the list (47), more than one-quarter of the common-school districts (27.3 per cent) are levying taxes of 7 mills, less than 7 mills, or no tax at all. It is safe to affirm that no State can expect to maintain an efficient educational system on this basis. One of the first steps which Arkansas must take, if she is to educate her children, is to levy a tax comparable with that of other States.

Since our attention at this point is directed upon inequalities in educational effort, especial interest attaches itself to those districts which make no effort at all, i. e., levy no school tax. Table 16 shows the counties which in 1920 and 1921 contained districts which levied no school tax; the number of such districts in each county; the county's rank among the 75 counties of the State as to assessed valuation per child enumerated, and as to average annual expenditure per white child enrolled.

TABLE 16.—School districts voting no school tax in 1920 and 1921—Valuation and school expenditures.¹

Counties.	Rank.		Number of districts voting no school tax.		Counties.	Rank.		Number of districts voting no school tax.	
	As-sessed valuation per child enumerated.	Annual expenditure per child enrolled.	1920	1921		As-sessed valuation per child enumerated.	Annual expenditure per child enrolled.	1920	1921
Arkansas.....	2	17	3	11	Madison.....	68	74	16	7
Baxter.....	60	53	8	1	Marion.....	51	75	2	1
Benton.....	9	64	1	1	Montgomery.....	66	62	1	1
Boone.....	39	51	5	2	Nevada.....	72	35	1	1
Carroll.....	46	72	1	8	Newton.....	75	70	12	5
Cleburne.....	61.5	56	2	2	Perry.....	36	46	6	.....
Columbia.....	58	21	2	2	Pope.....	56	67	3	.....
Cleveland.....	63	54	1	1	Randolph.....	57	69	3	2
Craighead.....	8	39	1	.....	Scott.....	61.5	60	3	1
Crawford.....	40	41	1	1	Searcy.....	70	44	7	4
Hot Springs.....	31	32	.....	3	Sharp.....	65	71	7	2
Independence.....	34	55	9	4	Stone.....	73	73	13	4
Izard.....	67	61	2	.....	Van Buren.....	74	68	8	2
Jefferson.....	19.5	10	2	.....	Yell.....	44	52	2	2
Johnson.....	41	48.5	.....	2	Total.....	.....	.....	120	78
Lawrence.....	18	50	.....	1					
Lincoln.....	64	27	1	.....				

¹ Ranks in columns 1 and 2 (on basis of 75 counties) computed on basis of unpublished tables furnished by Arkansas State Department of Education: data in column 4, from similar source; data in column 3 taken from Ark. State Supt. Pub. Instr. Rep., 1919-20, Table I, pp. 140-141.

Summary.—In 1920, 26 counties contained 120 common-school districts where no school tax was levied.

In 1921 in 25 counties 78 common-school districts levied no school tax.

From Table 16 we see that 26 counties in 1920 and 25 counties in 1921 contained districts which levied no school tax. The total number of different counties reporting such districts in the course of the two years was 31. Six of the counties which in 1920 reported one or more districts levying no school tax reported no such districts in 1921; 5 counties which in 1920 did not report any such districts, in 1921 reported one or more districts as levying no tax. Of the 31 counties included in Table 16, 20 are the same for both years.

Table 16 furnishes us with important evidence that in many cases there is little or no relationship between ability and expenditures. Expenditure rank is very closely commensurate with rank in assessed valuation in the following 4 counties: Crawford (40 and 41), Hot Springs (31 and 32), Scott (61.5 and 60), and Stone (73 and 73); but in the remaining 27 the lack of any such close relationship is evident. This is particularly striking in the following cases: Arkansas (2 and 17), Benton (9 and 64), Carroll (46 and 72), Craighead (8 and 39), Independence (34 and 55), Lawrence (18 and 50), Lincoln (64 and 27), Marion (51 and 75), and several others. Nevada and Searcy are examples of counties in which the expenditure per child enumerated is greatly in excess of valuation. Such in-

stances are fully as significant as those of the former group as evidences of unequalized school burdens.

Table 17 groups the 31 counties included in Table 16, which contained "no-tax" districts, as to assessed valuation per child enrolled and as to average annual expenditures per white child enrolled.

TABLE 17.—Thirty-one counties containing no-tax school districts in 1920 and 1921, grouped according to rank in valuation and expenditure per child.

Assessed valuation per child enumerated.			Average annual expenditure per white child enrolled.		
Range of rank.	Number of counties.	Ranks of counties containing no-tax districts.	Range of rank.	Number of counties.	Ranks of counties containing no-tax districts.
1-9	3	2, 8, 9.	1-9	0	
10-19	2	18, 19.5.	10-19	2	10, 17.
20-29	0		20-29	2	21, 27.
30-37	3	31, 34, 36.	30-37	2	32, 35.
38	0		38	0	
39	1	39.	39	1	39.
40-49	4	40, 41, 44, 46.	40-49	4	41, 44, 46, 48.5.
50-59	4	51, 56, 57, 58.	50-59	7	50, 51, 52, 53, 54, 55, 56.
60-69	9	60, 61.5, 61.5, 63, 64, 65, 66, 67, 68.	60-69	7	60, 61, 62, 64, 67, 68, 69.
70-75	5	70, 72, 73, 74, 75.	70-75	6	70, 71, 72, 73, 74, 75

From Table 17 we see that, of the 31 counties containing "no tax" school districts, 8 were in the richest half of the State, 5 were among the richest 19, and 3 were among the richest 10, and 1 of these 3 was in the second richest county (Arkansas) in the State. It should be noted further that Arkansas County in 1921 contained 11 "no-tax" districts, or nearly one-seventh of the total number of "no-tax" districts in the entire State.

We may now summarize briefly the most important findings thus far made:

Arkansas, always behind the other States in the Union, has sunk steadily lower and lower in the past 30 years. Whereas in 1890 she ranked fourth among the South Central States with respect to her school expenditures, in 1918 she ranked next to the lowest. Again, whereas in 1918 Louisiana had increased her expenditure per child (see Table 6) 199 per cent over that of 1890, Alabama 263 per cent, Oklahoma (1900-1918) 294 per cent, and Tennessee 301 per cent, Arkansas had increased her expenditures only 144 per cent.

The results of this increasingly inadequate support are seen in a school system which, however good in certain communities, is, taken as a whole, very backward. The Arkansas school system does not contribute as it should to the social stability of the State and to its economic and industrial development. For many of her children it makes no provision whatever.

The present educational situation is the outcome of—(1) inadequate funds; (2) inequalities in district wealth, i. e., in ability to provide school moneys; (3) inequalities in effort; (4) inequalities in the amount of aid received from the State. Before attempting to suggest the means of remedying the present situation, it will be necessary to ask (1) from what sources Arkansas is deriving the money she employs for supporting schools; (2) to what extent she is using all the sources she might command; whether she will be able to solve her problem more successfully by drawing more heavily upon the sources now employed, or by providing additional sources such as are to be found in other States; and (3) whether or not the revenues she provides are distributed in a just, effective, and scientific manner. These questions will be answered in the immediately following chapters. We may well close the present section with Table 18, which shows for every county in the State for the year 1921 its expenditure per child enrolled, the average number of months school was maintained, the per cent of the adult population (over 10 years of age) which is illiterate, the per cent of the total population which is negro, the average county tax rate, and the State aid per child enrolled.

TABLE 18.—The 75 counties of Arkansas compared as to wealth, school expenditures, district tax, State aid, school attendance, illiteracy, and negro census.

Counties.	Assessed valuation per child enumerated.		Average annual expenditure for instruction per child enrolled.				County average rate of district school tax.	State aid per child enrolled.	Average length of school year.		Population 7-13 years, inclusive, attending school.		Population over 10 years which is illiterate.		Per cent of population which is negro.
	Amount.	Rank.	White.		Colored.				Months.	Rank.	Per cent.	Rank.	Per cent.	Rank.	
			Amount.	Rank.	Amount.	Rank.									
Arkansas.....	\$1,732	2	\$19.61	17	\$6.63	18	\$3.24	7.35	0.8	82.3	40	6.4	30.5	24.2	
Ashley.....	982	16	15.09	31	11.97	5	4.03	6.15	41	82.6	39	14.9	69	44.6	
Baxter.....	626	60	11.00	53	.....	.....	3.38	5.65	55	81.8	41	7.2	39	1
Benton.....	1,079	9	10.00	64	.....	.....	3.13	6.60	26	91.4	3	2.5	1	3
Boone.....	779	39	11.12	51	.....	.....	3.09	5.45	59	92.0	3	3.9	3.5	0
Bradley.....	831	26	17.11	22	6.86	14	3.36	6.55	29	85.6	25	9.2	47	31.0	
Calhoun.....	851	30	14.32	33	10.00	8	3.35	6.10	42.5	83.3	34	10.1	51	35.9	
Carron.....	743	46	7.28	72	.....	.....	3.66	5.60	56	93.2	1	4.3	7	5
Chicot.....	759	43	28.00	6	6.00	22	4.27	7.15	13	80.9	51	24.5	74	73.8	
Clark.....	858	28	16.80	24	5.80	27	3.49	6.40	35	90.6	7	6.9	35	30.5	
Clay.....	819	32	11.69	45	.....	.....	3.44	6.60	26	81.5	44.5	7.7	41	0
Cleburne.....	625	61.5	10.45	56	.....	.....	3.42	4.30	72	84.2	28	6.2	26.5	.....
Cleveland.....	607	63	10.82	54	4.70	39	3.23	5.10	66	77.7	57.5	8.6	45.5	.....
Columbia.....	646	58	17.76	21	4.62	40	3.25	5.95	46	81.3	48	14.1	60	30.7	
Conway.....	546	69	11.25	48	3.41	35	3.54	5.70	53.5	75.7	62	11.2	56	45.7	
Craighead.....	1,125	8	12.88	39	6.22	21	3.24	7.30	9	81.7	27	7.3	40	5.4	
Crawford.....	768	40	12.56	41	6.70	16	3.28	6.55	29	84.1	29.5	6.1	23.5	.....
Crittenden.....	* 888	25	42.06	3	5.46	33	4.01	6.80	22.5	52.2	74	25.5	75	6.6	
Cross.....	1,127	7	20.81	15	6.67	17	4.08	7.80	4	77.7	57.5	11.0	55	84.1	
Dallas.....	1,313	33	16.35	26	5.19	37	3.41	5.85	49.5	83.6	31.5	6.8	33.5	42.7	
DeSha.....	996	15	35.00	4	6.26	20	3.55	6.95	20	75.5	63	19.5	72	34.2	
Drew.....	706	52.5	19.23	19	4.06	42	3.24	7.05	18	81.4	46.5	12.3	61	75.2	
Faulkner.....	531	71	10.00	64	5.56	30	3.94	5.35	61	88.9	19	7.0	37	53.7	
Franklin.....	701	42	16.55	25	.....	.....	3.39	6.05	44	84.1	29.5	6.2	37	14.9
Fulton.....	644	59	9.44	66	.....	.....	3.14	5.36	61	91.6	4	6.7	32	1.6
Garland.....	1,655	3	19.50	18	14.45	1	3.70	6.60	26	91.4	5.5	5.1	12	1.2	
Grant.....	740	47	10.30	68	5.12	38	2.97	5.35	61	88.6	13	5.1	12	13.3	
Greene.....	852	29	12.35	42	.....	.....	3.49	5.90	47.5	81.5	44.5	5.6	16.5	9.9
Hempstead.....	782	38	15.55	28	3.70	48	3.46	5.86	49.5	90.2	9	10.4	53	1	
Hot Springs.....	849	31	14.55	32	5.84	25	3.28	7.20	11	90.2	9	5.5	14.5	44.9	
Howard.....	694	55	13.22	37	4.05	43	3.02	6.30	38	83.5	33	7.9	42.5	11.6	
Independence.....	809	34	10.46	55	3.50	49	3.13	6.45	32.5	87.6	13	7.0	37	23.0	
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	4.5

CAUSES OF EDUCATIONAL INEQUALITIES.

Isard.....	564	67	10.16	61	8.68	3.17	4.80	69	86.4	20.5	6.3	29	1.0
Jackson.....	932	19.5	10.38	57	10.17	3.51	7.45	7	73.3	64.5	11.8	57	21.9
Jenerson.....	908	19.5	22.32	-10	7.52	3.56	7.00	19	81.2	49	16.7	70	65.5
Johnson.....	765	41	11.25	484	10.08	3.35	5.50	58	77.5	58	5.5	14.5	1.0
Lafayette.....	1,054	12	21.02	13	9.03	3.41	6.20	40	82.1	28.5	13.9	64	49.5
Lawrence.....	1,832	18	11.18	50	8.90	3.13	6.40	35	82.6	31.5	6.2	26.5	2.8
Lee.....	721	50	29.90	5	8.87	4.16	7.15	13	64.7	73	18.4	71	77.3
Lincoln.....	591	64	15.57	27	8.36	3.84	5.15	61.5	72.4	67	19.8	73	68.0
Little River.....	936	17	21.87	12	10.30	3.69	6.50	31	69.7	69	14.5	67	36.8
Logan.....	706	52.5	10.29	59	8.92	3.53	6.05	44	86.1	22	4.9	10	1.8
Lonoke.....	732	49	20.87	14	9.25	4.01	4.55	29	81.7	42	9.9	50	34.8
Madison.....	548	68	6.19	74	4.13	3.04	4.17	73	89.2	12	5.6	16.5	3.3
Marion.....	715	51	3.75	75	8.48	3.75	5.30	63	80.7	53	5.9	19.5	.0
Miller.....	1,246	5	20.16	16	18.89	4.28	7.90	6	81.6	43	10.9	54	30.2
Mississippi.....	894	23.5	15.11	294	6.97	3.51	7.90	3	73.3	64.5	11.9	58.5	42.1
Monroe.....	749	45	25.20	8	11.90	3.79	7.25	10	71.1	68	14.0	65	61.1
Montgomery.....	575	66	10.12	62	8.31	3.97	4.90	70	67.1	72	4.9	10	1.6
Nevada.....	582	72	14.02	35	9.84	3.65	5.75	52	83.2	35	10.3	52	32.4
Newton.....	377	75	8.00	20	7.91	4.25	3.85	74.5	76.0	60	6.2	26.5	1
Ousachita.....	1,866	11	18.89	30	5.88	3.40	6.25	39	85.8	24	12.0	60	50.5
Perry.....	796	36	11.65	46	10.02	3.43	6.35	37	73.1	66	6.0	21.5	6.8
Phillips.....	904	21	46.22	1	10.71	4.26	7.10	16	81.1	60	14.7	68	73.9
Pike.....	739	48	12.61	40	10.44	3.16	5.90	47.5	89.6	25	5.2	13	7.0
Polk.....	1,158	6	10.00	64	10.54	3.72	7.92	2	68.5	71	8.0	44	19.6
Polk.....	866	27	13.11	38	7.50	3.67	6.65	24	78.1	56	4.2	35	1
Pope.....	689	56	9.35	67	7.54	3.39	5.15	64.5	80.1	55	7.9	42.5	4.4
Prairie.....	1,067	10	15.11	294	8.59	3.51	6.80	22.5	83.0	38	9.3	48	30.0
Pulaski.....	1,902	1	43.10	2	4.25	8.40	8.40	1	87.9	17	6.8	33.5	35.3
Randolph.....	687	57	8.95	69	7.41	3.83	5.90	51	76.3	61	9.8	49	1.7
Saline.....	1,009	14	14.32	334	10.97	3.20	6.45	32.5	69.2	70	13.0	62	2.7
Scott.....	625	61.5	10.18	60	15.71	4.42	5.55	57	89.5	11	5.9	19.5	1.1
Searcy.....	543	70	11.78	44	7.94	3.26	4.95	68	81.4	46.5	6.1	23.5	2.2
Sebastian.....	1,504	4	22.55	9	12.86	3.31	7.70	5	80.8	52	5.8	18	7.6
Sevier.....	900	22	12.25	43	15.09	3.19	6.85	21	88.6	14.5	3.9	3.5	12.5
Sharp.....	582	65	7.62	71	7.48	3.10	5.00	67	90.4	20.5	8.0	21.5	1
St. Francis.....	804	23.5	27.37	7	9.06	3.16	6.05	44	94.5	14.5	6.4	30.5	70.4
Stone.....	431	73	6.34	73	6.58	3.24	4.45	7	88.2	16	7.0	37	2
Union.....	698	54	16.86	23	10.30	3.25	5.70	53.5	83.0	39	11.9	58.5	41.6
Van Buren.....	393	74	9.04	68	6.72	5.15	3.85	74.5	80.4	54	8.6	45.5	1.5
Washington.....	1,052	13	13.46	36	8.48	3.54	7.15	13	92.2	2	3.2	2	1.4
White.....	763	37	11.61	47	10.76	3.15	6.10	42.5	90.2	9	4.6	8	5.7
Woodruff.....	805	35	22.29	11	9.46	3.87	7.10	16	53.0	75	13.5	63	59.1
Yell.....	757	44	11.02	52	5.66	3.68	6.40	35	85.4	28	4.9	10	5.5

Chapter III.

RECEIPTS AND SOURCES OF SCHOOL REVENUE, FEDERAL, STATE, AND PRIVATE, IN 1921.

Arkansas derives its funds for publicly supported educational institutions chiefly from the Federal Government, the State, school districts, and certain private foundations. The counties contribute practically nothing, although the proceeds of estrays and certain county fines and penalties go into the school fund. Gifts, contributions of patrons, pupils' tuition fees, various kinds of supplementary tax voluntarily imposed by communities, the proceeds of certain fines, and the interest on school money deposited in banks constitute a miscellaneous residue. The incompleteness of the records kept of these miscellaneous funds makes it impossible to treat them separately. Out of the proceeds of these funds the State of Arkansas maintains the following public educational enterprises:

1. Common schools—elementary and high schools.
2. Two schools for physical defectives—school for the deaf and school for the blind:
3. Schools for incorrigibles—boys' industrial school and girls' industrial school.
4. Four district agricultural schools.
5. Two normal schools—one for training white teachers at Conway; one for training negro teachers at Pine Bluff, supported and administered as a part of the university, and commonly known as the Branch Normal.
6. Extension education in agriculture and home economics.
7. Schools for adults (for removing illiteracy).
8. University of Arkansas, including the university experiment farm, experiment station, medical school at Little Rock, and negro normal at Pine Bluff.
9. The State pays part of the salaries of county superintendents and maintains a State department of education. These two classes of expenditures may be regarded as costs for common schools and will be so treated.

The total amount expended on the above nine classes of educational enterprises in 1921 was \$12,610,044. Of this total, 72.2 per cent came from district funds; 22.6 per cent from State funds; 2.6 per cent from Federal funds; 2.2 per cent from miscellaneous sources, and

0.4 per cent from private funds. Table 19 shows the amount and the per cent contributed by the funds of each of the above classes in 1921:

TABLE 19.—Receipts for all public educational institutions in 1921.

Source.	Amount.	Per cent.
Federal.....	\$327,926	2.6
State.....	2,861,644	22.6
District.....	9,101,641	72.2
Private.....	48,680	.4
Miscellaneous.....	270,389	2.2
Total.....	12,610,228	100.0

TABLE 20.—Analysis of total receipts of all the State's publicly supported educational institutions and projects, 1921.

Units and sources.	Common schools.	State department of education.	Extension work, agriculture, and home economics.	Vocational education and home economics.	Four district agricultural schools.	Teacher training. ¹	University.	Physical and moral defectives.
Federal:								
Forest Reserve.....	\$12,800							
Smith-Hughes.....	37,738			\$39,877	\$3,000	\$16,644	\$204,231	
Smith-Lever.....			(²)					
Morrill.....						\$13,636		
State.....	1,705,030	\$17,200	\$79,222	\$85,000	240,000	120,000	383,626	\$231,566
District.....	9,101,641							
Private:								
General Education Board.....		19,000		6,280				
Rosenwald.....	19,700							
Slater.....				3,700				
Miscellaneous.....	219,350						50,987	
Total.....	11,086,259	36,200	79,222	134,857	243,000	150,280	638,844	231,566

Grant total of all receipts,.....\$12,610,228.

¹ White and colored normal school and university and higher agricultural and industrial training for colored.

² Amount expended. Amount available was larger, but as Smith-Hughes moneys are paid only as reimbursements, the amount expended is the actual amount received.

³ The Federal grant to the university includes \$137,867 of the \$155,044 derived from Smith-Lever grant. This \$155,044 is not put under extension work in agriculture and home economics, for to have done so would have resulted in counting it twice, once under extension work and again under university.

⁴ Total amount \$50,000, of which eight elevenths goes to the university and three elevenths to Branch Normal. In the analysis of school receipts only the total amount received from all Federal sources is given. Therefore the \$36,363 derived from the Morrill Fund does not appear.

⁵ One-half of biennial appropriation.

⁶ \$12,500 appropriated from general revenue fund; \$72,500 proceeds of the one-fifth of 1 mill tax.

⁷ White, \$60,000; colored, \$60,000.

⁸ Boys, \$75,000; girls, \$10,000; deaf, \$95,316; blind, \$51,250. One-half of biennial appropriation.

⁹ Includes balance of \$2,480,546 from previous year. It is impossible to determine just what per cent of this balance was originally derived from school districts. In 1920 the districts contributed 75 per cent of public-school revenues. Here and elsewhere it has seemed that the most satisfactory thing to do was to classify such balances as district funds.

¹⁰ Miscellaneous includes students' fees for matriculation, room rent, etc., and income from farm shops, dairy, etc.

¹¹ The amount reported by the State department of education, \$11,076,599, does not include \$19,700 derived from private funds.

The United States Government under the Smith-Lever Act granted Arkansas \$155,044 for extension work in agriculture and home economics and this is included under university Federal funds.

Such an analysis of receipts as that presented in Table 19 conceals the real importance of certain classes of funds. According to Table 19, of the total school moneys provided in 1921 the Federal Government furnished only 2.6 per cent, and private funds only four-tenths of 1 per cent. Matters appear in an entirely different light when we discover that more than one-half of the expenses of the State department of education were paid by the General Education Board, and that the Federal Government furnished more than \$204,000, i. e., nearly one-third of the university's current revenue of \$638,000.

These facts are set forth in Tables 20 and 21. Table 20 shows the amount provided in 1921 for all the State's public educational institutions and projects, and the sources from which the moneys were derived. Table 21 shows by a percentage analysis of these receipts what proportion of the total moneys provided for each institution or class of institutions was derived from Federal, State, district, private, and miscellaneous funds, respectively.

TABLE 21.—Percentage analysis of total receipts of all the State's publicly supported educational institutions and projects, 1921.

Units and sources.	Common schools.	State department of education.	Extension work, agriculture and home economics.	Public schools, vocational education and home economics.	Four district agricultural schools.	Teacher training. ¹	University.	Physical and moral defectives.
Federal: (Smith-Hughes, Forest Reserve, Smith-Lever, Merrill).	0.5	.....	66.1	29.6	1.2	{(W.)11.1 {(C.) 9.0 }	31.9	.....
State.....	15.4	47.5	33.9	63.0	98.8	79.9	60.0	100.0
District.....	82.0	.....	.....	.....	.....	.....	.....	.....
Private.....	0.2	52.5	.....	7.4	.....	.....	.....	.....
Miscellaneous.....	1.9	.....	.....	.....	.....	.....	8.1	.....
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Per cent of grand total—\$12,610,228.....	88.0	0.3	0.6	1.1	2.0	1.2	5.0	1.8

¹ White and colored normal schools and university, higher agricultural and industrial training for colored.

² See footnote ² following Table 20.

We have already commented upon the great importance of Federal and private funds as sources of support for the university and State department of education. Federal funds provide more than two-thirds of the moneys for extension work in agriculture and home economics, and nearly 30 per cent of the support of vocational education and home economics in the public schools. Federal funds furnish something over one-fifth (20.1 per cent) of the moneys provided for teacher training, the remainder coming from the State.

In the case of the high schools and elementary schools, the all-important source of revenue is the school district, which in 1921

furnished 82 per cent of the total revenue, while the State and Federal Government together furnished 15.9 per cent, leaving only 2.1 per cent to be provided by miscellaneous sources and private funds.

From this preliminary statement of the 1921 school receipts and the relative importance of the contributions derived from Federal, State, private, and local funds, we may now turn to a consideration of the various species of funds included within each of these major classes. The remainder of the present chapter will describe the various Federal, State, and private funds contributing to the support of education in Arkansas.

FEDERAL AID.

Four Federal funds contribute to the support of education in Arkansas: The Forest Reserve Fund; the Smith-Hughes Fund; the Smith-Lever Fund; and the Morrill Fund.

FEDERAL FOREST RESERVE FUND.

The Forest Reserve Fund owes its origin to chapter 192 of the acts of Congress (May 23, 1908), which provides that thereafter 25 per cent of all moneys received from each forest reserve during any fiscal year, including the year ending June 30, 1908, shall be paid at the end thereof to the State or Territory in which said reserve is situated, to be expended as the State or Territorial legislature may prescribe for the benefit of the public schools and the public roads of the county or counties in which the forest reserve is situated.

The revenue produced by the Forest Reserve Fund comes in part from the sale of the timber and in part from homestead fees. Only 21 of the 75 counties of the State receive moneys from the Forest Reserve Fund, the amounts being proportionate to the acreage of the forest reserve lying within each. Arkansas requires the counties to spend one-fourth of such moneys upon public roads, and the remaining three-fourths upon public schools. Forest Reserve Fund school moneys are added to the county's quota of the State common-school fund. The county in turn apportions its quota of the Forest Reserve school moneys among the several school districts of the county in the same manner as the State school funds are apportioned, i. e., on the basis of the school census, or, more definitely, in proportion to the number of persons 6 to 21 years old living within the said districts. Fifty-four counties receive nothing from this fund. The amount received by any one of the 21 eligible counties is determined by its acreage of forest reserve. From this it follows that the quotas received by the various counties must be exceedingly unequal, and,

further, that there is no way under the present system of modifying this situation.

The proceeds from this fund, however helpful to a few individual counties, are, taking into consideration the State as a whole, of very little importance, as shown by Table 22.

TABLE 22.—Arkansas school receipts from United States Forest Reserve Fund, 1917-1920.

Year.	Total apportionment.
1917	\$8,540.40
1918	9,903.25
1919	7,190.26
1920	12,839.69
Total for 4 years	38,473.63
Average annual apportionment	9,618.40

The county quotas in 1921 varied all the way from \$2.44, received by Washington County, to \$2,766, received by Scott County. Table 23 shows the number of dollars (cents omitted) received by each county and summarizes the distribution.

TABLE 23.—United States forest reserve fund—Quotas available to 21 Arkansas counties September 6, 1920.

County.	Quota.	County.	Quota.	County.	Quota.
Scott	\$2,766	Perry	\$990	Franklin	\$73
Polk	2,421	Newton	350	Searcy	54
Montgomery	1,558	Logan	274	Pike	41
Yell	1,146	Johnson	258	Crawford	30
Garland	1,118	Stone	240	Van Buren	16
Saline	783	Baxter	140	Howard	13
Pope	729	Sebastian	121	Washington	2

SMITH-HUGHES SUBVENTIONS.

The Smith-Hughes Act provides annual Federal subventions to the States for three general classes of expenditures, as follows: (1) For the salaries of teachers, supervisors, and directors of vocational agriculture; (2) for the salaries of teachers of home economics, trade and industrial subjects; (3) for the professional training of teachers of the vocational subjects included in (1) and (2). Arkansas accepted the terms of the Smith-Hughes Federal Act by Act No. 181, approved March 6, 1917. This act designated the State board of education to carry out the provisions of the Smith-Hughes Act, and made the State treasurer the custodian of the fund. Many standards must be met, and many conditions must be fulfilled in order to receive Smith-Hughes money. The following three are of especial importance from the standpoint of school finance: (1) The State must match, dollar for dollar, the Federal grant; (2) Smith-Hughes grants are paid only as reimbursements for moneys already actually

spent by the State; (3) the allotment for any year will be diminished by an amount equal to the unexpended balance of the previous year.

Nearly all of the moneys received from subventions for salaries of teachers of vocational agriculture, home economics, trade, and industrial subjects are devoted to paying the salaries of persons teaching or supervising these vocational subjects in high schools. However, at the present time (December, 1921) three of the district agricultural schools receive \$1,000 annually to be used for the support of the instruction in secondary vocational agricultural education, and the fourth district agricultural school has applied recently for such aid.

The University of Arkansas and the Branch Normal School (colored) at Pine Bluff are the institutions designated to be subsidized by Smith-Hughes moneys for the purpose of preparing vocational teachers. The Branch Normal may receive not more than 28 per cent of the annual teachers' training grant, the balance to go to the University of Arkansas to defray the costs of itinerant teacher training.

Table 24, based on the reports of the Federal Board for Vocational Education, shows the Federal moneys devoted to vocational education and the unexpended balances. This table does not show the moneys added to this fund by interest paid by banks in which the money is deposited. In 1921 such interest amounted to \$897.53.

TABLE 24.—Amount and use made of Smith-Hughes fund in Arkansas, 1918-19 to 1920-21.

	1918-19	1919-20	1920-21
Federal moneys expended for—			
Salaries of teachers, supervisors, and directors of—			
Vocational agriculture.....	\$10,216	\$27,797	\$34,746
Home economics, trade and industrial subjects.....	1,347	4,500	5,131
Teacher training.....	6,078	11,218	12,612
Total expended.....	17,741	42,614	52,489
Amount of Federal grant not expended.....	10,631	4,910	14,759

¹ Federal moneys for salaries of supervisors and directors are available for vocational agriculture only, not for home economics, trade, and industrial subjects.

SMITH-LEVER SUBVENTIONS.

On May 8, 1914, the President of the United States approved the Smith-Lever bill, which thereupon became a Federal law. This act provides Federal aid to the State agricultural colleges for cooperative agricultural extension work with the United States Department of Agriculture—

In order to aid in diffusing among the people of the United States useful and practical information on subjects relating to agriculture and home economics, and to encourage the application of the same. By extension work is meant giving instruction and practical demonstration to persons not attending

or resident in agricultural colleges. This work is given in various communities * * * through farmers' institutes, lecture courses, one-week movable schools, correspondence courses, and in other ways.²

The act provides for the following permanent appropriations: \$480,000 annual appropriation, i. e., \$10,000 to each State accepting the provisions of the act; additional appropriations increasing annually until a total of \$4,100,000 is reached, which with the \$480,000, makes a total of \$4,580,000, and continues as a permanent annual appropriation. The \$480,000 is divided in flat appropriations of \$10,000 to each State. The additional appropriations are allotted annually to the States in the proportion that their rural population bears to the total population of the United States.

Any State receiving a Smith-Lever grant must match its quota from the additional appropriations, dollar for dollar by a State appropriation, or by contributions from county, college, or local authorities, or from individual citizens. The Smith-Lever grant made to Arkansas in 1921 amounted to \$155,044, of which she expended \$137,868.

THE MORRILL FUND.

As the result of Federal acts passed in 1862, in 1900, and in 1907, the State receives an annual grant of \$50,000 (total for 48 States, \$2,400,000) for the support of a college of agriculture and mechanic arts. The act of 1862 provided Federal land grants to the States for such colleges. Of her annual grant of \$50,000 Arkansas disburses eight-elevenths (\$36,363.50) to the university to be used in furthering industrial and technical education and for the experiment station. The remaining three-elevenths (\$13,636.50) goes to the Branch Normal (colored) at Pine Bluff.

Table 25 shows the educational objects for which the Federal Government made grants in 1921, the amount available, and the amount actually expended.

TABLE 25.—Annual Federal grants to Arkansas for education, 1921.

Use.	Fund.	Amount available.	Expended.
Public schools.....	Smith-Hughes.....	\$47,743.00	\$37,738.00
Extension work in agriculture and home economics.....	Forest Reserve.....	13,504.00	12,839.00
Secondary education in agriculture (three schools—\$1,000 each). ^a	Smith-Lever.....	155,044.00	137,868.00
Teacher training and supervision ^b	Smith-Hughes.....	3,000.00	3,000.00
Experiment station University of Arkansas.....	do.....	^b 16,644.00	17,180.00
Branch Normal.....	Morrill Fund ^c	50,000.00	{ 36,363.50 13,636.50
Total.....		285,935.00	258,625.09

^a The fourth school has applied for aid.

^b Granted to the State university and Branch Normal, not more than 28 per cent of the funds going to the latter.

^c On the basis of three-elevenths to the Branch Normal and eight-elevenths to the university.

² See *Commis. of Educ. Rep., 1914, Vol. I, pp. 295-296, 316-317.*

STATE AID.

In Arkansas school moneys furnished by the State are derived from the following sources: Permanent endowments; mill taxes; appropriations, some of which are drawn from special funds provided by mill taxes and others from the general revenue fund; institute and library fund (often called "teachers' fund"); depositary interest.

PERMANENT SCHOOL FUND.

The law² specifically provides that the State permanent endowment for common schools "shall be designated as the common-school fund"; nevertheless, to-day this endowment fund is designated the permanent school fund³ in all official State documents, which, moreover, use the term "common-school fund" to designate the total annual current State revenue derived from (1) the income of the permanent school fund, (2) the State 3-mill tax, and (3) certain miscellaneous State sources.

During the year 1919-20, \$56,878, or approximately six-tenths of 1 per cent of the total public-school receipts (\$9,358,314) for that year, was reported as derived from the permanent school fund. On December 5, 1921, the principal was reported as amounting to \$1,528,665. This fund owes its origin to lands given by the United States to the people of Arkansas to create a permanent endowment for public education. The purpose of such an endowment is to ease the school support burden of each generation by providing a permanent revenue-producing gift. Arkansas recognizes this in the law that provides that the permanent school fund (common-school fund) of the State shall be securely invested and safely preserved.

There has never been a time when this legal recognition has been carried out in practice. Far from being a productive endowment, relieving the people from any of the burden of school taxation, the Arkansas permanent school fund to-day is merely an excuse, a subterfuge for additional taxation. Its income, like that of the university endowment fund, is derived not from productive investments, but from the proceeds of a State tax, levied to pay the interest on the principal, practically all of which has been used by the State.

It is both unnecessary and impossible in the present brief account to relate the manner in which the educational endowments of Arkansas have been mismanaged. Nevertheless, the present condition of these funds can not be understood without recalling at least a few of the most important facts concerning their origin and history.⁴

² See Kirby's Digest, sec. 7486; digest of Ark. sch. laws, 1920, p. 21.

³ See Acts of Ark., 1921, No. 350.

⁴ For fuller accounts, see Stephen B. Weeks, *History of Public School Education in Arkansas* (Bu. of Educ., Bull., 1912, No. 27), pp. 29-30; 93-97; 103-108; Fletcher Harper Swift, *A History of Public Permanent Common School Funds*, pp. 216-220.

Arkansas, in common with other States carved out of territory belonging to the Federal Government, received from the United States generous donations of Government land and land scrip. Upon admission into the Union the State received for endowing a State university two entire townships, amounting to 46,080 acres, and the section numbered 16 in each township, granted to the townships (not to the State) for the support of common schools, amounting to 933,778 acres. In 1862, under the Morrill Act, the State received land scrip valid for 150,000 acres for endowing a college of agriculture and mechanic arts. The total area of these three educational grants amounted to 1,129,858 acres. In addition to the above acreage, Arkansas received a number of other grants, some of which were, and all of which might, in part, at least, have been devoted to public schools, namely, 500,000 acres of internal improvement lands, 48,080 acres of saline lands, between seven and eight million acres of swamp lands.

The University of Arkansas lost her Federal endowment by an act passed in 1846, which took from the university her princely land endowment and gave it to the public schools. Up to 1860, \$92,369 had been derived from the sales of these university lands. Of this total sum, \$89,234 was distributed among the counties and eventually lost through bad investments or diverted from schools to other projects during and following the Civil War.

The story of the management of the sixteenth-section fund is as dismal as that of the university fund. Prior to the Civil War the townships sold "much of their (sixteenth-section) land and took notes in payment, on which, * * * for reason or without reason, by chicanery, fraud, misfortune, or otherwise, little or nothing was realized." At first "these (sixteenth-section) funds were left in the counties or in the townships and were invested locally and as separate" funds in each county. Later they were held by the State and invested as one fund, each county being credited with the income in proportion to its original share of the principal. By an act passed in 1885 it was provided that the proceeds of all future sales of sixteenth-section township lands should be paid into the State treasury" and invested in United States or Arkansas bonds, the interest to be placed to the credit of the respective counties and by them to the townships" in proportion to their original-ownership. The consent of Congress having been previously obtained, an act was passed May 8, 1899, which merged the sixteenth-section fund and the permanent common-school fund. The fund thus created in 1899 amounted to \$1,118,709. The revenue of this fund was to be apportioned among the districts of the State on the basis of their school population, thus ignoring the township's original rights.

SOURCES OF INCREASE.

The constitution of 1868 reserved the following sources for increasing the principal of the permanent school fund (common-school fund):

(1) The proceeds of all Federal lands granted to the State not otherwise appropriated.

(2) All property (moneys, stock, bonds, lands, etc.) now belonging to any other educational fund.

(3-10) Proceeds of all property escheating to the State, estrays, unclaimed dividends, distributive shares of the estates of deceased persons, fines, penalties, forfeitures, and sales of Federal lands paid to the State.

(11-13) Grants, gifts, or devises to the State not otherwise appropriated by the terms of the same.

The constitution of 1874, now in force, makes no statement of sources to be devoted to the permanent school fund, but the laws include the 13 sources named by the constitution of 1868 and add the following sources to the above group:

(14) Ten per cent of the net proceeds of the sales of all State land (act March 15, 1897, Ark. Digest of School Laws, 1920, p. 21), and by act of 1921, No. 350, approved March 23, 1921, all funds derived from State lands, including—

(15) Lands forfeited to the State for taxes; (16) Swamp lands; (17) Internal improvement lands; (18) Seminary lands; (19) Saline lands (act of 1919, No. 344), and proceeds of the (20) Sale of sixteenth section lands.

On the basis, both of the experience of the other States as well as on the basis of the experience of Arkansas, it is safe to assert that the only sources among the above 20 which might be depended upon to make important additions are those numbered (1), (10), and (14) to (20), inclusive; in other words, the land sources. Owing to the fact that at the present time the internal improvement lands, swamp lands, and saline lands have all been sold except a few plats here and there of negligible importance, it follows that such lands can not be depended upon for important increments. It remains to state briefly the condition of the unsold sixteenth section township lands.

SIXTEENTH SECTION LANDS.

As long as sixteenth section lands remain unsold they belong to the township in which they lie, and so are in reality local township lands. Nevertheless, in view of the fact that when sold their proceeds must be added to the State permanent school fund, it is proper to consider them at this point.

In view of their local ownership no record is kept of these lands in any State department. An inquiry sent in November, 1921, to the tax collector of each of the 75 counties of Arkansas brought replies from 27 counties, which are summarized in Table 26.

TABLE 26.—*The Arkansas unsold sixteenth section school lands, November, 1921.*

I. SUMMARY.

Total number of counties to which inquiry was sent.....	75
Number replying.....	27
Number replying which reported no unsold sixteenth section school lands.....	16
Number reporting unsold sixteenth section school lands.....	11
Total area (acres) of unsold lands.....	8,060
Total estimated value.....	\$96,300
Average value per acre.....	\$11.95

II. UNSOLD SIXTEENTH SECTION LAND ACREAGE AND VALUE.

Counties.	Total unsold acreage in county.	Estimated value.	
		Per acre.	Total.
White.....	2,000	\$5.00	\$10,000.00
Isard.....	1,440	2.00	2,880.00
Arkansas.....	1,320	10.00	13,200.00
Marion.....	1,120	2.50	2,800.00
Fulton.....	840	2.00	1,700.00
Crittenden.....	640	100.00	64,000.00
Polk.....	280	2.00	560.00
Johnson.....	200	1.50	300.00
Independence.....	120	3.00	360.00
Sebastian.....	80	5.00	400.00
Drew.....	20	5.00	100.00
Total.....	8,060		96,300.00

TABLE 27.—*Lands which Arkansas devoted or might have devoted to a permanent public school endowment and estimated value of the fund thus created.*

Federal land grants.	Number of acres.	Value, estimated at \$10 per acre.
I. Lands which were so devoted:		
Seminary (university).....	46,080	\$460,800.00
Sixteenth section.....	933,778	9,337,800.00
Saline.....	46,080	460,800.00
Total.....	1,025,938	10,259,400.00
II. Lands which might have been devoted:		
Internal improvement.....	500,000	5,000,000.00
Swamp lands.....	7,688,335	76,883,350.00
Grand total.....	9,212,273	92,122,730.00
Annual income estimated at 5 per cent.....		4,606,136.50

In addition to the lands specifically granted for schools, Arkansas, following the example of many other States, might have devoted all her saline, swamp, and internal improvement lands to the creation of a permanent endowment for common schools. Table 27 shows the total acreage which Arkansas might have devoted to her permanent

endowment for common schools, the value of the same, estimated at \$10 per acre,⁵ and the annual income estimated at 5 per cent.

It is scarcely necessary to point out that, instead of a permanent endowment of 92 million dollars, providing an annual revenue of four and a half million (4.6) (more than one-third of the State's total expenditure for public education in 1920), Arkansas has to-day a nonproductive fund whose annual income of \$56,000 is in fact raised by levying a tax. For an account of the various ways in which the permanent school fund has been continually mismanaged and depleted, the reader is referred to the account by Stephen B. Weeks, in his *History of Public Education in Arkansas* (pp. 93-108).

It may be well, however, to summarize here some of the more important causes of loss.⁶ One of the first causes of the loss was loaning the proceeds of the sales of school lands on insufficient security. The claims of the State in the form of practically worthless notes and bonds for school lands amounted as early as 1870 to approximately three-quarters of a million dollars (U. S. Commissioner of Education Report 1871, p. 73; and 1901, I, 393). The sixteenth section fund suffered in the same manner.

The second cause of loss was the diversion of money which the law specifically devoted to the principal. Thus, after May, 1861, the State diverted from their proper purposes and used for general expenditures moneys derived from the sale of the university lands and saline lands. A third cause was insufficient legislation, or failure to legislate. Thus, an act approved December 7, 1875, provided that 10 per cent of the net proceeds of the sales of all State lands should be added to the principal of the permanent school fund, but failed to state who should have charge of it, whether the land commissioner or the State treasurer. In 1895 the State superintendent of public instruction estimated that there had been already lost to the permanent school fund through the neglect of this act about \$50,000.

The constitution of 1868 provided that the permanent school fund should be increased from the proceeds of the sales of all lands granted by the United States Government. Such a provision covers swamp lands, saline lands, and internal-improvement lands. None of these lands, except the saline lands, were devoted to the principal for years to come. The act of 1921 (No. 350) specifically devoting internal improvement and swamp lands to the permanent school fund was passed too late to be of any great significance. The legislature has from time to time passed acts requiring that the proceeds of the school lands be disbursed as annual current revenue. Thus, from

⁵ Ten dollars per acre is probably a conservative estimate of the price which Arkansas lands would have brought had they been judiciously managed.

⁶ See Weeks, *op. cit.*; also Swift, *A History of Permanent Common School Funds*, pp. 218-219.

1899 to 1919; it was legal to distribute, as current revenue, the proceeds of the sales of sixteenth-section lands paid into the State treasury. The treasurer's statement of the common school fund for the biennium 1918-1920 shows that during that period \$82,400 derived from the sales of sixteenth-section lands, \$358 derived from the sale of "60 and 40,"[†] \$1,746 derived from land sales and redemptions, were paid into the State treasury and disbursed as current school revenue.

A further cause of large losses to the permanent school fund has been land frauds. One example must suffice. The law provides that if a man could show receipts for tax payments on land for a certain number of years, the State should give him title to the same. Such a law has made it possible for individual citizens to gain possession of land without paying for it, i. e., by merely paying the taxes. Again, lands forfeited to the State for unpaid taxes could be bought by an individual for taxes, if no one bid against him; and if, after two years, no one put in a claim for ownership, the person who had paid the taxes would become the lawful owner of the land. In this way the sixteenth-section fund has been deprived of the proceeds of the sales of much school land.

INVESTMENT.

The management and investment of the permanent school fund is intrusted to the State board of education, composed of the State superintendent of public instruction (ex officio chairman) and seven other members appointed by the governor, one from each congressional district (acts of 1911, No. 431, secs. 1 and 7). Bonds of the United States or of the State of Arkansas are the only securities in which the law permits permanent school-fund moneys to be invested. The following statement, furnished by the State treasurer, Mr. Joe Ferguson, shows the condition of the fund, and the securities in which it was invested on December 5, 1921:

TABLE 28.—Arkansas permanent school fund, December 5, 1921.

I. PRINCIPAL.	
1. Arkansas 5 per cent State funding bonds.....	\$1, 314, 500. 00
2. Arkansas 5 per cent State bonds.....	180, 000. 00
	1, 494, 500. 00
3. Cash loaned to banks.....	84, 165. 53
Total principal.....	1, 528, 665. 53
II. INCOME.	
Income on \$1,494,500 at 5 per cent.....	\$74, 725. 00

[†] It requires a State tax of 0.122 mill on \$612,426,000 (assessed valuation of 1920) to pay annual interest of \$74,725.

[‡] The term "60 and 40" was used to cover any unsold State lands—swamp, seminary, internal improvement—the meaning being that 60 per cent of the proceeds went to the county in which located and 40 per cent to the State.

The acts of the legislature of 1921 tell the complete story of the manner in which \$180,000 in cash, which had accumulated in the State treasury to the credit of the permanent fund, was used to pay the State penitentiary's debt and was replaced by State paper.

Act 356, section 1, required the State treasurer to transfer immediately from the permanent school fund to the general revenue fund the sum of \$180,000. Section 3 required the State debt board to issue 180 bonds in denominations of \$1,000 each, bearing 5 per cent interest, and (section 4) to place the same to the credit of the permanent school fund. Section 5 provided that the interest on the bonds shall be paid out of the sinking fund (derived from the proceeds of a State tax).

On the same day that the above act (No. 356) was approved act 357 was also approved. Act 357 provided that, for the purpose of placing the State penitentiary on a cash basis, there shall be transferred from the general revenue fund to a fund to be known as the "State penitentiary fund" the sum of \$180,000. The act further provides that the State penitentiary board of managers shall deliver to the State treasurer notes in the aggregate of \$180,000 in the denomination of \$1,000, and bearing interest at 5 per cent, payable to the State of Arkansas for the benefit of the general revenue fund. Section 3 provides that "said penitentiary board shall pay the interest and retire said notes, when due, out of their regular maintenance appropriations from funds derived from the proceeds of the penitentiary or prison labor."

A survey of the above two acts shows that what really happened was this: \$180,000 belonging to the children's educational endowment, and which might have been employed to make a beginning of a genuinely productive endowment, was used to discharge the debts of the State penitentiary; and \$180,000 was added to the fictitious common-school endowment fund, to pay annual interest on which the public must be taxed.

It is, of course, obvious that the transactions described were entirely lawful, being in fact merely the carrying out of the provisions of the legislature. Nevertheless, they can not be too strongly condemned, not as representing an individual investment, but as representing a general policy which entirely ignores and nullifies the two fundamental purposes of a permanent public-school endowment: Namely, first, to provide a certain amount of relief to the people of the State from the burdens of school support; and second, to stabilize the system of school support by providing a permanent, inviolable reserve fund.

The unsoundness of the practice of Arkansas of investing moneys accruing to her permanent fund becomes strikingly evident when

tested by the principles and practices followed by cities and by banks. It is a recognized principle of city finance that a city shall not invest its own sinking funds in its own bonds. It is even more unthinkable that a bank should invest moneys belonging to its reserve fund in its own bonds. In fact, such a practice is in some States expressly forbidden by law. Arkansas should pass a constitutional amendment requiring that moneys belonging to her permanent school fund, her university fund, and all like funds, shall be invested in productive funds not chargeable to or dependent upon the credit of the State of Arkansas. Bonds of States other than Arkansas, United States bonds, bonds of counties, municipalities, and of other component public corporations of Arkansas and other States would be excellent investments.

Properly invested and with its income wisely distributed, even a small permanent fund can be made an important lever for easing the burdens of the most needy communities, and fostering educational projects in most need of State aid. Undoubtedly, the range of securities in which Arkansas may lawfully invest the permanent school fund moneys is entirely too limited. Nevertheless, at the time she "invested" her last \$180,000 she could have bought United States Government bonds so far below par as to have made not only a genuinely productive investment, but one which would have produced a higher rate of interest than 5 per cent.

Arkansas is inclined to point with pride to the fact that in 1917 she refunded \$1,134,500 of 3 per cent by 5 per cent bonds to the same amount. Let her not forget that the two funds out of which the present permanent school fund was created in 1899 consisted at that time of 6 per cent bonds, which were reissued in 3 per cent bonds July 1, 1899 (Rep. Ark. Supt. Pub. Instruction, 1899-1900, p. 28). From these facts should be evident the dangers of leaving to the legislature the mode of investing moneys belonging to educational endowment funds.

Before entering upon a consideration of other types of State sources of school revenue, it may be well to summarize the recommendations growing out of our account of the permanent fund. This may be best done by indicating the nature of the constitutional and legal enactments most needed to remedy the present situation and to protect the permanent school fund in the future.

RECOMMENDATIONS.

The only section in the constitution of Arkansas which refers to the permanent school fund reads as follows:

No money or property belonging to the permanent school fund, or to this State for the benefit of schools or universities, shall ever be used for any other than for the respective purposes to which it belongs.

It would seem that such a provision as the foregoing would suffice to prevent using \$180,000 belonging to the permanent school fund for paying off the debt of the State penitentiary, but experience shows it has not been.

The classes of securities in which moneys belonging to this fund shall be invested, as well as who shall be responsible for their investment, should be fixed by the constitution. The board charged with the investment and management of the fund should be composed chiefly of men occupying financial positions. Moreover, it should be made impossible for large sums of accumulated moneys to lie in the State treasury awaiting investment.

The constitution should provide: (1) The sources to be devoted to the permanent school fund. These should include all sources now named by law, and such other funds as the legislature may from time to time provide, and an appropriation of at least \$100,000 to be added annually to the principal of the fund from such fund as the legislature may provide; (2) that the management and investment of the common school fund belonging to the State (otherwise known as the permanent school fund), shall be intrusted to a board of permanent school fund commissioners, to be composed as follows: (a) The State treasurer, ex officio chairman, (b) the State superintendent of public instruction, (c) the State auditor, (d) the State comptroller, (e) the State land commissioner; (3) that no moneys belonging to the permanent school fund or to the university endowment fund, or to any other State public fund the purpose of which is to provide a permanent State endowment for educational purposes, shall be invested in Arkansas State bonds, or in any other securities or funds chargeable to or dependent upon the credit of the State of Arkansas; (4) that whenever and as often as there is in the State treasury the sum of \$10,000 belonging to the permanent school fund, the same must be invested by the board of permanent school fund commissioners, subject to the approval of the governor, in securities of one or more of the following classes: United States bonds, bonds of States other than Arkansas, bonds of counties, districts, cities, towns, and villages of Arkansas and of other States; (5) that no such investment shall be made when the bonds to be issued or purchased would make the entire bonded indebtedness exceed 15 per cent of the assessed valuation of the taxable property of the county, city, town, or district issuing such bonds; nor shall such loans, indebtedness, or investments be made for a shorter period than five years; (6) that the board of commissioners of the permanent school fund shall deliver all securities purchased by them for the benefit of said fund to the State treasurer, who shall be custodian of the said fund, and who shall credit such security to the permanent school

fund, and shall place the interest derived from such securities to the credit of the income of the permanent school fund; (7) that the income of the permanent school fund shall be apportioned by the State superintendent of public instruction in the manner and upon the basis determined by the State board of education, subject only to such limitations as the legislature may from time to time provide.

The purpose of the last section proposed is to make it possible for the State board of education to use the income of the permanent fund to encourage projects or communities in most need of aid, and to make it possible to adopt from time to time new methods and bases of distribution without waiting for legislative action.

Laws necessary to carry out the above proposed constitutional provisions should be immediately enacted. In addition to such laws, laws should be enacted:

(1) Prescribing the terms on which permanent school-fund moneys shall be loaned or invested:

(2) Directing the State board of education to prescribe the conditions which must be fulfilled by a community receiving aid from the income of the permanent school fund.

Although the endowment fund of the university, strictly speaking, lies outside the scope of the present report, yet there are several reasons why it seems to be entitled to some consideration, however brief: (1) As already pointed out, Arkansas deprived the university of its original land grant and used the same as the original capital of the permanent common-school fund; (2) this fund has had a history similar in many ways to the permanent school fund, and its present condition is similar. Its principal was reported for the year 1919-20 as amounting to \$132,666, of which \$123,666 was invested in Arkansas 5 per cent bonds and \$9,000 in 8 per cent J. S. McAlphin notes. Its total income for the same year amounted to \$6,903.34.

The University of Arkansas fund of to-day has been derived from the 150,000 acres of land scrip granted under the terms of the Morrill Act of 1862. Arkansas has never made any restitution to the university for the endowment taken away in 1846.

STATE APPROPRIATIONS.

State appropriations of Arkansas for education fall into two distinct classes: Those made from the general revenue fund and those made from funds derived from State mill property taxes levied specifically to provide support for definite educational expenditures. The constitution and laws of Arkansas provide that no moneys shall be paid out of the State treasury unless they have been specifically appropriated. As a consequence school moneys raised by special State taxes are placed in separate funds, and then an appropriation

is made from these funds to the object for which the tax is levied. Since our interest here is primarily in the kinds of sources upon which Arkansas depends for educational revenue, we shall treat these funds as State educational taxes, at the same time recognizing that their proceeds reach the schools in the form of appropriations.

Let us consider first those appropriations which are made from the general revenue fund. Table 29 shows the educational projects for which appropriations were made out of the general revenue fund for the biennium 1919-1921, the total biennial appropriation, and the amount expended during the year 1919-1920.

TABLE 29.—State educational appropriations of Arkansas, 1919-20.¹

[Paid from general revenue fund.]

Objects.	Total biennial appropriation, 1919-21.	Amount expended, 1919-20.	Balance.
Boys' industrial school.....	\$150,000	\$62,024	\$87,976
Girls' industrial school.....	20,000	12,247	7,753
Superintendent of public instruction for salaries, supplies, current expenses.....	34,400	15,253	19,147
Vocational education ²	25,000	11,866	13,134
Extension work in agriculture and home economics.....	158,444	68,588	89,856
Blind school.....	102,500	51,201	51,299
Deaf-mute institute.....	190,633	90,673	99,960
Total.....	680,977	311,852	369,125

¹ Data taken from Synopsis of Present Organization of State Government of Arkansas.
² Acts of 1919, No. 80, appropriates \$25,000 from general revenue fund for year ending June 30, 1920. Act of 1921 provides for mill tax fund.

The total general revenue fund for the biennium 1919-1921 amounted to \$3,304,528. Table 29 shows that \$680,977, approximately one-fifth (20.6 per cent) of this sum, was devoted to education. An analysis of this biennial general revenue fund shows that 91 per cent of the moneys composing it were derived from taxes of one sort or another, Table 30.

TABLE 30.—Percentage analysis of the Arkansas general revenue fund, 1919-1921.

Source from which derived.	Per cent of total fund derived therefrom.
Five thirty-sixths mill tax.....	35
Insurance tax and fees.....	23
Franchise and excise tax.....	19
Inheritance tax.....	14
Total.....	91
Charter fees.....	5
Corporation commission fees.....	2
Miscellaneous.....	2
Total.....	9
Grand total.....	100



STATE TAXES.

The constitution of Arkansas, Art. XIV, sec. 3 (amendment No. 9), provides for the levying of a State mill school tax not to exceed 3 mills, and a \$1 school poll tax on every voter. In view of the fact that the proceeds of the poll tax are paid to the district from which received, they will be treated as district and not as State revenues.

During the biennium 1918-1920 Arkansas derived \$9,266,317 from the proceeds of State taxes. Of this, something over \$4,700,000, approximately 51 per cent, was derived from taxes levied specifically for educational projects. The remainder, \$4,500,000, approximately 49 per cent, was divided among the following funds: Confederate pension, highway improvement, State capitol, cattle-tick eradication, sinking, and general revenue. The educational projects for the support of which the present law provides a special tax are: (1) Common schools; (2) vocational education; (3) salaries of the county superintendents; (4) four district agricultural schools; (5) two normal schools; (6) the university; (7) interest on State educational endowments (university endowment fund and the permanent school fund).

The legislature of 1921 increased the millage in a number of cases and provided two new State educational taxes—18/100 mill to provide State moneys for the salaries of county school superintendents; 1.2 mills to create a charities fund for the support of hospital for nervous diseases, and dairy farm, school for the blind deaf-mute institute, Confederate soldiers' home, and tuberculosis sanitarium (Act 492). The proceeds of these new rates will not be available until the year 1922-23.

Table 31 shows the projects deriving support from special State mill educational taxes, rates for two biennial periods, and the funds in which the proceeds of these respective taxes are placed.

The total assessed valuation of Arkansas taxable property, 1920, was approximately \$612,436,000. We have seen that 91 per cent of the general revenue fund is derived from taxes as follows: A five-thirty-sixth mill tax, and taxes on insurance, franchise, and inheritances. It would require a tax of 0.505 mill on the total assessed valuation of 1920 to raise 91 per cent of \$340,488. Table 32 shows the total rate which would have to be levied on the assessed valuation of 1920 to produce 91 per cent of the total appropriations paid from the general revenue fund for educational purposes, plus the State rates provided by the laws of 1921 and which will become effective in the year 1922-23.

TABLE 31.—Arkansas State educational taxes and projects for which levied.

Projects.	Fund in which proceeds are placed.	Rate of tax in mills. ¹		Receipts. ²	
		1921-22	1922-23 ³	1921-22	1922-23
Permanent funds:					
Interest on permanent school fund.....	1922, interest sinking fund.....	↓		\$56,725	\$65,725
University endowment fund.....	1923, sinking fund.....		0.2	\$6,183	\$6,183
Public schools: ⁷					
General maintenance.....	Common school fund.....	3.0	3.0	1,693,666	1,766,995
Vocational education.....	Vocational education fund.....	0.2	0.2	72,500	115,000
County superintendents' salary.....	School supervision fund.....	0.0	0.18		\$112,500
Schools for special classes:					
School for blind.....	General revenue fund.....	(⁹)	1.2	54,452	51,452
Deaf-mute institute.....	Charities fund.....	(⁹)	1.2	100,428	100,428
District agricultural schools:					
First.....	First Dist. Agric. Sch. fund.....	↓	0.15	60,000	85,850
Second.....	Second Dist. Agric. Sch. fund.....	↓	0.15	60,000	85,850
Third.....	Third Dist. Agric. Sch. fund.....	↓	0.15	60,000	85,850
Fourth.....	Fourth Dist. Agric. Sch. fund.....	↓	0.15	60,000	85,850
Normal schools:					
State Normal (white).....	State Normal fund.....	↓	0.2	59,087	¹⁰ 112,000
Branch Normal (colored).....	Branch Agric. and Mech. College fund.....	¹¹ ↓	0.12	50,000	¹⁰ 97,000
University: ⁷					
General revenue.....	University fund.....	↓	1.0	242,500	589,500
Med. Dept. U. of A. ¹¹					
Total.....		4.436	7.90	2,575,541	3,330,183

¹ In 1921-22 proceeds of one-eighth mill tax paid into interest sinking fund specifically for payment of interest on these two endowments; 1922-23 two-tenths mill tax proceeds placed in sinking fund to pay interest on all State notes and bonds.

² General acts of Arkansas, 1921, Act No. 492.

³ Data furnished by State department of education. Estimates furnished by State controller are slightly smaller in most cases.

⁴ Not including depository interest.

⁵ Includes \$9,000 interest on penitentiary bonds.

⁶ Not including \$770 annual interest on McAlphin 8 per cent notes.

⁷ See also under Permanent fund.

⁸ \$1,500 per county.

⁹ During biennium 1919-1921 supported out of appropriations from general fund, no special tax; Act 492, 1921 provided for levy of tax 1.2 mills to create Charities Fund; moneys received for Charities Fund during 1922 shall be placed in the "General revenue fund." Act does not state what proportion of proceeds shall go to each of the six institutions for which tax is to be levied.

¹⁰ State controller's estimate. Obviously 1922-23 is the first year the new rates created by legislation of 1921 would produce revenue.

¹¹ 1921-22 proceeds on this tax to be used for support of (colored) Branch Normal School, and medical school of university; 1922-23 tax is for Branch Normal only, medical school support being derived otherwise.

TABLE 32.—State taxes in force 1922-23 and the rate required to raise 91 per cent of educational appropriations now paid from the general revenue fund.

	Mills.
Public schools.....	3.0
Vocational education.....	0.2
County superintendents.....	0.18
State normal.....	0.2
Branch normal.....	0.12
University.....	1.00
Rate required to raise 91 per cent of the total appropriations for education paid from the general revenue fund.....	0.505
	5.205
Schools for blind, deaf, district agricultural schools (interest), sinking fund.....	3.2
Total.....	8.405

Table 31 shows a tendency to increase the rate of State school tax and to add new projects to the list of enterprises thus supported.

Of the funds derived from the above tax levies, all except the first, second, and seventh are disbursed as flat appropriations to specified objects. The proceeds of the tax for common-school fund are added to the income of the permanent school fund. This total amount, generally styled the "common-school fund," is apportioned annually by the State superintendent of public instruction among the counties, and by the counties in turn among their constituent districts in proportion to the school census, i. e., the number of persons between 6 and 21 years of age residing within the districts.

To one familiar with the policies of progressive States, the two most striking facts regarding the Arkansas situation revealed by Tables 29 and 31 are the meagerness of the sums appropriated and the absence of many projects which we would expect to find included in a modernized system of State school support.

INSTITUTE AND LIBRARY FUND (TEACHERS' FUND).

The fees paid by teachers to the State for the issuance of teachers' certificates are:

- (1) \$10 for a State certificate.
- (2) \$5 for a professional certificate.
- (3) \$1 for making a first-grade county license valid for the entire State.

The law provides that the proceeds of such certificate fees shall be used for defraying the expenses of the examinations, "and the remainder shall constitute an institute fund and a library fund" to be used by the State department of public instruction for the benefit of the teachers of the State.

As might be expected, this is a small fund, amounting for the biennium 1916-1918 to \$9,721.25, and for the year 1919-20 to \$5,880.44. The legislature of 1921 (act No. 24) provided for an appropriation of \$1,800 from the institute and library fund for the following purposes:

- (1) For paying expenses and salaries of instructors in institute work.
- (2) For paying expenses of county superintendents while attending special schools of instruction and study, provided that one-third of the amount appropriated (\$600) may be paid by the State superintendent to deputies in the office as additional pay for grading examination papers and looking after special work in connection with license matters, and for paying all expenses of the State text-book commission.

Act of 1921, No. 209, sec. 9, provides that after July 1, 1921, all moneys coming into the State treasury now payable to the institute and library fund shall be placed in the general revenue fund, and that all expenditures now provided from said fund shall be paid from the general revenue fund.

PRIVATE FOUNDATIONS.

Aid of inestimable importance and far-reaching effects is rendered to the public schools of Arkansas by three private foundations or boards: The General Education Board, the Rosenwald Fund, and the Slater Fund.³ Owing to their private character, it might seem that the discussion of these funds should follow that of county and district sources. However, the aid and policies of these foundations are State-wide. Hence it seems best to consider them at this point.

GENERAL EDUCATION BOARD.

The General Education Board pays 52.5 per cent of the costs of maintaining the State Department of Education. It pays the salaries and expenses of two rural-school supervisors, the supervisor of negro schools, and the State high-school inspector. It contributes also to the payment of salaries of county industrial teachers for negroes; \$500 for industrial equipment for new negro county training schools; assists in placing libraries in negro county training schools; provides funds for paying negro teachers' railroad fares to summer schools.

ROSENWALD FUND.

The Julius Rosenwald Fund grants subsidies for building and equipping rural schoolhouses for negroes, "such equipment as desks, heating apparatus, libraries, and toilets being deemed of equal importance with schoolhouses themselves." The amounts which may be appropriated from the fund "shall not exceed \$500 for a one-teacher school, \$800 for a two-teacher school, \$1,000 for a three-teacher school, \$1,200 for a four-teacher school, etc." The fund is available for the building and furnishing of teachers' homes, or "teacherages," as they are commonly called. One-half the salary of the special State rural-school building agent is paid by the Rosenwald Fund, the other half by the State.

SLATER FUND.

From this fund grants are made to provide equipment and pay the salaries of teachers in negro county industrial-training schools.

³ No Jeanes Fund grants (for salaries of county industrial teachers for the colored race) have been received since the close of the year 1918-19.

JEANES FUND.

During the year 1918-19 Arkansas received from the Jeanes Fund \$1,801.61 to aid in the payment of the salaries of 21 negro industrial teachers employed for certain counties at a salary of \$75 per month and \$968.21 from the General Education Board for the same purpose. This was the last payment received from the Jeanes fund. Since June 30, 1919, such teachers have been employed by the extension division of the Federal Government and the University of Arkansas.

We may well close the present chapter with Table 33, which shows the objects subsidized from private funds in 1921 and the amount of aid received. This table calls for no lengthy comment. Two outstanding facts may, however, be noted: (1) Despite the unsatisfactory condition of negro schoolhouses, only 43.7 per cent of the moneys made available for this purpose by the Rosenwald Fund were utilized; (2) four of the leading offices of the State department of education owe their maintenance to private funds.

TABLE 33.—Contributions of private funds to the support of public education in Arkansas, 1921.¹

Objects or use.	Source or fund.	Available.	Expended.
1. Negro rural school buildings.....	Rosenwald.....	\$15,000	\$19,700
2. Negro county industrial teachers ²	Jeanes.....		
3. Salaries and equipment in negro industrial training schools.....	General Education Board.....	7,314	6,280
4. Teachers' salaries in same.....	Slater.....	3,700	2,850
5. State supervisor in negro schools.....	General Education Board.....	3,400	3,500
6. Two State supervisors of rural schools.....	General Education Board.....	7,000	7,000
7. High-school inspector.....	General Education Board.....	3,500	3,500
8. Traveling expenses for 3, 5, 6, and 7.....	General Education Board.....	3,900	3,900
9. Two clerks.....	General Education Board.....	2,080	2,000
Total.....		75,984	47,880

¹ Table 33 compiled by Arkansas State Department of Education on request.

² Twenty-one of these teachers were employed during the school year 1918-19 for 11 months at a salary of \$75 per month. "These agents were paid partly from the Jeanes Fund, partly by the General Education Board, and partly by their respective counties." (Ark. Supt. of Pub. Inst., Rep., 1919-20, p. 31.) Since 1919 no moneys have been received from the Jeanes Fund. See statement in text.

Chapter IV.

LOCAL SOURCES OF SCHOOL REVENUE.

COUNTY AID.

Both State and district moneys are paid into the county treasury and thence distributed among the school districts composing the county. But the county itself as a producer of school revenue is a factor of well-nigh zero importance. Not only do the counties levy no school tax, but they can not do so without a constitutional amendment. There seem to be at the present time four sources only from which a county may provide school revenues: (1) Loans to banks of school funds in the county treasury; (2) proceeds of estrays; (3) proceeds of fines; and (4) school funds the purpose of which is in doubt. No account of the revenues derived from these sources has been available. Therefore the present section will confine itself to a mere statement regarding each of these four sources.

The county treasurer commonly loans the school funds in his hands to banks, which pay interest thereon. This interest becomes a county school fund which the county may apply to educational projects. Some counties apply it to the salary of the county superintendent.

With respect to estrays, the law provides that—

one-half of the residue after deducting all legal expenses from the appraised value of the beast shall be paid into the county treasury in which such stray was taken up. All such funds shall be apportioned among the several districts of the county.

The proceeds of the great mass of county fines and forfeitures which go into the county treasury never reach the school. A penalty of 25 per cent is provided by law to be levied and collected on unpaid personal property taxes and paid into the county school fund.

Section 7478 of Kirby's Digest provides that any and all school funds in the county treasury about the application of which there is any doubt shall be placed to the credit of the common school fund of the county.

TOWNSHIP AID.

SIXTEENTH SECTION FUNDS.

The only township sources of school revenues are the unsold portions of sixteenth section lands, already discussed as sources of the permanent school fund. As long as these lands remain unsold, their

rents are distributed among the districts lying in the township in which the lands are situated. Table 26 showed the condition and estimated value of these lands in 1921. The law places the leases of lands susceptible of cultivation in the hands of the county collector. The county judges are empowered to lease wild and uncleared sixteenth section lands for periods of not more than five years. The lessee is required to pay one-half the amount of rent at the time of leasing and the balance at the end of the year.

The more important steps involved in the selling of sixteenth section lands may be stated briefly. Upon the petition of a majority of the adult male inhabitants of a township, the collector or the sheriff of the county in which such land is situated proceeds to divide the land into tracts of not more than 40 acres or into city and town lots. The land shall be appraised by three disinterested householders of the county and then offered for sale at public auction.

An act approved March 29, 1921 (acts of 1921, No. 661), provides that any person claiming to own school lands, and whose claims are based on regular unbroken chain or title dating back to 1889, and to whose claims there was not an advance claimant for a period of 20 years subsequent to 1889, and who was in actual possession of said lands at expiration of 20 years, and on which lands taxes have been regularly paid during the period of 20 years, shall acquire full title to such land and shall be given a deed to the same by the State land commissioner. The law forbids the removal from sixteenth section lands of any timber or stone, and provides as a penalty for any person convicted of trespassing upon school lands an amount equal to three times the amount of the damages done.

DISTRICT AID.

It is no exaggeration to say that in Arkansas the school district is the determiner of the school situation. That this is true is evident whether we consider the authority and powers intrusted to the school district or the proportion of the total public-school revenue it provides. It rests with the electors of each district to determine by vote whether a school shall be maintained three months, more than three months, or not at all; whether a school tax not to exceed 12 mills shall be levied or no school tax at all. If the voters of a district vote to levy no tax, or to maintain no school, there is absolutely no way of compelling them to do otherwise. This is, of course, in striking contrast with the policies of progressive States and accounts for the fact that every year a certain number of districts maintain no schools.

The supreme importance of the district as a provider of school revenue may be briefly shown. Receipts for public schools in

Arkansas during the year 1920-21, including balances from the previous year, amounted to \$11,096,259. Of this sum, \$9,101,641,¹ i. e., 82 per cent of the total public-school receipts, were furnished by the districts. Table 34 shows these facts, together with a statement of the moneys and per cent derived from district sources of major importance.

TABLE 34.—*The district as a provider of public-school revenue in Arkansas, 1921.*

I. RELATIVE IMPORTANCE OF THE SCHOOL DISTRICT.

Total common school revenue including balance from previous year ^a	\$11,096,259
Total received from districts (excluding miscellaneous).....	9,101,641
Per cent contributed by districts.....	82

II. ANALYSIS OF DISTRICT REVENUE.^b

Major sources.	Receipts.	Per cent of total.
Taxes:		
Maintenance.....	\$5,827,484	88.0
Building.....	257,203	4.0
Poll.....	297,458	4.4
Bond sales.....	239,948	3.6
Total.....	6,621,093	100.0

From Table 34 we see that 82 per cent of the total amount of school revenue derived during the year 1920-21 was furnished by the school district, and that of the amount provided by the districts 96.4 per cent was produced by some kind of a tax—maintenance, building, or poll. It is unnecessary to present further data to support the statement that the district is the dominating factor in the system of support.

In view of the fact that the kinds of sources which a district in Arkansas may employ to produce school revenue depend in part upon the kind of a district it is, it is necessary to consider briefly classes of school districts and their differences in powers. School districts in Arkansas fall into four classes: (1) Common school districts, (2) consolidated school districts, (3) special or single school districts (city or town), (4) rural special school districts. The first two classes call for no explanation.

Any incorporated town or city, including the territory annexed thereto for school purposes, may be organized into and established

^a Balance from previous year amounted to \$2,480,546. See above Table 20 and footnote 9. It might seem inconsistent to include this balance in Part I of this table and to exclude it from Part II, but the purpose of Part I is to show the relative importance of the district in the entire system of school support, whereas the purpose of Part II is to show the relative importance of the different types of district taxes and other sources as providers of district revenue alone.

^b Excluding balance from previous year.

¹ See above Table 20 and footnote 9.

as a single or special school district. Common school districts are known by numbers, e. g., district No. 14, of ——— County. Special school districts are known by the name of the city or town thus organized, e. g., the school district of Little Rock. A rural special school district is formed out of a rural common school district, or districts, by the majority vote of electors in order to become eligible for "the benefits of all the laws regulating public schools in incorporated cities and towns," which include power to borrow money and issue bonds. The common school districts are governed by an elected board of three school directors; consolidated, special, and rural special districts are governed by elected boards of six school directors.

The most significant difference between the common school districts and those of the remaining three classes is the difference in financial powers. Common school districts have no power to issue bonds or borrow money, whereas the board of directors of any special, rural special, or consolidated school district, having been previously authorized to do so by a vote of the district electors at the annual school meeting, may borrow money and issue bonds to raise money for (1) school sites, (2) buildings (purchase, erection, repairs), (3) school equipment and apparatus, and (4) for other necessary school purposes (acts of 1917, No. 180). Payments on such bonds must be made from the proceeds of the regular district tax (maximum, 12 mills).

The previous paragraphs have shown that the unit upon which, above all others, the schools of Arkansas are to-day dependent for their support is the school district. Not only is this true, but during the past 30 years, the tendency has been to place a larger and larger share of the burden of support upon the school district, and less and less upon the State, while the county as such has been allowed to go entirely free. It is unnecessary to dwell at length upon matters already presented and discussed. Table 14 has shown the inequalities in the wealth, i. e., ability of districts to provide school revenues. We have also seen that under the present system of district support many of the poorest districts levy far heavier tax rates than the richer districts, yet are able to produce far less revenue. The evils which the present system produces have also been shown in that section of this report recounting the inequalities in educational opportunities (see above Tables 13 and 14).

Further consideration will show that it would be difficult to conceive a system of finance less likely to produce efficient schools than the present system of district finance in Arkansas. Not only has the State shelved a larger and larger share of the burden upon the district, but through constitutional and legislative prohibitions she

has made it impossible for the districts to provide the revenues necessary to maintain good schools. The maximum tax which a district may levy for all school purposes is 12 mills. Out of this 12 mills must come the district's share not only of the costs of instruction, but of all other expenses, including purchase of school sites, erection, altering, repairing, equipping, insuring, transportation of pupils in consolidated districts, and erection of homes for teachers.

If a district issues bonds, the law makes no provision whereby an additional tax may be levied to pay the interest and principal; in fact, the law expressly prohibits this. The practice of pledging the taxing power of the district, much less of the county and of the State, is entirely excluded. On account of the fact that building bonds of the district are commonly secured by a first mortgage on school buildings and grounds, the first district revenues are generally used to meet payments of interest and principal due on such bonds, leaving the schools to struggle along as best they can on the remainder, if there be a remainder.

In a State pledged by its constitution to provide a free school for every child, many schools would close after two or three months, and some would not open at all except for subscriptions of patrons and tuition fees. The high school in a city of over 9,000 population is reported as being maintained during the present year entirely by subscriptions. Last year this same city raised \$25,000 by subscription for all its schools. A prominent daily newspaper, in its issue of December 20, 1921, contained the following paragraph:

December 31 is the date specified for the schools as institutions run by public funds to pass out of existence temporarily in this city.

All Arkansas schools will reopen here on a subscription basis with more than enough funds pledged to insure continuance until the end of the regular school year. Pledge cards from parents that they will pay tuition for their children have been sent in for approximately 80 per cent of the pupils.

Business men to the number of about 30 have pledged sufficient additional funds to insure that children of parents unable to pay tuition can continue their school work.

If space permitted such instances might be multiplied. But the facts are too generally known among the citizens of Arkansas to call for extensive presentation.

Perhaps the most striking evidence of the recognition by the citizens themselves of the impossibility of maintaining schools, hampered as they are by the constitutional 12-mill district tax limit, is the law providing for assistance in collecting voluntary contributions. This law permits the directors of certain special districts, after ascertaining that more than a majority of the property owners in such district favor the raising of a contribution by a voluntary tax in addition to the usual school tax, to certify their finding and

the rate to the county tax collector. The tax collector is thereupon required to assist in the levying and collection of the voluntary tax. He must show the tax list of each property owner, and the amount, in addition to his regular tax, which each such property owner will pay, if he pays his share of the voluntary tax. The collector must include in all tax receipts the amount of any such voluntary taxes which have been paid. The law further provides that any written or signed pledge to pay such voluntary tax shall be enforceable.

The readiness of districts to resort to the voluntary tax is an evidence of two things: (1) A recognition of the impossibility of maintaining schools under the present constitutional limitation; and (2) the faith of the people of Arkansas in public education, and their effort to rise above the obstacles placed upon them by constitutional limitation.

Among the districts which in 1920 levied supplementary taxes were the following: El Dorado, 3 mills; Eureka Springs, 3 mills; Camden, 5 mills; Little Rock, 6 mills; Jonesboro, 6 mills; Leslie, 12 mills; Blytheville, 12 mills. Much credit is due to communities which, rather than see their schools closed, take upon themselves the burden of voluntary supplementary taxes or raise funds by subscription and tuition fees. Nevertheless, the fact that it is necessary to employ such methods indicates a situation which assuredly calls for relief. The constitution of Arkansas, which in one section has placed upon the people the responsibility of providing free schools, in another has fixed limits which make it impossible to provide such schools.

One of the worst elements in the present situation is that as matters now stand there is no chance for improvement. Indeed, conditions will grow rapidly and steadily worse. It will never be possible for Arkansas to maintain a system of free schools so as to give every child a square deal until she makes radical changes in her method of financing schools. It may be well to suggest at this point some of the most essential reforms.

1. The county should be established as an effective school tax and school administrative unit.
2. All constitutional and statutory limits on school taxation should be removed and provision made that State and local tax rates shall be fixed from time to time on the basis of estimated school costs for the next year or biennium, and the proportion of such costs indicated which each of the above units is required to bear.
3. Compel every county to levy a county school tax sufficient to provide its share of the total school revenue.
4. Authorize and require the State through its proper officials to provide for the levying, collection, and distribution of county school

taxes in the case of counties which neglect or refuse to vote or otherwise provide county school taxes required for maintenance, buildings, bonds, or any other lawful expenditure.

5. Empower counties and all other school corporations to borrow money and issue bonds.

6. Require that at the time the electors of a county vote in favor of a bond issue they must also vote a special bond tax sufficient to meet all payment of interest and principal. Such bonds should be retired in series. No county bonds should be allowed to run for a period of more than 20 years.

7. Place statutory limits upon the bonding power of counties.

We may well close the present section of this report with a tabular presentation of all major sources of school support in Arkansas. Table 35 shows the main classes of sources furnished by various units (Nation, State, county, and district) which provide revenues for the schools of Arkansas. Table 36 presents these same sources arranged with a view to showing the projects or institutions to which they severally contribute.

TABLE 35.—Chief sources of revenues for all public educational institutions.¹

Classes.	Federal.	State.	District.	Private foundations.
Permanent funds and lands	Forest reserve. (Morrill)	Permanent school fund University endowment	Sixteenth section (township) lands	(Rosenwald. Slator. General education board.
Appropriations	(Smith-Hughes. Smith-Lever	From general revenue fund ² for (1) State department of education; (2) extension work, agriculture, and home economics; (3) blind school; (4) deaf institute; (5) boys' industrial; (6) girls' industrial; (7) education of adults. 3.0 Common school fund 0.18 County superintendents 0.2 Vocational education 0.6 District agricultural schools 0.2 State Normal School 0.12 Negro Normal School 0.2 Sinking fund 1.0 University None except investment of permanent funds Teachers' fees for State certificates Institute and library fund	\$1 poll tax. Optional levy, limited to 12 mills Supplementary voluntary taxes, levy and payment both optional. Voluntary sales tax Building bonds Pupils' tuition fees Private contributions	
Taxes (in mills) on property				
Bonds, penalties, and miscellaneous				

¹ The county is omitted from this table as the revenues from that source are of entirely negligible importance.
² In 1921, 8,960 acres unsold; these lands belong to townships, but rents are divided among districts lying within township in which lands are located.
³ The General Revenue Fund is largely derived from taxes, as will be seen from its composition in 1920: 35 per cent from mill property tax, 23 per cent from insurance taxes and fee, 19 per cent from franchise and excise taxes, 14 per cent from inheritance taxes, 5 per cent from charter fees and sale of books, 2 per cent corporation commission fees, 2 per cent miscellaneous, 9 per cent from taxes, 9 per cent from fees.

TABLE 36.—Arkansas educational institutions and projects and major funds upon which their support depends.

	Federal funds.		State funds.		District funds.	
	Permanent funds.	Appropriations from—	Permanent funds.	Appropriations from—	Taxes (mills) on property.	Private funds annual grants.
Public schools: Maintenance.					1921 1923	
Vocational education	Forest reserve	Smith-Hughes	Permanent school fund		3 3	
					0.2 0.2	



Supervision— State department of education.	Smith-Hughes (vocational).	General revenue fund ^a	For building only.	General Education Board for high schools, rural and negro.
State supervisors				
County superintendents.			0	0.15
Negro special aid— Rural school buildings. Industrial training schools— Salaries.				
Equipment.				Rosenwald Fund.
University (including medical school).	Morrill fund.		10	1
Sinking fund for State debt to university and public schools.		University endowment fund.		
Teacher training: In university (vocational).			11	0.2
White normal.	Smith-Hughes			
Negro normal.	Smith-Hughes	Teachers' fund (proceeds of teachers' fees).		0.2
Teachers' institute.				0.12
District agricultural schools (4).	Smith-Hughes (vocational agriculture).			
Extension work in agriculture and home economics.	Smith-Lever fund.	General revenue fund ^a to match Smith-Lever.		
Education of special classes: Blind. Deaf. Incurables. Illiterate adults.		General revenue fund ^a do. do. do.		

¹ Funds of negligible importance are not included in this table; consequently no space is given to county funds.
² Only 21 of the 75 counties secure aid from the forest reserve fund.
³ These funds are almost entirely State debts. Interest is paid from taxes.
⁴ Poll tax of \$1 compulsory; maintenance tax (limited to 12 mills); sales tax payment optional; supplementary property tax, optional by vote of district.
⁵ To match Smith-Hughes.
⁶ Approximately 5 per cent of the general revenue fund is devoted to education; 91 per cent of this fund is derived from taxes on corporations, franchises, etc.
⁷ Law permits no tax to redeem or pay interest on these bonds. Payment must be met out of current revenue.
⁸ For salaries, traveling expenses, office expenses of State school supervisors, as follows: One high school, two rural, one negro.
⁹ University receives aid for training vocational teachers from Smith-Hughes fund; omitted from here because included below under teacher training.
¹⁰ Excluding medical school.
¹¹ Provided for by Act 492, acts of 1921, to pay interest on all State notes and bonds and principal. Takes the place of interest sinking fund derived from one-eighth mill tax to pay State interest on university and permanent school fund.
¹² In part for medical school.



Chapter V.

HOW SCHOOL MONEYS ARE APPORTIONED AND USED.

The common-school fund, consisting of the income of the permanent school fund, the proceeds of the 3-mill State school tax, and certain miscellaneous revenues, of negligible importance, is apportioned by the State superintendent of public instruction annually on the first Monday in September among the several counties of the State in proportion to the number of persons of school age (between 6 and 21 years) residing therein. More specifically, the method is as follows: The total common-school fund is divided by the total State school census, and the quotient is the quota per person of school age. This quota is multiplied by the school census of the various counties, giving the total amounts to be allotted to the counties.

The county school fund is apportioned among the districts of the county by the county board of education. Before making any apportionment, the county board must first set aside from this general school fund moneys for the salary and office expenses of the county superintendent and for the expenses of the members of the county board of education while in actual attendance upon the meetings of the board. The remainder is then apportioned among the districts of the county on the same basis as employed in apportioning the State common-school fund. The total county quota is divided by the county school census. The quotient is the quota for each district pupil. This quota multiplied by the school census of any district is the amount due such district.

As previously noted, quotas of Federal forest reserve fund are received by 21 counties in proportion to the area of the forest reserve situated within each county. Such county quotas are in addition to other funds,¹ and are apportioned among the districts on the same basis as the common-school fund.

Of all the bases employed in the United States to-day in apportioning school moneys, the school-census basis is the most ineffective, unfair, unscientific, and disastrous. The age upon which Arkansas bases her distribution of school moneys is a fictitious school age.

¹ It might seem obvious that such funds would be additional. However, the State might have legislated that quotas of State aid should be reduced in proportion to the aid received by a county from the Federal forest reserve fund.

A considerable proportion of the population in any county or district falling within its limits do not attend school at all. Whereas the compulsory school age (7 to 15) covers only nine years, the age upon which school moneys are apportioned covers 16 years. The school-census basis results in giving certain districts aid for large numbers of children between 15 and 21 for whose education the district is spending nothing. The school-census basis discriminates against the poor rural district with a small school population and favors unduly the rich and populous districts.

The school-census basis assumes that the amount of money a district must spend for education depends upon the number of children of school age living in the district. In reality, the cost depends first and chiefly upon the salaries paid, the number of teachers provided, length of the school term, and last of all upon the number of pupils (not number of school age living in the district). It will make little difference in costs whether a district contains 7 pupils or 27. In both cases one teacher must be hired, and the expenses of heating, insuring, and otherwise maintaining the schoolhouse will be approximately the same.

A just method of apportioning State aid must take these matters into consideration. It must also proportion its aid to length of the school term, giving more aid to the districts maintaining the longest terms. The school-census method of appropriating moneys grants the same amount of aid to a district whether it maintains a school for three months or nine, and whether it provides an adequate or an inadequate number of teachers and schools for all the children living in the district. In fact, the school-census basis actually places a premium on nonenrollment, and gives the advantage to those districts which enroll the lowest percentage of their school population and provide an inadequate number of teachers and of schools. It gives proportionately as much aid to the wealthiest districts, making little effort, as to the poorest districts, exerting themselves far beyond what their wealthy neighbors are doing.

To what extent this method fails to even out district inequalities in school burdens, ability, and effort was shown in Table 12. There it was shown that Arkansas County, which was more than twice as able to provide school funds as Boone and White Counties, levies 2 mills less, enrolls a considerable smaller proportion of its children, yet receives more help from the State than either of these, and is able to spend \$5 more per child enrolled than either. A similar condition was shown with respect to Van Buren and Newton Counties. Like conditions were revealed by Tables 13 and 14.

State funds are supposed to equalize the burdens of education among the various counties (and districts), some of which have low valuations and a

large school population, and even with high taxes have difficulty in raising enough money to support schools.

It is undoubtedly true that the State of Arkansas must have a vastly increased State common-school fund before she can do much toward evening out educational and financial inequalities. Nevertheless, conditions could be greatly improved were her present relatively small State fund apportioned in a just and scientific manner.

• LAWFUL AND FORBIDDEN USES.

The clause commonly found in State constitutions expressly forbidding paying public moneys to private or sectarian institutions is not included in the constitution or the laws of Arkansas. The only express constitutional prohibition reads as follows:

No money or property belonging to a public-school fund, or to this State for the benefit of schools or universities, shall ever be used for any other than for the respective purposes to which it belongs. (Constitution, Art. XIV, sec. 2.)

The laws contain very few provisions as to the use to which school moneys may be put. The State "school supervision fund" (derived from the proceeds of the State tax of 18/100 mills), which provides \$1,500 per county for the fiscal year ending June 30, 1923, may be used by the counties in payment of the salary of the county superintendent and for defraying the expenses of State, county, and district institutes for superintendents and teachers.

The institute and library fund (teachers' fund) may be used for defraying—

1. All expenses of teachers' examinations, including grading papers.
2. Expenses of teachers' institutes conducted by the State department of education.
3. Expenses of county superintendents while attending special schools of instruction and study.
4. All expenses of the State textbook commission.

The present law allowing the county treasurer a commission of "2 per cent and no more" on all school funds coming into his hands should be abolished, and such services should be recompensed in the form of wages paid out of the general county fund. The collector of the proceeds of the sales of sixteenth section lands may retain 2 per cent of the gross proceeds as his commission, and also deduct from such proceeds the following costs: (1) Costs of advertising the lands; (2) rejection of sales; (3) surveyors' fees.

As already pointed out, the county school fund is used to pay the expenses of the members of the county board of education while in actual attendance upon board meetings, the office expenses, and the county's share of the salary of the county superintendent.

The State and the county have relatively little to do with the actual expenditure of the school moneys. This task falls almost entirely upon the districts. The most important question, therefore, is what are the uses to which districts must or lawfully may put the school funds in their possession?

Teachers' wages have the first claim on all the district funds. The districts are forbidden to use any portion of their quota of the State common-school fund for the purposes of erecting buildings. For apparatus, such as maps, globes, dictionaries, and charts, the directors of school districts, other than special, may spend annually out of the common-school fund not more than \$25.

The common-school fund may be used by the district to pay for incidental expenses and supplies, such as stoves, fuel, blackboards, crayons, etc.

The directors of the school district are required to submit to the electors, as a guide in voting a tax in the annual school meeting, an estimate of the amount of revenue necessary to meet the expenses of the district. A failure to submit such estimate is a finable offense.

If a school tax is voted by a district for general school purposes without any direction on the part of the electors as to its expenditure, the directors would have the authority to use the proceeds of such tax for the actual expenses necessary to maintain schools, except that no part may be used for building purposes. Both common and special school districts are authorized, but not required, to use district funds to insure the school buildings of the district.

It will be recalled that if a district proposes to build a schoolhouse, it levies a separate tax. The law gives considerable space to the subject of using district school moneys for building purposes. The law requires that no schoolhouse shall be built except by moneys provided by the district for that purpose. "This has been construed literally that the money must be provided 'by the district' and 'for that purpose.'" (Digest of School Laws, 1920, p. 126, footnote.)

School directors have no power to build a schoolhouse with funds of the district unless previously authorized to do so at the annual school meeting. Such authority can not be conferred at a special school meeting.

A tax voted for building purposes or for teachers' salaries must be applied to the purpose for which voted. But a balance of such fund at the end of the fiscal year may be diverted by the district electors at any annual school meeting from its original purpose to some other.

Any district, common or special, may employ any of its school funds to buy, build, or lease teachers' homes or to hire or purchase

vehicles for the transportation of pupils and to hire persons to operate the same.

The law is much more inclined to specify the uses to which school moneys may be put in the case of special districts than in the case of common-school districts. Most of these specified uses are indicated in the powers assigned to the directors. Section 7684 of the law (Digest of School Laws, 1920) empowers the directors of special school districts to purchase or lease sites, build, hire, or purchase, repair, furnish, equip, and insure schoolhouses, fence grounds, erect outhouses, provide wells, hire teachers and a superintendent of schools, provide books and apparatus for the schools and the necessary blank books and stationery for the board, and school registers and blanks for the teachers.

REQUIREMENTS FOR PARTICIPATION.

If district grants from State and county funds are made to depend upon the fulfillment of certain requirements, it is possible to use such funds to insure the lawful use of school moneys, the securing of school reports, the enforcement of various school acts and provisions, and the maintaining of definite standards. Policy varies in the United States all the way from "no requirements for participation" in some States to a long list of requirements in others.

Arkansas has thus far made no attempt to use State aid as a leverage for enforcing school laws or elevating school standards. Instead of imposing upon the districts penalties in the form of forfeitures of quotas of State aid, as more progressive States do, Arkansas places the responsibility and the penalty upon the teacher or some other school officer to whom the law has delegated the execution of the act or rule. Thus the teacher who fails to furnish the report required by law shall not receive his last month's salary until this duty is performed.

The law places certain definite duties upon the district board of directors and the county examiners; e. g., to see to it that physiology, hygiene, and elementary agriculture are taught and that the birthday of Robert E. Lee is properly observed. Failure to discharge these responsibilities is a finable offense.

If the directors of any district fail or neglect to make a report (to the county examiner) of the enumeration statistics and finances of their district at the time of and in a manner prescribed * * * * , the said directors, in addition to their forfeitures for neglect of duty, shall severally be liable for damages, including the costs of the suit, that a district may sustain by reason of losing the school revenues that would otherwise have been apportioned to them. (Secs. 7633 and 7635.)

RECOMMENDATIONS.

It will be seen that this section not only holds the directors responsible for the submission of annual returns but by implication provides that State moneys shall be withheld from districts failing to submit such returns. This is the only condition directly or indirectly provided in the laws.² By making the submission of the school report the sole condition which districts must fulfill in order to receive their respective quotas of State aid, Arkansas has failed to employ one of the most effective of all means by which established standards and regulations and laws can be enforced and new ones introduced. The following list, compiled of requirements imposed by other States, suggests some of the conditions Arkansas might impose upon local units:

- (1) Raising a district or a county tax of at least minimum rate.
- (2) Maintaining a school for a fixed number of months.
- (3) Employing teachers of specified qualifications.
- (4) Erecting all new schoolhouses in accordance with plans and specifications previously approved by the State school architect.
- (5) Providing equipment and apparatus satisfying standards established by the State department of education.
- (6) Expending lawfully all school moneys.
- (7) Providing instruction in all subjects required by law.
- (8) Submitting all reports required by State, county, or other educational officers.
- (9) Providing free textbooks.
- (10) Enforcing compulsory education and truancy laws.
- (11) Fulfilling all State school laws and all regulations of the State department of education.

Had Arkansas enforced even a few of the above 11 requirements—let us say, Nos. 1, 2, 3, 5, and 8—for the last five years, her school situation would be very different from what it is to-day. Before the State can secure the acceptance and enforcement of such standards it will be necessary for her to be able to offer much larger quotas of State aid than at present. The allotment of \$2.58 per school child—the 1921 apportionment—is altogether too small an inducement. It would be foolish to expect the State to be able to induce or compel districts to fulfill any significant requirements until the amount of financial assistance the State gives is multiplied many times. This is strikingly evident the moment we consider the total amount of aid given by the State to individual districts.

Table 37 shows the total amount of aid received from the State by the poorest district in each of 16 different counties.

² Sections 7554 and 7555 require the county examiner to report directors' school enumeration to county clerk and county clerk to county court, "to be used as a guide" in making the apportionment of the general school fund to the various school districts."

TABLE 37.—Sixteen Arkansas districts¹ compared as to State aid, expenditures, and enrollments.

County.	District number.	School enrollment.	Total State aid.		Expenditure.	
			Rank.	Amount.	Rank.	Amount.
Union.....	70	65	1	\$177	2	\$530
Lafayette.....	17	46	2	167	3	524
Ashley.....	18	53	3	149	1	653
Bradley.....	6	52	4	138	4	506
White.....	70	29	5	123	5	412
Baxter.....	33	28	6	117	14	150
Clay ²	24	27	7	104	10	221
Marion ³	65	27	8	97	15	135
Benton ³	73	23	9.5	94	12	167
Stone.....	36	30	9.5	94	7	297
Sebastian ³	41	30	11	86	8	295
Cleburne.....	75	19	12	81	6	343
Carroll.....	95	28	13	63	13	166
Independence ⁴	41	(²)	14.5	52	16	0
Newton.....	88	(⁴)	14.5	52	11	206
Sevier.....	56	17	16	34	9	253

¹ Districts selected on basis of assessed valuation per child enrolled. The poorest district on this basis in the county selected in each case except those counties marked with footnote ² or ³.

² Selected because it received much less total aid than the poorest. The primary purpose of this table is to show that the total amount given by the State is too small to make it possible to place any very worthwhile requirements upon the districts.

³ No school, no enrollment; therefore impossible to determine any valuation per child enrolled.

⁴ Not reported.

It is evident from Table 37 that the State grants are in many cases entirely too small to enable the State to exert any great degree of influence, much less pressure, to maintain good school standards or conditions. Seven districts of the 16 receive less than \$100 from the State; three receive less than \$65; and one receives only \$34. The district which ranks ninth with respect to total expenditure receives the least aid of all (\$34). Seven districts which spend less on their schools receive more help from the State. The extent to which the injustice produced by the present system extends is shown by the fact that the district which maintained no school at all, and consequently spent no money, received \$52 from the State, whereas the district which spent \$253 received only \$34.

We have now concluded our diagnosis of the educational situation in Arkansas. The fact that Arkansas ranks forty-sixth educationally among the 48 States is due primarily to the inadequate and inequitable system of school support. The system of school finance we have discovered is antiquated, totally inadequate, and one which produces and perpetuates inequalities of educational opportunities and inequalities of school burdens. Worse than this, it is a system which, by its constitutional restrictions on taxation, makes it impossible for the citizens of Arkansas to provide moneys for schools, even in communities both willing and able to do so.

It now remains to ask, is Arkansas rich enough to have good schools, and where shall the moneys come from?

Chapter VI.

HOW MUCH WILL IT COST ARKANSAS TO REACH THE AVERAGE LEVEL?

Preceding chapters have shown that thousands of children in Arkansas are getting very little chance for schooling, and thousands of others no chance at all; that school burdens are very unequal; and that the aid given by the State is distributed in an antiquated, unscientific, and ineffective manner. The sources from which the schools derive their moneys have also been set forth. The present chapter sets for itself the task of trying to answer the question, how much money ought Arkansas to spend for public education?

The answer to such a question will, of course, vary from year to year, as the population and educational needs of the State change. But the answer to be given for one year will depend largely upon the rank which the citizens of Arkansas determine their educational system shall attain. It would seem that no State consciously setting up a goal for its educational endeavor would be satisfied with anything less than the average rank. This would mean that she would still be outclassed by practically half of the States. Yet in the case of Arkansas, the attainment of such a rank would mean that the State had climbed from the forty-seventh to the twenty-fifth rung of the educational ladder.¹

It is obvious that educational conditions are by no means entirely dependent upon school expenditures. An extravagant expenditure or inequitable distribution of a large fund may produce poorer schools than a smaller fund justly and wisely distributed. It is equally evident that if moneys are equitably distributed and wisely used the results produced will be approximately proportional to the revenues expended. Reforms in financing are intimately connected with reforms in organization, supervision, and administration. This will be considered later; for the present we may assume that if the immediate goal of Arkansas is to reach the average educational level of the 48 States, she must invest in education an amount equal to the average expended by the States.

MORE MONEY FOR EDUCATION.

Any estimate which attempts to give a complete answer to the question of how much money Arkansas needs for education must include the amount needed for the proper and adequate support of

¹ On the basis of 49 ranks—48 States and the District of Columbia.

every type of public educational institution and educative project. Such an estimate ought, therefore, to include costs of (1) public schools, (2) the university, (3) teacher-training institutions, (4) agricultural schools, (5) schools for special classes—the blind, deaf, feeble-minded, and incorrigibles, and (6) certain miscellaneous educational projects. The concern of this report is primarily with the elementary and secondary schools of Arkansas; nevertheless, the financing of some other educational institutions and projects will be considered. In each case we will attempt to show how much Arkansas is actually spending, and how much she would be obliged to spend in order to measure up to the average of the 48 States.

It will not, however, be possible to include in our estimate the schools for special classes—the blind, deaf, and incorrigibles. Owing to the fact that these institutions failed to furnish reports to the United States Bureau of Education, they were not included in the bureau's report, upon which, as already stated, our comparisons and the averages used as bases of our estimates depend. No attempt will be made here, either, to estimate what Arkansas ought to spend upon her four district agricultural schools. The difficulty of getting any national standards by which to judge the extent to which these schools are receiving due or necessary support and the fact that they constitute a unique problem are sufficient reasons for not attempting to include them here.

It has already been shown that the legislature of 1921 increased the tax rates for the university and other institutions. Consequently these institutions will soon have a much larger income. These increased funds can not be taken into consideration in trying to estimate what Arkansas is doing for her schools. They are not available at the present; nor is there any way of ascertaining the averages for the United States as a whole for the years when such funds will become available. Moreover, the revenues provided for education were increased so markedly in many of the States that there is little reason to think that the recent increases by Arkansas will have much effect upon her relative rank.

At the present writing (March, 1922), in most cases, though not in every case, the latest year for which national average school expenditures, or the data for compiling them, are available is 1917-18. These average school expenditures are below what such averages would be for 1920, and still farther below those of 1922; nevertheless, they are in nearly every case so far above those prevailing in Arkansas that attainment to them would probably represent as great an immediate advancement as could probably be reasonably expected. For this very reason we have not hesitated to apply these average standards of 1918 to the educational conditions of Arkansas in 1920 and 1921.

RECOMMENDATIONS. ^m

It may be well at this point to consider briefly one or two principles fundamental to any sound system of finance: First, that for every new type of undertaking, new and adequate funds should be provided. Thus, if Arkansas decides to enlarge the scope of the State normal school, or if she decides that the district agricultural schools shall undertake the training of rural teachers, competent authorities should determine in advance the funds needed, and the State should provide adequate funds before allowing or requiring the new project to be undertaken. Second, the State should provide for a permanent interim educational budget or finance commission. Such a commission should determine in advance for the legislature the entire sum needed to provide adequate support for all forms and types of education, and should advise the legislature as to the tax levies and appropriations necessary to produce such funds. From these preliminary considerations we may now pass to the question, how much money is Arkansas providing for education, and how much must she provide in order to rank with the average of the States? On the basis of the standards of 1918 or of 1920, where such data are available, let us consider first the public schools.

WHAT ARKANSAS OUGHT TO SPEND ON PUBLIC SCHOOLS. .

In 1918, of the total amount expended on the public schools in the United States, 55.2 per cent was devoted to the salaries of teachers, principals, and supervisors, and 15.5 per cent to new buildings, grounds, and improvements. In the same year Arkansas devoted 76.8 per cent of her public school moneys to salaries and 0.4 per cent to new buildings. The explanation of the large per cent of total public-school revenue in Arkansas devoted to teachers' salaries does not lie in the fact that Arkansas paid better salaries than the United States as a whole; for salaries in Arkansas were far below the national average. The real cause is to be found chiefly in the fact that the total school expenditure of Arkansas, in comparison to the total expenditure of the United States as a whole, was exceedingly low and that out of this meager total Arkansas spent only 40 cents out of each \$100 on new buildings, whereas the new building expenditure of the United States was \$15.50 out of every \$100.

This suggests that a fairly satisfactory way of determining the total amount of money which Arkansas ought to spend on public schools will be to ascertain the amount she should spend on teachers' salaries, and use this as a base to compute the amounts to be expended on other items or projects. Such a method is possible, owing to the fact that the Bureau of Education furnishes from year to year a percentage analysis of public-school expenditures. This analysis

shows the average per cent of the total expenditures of the Nation as a whole and of each State on the chief items of school costs. Table 38 presents this percentage analysis of expenditures in 1918 for the United States as a whole and for Arkansas.

It will not be entirely satisfactory to accept the total amount computed on the basis of Table 38 as final in the case of Arkansas. Ninety per cent of the population of Arkansas is rural. The teachers in the rural schools in any State are usually the most poorly paid, immature, and poorly prepared of all teachers employed. The more poorly prepared any group of teachers is the greater is the need for supervision. If Arkansas would make any approach toward solving her school problem—if she would give to the rural child what is now universally demanded for the city child—she must provide highly trained supervisors to guide and direct her great body of rural school teachers.

The estimates of the number of rural teachers which can be successfully directed by one supervisor vary from 20 to 50 teachers. Arkansas may well set up as a goal the provision of one supervisor for every 40 rural school teachers. The type of supervisor which should be placed in charge of this work can not be secured for less than an average salary of \$2,000 per year. This is distinctly a modest average salary to set up as a standard. The salaries contemplated by the present law for county superintendents are entirely too low to secure men of the experience and professional training whom Arkansas must place over her counties if she is to secure adequate returns for the money invested: \$4,000 as an average salary for superintendents should be accepted as a minimum.

These two items, salaries for rural supervisors and salaries for county superintendents, are not included in the percentage analysis presented in Table 38. After computing on the basis of Table 38 the moneys required for Arkansas to reach the average level of the States, it will be necessary to add \$1,300,000 to the total amount required for the salaries of county superintendents and rural supervisors. This is done in Table 39.

In 1918 the States on an average provided one elementary teacher for every 33.8 elementary pupils and one high-school teacher for every 20.5 pupils. On this basis Arkansas would be required to provide 13,880 elementary school-teachers for the 469,133 elementary pupils enrolled in her schools in 1920. It would require approximately 300 rural supervisors to direct the 90 per cent of these teachers who were employed in rural schools.

In 1918 approximately 15.6 persons out of every 1,000 of total population were attending high school. Accepting the above bases as standards, we discover that in 1920 Arkansas ought to have had

27,331 pupils in high school instead¹ of 14,039 and should have employed 1,333 high-school teachers instead of 590. The average annual salary of elementary teachers in the United States in the year 1918 was \$606 and that of high-school teachers \$1,031. On the basis of these 1918 averages Arkansas should have paid for salaries to the above estimated number of elementary and high-school teachers something over \$9,785,603, whereas the amount she did pay in 1920 for teachers' salaries was approximately \$3,800,000.

In 1920 the average State level of valuation of all school property, including buildings, sites, equipment, etc., amounted to \$109.23 per pupil enrolled. Measured by this standard, Arkansas should have provided school property worth approximately \$54,000,000. The total value of her school property in 1920 was \$15,418,847.

TABLE 38.—What Arkansas must spend on public schools to reach the average State level.¹

Items of expenditure.	Per cent analysis of expenditures in 1918.		Estimates of amounts Arkansas must spend, 1920. ²
	United States.	Arkansas.	
Instruction:			
(1) Salaries of teachers, principals, and supervisors ³	55.2	76.8	\$9,785,603
(2) Textbooks and supplies.....	3.0	(⁴)	531,828
General control.....	3.3	1.8	585,009
(3) Superintendents.....	2.1	(⁵)	.....
(4) School boards.....	1.0	(⁶)	.....
(5) Miscellaneous.....	0.2	(⁶)	.....
Outlays: ⁷			
(6) New buildings, etc.....	15.5	0.4	2,747,269
Miscellaneous current expenditures.....	23.0	21.0	4,077,335
(7) Fuel, water, light, etc.....		7.8	(⁸)
(8) Janitors' salaries.....		6.9	(⁸)
(9) Maintenance.....		2.7	(⁸)
(10) Auxilliary agencies ⁹		2.8	(⁸)
(11) Fixed charges.....		0.8	(⁸)
(12) Interest.....		2.0	(⁸)
Total.....	100.0	100.0	17,727,542

¹ Estimate given in this table does not include \$1,300,000 required for salaries of rural supervisors and county superintendents. See Table 39.

² The amounts in this column are estimated on the basis that \$9,785,603 constitutes 55.2 per cent of total expenditures. From this the total expenditure was estimated and the other amounts calculated by employing the United States Bureau of Education per cent analysis.

³ Salaries of superintendents given under General Control.

⁴ Not reported separately.

⁵ Includes buildings, sites, furniture, apparatus, etc.

⁶ Includes libraries, transportation, health promotion, etc.

Table 39 shows the amount Arkansas would have been obliged to spend on public schools in 1920, computed on the assumption that the estimated cost of teachers' salaries given above, namely, \$9,785,603, should have constituted 55.2 per cent of the total State expenditure; \$1,300,000 required for the salaries of 75 county superintendents and for 500 rural supervisors must be added to the estimate of annual current expenditures presented in Table 38. For this reason Table 39 is presented, which shows what Arkansas actually

spent in the year 1920, together with our final estimate of what she ought to spend (1920) for public schools and the amount she ought to invest in school buildings, equipment, libraries, and other school property.

TABLE 39.—What Arkansas spent for current expenses and for buildings for public schools in 1920, and what she would have had to spend to reach the average level of 1918.

Items.	What Arkansas spent in 1920.	What Arkansas must spend.
For salaries of principals and supervisors.....	\$5,362,574	\$9,785,603
For text books.....	(1)	531,826
General control.....	(1)	585,009
Miscellaneous.....	587,945	4,077,335
New buildings.....	1,652,114	2,747,769
Salaries of county superintendents and rural supervisors.....	(1)	1,300,000
Total.....	7,602,633	19,027,512

¹ Not reported separately, perhaps included in miscellaneous.

Amount Invested (1920) in buildings, grounds, equipment, libraries, etc.....	\$15,418,847
Amount Arkansas must so invest.....	54,228,763

WHAT ARKANSAS MUST SPEND ON NORMAL SCHOOLS TO REACH THE AVERAGE STATE LEVEL.

On no one thing does the improvement of elementary education depend so much as upon having an adequate body of high-minded and well-trained teachers. No questions in the present report are of more importance than the following: Is Arkansas making adequate provision to supply her children with well-trained teachers? How many teachers ought she to be training in normal schools in order to reach the average rank, and how much must she spend upon them?

In 1918 the number of students taking teacher-training courses in normal schools in the United States averaged approximately 4 to each 1,000 children of school age (5 to 18). In Arkansas the approximate average was 1 to each 1,000. In order to do as well as the average State, Arkansas must enroll approximately four times as many students as at present in normal training courses. To provide trained teachers for her elementary schools Arkansas maintains the Arkansas State Normal School (for whites) at Conway and the Branch Normal (for colored) at Pine Bluff.

In 1918 Arkansas enrolled in normal training courses for whites, 519 students; to have reached the Nation's average of that year she would have had to have 2,076 white students enrolled in such courses. Her annual expenditure per student averages approxi-

mately \$148, \$15 higher than the average expenditure of the United States as a whole; but that the buildings, library facilities, apparatus, equipment, etc., which she provided for such students was far below the average is seen as soon as we compare the average per student valuation of all school property, which was \$131 more per student for the United States as a whole than for Arkansas, the two averages being, respectively, for the United States \$587 and for Arkansas \$456. The most serious evil in the Arkansas present situation is the fact that she is attracting to her normal school approximately 500 students only, whereas she should have over 2,000. This condition will undoubtedly continue until Arkansas is ready to pay high enough salaries to make teaching in Arkansas at least a moderately attractive profession.

What Arkansas is doing to provide trained teachers for the children in her elementary schools and what she must do to reach the average level maintained by the States is shown in Table 40.

TABLE 40.—*Effort of Arkansas to provide trained teachers for the children in elementary schools (white) in 1918.*

	What Arkansas is doing.	What Arkansas must do to reach the United States average.
Annual salary of elementary teachers.....	\$387	\$906
Number of months teachers employed.....	6	R
Young men and women being trained in normal schools (white).....	519	2,076
Amount spent annually on their training (not including buildings).....	\$76,809	\$255,348
Amount spent to provide buildings, libraries, and other facilities.....	\$236,603	\$1,218,612

As already noted, the data in the above table, and the estimates of what Arkansas must do to reach the rank of average, are all for the year 1918. The receipts for the year 1920-21 had increased from \$76,000 in 1918 to over \$96,000, as Table 41 shows.

TABLE 41.—*Receipts of the Arkansas State Normal School, 1920-21.*

From dormitory fund.....	\$23,158
From library fund.....	4,431
From summer-school fund.....	5,200
From laboratory fund.....	1,554
One-half State biennial appropriation.....	62,087
Total.....	96,430

President Torreyson estimates that the State normal school should have at once \$500,000 for new buildings, and that its annual income should be increased to \$150,000 (statement in unpublished letter). This is an exceedingly modest estimate and represents the least that

should be done for this institution. It has been shown that were Arkansas to provide a normal school education for the number of young people she ought to be training, she would be spending \$255,000 per year, and devoting to this purpose property worth more than \$1,200,000.

These amounts would not be more than half enough to provide instruction and facilities for the total number of students she should be training. Arkansas must first make the teaching profession so attractive that at least the normal per cent of young men and women will desire to be professionally prepared for it. After this has been done the question will have to receive serious consideration whether Arkansas should not erect additional normal schools for the preparation of white teachers.

WHAT MUST ARKANSAS DO FOR THE PREPARATION OF COLORED TEACHERS?

The Branch Normal College, as it has long been called, but hereafter to be known (by act of the legislature, 1921) as the Agricultural, Mechanical, and Normal School, is the only public institution which the State of Arkansas maintains for providing higher education for the colored race. Two distinct types of training offered by this institution will be considered separately.

In 1918 the school population of Arkansas (5 to 18 years) was estimated by the United States Bureau of Education to be 562,861. On this basis the estimated colored population (5 to 18 years) would be 158,163.¹ Had Arkansas been training in normal courses the national average of 4 teachers for each 1,000 children of the above school age she would have had in such teacher-training courses 632 prospective teachers. The total number she did have in the year 1918 was 24.

Twelve Southern States reported to the United States Bureau of Education data for the year 1918 regarding the training of prospective teachers in State colored normal schools. The average annual expenditure, exclusive of costs of new buildings and other outlays, was approximately \$92 per student; and the total value per student of all school property, including endowments, was approximately \$345. The Arkansas average annual expenditure per student was approximately \$67 and her property valuation approximately \$223 per student. What Arkansas does and what she must do in the matter of providing normal training for colored teachers on the basis of the above 1918 standards is shown in Table 42.

¹ Estimated on the basis of 28.1 per cent, this being the per cent of total population reported as colored.

TABLE 42.—*Effort of Arkansas to provide trained teachers for elementary colored schools.*

	What Arkansas is doing.	What she must do to reach the average State level.
Number of teachers in training.....	24	632
Total annual expenditure for current expenses (not including buildings and outlays).....	\$26,922	\$58,144
Total investment in buildings and all school property.....	\$90,037	\$218,040

WHAT ARKANSAS OUGHT TO SPEND ON HER UNIVERSITY.

In 1918 total receipts of the University of Arkansas were slightly over \$369,700 and the total enrollment was 569. The average number of persons out of each 10,000 of the total population in the United States in this year attending State universities was 12. If Arkansas had maintained average standards her university would have enrolled 1,707 students and would have been provided with an annual income of \$1,050,000. On the same basis, in 1920 the University of Arkansas should have enrolled 2,100 and should have received for its support \$1,290,000, whereas its total receipts for that year were \$534,000.

Arkansas is sending to her State university only one-third of the number of young men and women she would be sending if she were doing as well as the average State is doing. In 1918 she provided only 36 cents for every dollar she should have provided. Not only is this true, but, as in the case of her public schools, she is falling more and more below the other States. Thus a comparison of total receipts of 12 State universities, 5 of which were southern, showed that the average per cent of increase of 1920 total receipts over those of 1918 amounted to 52.04 per cent, whereas that of Arkansas for the same period was slightly less than 46 per cent.

In 1918 the valuation of the property possessed by the University of Arkansas was reported as slightly over \$1,428,000. Had Arkansas made provision for her university up to the average of the 48 States, this valuation would have been, on the basis of the actual number of students, \$2,807,000, and on the basis of the number of students that should have been in attendance (1,707) \$8,421,000. In 1920, if the University of Arkansas had maintained average rank, she would have had enrolled 2,100 and her buildings and equipment would have reached a value of approximately \$10,500,000.

Table 43 shows the total receipts of 12 typical American State universities for the years 1918 and 1920 and the per cent of increase. Table 44 shows what Arkansas is doing for her State university, not including the Branch Normal, and what she must do in order to measure up to the average of the States.

TABLE 43.—Receipts of 12 American State universities, 1918 and 1920.

University.	Total income.		Per cent of increase.
	1918 ¹	1920 ²	
Alabama.....	\$194,733	\$214,199	9.99
Arkansas.....	369,774	534,230	45.82
California.....	3,610,810	3,844,464	61.86
Colorado.....	488,200	647,225	32.57
Illinois.....	3,075,409	3,916,249	27.34
Kansas.....	920,860	2,378,939	158.33
Kentucky.....	650,651	1,604,646	146.62
Louisiana (State Univ. of Agric. and Mech. Arts.).....	383,923	500,074	30.25
Minnesota.....	2,938,469	4,408,436	50.02
Mississippi.....	147,503	283,291	92.05
Missouri.....	1,209,796	1,726,950	42.74
Ohio (State Univ.).....	2,242,598	2,622,624	17.00
Total.....	16,232,726	24,681,627	52.04

¹ From Bu. of Educ. Bul., 1920, No. 34, pp. 201-223.

² Ibid., No. 48, pp. 12-13.

³ Average.

TABLE 44.—What Arkansas must do for her university in order to reach the average level.

Students and allowances.	What Arkansas did for her university in 1920.	What Arkansas should have done for her university in 1920.
Enrollment of students.....	500	2,100
Annual allowance provided.....	\$534,230	\$1,291,500
Provision of buildings and equipment worth.....	1,428,611	10,359,552

WHAT ARKANSAS MUST DO FOR THE AGRICULTURAL, MECHANICAL, AND NORMAL SCHOOL.

In 1918 there were in attendance at agricultural and mechanical colleges in the United States approximately $4\frac{1}{2}$ persons for each 1,000 persons included in the Federal school census (5 to 18 years). There were in Arkansas in the year 1918 approximately 148,459 colored children between the ages of 5 and 18. On the basis of United States averages already given, Arkansas should have been furnishing agricultural and industrial training through her agricultural, mechanical, and normal schools for 666 students, whereas she was providing such education for only 453.

The average property valuation per pupil at such institutions (for colored school, buildings worth \$510,000, instead of \$118,000 (the Arkansas, \$261. The average income per pupil for the United States as a whole was \$165; for Arkansas, \$56. It should be borne in mind that the total number of pupils employed in computing these averages includes not merely the regular students, but students in correspondence and extension courses, short courses, and preparatory departments. Nevertheless, as this total enrollment is used throughout our computations, the comparisons are approximately just.

TABLE 45—What Arkansas is doing for the higher agricultural and industrial education of her colored population and what she must do to attain average rank¹

Enrollment and finances.	United States. ²	Arkansas.	
		Present status.	Proposed status. ¹
Enrollment in agricultural and industrial institutions.....	9,390	453	666
Total valuation of property of such institutions.....	\$7,192,694	\$118,432	\$510,396
Valuation per pupil enrolled.....	766	261	
Total income.....	1,548,585	25,777	109,890
Income per pupil enrolled.....	165	57	

¹ All figures for 1918 except those in column of estimates, which are based on 1920 population.
² Figures in this column are totals for 1918 of returns of 17 institutions open to negroes only, located in South Central and South Atlantic States.
³ The average negro enrollment in industrial schools of the United States is approximately 4½ (4.48) per 1,000 negroes of school age (5-18).

TABLE 46.—What Arkansas must do for elementary and higher education to reach the average level of the United States, and what she is doing.¹

	What Arkansas is doing.	What she must do.
FOR PUBLIC SCHOOLS.		
Expert supervisors for rural schools.....		300
Number of elementary teachers.....	10,357	13,880
High-school students.....	14,039	27,331
Number of high-school teachers (full time).....	590	1,333
Months in average school year.....	6	8
Average annual salary of elementary teachers.....	\$387	\$606
Average annual salary of high-school teachers.....		\$1,031
Investment in school property ⁴ per pupil enrolled.....	\$35	\$109
FOR NORMAL SCHOOLS.		
White:		
Number of students.....	519	2,076
Investment in school property per student.....	\$456	\$587
Colored:⁵		
Number of students.....	24	632
Investment per student.....	\$223	\$345
Annual expenditure per student.....	\$67	\$92
THE UNIVERSITY.		
Number of students.....	569	2,100
AGRICULTURAL AND MECHANICAL COLLEGE (colored).⁶		
Number of students.....	453	666

¹ This table does not include cost of four district agricultural schools, of schools for blind, deaf, feeble-minded, nor costs for special projects, such as Americanization. Data taken from tables compiled separately for each institution or group of institutions.
² In 1920.
³ Elementary and high.
⁴ School property includes new sites, new buildings, libraries, furniture, apparatus, and all other forms of property.
⁵ The total number of students used in computing these averages includes all students (full time, extension, correspondence courses and summer session).
⁶ Negro Normal School and Colored Agricultural and Mechanical School, constituting the Agricultural, Mechanical, and Normal School, are one institution, supported in part out of the same funds. In estimating what Arkansas should spend on different types of education, it is necessary to consider these separately.

On the basis of these standards Arkansas, in order to attain the average rank, must provide for her agricultural and mechanical colored school, buildings worth \$510,000, instead of \$118,000 (the present valuation), and an annual income of \$109,000, instead of

\$25,000. What Arkansas is doing for the agricultural and mechanical training of her colored population and what she must do in order to attain the average standard of 17 southern institutions for colored only is shown in Table 45.

We may well close the present chapter with a summary which brings together the conclusions and estimates heretofore presented separately for the various classes of educational institutions in Arkansas. Table 46 summarizes what Arkansas is doing and what she must do in order to rise to the average level of the United States. Table 47 presents a similar summary of what Arkansas must spend annually on current expenses, exclusive of building costs, and of what she must add to her present investment in school property.

TABLE 47.—What Arkansas will have to spend to reach the average State level and what she is spending.¹

Classes of Institutions.	What Arkansas is spending.		What Arkansas will have to spend.	
	Annual current expenditure.	Present total investment in school property.	Annual current expenditure.	Total additional investments for new buildings and school property.
Public schools, white and colored.....	\$7,603,000	\$15,418,000	\$19,028,000	\$38,810,000
Normal schools:				
White.....	77,000	237,000	255,000	1,219,000
Colored.....	27,000	90,000	58,000	128,000
University of Arkansas (for whites).....	534,000	1,428,000	1,291,000	8,931,000
Agricultural and mechanical education (for colored).....	26,000	118,000	110,000	510,000
Total.....	8,267,000	17,291,000	20,742,000	49,598,000

¹Based on Tables 38-45. Amounts given are approximate. Hundreds of dollars are not given, but amounts over \$500 are counted as \$1,000. Some of the data in this table are for the year 1918, and others for the year 1920. Reference to Tables 32 to 39 and the accompanying text will clarify all such matters.

Chapter VII

IS ARKANSAS RICH ENOUGH TO HAVE GOOD SCHOOLS? WHERE SHALL THE MONEY COME FROM?

Is Arkansas rich enough to have good schools? In asking this question we have in mind schools good enough only to measure up to the average level of the United States. Needless to say, a system composed of such schools would be far from ideal, as well as far below the standard which Arkansas will ultimately set for herself. Nevertheless, to rise from the rank of forty-seventh to that of approximately twenty-fourth or twenty-fifth would be a notable achievement for any State, and probably all, though not more than the citizens of Arkansas would and should consider it their right to demand at present.

In 1921 the Arkansas total receipts for public educational institutions and projects amounted to more than \$12,000,000. We have shown that it would cost over \$20,700,000 to raise to the average level the public schools, university, teacher-training institutions, and the higher agricultural and mechanical educational institutions of negroes now maintained by Arkansas. If Arkansas sets for herself to attain merely the average educational rank of the United States, it will be necessary for her to provide, for current expenditures alone, \$2.50 for every dollar she is now providing. In addition to this, she must provide approximately \$49,600,000 for new school property for the four classes of institutions just mentioned.

It must be borne in mind that this estimate does not include extension work in home economics and agriculture, the four district agricultural schools, the education of physical and moral defectives, the normal cost of which we have not attempted to compute for reasons already explained. The omission here and elsewhere of these projects does not seriously affect our estimates, for two reasons; first, the moneys received for these projects constitute a comparatively small proportion of the total receipts, being in fact in 1921, only 4.4 per cent (see Table 21); second, 66 per cent of the moneys provided for extension work in home economics and agriculture are provided by the Federal Government, and therefore represent no burden borne by the State.

Who shall furnish the major portion of these increased revenues, the State, the county, or the districts? In the last analysis the money must come from the pockets of the citizens of Arkansas. Therefore let us not delude ourselves into thinking that if these increased costs should be paid directly out of the State treasury the individual citizen will escape the burden. The real question is what method of providing school revenues will give to the children of Arkansas educational opportunities most nearly equal and will bring about the most equitable division of the burden of school costs.

Practice varies among the States. Some place the burden almost entirely upon the school districts or towns; others place the major portion of the burden upon the counties; one or two place the major burden upon the State. It is evident that the Federal Government can not be depended upon for any considerable portion of the total costs of education. The burden must be borne chiefly by the State and by local units.

The question now becomes, How shall the school-cost burden of Arkansas be divided among these three units, the State, the county, and the district? It is evident that institutions which are distinctly State, including the university, the normal schools, schools for the deaf, blind, incorrigible, as well as all other distinctly State institutions, should derive their support entirely from State funds. In the case of county institutions, the burden should be divided between the State and county. If Arkansas should enter upon the policy of establishing county high schools, their support should come in part from the county and in part from the State. It is not, however, institutions deriving their support solely from the State which will require the greatest increase in school expenditures. The largest costs in the future, as at present, will be for public schools.

Table 47 has indicated that whereas the annual current expenditure of Arkansas for public schools is now 7.6 millions, she ought to be spending 19 millions, and that if she would reach the average State level she must spend at once for new public-school buildings and school property 38.8 millions. Where shall this money come from; the State, the county, or the district? The answer to this question, based on the history of education in Arkansas, is that increased burdens in school costs must be borne chiefly by the districts. Arkansas increased her expenditure per child enrolled in the public schools from \$8 in 1910 to \$15.72 in 1920 (see Table 3), and her expenditure per pupil at average daily attendance from \$6.84 in 1890 to \$16.70 in 1918.

Table 48 shows that during the period from 1890 to 1918 the increase in school costs has been steadily shelved by the State and made to rest more and more heavily upon the school district.

TABLE 48.—Per cent of public-school revenues of Arkansas derived from different sources.¹

Year.	Income of permanent school funds. ²	State taxes and appropriations. ³	Local taxes.	Income from other sources.
1890	3.70	45.23	49.82	1.25
1895	0.0	40.6	57.9	1.5
1900	2.3	28.8	67.5	1.4
1905	0.0	29.07	67.56	3.37
1910	1.5	33.8	59.2	5.5
1915	(⁴)	34.10	61.63	4.27
1918	0.9	26.7	68.1	4.3

¹ Based upon United States Bureau of Education data.

² Practically all of this income is derived from proceeds of State tax; the Arkansas permanent fund is really a debt.

³ Approximately.

⁴ Includes poll tax.

⁵ Included in State taxes.

⁶ Computed.

From Table 48 we see that in 1890, 48.9 per cent of the total school receipts were furnished by the State and 49.8 per cent by the districts. In 1900 the State provided only 31 per cent of the total receipts, and the districts had increased their quota to 67.5 per cent. In 1918 the State's quota amounted to only 27.6 and the district's quota to 68.1 per cent. Were we to continue the above table we should discover that in 1920 the State provided only 22 per cent of the total receipts, whereas the districts were providing 75 per cent. In 1921 the State furnished only 15.4 per cent and the districts 82 per cent. The proportion represented as coming from the State in each of the above years, except 1921, is in excess of what the State actually provided, for the per cent given includes revenues received from the Federal Government.

In conclusion we note that, whereas in 1890 the school burden was nearly equally divided between the State and the districts, in 1921 the districts were obliged to bear more than eight-tenths of the burden, and the State, including the aid she was receiving from the Federal Government, was bearing less than two-tenths of the burden. This decline in the share of the burden borne by the State from 1890 to 1921 is presented graphically in Figures 6 and 7.

Shall Arkansas continue to adhere to the policies revealed in Table 48 and Figures 6 and 7? Again and again in this report the injustices, the inequalities, and the evils of the present school system have been shown. It has been pointed out that one of the important causes of the inadequate revenue is the existing constitutional limit of 12 mills. The citizens of Arkansas will undoubtedly be asked to consider at the next election a constitutional amendment removing the limits on district taxation and providing for a county school tax.

Will removing the limits on district taxation solve the problem? It will if, and only if, the districts are nearly enough equal in

wealth to produce approximately equal revenues when all restrictions are removed. The answer to such a question must be based upon facts. We have elsewhere pointed out that the ability of a district to

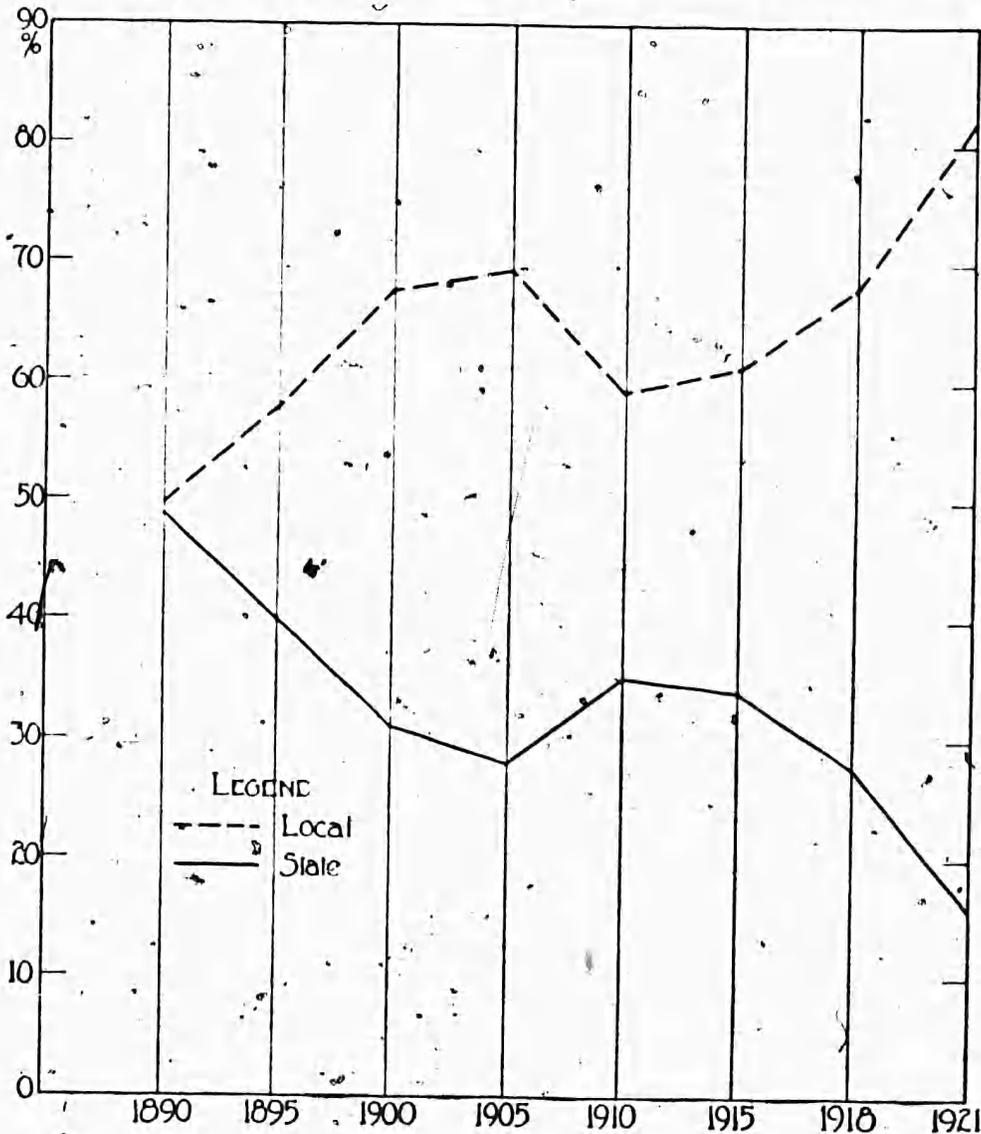


FIGURE 6.—Comparison of per cent of Arkansas public school revenues derived from State (including income of permanent school funds) and local taxes. Based on Table 48.

support a school is best indicated by the wealth back of each child enrolled. Table 12 has shown the inequalities in wealth, district tax rate, and proceeds of the district system. Table 14 compared the richest and poorest districts in seven different counties.

A comparison made of 46 Arkansas school districts lying in 17 different counties showed that in 1921 these districts varied in valuation per child enrolled all the way from \$2,538 down to \$101. In this comparison an effort was made to select from each county, on the basis of valuation per child enrolled, the richest, the poorest, and a district of average wealth. Normally this would have resulted in a

selection of 51 districts, but 5 districts upon which the choice fell either maintained no school or else failed to report their enrollment. Hence it was possible to compare only 46 of the 51 districts on the basis of wealth per child enrolled. The financial situation of these 46 districts is presented in Figure 8 and Table 49.

Summary of district valuations per child enrolled: Richest, \$2,338; typical, \$549; poorest, \$101.

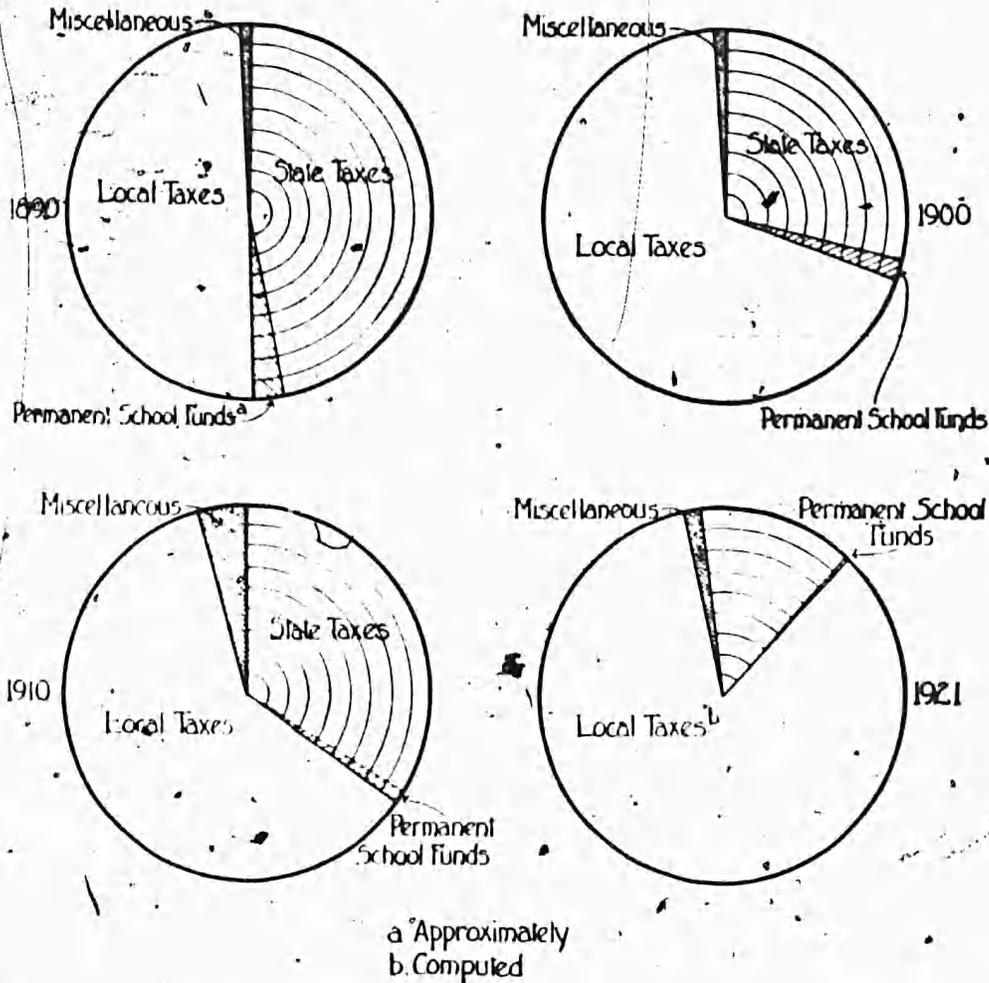


FIGURE 7.—Per cent of Arkansas public school revenues derived from different sources.

TABLE 49.—Forty-six Arkansas school districts, 1921—Ability to finance schools.¹

Group ^a	Range of valuation per child enrolled.	Number of districts.	Per cent of total enrollment of 46 districts.	Average valuation per pupil enrolled.	Total enrollment in group.
I.....	\$2,500-\$2,000.	2	3	\$2,209	190
II.....	1,900-1,500	4	29	1,670	1,791
III.....	1,400-1,000	9	26	1,189 ^b	1,640
IV.....	900-600	11	20	638	1,226
V.....	499-400	8	9	447	554
VI.....	300-200	7	5	268	327
VII.....	199-100	5	8	158	518
Total.....		46	100		6,246

¹ Assessed valuation per child enrolled is taken as basis of financial ability.

District valuations per child enrolled:

Richest.....	\$2,538
Typical.....	549
Poorest.....	101

If the richest district levies 12 mills, the poorest must levy 301.6 mills to raise the same amount of money.

The richest district enrolls 102 children; the poorest, 255. Which district ought to have the more money?

From Figure 8 we see that 5 per cent of the 6,246 children in the 46 districts are living in two districts, where the assessed valuation per child enrolled averaged \$2,269; 29 per cent live in 4 districts, where the average valuation per child enrolled is \$1,670; 26 per cent

Group	Valuation Range	Districts	Aver. Valuation per child enrolled	Total Enrollment	Percent of Enrollments of 46 Districts
Group I	\$2500-\$2000	2 Districts	\$2269	190	5
Group II	\$1900-\$1500	4 Districts	1670	1791	29
Group III	\$1400-\$1000	9 Districts	1189	1640	26
Group IV	\$900-\$500	11 Districts	638	1226	20
Group V	\$499-\$400	8 Districts	447	554	9
Group VI	\$300-\$200	7 Districts	268	327	5
Group VII	\$199-\$100	5 Districts	158	518	8

FIG. 8.—Forty-six Arkansas school districts, 1921. Ability to finance schools.

live in 9 districts, where the average valuation per child enrolled is \$1,189; 20 per cent live in 11 districts, where the average valuation is \$638 per child enrolled; 22 per cent of the children live in districts where the average valuation per child is in every case less than \$575; 8 per cent live in districts where the average valuation is less than \$160. The richest of these 46 districts enrolls 102 children; the poorest, 255. Which of these two districts ought to have the more money for schools? If this richest district were to levy a 12-mill tax, the poorest must levy a tax of 301.6 mills to raise the same amount of money.

We are now ready to answer the question previously asked, namely, will removing the limits on district taxation solve the problem of

¹ Financial valuation per child enrolled is taken on the basis of financial ability. Districts chosen from 17 counties.

financing the public schools of Arkansas? In the light of the facts just presented, there can be only one answer to such a question, most emphatically "No." School districts in Arkansas are so unequal in wealth that many of them will never be able to maintain good schools, no matter how heavily they tax themselves. As long as the schools of Arkansas continue to depend for their support, or any large portion of it, upon the districts, so long will the children of Arkansas in one community be amply provided for and in other communities lack the bare necessities of a good education.

The conditions revealed by Figure 8 and Tables 12, 14, and 49 should be sufficient to convince the most ardent admirer of and believer in the district system that as long as the district system is maintained the inequalities in the wealth of districts are so great as to make impossible any significant approach to equality in school funds and consequently in educational opportunity for the children of Arkansas.

Arkansas may temporize with the present situation. She may reduce the existing evils, but she can not cure them unless, or until, she abolishes the district system with its legion of accompanying evils. The condition of Arkansas, so far as public education is concerned, is pathological. It can not be cured without a major operation. The major operation it requires is the abolition of the school district as a unit of taxation, organization, and administration. This fact may as well be faced frankly. There is no reason for hiding the truth from the citizens.

Let Arkansas follow the example of Alabama, Louisiana, and the more progressive Southern States. Let her citizens read the literature prepared by State Supt. William F. Feagin, of Alabama, when the campaign for the strong county unit was under way in Alabama. Let them read also the history of the county movement in one State after another which has adopted it. Horace Mann, who lived in the first part of the nineteenth century, and every recognized authority on the organization and support of public schools are unanimous in their condemnation of the district system and in their support of the county system.

If space permitted we would present here an account of the untold evils of the district system, but the problem with which we are dealing is the financial problem of the schools. The arguments which we present, therefore, must be limited chiefly to the financial. It should, however, be unnecessary to present other reasons in the present case. The financial arguments leave no room for discussion or debate. If Arkansas would shake off the shackles which now fetter her school system, she must and will abolish the district system.

The above paragraphs have urged in no uncertain tones the substitution of the county for the district as the local unit of school

organization and school support. We should perhaps pause for a moment to suggest what such a change implies. Briefly stated, it means that the schools of each county shall be organized in much the same manner as the schools of our best city systems. The county school board and the county superintendent should have all the powers and responsibilities placed upon similar public officials in our best city systems. This will include the responsibility of determining where schools shall be placed, when and where school buildings shall be erected, and how much they shall cost. These are but a few of the multitudes of matters which will be placed in the hands of the county superintendent and his board.

The present report is concerned primarily with the superiority of the county over the district not as a unit of organization, administration, control, and supervision, but as an economic unit—in other words, as a source of school revenue. Its superiority in this respect lies in the fact that although counties do vary greatly in wealth per school child and consequently in their ability to provide school revenues, nevertheless this variation is much less than in the case of school districts.

We have compared in Table 49 and Figure 8 the wealth per child enrolled of 46 school districts selected from 17 counties, and we have found that this wealth varied all the way from \$2,538 per child enrolled to \$101 per child enrolled. In order to test our case let us now compare the variation in wealth of these 17 counties with the variation of the 46 districts selected from them. Table 50 shows the rank of each of those 17 counties with respect to wealth per child enrolled and indicates this valuation for each county.

TABLE 50.—County valuation per child enrolled in 17 counties of Arkansas from which the 46 districts compared in Table 49 were chosen.

County.	Assessed valuation per child enrolled.		Enrollment in 1920.		Total assessed valuation in 1920.
	Rank.	Amount.	Total.	Per cent.	
Sebastian.....	1	\$2,053	13,890	12.4	\$28,515,284
Ashley.....	2	1,787	7,183	6.4	9,879,407
Garland.....	3	1,724	8,848	7.9	15,264,060
LaFayette.....	4	1,439	3,856	3.4	5,561,770
Benton.....	5	1,343	9,897	8.8	13,290,361
Clay.....	6	1,230	7,014	6.3	8,625,204
White.....	7	1,071	10,092	9.0	10,812,718
Sevier.....	8	1,055	6,108	5.5	6,445,522
Union.....	9	983	9,088	8.1	8,987,908
Bradley.....	10	928	4,803	4.3	5,480,619
Carroll.....	11	890	5,373	4.8	4,728,299
Independence.....	12	846	8,631	7.7	7,298,102
Cleburne.....	13	780	3,788	3.4	2,952,023
Stone.....	14	724	2,260	2.0	1,635,772
Baxter.....	15	721	3,458	3.1	2,498,900
Marion.....	16	712	4,172	3.7	2,968,496
Newton.....	17	489	3,600	3.2	1,761,128
Total.....			112,061	100.0	136,641,463

Most typical assessment valuation for child enrolled, \$983.

Whereas the wealth per child enrolled in 46 districts varied from \$2,500 to \$100, in the 17 counties from which these districts are chosen the average wealth per child enrolled varied only from \$2,053 to \$489. Whereas the richest district, A, is 25 times as rich as the poorest, the richest county is only slightly over four times as rich as the poorest county. By adopting the county as a

Group	Number of Counties	Per child valuation in county most representative of group	Thous- and cents of total enrollment	Per cent of total enrollment
Group I	1 County	\$1000	34	5
Group II	1 County	1732	7	1
Group III	1 County	1665	9	1
Group IV	1 County	1522	10	3
Group V	1 County	1240	9	1
Group VI	3 Counties	1127	30	4
Group VII	6 Counties	1050	52	6
Group VIII	8 Counties	940	93	14
Group IX	12 Counties	852	121	16
Group X	16 Counties	755	155	23
Group XI	10 Counties	645	71	11
Group XII	9 Counties	564	62	9
Group XIII	1 County	431	4	1
Group XIV	2 Counties	384	10	1

FIG. 9.—Arkansas counties, 1921, ability to finance schools.

unit of school support in place of the district, we would raise the value of the poorest unit which is to provide revenue from \$100 up to nearly \$500.

The children in 22 districts, nearly half of the number represented, lived in districts whose valuation was less than \$500. The children in every one of the 17 counties, except one, live in counties the average valuation of which per child enrolled is over \$700. Despite this superiority of the county over the district as the unit of local organization and support, it is nevertheless evident from

the facts presented that the counties are very far from equal in wealth, and consequently in their ability to provide school revenue.

However much Arkansas may improve her educational situation by abolishing school districts and establishing the county as the local unit, inequalities, although reduced, will nevertheless continue as long as the local units, even though they be the counties, are depended upon for the major portion of school revenues. Neither the county nor any other local unit which might be devised can equalize school revenues, school burdens, and educational opportunities. The State and only the State can do this. The truth of this assertion becomes strikingly evident when we extend our comparison to include all of the 75 counties of Arkansas, as is done in Figure 9 and Table 51.

TABLE 51.—Arkansas counties grouped, showing the inequalities in the wealth upon which the children must depend for their education.

Group No.	Assessed valuation per child enumerated.		In the county most representative of the group.	Total number of counties in the group.	Names.	Children—Total of enumerated children in group.	
	Range of assessed valuations in hundreds of dollars.					Total number in thousands.	Per cent of total in State.
	Less than—	But more than—					
I.....	19	18	\$1,802	1	Pulaski.....	33.9	5.0
II.....	18	17	1,732	1	Arkansas.....	7.1	1.1
III.....	17	16	1,655	1	Garland.....	9.2	1.4
IV.....	16	13	1,504	1	Sebastian.....	18.5	3.0
V.....	13	12	1,248	1	Miller.....	8.9	1.3
VI.....	12	11	1,127	3	Poinsett, Craighead, Cross.....	29.9	4.4
VII.....	11	10	1,050	6	Benton, Lafayette, Ouachita, Prairie, Washington, Saline.....	51.6	7.6
VIII.....	10	9	940	8	Desha, Ashley, Jackson, Little River, Lawrence, Jefferson, Phillips, Sevier.....	92.1	13.6
IX.....	9	8	852	13	Mississippi, St. Francis, Crittenden, Bradley, Polk, Clark, Greene, Calhoun, Hot Spring, Clay, Dallas, Independence, Woodruff.....	120.9	17.9
X.....	8	7	753	18	Perry, White, Hempstead, Boone, Crawford, Johnson, Drew, Chicot, Yell, Mouroe, Franklin, Carroll, Pike, Grant, Lonoke, Lee, Marion, Logan.....	154.9	22.9
XI.....	7	6	645	10	Union, Howard, Pope, Randolph, Columbia, Fulton, Baxter, Claburne, Scott, Cleveland.....	71.4	10.6
XII.....	6	5	564	9	Lincoln, Nevada, Sharp, Montgomery, Izard, Madison, Conway, Searcy, Faulkner.....	62.3	9.2
XIII.....	5	4	431	1	Stone.....	3.8	.6
XIV.....	4	3	384	2	Van Buren, Newton.....	9.9	1.4
Total.....						675.0	100.0

Total school census, 6-21 years, 675,000.

Total assessed valuation, \$612,426,084.

Average assessed valuation per child enumerated, \$907.

From Figure 9 and Table 51 we see that 34,000 children, 5 per cent of the total number enumerated, live in a county which can draw upon over \$1,800 valuation for the education of each child; 93,000 children, representing 14 per cent, live in eight counties (Group VIII) which must depend for the support of their schools upon a sum only slightly over half that of the county just mentioned. Over one-third of the children (34 per cent) live in Groups X and XI, where the wealth back of each child ranges from approximately \$650 to \$750; 45 per cent of the children live in Groups X to XIV, where the wealth per child enumerated is less than \$775, whereas 23 per cent live in counties (Groups I to VII) where the wealth back of each child is over \$1,000. It may well be noted also that the county holding the middle rank among these first seven groups (Group IV) has back of each child over \$1,500.

It should be unnecessary to carry our comparisons further. From the data we have now presented it should be evident that Arkansas will never be able to equalize school revenues, school burdens, or educational opportunities as long as her schools depend for the greatest part of their support upon either school districts or counties. The State, and the State alone, will be able to bring about such equalization.

This report has recommended unqualifiedly the abolition of school districts and the establishment of the county as the local school unit. Let us now ask what proportion of the total school revenue the State ought to provide and what per cent ought to be furnished by the counties.

We have already shown in the present report that teachers' wages constitute the largest single item of school expenditure. An equally important fact, and one of special significance in the present instance, is that as is the teacher so is the school.

If we desire to give approximately equal educational opportunities to all our children, we must seek to provide them with equally well-trained teachers. This means that every school must have enough money to provide for every teaching position a teacher of satisfactory character and training. As long as the local units, whether they be districts or counties, are permitted to determine individually what salaries they will pay, so long the majority of them will center their interest upon getting the teacher who will work for the lowest wage.

Place upon the State the burden of furnishing funds sufficient to provide every school with enough moneys to pay a minimum salary to each teacher, such minimum varying with the professional preparation and record of successful experience of the individual teacher, and further place upon the State the responsibility of determining

what the minimum of such salaries shall be and the minimum of the school term, and existing conditions will be immediately reversed. Each community will then endeavor to secure the best-trained and most capable teacher available and will be eager to employ teachers eligible (by experience and training) to at least the highest wage that the State provides. Evidence of the truth of this statement could be furnished from States in which the salaries of teachers of agriculture and of other special subjects are furnished by the State.

The State board of education, upon the recommendation of the State superintendent of public instruction, should establish definite qualifications for each grade of teachers' certificate and a minimum salary which must be paid to holders of certificates of each grade. Such a policy would not prevent the counties from paying salaries above minima fixed by the State where the electors of the county or the county school board should determine this advisable.

An analysis of the expenditures for public schools by Arkansas in 1918 (see Table 38) showed that nearly 77 per cent of total expenditures was devoted to teachers' salaries. A similar analysis for 1921 showed that 59.18 per cent of the expenditures went for teachers' salaries. In 1918, of all the moneys expended on public schools in the United States, 58.2 per cent were devoted to instruction, including teachers' salaries and textbooks, of which sum 3 per cent was devoted to textbooks and supplies. In general we may say that from 55 to 65 per cent of the total school costs should, under normal conditions, be devoted to the projects we have assigned to State support. The proportion will vary from year to year, and must be determined from time to time.

Arkansas should provide for an interim commission on school finance whose function shall be to determine as nearly as possible the amount of money needed during the next biennium for teachers' salaries and for the other projects to be financed by the State. Such a commission should report this amount to the legislature at its next session, and the legislature should forthwith take steps to provide the revenue.

There has been much discussion as to which is the better method of providing school moneys for State aid, making appropriations out of the general revenue of the State or providing for a State tax the proceeds of which shall be devoted to schools.

In favor of the State tax *versus* State appropriations it is urged that as the wealth and school population of a State increase the income provided for schools increases; also that whereas appropriations depend upon the mood, and sometimes even the whim, of the legislature, a State tax is stable and its proceeds assured. Upon

this basis the Minnesota State Board of Education in 1920 in its report upon the revision of State aid urged the substitution of a State mill tax for the existing biennial appropriations.

On the other hand, Illinois and California, after experimenting with the State school tax, abandoned it in favor of State appropriations. Illinois provided in 1855 for a 2-mill State school tax. In 1873, upon the request of the superintendent of public instruction, the legislature passed an act providing for an annual appropriation of \$1,000,000 in lieu of the 2-mill tax; \$1,000,000 was approximately the proceeds of the 2-mill tax in 1873. California in 1917 repealed her law providing for a State school mill tax on real and personal property and gave herself up very largely to the policy of State aid from appropriations from the general-revenue fund. It should be noted that prior to this change California had provided for a corporation tax levied upon every class of corporation in the State and for inheritance taxes and that approximately 72 per cent of her general-revenue fund is derived from taxes on corporations.

A very serious objection to a State school tax of fixed rate is that there is no guaranty that it will furnish the amount of money necessary. This difficulty may, however, be avoided. Instead of fixing a definite rate, the laws may provide for the levying of a State mill property tax sufficient to raise a fixed sum; or better yet, sufficient to enable the State to fulfill its obligations to the schools. The former method is employed by Arizona, the latter by Washington and Wisconsin.

In the case of Arkansas the interim commission already recommended should determine the amount of money the State should provide for the ensuing biennium. As much of this revenue as possible should be paid from the moneys in the State treasury not otherwise appropriated, the balance should be raised by State taxes.

The present chapter has shown that in order to raise her public schools, the university, the State normal school, and the Branch Normal School to the average level, Arkansas must at the present time provide a current revenue of \$20,742,000. This would require a tax of approximately 34 mills (33.87 mills) on \$612,426,000, the total assessed valuation of Arkansas of 1920. As already pointed out, the university and the two normal schools are State institutions, and as such must be supported entirely from the State funds.

The total annual expenditure of \$20,742,000, estimated as the amount necessary for public schools, the university, the State normal, and the Branch Normal School, covers current expenses only; it does not include costs of new property. Public schools are the only class of institutions for which we have been able to make a

fairly satisfactory estimate of what ought to be spent annually on new school property. Our attempt to give a final answer to the question, "Is Arkansas rich enough to have good schools?" will confine itself to the public schools. In view of the fact that 88 per cent of annual expenditures of Arkansas are for public schools (see Table 21), and in view of the fact also that the public schools constitute the primary concern of the present report, it is believed that this limitation is justifiable.

In Table 39 it was shown that the estimated amount which Arkansas must spend for current expenses, new property, salaries of county superintendents, and rural supervisors amounted to \$19,027,542. Assuming that the State is to pay the costs of the salaries of teachers, principals, rural supervisors, county superintendents, textbooks, and supplies, and that the counties are to provide the annual revenue for new school property, general control, and miscellaneous expenses, we find that the total amount to be annually raised by the State on the basis of our estimate is \$13,331,429, and that by the counties, \$7,410,113.¹

On the basis of the total assessed value of taxable property in Arkansas in 1920 (\$612,426,084), it would require a State tax of 21.769 mills and an average county tax of 12.099 mills; total, 33.868 mills. This rate of county tax has been computed on a total valuation of \$612,426,000 on the assumption that the total State valuation is simply the sum of the assessed valuation of each of the 75 counties. This is not strictly accurate, for we have seen that the counties vary considerably as to their assessed valuation. It is, however, impossible in the space remaining at our disposal to enter upon an attempt to give this topic more accurate treatment. Moreover, in view of the major burden of the support being transferred from the local unit to the State, this method will suffice in making what is confessedly only a rough estimate.

It may be well to contrast the tax burden which the total of the proposed State and county rates would place upon communities with rates now borne. The total amount of taxes levied by the State for public schools, vocational education, county superintendents, and interest on the permanent school fund, amounting to 3.5 mills,² are obviously all levied for public schools. Some communities now levy for public schools 24 mills (a 12-mill regular tax and a 12-mill supplementary voluntary tax). The total school tax, State and local, borne by such communities amounts to 27.5 mills. The total rate we

¹ Estimated for counties as follows: For general control, \$585,009; for new school property, chiefly new buildings and sites, \$2,747,760; miscellaneous, \$4,077,335; total, \$7,410,113. Computed as follows, 1923: State taxes for public schools, 3 mills; vocational education, 0.2 mills; salaries of county superintendents, 0.18 mills; interest on permanent school fund, 0.122 mills; total, 3.502 mills.

² See above Tables 31, 32, and note 1 following Table 28.

are proposing is only 34 mills, 6.5 mills higher than the rate such communities are now bearing.

We must keep constantly in mind that this difference in tax rate represents the difference between the present school system of Arkansas and a school system which would measure up to, or at least approach, the average level. At the present time many communities are not only in debt, but hopelessly so. The proposed program, by removing from local communities the heaviest of all school costs, namely, teachers' salaries, will enable such communities to pay off their debts and get on a cash basis. Just what the proposed program promises can easily be recalled by turning to Table 46, where it is shown what Arkansas is doing and what she must do.

It must be borne in mind also that raising the schools of Arkansas to the average United States educational level by a tax of only 34 mills is possible only because the plan proposed will place such a tax upon every community in the State. There will be an end, therefore, of communities voting no tax, or a 7-mill tax, or a 5-mill tax. The State will levy upon every community taxes amounting to approximately 22 mills, and every county will levy a tax of approximately 12 mills.

There are several ways in which we may attempt to determine whether the wealth of Arkansas will permit a total tax of approximately 34 mills for public-school purposes. We may attempt to ascertain the true value of her taxable property as opposed to its assessed value; then, having done this, we may determine the rate of tax which would have to be levied on Arkansas's true valuation to produce the required revenue. We may also compare the number of dollars which Arkansas would be spending per each \$1,000 of true estimated wealth with the average annual expenditure in the United States per each \$1,000 estimated wealth. But before attempting to answer our question by the above methods, we may compare our estimated required tax rate of approximately 34 mills for all annual public-school expenditures with rates levied by various communities in other States. Five per cent of the school districts of one State in the year 1919-20 levied a district tax of more than 20 mills, and the maximum rate exceeded in the case of one district 116 mills.

A comparison of city with rural schools in almost any State will show two facts: First, that city schools are far superior to rural schools; second, that cities tax themselves far more heavily than rural communities. Therefore, in considering the levying of a 34-mill tax, we may well compare this rate with that levied by cities. A study made of the tax rates levied by cities in three States—Nebraska, Illinois, and Iowa—shows that in the year 1917-18 the

total school-tax rate in 3 cities in Nebraska, 9 cities in Illinois, and 13 cities in Iowa was 30 mills or over. In every one of these cities except four the assessed valuation was a larger per cent of the true valuation than that of Arkansas. One city in Illinois levied a 30-mill tax on an assessed valuation which is 80 per cent of the true valuation; another a 30-mill tax on a 50 per cent true valuation. Five cities levied taxes of approximately 30 mills on a 33 per cent true valuation; 12 cities levied on a 25 per cent true valuation taxes ranging from 30.4 mills to 53.48 mills. Of the four cities levying taxes on a 20 per cent true valuation, one levies a tax of 30 mills, one of 35 mills, one of 36.6 mills, and one of 46 mills.

It will be seen from these statements that the tax which we have suggested as necessary for Arkansas is considerably below that levied in 1918 by many cities in the United States. It is interesting to discover that Sioux City, Iowa, which in 1918 levied a tax of 42.6 mills, in 1921 levied a tax of 67 mills.¹ Table 52 presents these cities and also the tax rates they levied in 1918 and the valuation upon which such taxes were levied.

TABLE 52.—*Cities levying local school taxes of 30 mills or over in 1917-18. Ratio of assessed to true value therein.*^a

Group.	Per cent assessed valuation is of true value.	State.	City.	School tax for all purposes total rate in mills.
Group I.....	80	Illinois.....	Mattoon.....	30.00
Group II.....	50	do.....	Oak Park.....	30.00
Group III.....	33	do.....	Champaign.....	30.00
		do.....	Elgin.....	30.00
		do.....	Danville.....	29.00
		do.....	Waukegan.....	29.40
		do.....	Moline.....	30.00
Group IV.....	25	Iowa.....	Boone.....	53.48
		do.....	Council Bluffs.....	52.60
		do.....	Ottumwa.....	47.80
		do.....	Burlington.....	47.00
		do.....	Cedar Rapids.....	44.30
		do.....	Clinton.....	44.25
		do.....	Des Moines.....	43.98
		do.....	Waterloo.....	43.00
		do.....	Sioux City.....	42.60
		do.....	Muscatine.....	36.80
		do.....	Marshalltown.....	33.00
		do.....	Davenport.....	30.40
Group V.....	21	do.....	Keokuk.....	31.50
Group VI.....	22	Illinois.....	East St. Louis.....	30.00
Group VII.....	20	Nebraska.....	Grand Island.....	46.00
		do.....	Lincoln.....	36.61
		do.....	Omaha.....	35.00
		Illinois.....	Springfield.....	30.00

^a Data from Bu. of Educ., Dept. of the Interior, Bul., 1920, No. 24—Statistics of City School Systems 1917-18.

From Table 52 we see that if the total State and local rate levied by Arkansas were 34 mills on a 20 per cent true valuation basis, it would be much less than that levied by many communities in the

¹ Lindsay, E. E. School Finance in Iowa, in Jour. of Ed. Research, Feb., 1922, p. 118.

United States. We would not be fair to the present situation if we failed to note the fact that the rates shown in Table 52 are greatly in excess of those levied by the great majority of cities in the United States. There is at the present time no satisfactory method of determining how heavy a tax can be advantageously placed upon property or upon industry. A tax which cripples industry or which makes the owning of a home or a farm a luxury rather than an incentive to thrift is unquestionably unsound. However, from the facts already presented we see that were Arkansas to levy a 34-mill tax for public schools, she would be making far less effort than the 25 cities included in Table 52.

Let us now attempt to discover how the burden which we are placing upon Arkansas would compare with that at the present time borne by other States. This may be done by comparing the number of dollars Arkansas would be spending per each \$1,000 of true estimated wealth with the average annual expenditure for public schools in the United States per each \$1,000 of estimated wealth.

According to the State tax commissioner of Arkansas the 1920 total assessed valuation is 40 per cent of the true valuation; according to the comptroller it is 20 per cent. Employing these two ratios as a basis of our estimates, we discover that according to the State comptroller the true valuation of taxable personal and real property in Arkansas is \$3,062,130,420, while according to the tax commissioner it is \$1,531,065,210. The commissioner's estimate for 1920 is 12 per cent less than the estimate of the Federal authorities made for the year 1912. This discrepancy is enough to show its thorough unreliability.

The true wealth of Arkansas for 1912 was estimated at \$1,757,533,669. Estimates by various economists recognized as national authorities are that from 1912 to 1920 the wealth of the United States increased by at least one-third. On this basis, the true wealth of Arkansas in 1920 would be approximately \$2,343,000,000. In view of these facts and of the bases and methods employed by the comptroller (which we regret to say can not be detailed here), we shall accept his estimate of the Arkansas true valuation. On the assumption that the assessed valuation is 20 per cent of the true valuation we find that the tax rate to be levied on the true valuation by the State would be 4.349 mills and by the counties 2.4198 mills, making a total tax of 6.7688 mills. The facts upon which these rates are based are presented in Table 53.

TABLE 53.—State and county tax rates required to raise Arkansas to the average level.

Projects and institutions	Estimated cost.	Rate in mills.	
		On 1920 assessed valuation.	On true valuation if 1920 valuation is 20 per cent of true value.
STATE COSTS AND RATES.			
Public schools:			
Salaries of—			
Teachers and principals	\$9,785,603		
Rural supervisors and county superintendents	1,300,000		
Textbooks	531,826		
Total	11,617,429	18.97	3.79
Normal schools:			
White and colored	313,000	.51	.102
Higher:			
Agricultural and mechanical education for colored race	110,000	.179	.035
University (whites only)	1,291,000	2.11	.422
State total	13,331,429	21.769	4.349
COUNTY COSTS AND RATES.			
Public schools:			
New buildings and other new property	2,747,769		
General control	585,100		
Miscellaneous	4,077,335		
County total	7,410,113	12.099	2.4106

From Table 53 we see that Arkansas, in order to reach the goal we have set for her, would be obliged to levy a total tax of approximately 6.77 mills. This is equivalent to expending \$6.77 on each \$1,000 of estimated true valuation. In 1918 the average State expenditure for public schools on each \$1,000 of estimated true valuation was \$2.76.¹ The highest expenditure of any State (that of Idaho) was \$5.01 per each \$1,000 of estimated true valuation. We have throughout the present report set as the goal for Arkansas the attainment of the average educational level of the United States. We have based our estimates of necessary costs on the basis of average expenditures. The facts just presented show that Arkansas can not reach this average level by making an average effort.

An expenditure of \$6.77 for each \$1,000 of estimated true wealth is not only nearly two and one-half times the average expenditure of the 48 States, but it is greatly in excess of that of the State making the greatest effort. This discovery casts a serious doubt as to whether Arkansas would be justified in placing such a heavy burden upon real and personal property. Not only is this true, but authorities on taxation are practically unanimous in their denunciation of heavy general property taxes, especially as State taxes (versus

local). Prof. Edwin R. A. Seligman, of Columbia University, in his work on "The General Property Tax," p. 52, says:

Practically the general property tax, as actually administered to-day is, beyond all peradventure, the worst tax known to the civilized world. . . . It puts a premium on dishonesty and debauches the public conscience. It reduces deception to a system and makes a science of knavery; it presses hardest on those least able to pay. It imposes double taxation on one and grants immunity to the next. In short, the general property tax is so flagrantly inequitable that its retention can be explained only through ignorance or inertia.

The special tax commission of the State of Georgia, in 1919, stated in its report to the governor that:

The commission, after its investigation, believes that the system now in use is a failure (i. e., the general property tax) and concludes by recommending an amendment to the constitution that would permit the levying of "taxes on incomes, inheritances, privileges, and occupations, which classes of taxes may be graduated, and when levied may contain provisions for reasonable exemptions."

The Georgia commission adduces the following reasons in support of the proposed amendment:

We have reached the above conclusion because we find that the provision of our law requiring property of every kind and character to be taxed at the same rate is condemned by—

1. Practically all students of the science of taxation.
2. Practically all of the heads of Federal and State tax departments.
3. Practically all of the more than 100 special-tax commissions.
4. The United States Supreme Court.
5. The National Tax Association.
6. The experience of Europe, England, and our own States, all of whom have tried it, and about half of whom have so modified it as to adapt it to modern conditions.

The tax commission of Ohio, after 15 months' investigation of the general property tax, summarized its findings in the following statement of facts:

1. It punishes the honest.
2. It rewards the dishonest.
3. It results frequently in double taxation.
4. It is unjust to the owners of all other property (i. e., all real or tangible property).
5. It lowers the standard of integrity.¹

It is probably true that the average citizen has little conception of the extent to which the States are employing corporation taxes, income taxes, and other new types of taxes instead of, or in addition to, general property taxes as a means of producing school revenue. Table 54, based on a study made in 1920, shows the States which were

¹ The above quotations are taken from the Louisiana report of the assessment and taxation commission to the constitutional convention, 1921, pp. 28-31. The interested reader is referred for further information to this excellent report.

then employing for school purposes types of taxation other than a general property tax.

TABLE 54. — State corporation, income, inheritance, and occupation taxes levied for schools, 1920.¹

Type of tax.	State.	Character of tax.
I. Corporation tax:		
Bank	New Hampshire	A bank tax on nonresidents at local rate; rates vary widely.
Do.	Maine	Proceeds of one-half of taxes on savings bank franchises; one-half proceeds of taxes on deposits of trust and bonding companies.
Franchises	Kentucky	1.8 mills.
Railroad	New Jersey	Tax on first-class railroad property at average of local rates.
Do.	Virginia	One mill tax (10 cents on every \$100) on assessed valuation of intangible property and on rolling stock. Rates and bases vary. ²
All corporations	California	
II. Income tax	Massachusetts	Entire proceeds go to schools.
	Delaware	
	California	
	Virginia	
III. Inheritance tax	Louisiana	Graded scale dependent upon the value of the inheritance and degree of relationship of heirs.
	Michigan	
	Kentucky	
IV. Occupation tax	Texas	One-fourth of proceeds of tax.
	Utah	(a) \$1 on mining licenses, plus (b) 2 per cent of total proceeds of mining. Seven-sixteenths of total proceeds of (a) and (b) go to the State school fund.
V. Severance tax	Louisiana	Tax of 2 per cent on gross value of all natural resources severed from the soil (excluding agricultural resources).

¹ Compiled from data in an unpublished study on State School Taxation, by E. C. Culoert, graduate student in education, University of Minnesota.

² Not levied as a school tax, but provides over 70 per cent of State general fund from which State aid is paid and therefore through use becomes virtually a tax for schools.

³ Certain States devote proceeds of inheritance taxes to permanent school funds. Such States are not named here, as this portion of the present account is concerned only with taxes levied for current revenue.

⁴ Not levied for public schools; proceeds go to State university and to other State institutions.

On the basis of the tax rates we have found levied by cities in three selected States, it would seem probable that Arkansas could raise annually for all public schools \$19,000,000 by taxing real and personal property. Nevertheless, if Arkansas is to raise this sum in the most equitable, scientific, and satisfactory manner, she must undoubtedly provide for new types of taxes, such as those presented in Table 54. It does not lie within the province of the present report to attempt to decide for the citizens of Arkansas the kinds of taxes they shall employ or the extent to which they shall depend upon this or that type of tax. Much less can we attempt to outline any complete system of taxation. Nevertheless, it may be well to consider briefly two forms of State taxation which would seem to be especially promising in the case of Arkansas—the income tax and the severance tax.

The movement toward depending upon income taxes as sources of State revenue which appeared to be well under way was given a distinct set back by the Federal income tax. Indeed, the mere suggestion of a State income tax commonly meets with strong opposition. This is natural and inevitable. Nevertheless, the fact remains that a number of States are levying State income taxes and are finding them a thoroughly satisfactory means of producing revenue.

We have seen that two States, Massachusetts and Delaware, levy them distinctly for purposes of school revenue.

In passages previously quoted the advantage of the income tax over the general property tax has been pointed out. Formerly wealth was almost entirely real and personal. To-day it is becoming increasingly corporate. In addition to this, there are many forms of wealth which can not be reached except through a tax on personal income. Possession of real and personal property is in many cases not the truest index of obligation or ability to support public institutions. Frequently a much truer index is personal income.

In considering the feasibility of a State income tax, one of the most important questions is: What rate should a State levy or how much income should a State aim to derive from this form of tax, in view of the fact that the Federal Government is already taxing incomes? A careful study recently made of the practices of all the States levying income taxes concludes as follows: "It is clear that a tax which yields, from specified incomes only, an amount approximately equal to one-third of that collected by the Federal Government is a satisfactory fiscal measure." In 1921 Arkansas paid to the Federal Government, as proceeds of taxes on income and profits \$8,228,525.¹ Were Arkansas to levy a State income tax on the basis just suggested, she would realize from this source approximately \$2,700,000.

The severance tax is a tax levied upon all natural products except agricultural products severed from the soil. Louisiana is a pioneer in this method of taxation. Her law, approved June 30, 1920, provides for a 2 per cent tax on the gross value of all such natural products, including timber, minerals, such as oil, gas, salt, coal, sulphur, ores, marble, stone, gravel, sand, shells, and all other natural deposits. The 1921 report of the Louisiana commission of assessment and taxation informs us that the severance tax "has become a fixed part of our revenue system." Facts brought out in subsequent paragraphs of this report indicate clearly that Louisiana's method of levying the same rate on all products is not regarded as satisfactory by those familiar with the present system. There is, however, no suggestion that the severance tax be abandoned. On the contrary, it is regarded as a permanent policy, although the methods should be modified.

J. G. Ferguson, commissioner of mines, manufacturing, and agriculture, of the State of Arkansas, in a recently published article (Arkansas Teacher, December, 1921, p. 13), stated that the annual

¹Annual report of the [U. S.] Secretary of the Treasury, 1922, Table N, p. 504.

output of mines, oil wells, and quarries of Arkansas aggregates \$100,000,000. In 1919 the forest products of Arkansas farms reached a value of \$13,800,000. A 2 per cent tax on the total of these two sums would produce an annual revenue of \$2,276,218. This sum added to that which might be produced by an income tax such as that recommended above would amount to something over \$4,976,000.

It will be recalled that the total amount to be raised annually for public schools by the State was estimated as \$13,331,429. Were Arkansas to derive \$4,976,000 from severance and income taxes, the amount to be raised by the State on real and personal property would be reduced to \$8,355,429. It would require a tax of 13.64 mills on Arkansas's assessed valuation to produce this tax. The rate required on estimated true valuation of Arkansas's would be only 2.73 mills, which, translated into expenditure on each \$1,000 of true estimated wealth, would amount to \$2.73 per thousand. We can readily see that the burden presented by this amount is close to the average burden of the States (\$2.76) for the year 1918, as stated in a preceding paragraph.

In Table 53 it was indicated that it would require a tax of 12.09 mills on the total 1920 assessed valuation of real and personal property to produce the \$7,410,000 to be raised by the counties. Adding to this millage, 13.64 mills required to raise the \$8,355,000 to be provided by the State through a general property tax, we have as the total of the rates to be levied on real and personal property for school purposes by the State and the county together 25.73 mills.

It is probably true that Arkansas can levy a tax of 25 mills without serious ill effects. Nevertheless, the citizens of Arkansas have a right to demand that serious consideration be given to the question whether a much larger portion of school revenue than that thus far suggested shall not be provided by severance and income taxes. In view of the findings of students and authorities of taxation regarding the evils of the general property tax, is it just, is it economically sound, to levy a severance tax of 2 per cent and a combined State and county general-property tax of over 25 mills?

It is evident that a larger quota of the revenues required for her schools can be secured from income taxes and from severance taxes than the quotas which we have suggested. The less Arkansas depends for public revenues upon general property taxes the better. It rests with the citizens of Arkansas to decide just what means they will adopt to provide the revenues necessary to raise their schools to at least average standards. The outstanding fact is that they can, if they will, have good schools. We have shown conclusively that Arkansas is rich enough. She can no longer plead poverty. The

task which we have set for her is one which will, perhaps, demand heroic effort, but it is entirely within her power.

The succeeding chapter will bring together in summary form the conclusions already presented in various chapters. We can find no better way of closing the present section of this report than by quoting the closing sentence of a recent report on Public School Finance in Kentucky.

In quoting, we shall substitute the name of Arkansas for Kentucky:

The tide of prosperity does not rise in countries that pay little for education; it rises in those that pay much.

A vigorous and industrious population does not seek a State which has poor schools; it seeks a State which has good schools.

Having so far done less than it should, and less than it could afford, let Arkansas by a supreme effort now do at least what it can afford.

The returns will be prompt and large.

Such action is recommended not only by statesmanship, but by enlightened selfishness, if one must have a lower justification.

Chapter VIII.

RECOMMENDATIONS.

Preceding chapters have described existing educational conditions in Arkansas; they have not only pointed out the defects, but have suggested remedies. They have also explained at considerable length the reasons for these recommendations and presented estimates of the moneys required to carry out many of these recommendations. It is desirable to bring together here at the close of this report the recommendations which have been scattered throughout different sections. We may well add to the recommendations specifically presented in earlier portions of this report certain others which, although not stated, are, by implication or as a consequence of the principles laid down, contained therein.

SUMMARY OF RECOMMENDATIONS.

1. Abolish school districts.
2. Establish the county as the local school unit.
3. Adopt immediately as minimum standards of educational provisions and achievements the average provisions and achievements of the United States as a whole.
4. Provide funds necessary to carry out this recommendation.
5. Remove all constitutional limitations on State and local taxation for school purposes.
6. Repeal laws fixing definite rates of taxation to be levied for support of education.
7. Provide that State tax rates for educational purposes shall be fixed biennially on the basis of the amount of money required to provide adequate funds for all educational projects subsidized by the State.
8. Place upon the State (which is the only unit capable of equalizing school burdens and educational opportunities) the major portion of the burden of school support.
9. Empower and require the State board of education to establish and modify from time to time, as conditions warrant, a scale of educational and professional requirements for all positions to be subsidized by the State and a corresponding salary scale in which

salaries paid shall vary according to the professional preparation, experience, and class of certificate of the incumbents.

10. Establish eight months (160 days) as the minimum school year.

11. Require the State to furnish funds sufficient to provide free textbooks for all public schools, (elementary and high) and to pay the minimum wage to which every incumbent of an educational position is entitled by reason of his qualifications, professional and otherwise.

This recommendation covers salaries of superintendents, principals, teachers, truant officers, county superintendents, assistants, 300 rural supervisors, and all members of the staff of the State board of education.

12. Provide State funds to grant special aid to encourage consolidation, transportation, and employment of teachers, superintendents, and other school officers of qualifications higher than the lawful minimum.

13. Provide a State equalization fund to be apportioned among those counties which levy a county school tax of 15 mills or more but are unable to produce thereby for every child of school age resident in the county a quota equal to the average county quota per child derived from proceeds of such county taxes.

14. Make it unlawful for the State or for a local school unit to undertake any new type of educational project until it has previously provided a new and adequate fund for financing the same.

15. Create a State interim legislative educational budget commission which shall prepare and recommend to the next legislature an educational budget covering all publicly supported educational institutions and projects from the public schools up to the university.

16. Provide for the levying of a county compulsory school tax of not less than 12 mills to pay the costs of new buildings and other new property, general control, operation of school plants, transportation, consolidation, and all other miscellaneous expenses.

17. Empower counties to levy additional salary tax to supplement quota furnished by the State in order that they may be able to employ teachers and other school officers of superior qualifications.

18. Empower counties to issue school bonds for building and kindred purposes.

19. Require that at the time any school bonds are issued, either State or county, provision be made for the levying of a special bond tax sufficient to pay interest on such bonds and to retire them within a reasonable period, which shall in no case exceed 20 years, such tax to be in addition to taxes provided for in other sections of these recommendations.

20. Determine to what extent, if any, existing State taxes on corporations and inheritances may be advantageously increased and employed to furnish additional revenues for education.

21. Abolish present system of paying tax collectors commissions on proceeds of taxes and of paying county treasurers commissions on school funds and pay such officers fixed annual salaries.

22. Provide for a State severance tax and a State income tax upon the proceeds of which public schools and other educational institutions shall have first claim.

23. Instead of fixing a definite rate of a State general property school tax, provide that the rate of such tax shall be fixed from time to time by the legislature upon the recommendation of the interim educational budget commission, and which rate shall be sufficient to produce the moneys required, in addition to those available from all other sources, to enable the State to fulfill its obligations to the public schools, the university, and to all other educational institutions and projects.

24. Formulate a six-year State building program to provide new buildings and other new property for the university, the State normal school, the Branch Normal School, the district agricultural schools, industrial schools, School for the Deaf, Institute for the Blind, and all other State educational institutions.

25. Provide for the issuance of State bonds necessary to carry out this program.

26. Require the counties to formulate and provide for the carrying out of county public-school building and new property programs similar to the State program recommended in paragraphs 24 and 25.

27. Provide for the State department of education funds sufficient to enable it to dispense entirely with aid from private foundations.

28. Place the appointment and the fixing of the salary of the State superintendent of public instruction in the hands of the State board of education.

29. Provide a salary fund for the State department of education sufficient to enable the State board of education to employ a State superintendent capable of commanding from \$7,000 to \$10,000 and to pay other members of the staff proportionately, in each case the salary to be determined on the basis of professional qualifications.

30. Establish and provide for the maintenance of a division of school architecture within the State department of education.

31. Repeal those portions of sections 7641 and 7642, Digest of Laws, relating to schools in the State of Arkansas, 1920, which permit a parent or guardian to transfer his school tax to another county or district, and provide instead that where a child, with the approval of the county superintendent, is transferred from the county in which

he resides to another his own residential county shall pay to the school to which he has been transferred such sum as may be agreed upon for his tuition, provided that the tuition paid shall not be greater than the average net per pupil cost in the school to which he has been transferred.

32. Abolish 6 to 21 years as the scholastic age and establish in its stead, as the scholastic age, 5 to 18 years.

33. Abolish the present unsatisfactory method of apportioning State school funds on the school-census basis and adopt instead a modernized, scientific method by which State moneys will be apportioned by the State directly to the individual positions which the State subsidizes. This will prevent the moneys which the State designs to pay the salary for a definite teaching position in one school being used for another teaching position in the same or in another school. The method to be used in apportioning State aid will depend to a large extent upon what proportion of the total school costs the State pays. If the State of Arkansas does not adopt the recommendations of this report and continues its present policy of providing only a small per cent of total costs, then it should introduce a method which will provide a minimum salary quota for every educational position, the actual quotas to be determined by the financial ability of the community, the effort the community is making as indicated by the rate of school tax levied in proportion to its wealth, the length of school term, and the salaries and qualifications of the school officers (superintendent, supervisors, principals, teachers, etc.) employed.

34. Empower and require the State department of education to fix and to modify from time to time, as conditions seem to warrant, the requirements and standards which counties must meet in order to receive State aid. Such requirements must include at least the levying of the minimum county school tax of 12 mills, maintaining schools for at least eight months, employing teachers, satisfying all legal requirements, providing instruction in all subjects required by law, submitting all reports required by law, enforcing compulsory education and truancy laws, erecting all new schoolhouses and other school buildings in accordance with plans and specifications previously approved by the State school architect and State superintendent of public instruction, providing furniture, equipment, libraries, apparatus, and other school supplies, satisfying standards established by the State department of education and fulfilling all other State school laws and all regulations of the State department of education. (The high standard of high schools in one of our States is due to the fact that such powers were long ago granted to the State high-school department and exercised by this board judiciously and effectively for many years.)

THE PERMANENT SCHOOL FUND.

Owing to the small per cent of the total educational revenue derived from the permanent school fund and from the university endowment fund, it might seem scarcely worth while to devote much attention to reforms needed in the administration and management of these funds. Nevertheless, relatively small endowments properly managed, and the income of which is disbursed in a thoroughly scientific manner, can be made to wield a degree of influence greatly in excess of their proportionate contributions to total costs. Moreover, it should be evident from our account of these funds that principles of sound finance, we might almost say ethical principles, are involved in the issue. It should be borne in mind, however, that the constitutional amendments which we are about to propose affecting these funds are at the present time far less important than the constitutional amendments which would be required to establish the county as a school unit and to remove the constitutional limits on State and local school taxes.

The only section in the constitution of Arkansas bearing upon State permanent endowments for education provides that no money or property belonging to the permanent school fund or to the university shall ever be used for any purposes other than the one to which it belongs. This provision has proven to be entirely inadequate to safeguard these endowments or to assure wise investment and management. An amendment should be adopted which would guarantee the protection, preservation, and proper use of the permanent school fund and of other State endowments for education. Such an amendment should include the provisions set forth in the following seven sections.

**RECOMMENDED CONSTITUTIONAL PROVISIONS AFFECTING
THE PERMANENT SCHOOL FUND.**

Section 1. At the present time the sources to be devoted to the permanent school fund are specified only in the law. These should be named by the constitution and should include all sources now devoted and an appropriation of at least \$100,000 to be added annually to the principal of the fund until said principal amounts to at least \$5,000,000.

Section 2. The management and investment of the permanent school fund should be entrusted to a board of permanent school-fund commissioners, composed as follows:

The State treasurer, ex officio chairman.

The State superintendent of public instruction.

The State auditor.

The State land commissioner.

Section 3. No moneys belonging to the permanent school fund or to the university endowment fund or to any other State public fund the purpose of which is to provide a permanent State endowment for educational purposes shall be invested in Arkansas State bonds or in any other securities or funds chargeable to or dependent upon the credit of the State of Arkansas.

Section 4. Whenever and as often as there is in the State treasury the sum of \$10,000 belonging to the permanent school fund, the same shall be invested by the board of permanent school fund commissioners in securities of one or more of the following classes:

United States bonds.

Bonds of States other than Arkansas.

County, district, city, town, village bonds of Arkansas or of other States.

Section 5. No such investment shall be made when the bonds to be purchased would make the entire bonded indebtedness of the corporation issuing or selling them exceed 15 per cent of the assessed valuation of its taxable property, nor shall such loans and indebtedness of investments be made for shorter period than five years.

Section 6. That the board of commissioners shall deliver all securities purchased by them for the benefit of the permanent school fund to the State treasurer, who shall be the custodian of said fund, and who shall credit such securities to the permanent school fund and shall place the interest derived from such securities and investment to the credit of the permanent school income fund.

Section 7. That the permanent school income fund shall be apportioned annually by the State superintendent of public instruction for such purposes and in such manner, by such methods, and upon such bases as shall be determined by the State board of education, subject only to such limitations as the legislature may provide.

Laws necessary to carry out the above constitutional provisions should, of course, be enacted. In addition to these laws, laws should be enacted detailing the terms on which moneys belonging to the permanent school fund principal may be lawfully invested and empowering and directing the State board of education and the board of permanent school fund commissioners to exercise the powers and to carry out the duties imposed upon them by the constitution with respect to the permanent school fund.

INDEX.

- Agricultural and Mechanical College, necessary expenditures, 76-78.
- Agricultural education, Morrill fund, 34.
- Apportionment and use of school moneys, 60-66.
- Attendance, counties, 26-27.
- Attendance (average daily), expenditure per pupil, by seven States ranking lowest (1918), 2; total expenditure per pupil in United States (1917-18), 2.
- Average daily attendance. *See* Attendance, average daily.
- City and rural schools, comparison, 93-94.
- Common schools, growth of total expenditure, 3.
- Compulsory education law, enforcement, 9.
- Cost of education, 67-78; recommendations, 66.
- Counties, ability to finance schools, 87-88; compared as to wealth, school expenditures, district tax, school attendance, etc., 26-27; inequalities in wealth upon which children must depend for education, 88-89.
- County aid, school revenue, 51.
- District aid, school revenue, 52-57.
- District burdens, inequalities, 20-25.
- Educational inequalities, causes, 17-27; existing, 8-16.
- Educational situation, present, 1-16.
- Expenditure, school. *See* School expenditure.
- Federal aid to education, 31-34.
- Federal forest reserve fund, 31-32.
- Finance, schools, 3-8.
- Financial conditions, city systems of 10,000 inhabitants and over, 10.
- Fund, school. *See* School fund.
- General Education Board, contributions to education, 49.
- General property tax, criticized, 97.
- Georgia, report of special tax commission, 97.
- Good schools, money for, 79-101.
- Illiteracy, counties, 26-27; statistics, 9.
- Inequalities in education, existing, 8-16.
- Inequalities in wealth, population, and school expenditures, counties, 19.
- Inequalities in wealth upon which children in counties must depend for education, 88-89.
- Institute and library fund, 48-49.
- Investment in education, nine counties, 16.
- Jeanes fund, contributions to education, 50.
- McRae, Thomas, proclamation regarding educational rank of Arkansas, 1.
- Money for schools, 79-101.
- More money for education, 67-68.
- Morrill fund, 34.
- Negroes, higher agricultural and industrial education, 77; normal school, 74-75.
- Normal schools, expenditures necessary to reach average State level, 72-75.
- Ohio, report of tax commission, 97.

- Permanent school fund, 35-44, 106-107; reference in Constitution, 42-44.
- Private foundations, contributions to education, General Education Board, 49; Jeanes fund, 50; Rosenwald fund, 49; Slater fund, 49-50.
- Property, school. *See* School property.
- Recommendations, apportionment and use of school moneys, 60-66; summary, 102-107.
- Rosenwald fund, contributions to education, 49.
- Revenue fund, percentage analysis, 45.
- Revenue, school. *See* School revenue.
- School attendance. *See* Attendance.
- School burdens, inequalities in counties, 18.
- School districts, ability to finance schools, 84-86.
- School expenditures, average annual, counties, 26-27; growth, 3-8; suggestions, 69-74.
- School fund, apportionment and use, 60-66; permanent, 35-44.
- School moneys, how apportioned and used, 60-66. *See also* School revenue.
- School property, growth in estimated value, United States, 4-5.
- School revenue, county, township, and district, 51-59; Federal, State, and private, receipts and sources, 28-50; necessity for providing, 91-92; per cent derived from different sources, 81-83.
- School taxation. *See* Taxation, school.
- School year (average length), counties, 26-27; statistics, 13.
- Seligman, Edwin R. A., on general property tax, 97.
- Sixteenth section lands, 37-40.
- States fund, contributions to education, 49-50.
- Smith-Hughes subventions, 32-33.
- Smith-Lever subventions, 33-34.
- State aid to education, 35-45.
- State appropriations for education, 44-45.
- Taxation, reports of commissions in different States, 97-98.
- Taxation, school, 22-27, 46-48, 92-93, 96.
- Taxation, school, State corporation, income, inheritance, and occupation, 98.
- Teachers, education. *See* Normal schools.
- Teachers' certificates, fees paid, 48.
- Teachers' fund, 48-49.
- Teachers' salaries, 13-14.
- Township aid, school revenue, 51-52.
- United States, average daily attendance, total expenditure per pupil (1917-18), 2; growth in estimated value of school property, 4-5; growth of total expenditure for common schools, 4.
- University of Arkansas, endowment fund, 44; expenditures for required, 75-76; loss of Federal endowment, 34.
- Valuation of taxable personal and real property, 95.
- Wealth of Arkansas, estimation, 95.