

**ASSUMPTION BY THE STATE OF THE COST OF
MINIMUM SALARY SCALES FOR TEACHERS**

**A REPORT OF THE
VIRGINIA ADVISORY LEGISLATIVE COUNCIL
To
THE GOVERNOR
And
THE GENERAL ASSEMBLY OF VIRGINIA**



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REPORT OF THE
VIRGINIA ADVISORY LEGISLATIVE COUNCIL

RICHMOND, VIRGINIA

November 5, 1959

To:

HONORABLE J. LINDSAY ALMOND, JR., *Governor of Virginia*

THE GENERAL ASSEMBLY OF VIRGINIA

Section 135 of the Constitution of Virginia requires that the General Assembly apply the annual interest on the Literary Fund, the State's portion of the capitation tax, and the equivalent of a property tax at a rate between one and five mills on the dollar, to the schools of the primary and grammar grades, on a basis of school population. This section permits such additional appropriations as the General Assembly may deem proper. These additional appropriations now far exceed the constitutional minimum and the method of allocation of these funds in aid of elementary and secondary education in the localities has given the General Assembly concern for many years. The subject has been studied by several legislative and other study groups, the most recent being the study conducted by the Virginia Advisory Legislative Council prior to the 1956 Regular Session of the General Assembly. Expressing its continuing concern over the method of allocation of State aid school funds, the General Assembly at its 1958 Regular Session adopted House Joint Resolution No. 82, which is as follows:

HOUSE JOINT RESOLUTION NO. 82

Directing the Virginia Advisory Legislative Council to study and report upon the advisability and feasibility of the State assuming the entire cost of the State-approved minimum salary scales for teachers in the

Whereas, the State has established minimum salary scales for teachers in the public free schools; and

Whereas, despite the fact that successive General Assemblies have increased the proportion of the cost of the minimum scales borne by the State, the counties and cities still have heavy demands upon their tax resources for schools and other essential public services; now, therefore,

Resolved by the House of Delegates, the Senate concurring, That the Virginia Advisory Legislative Council is directed to make a study and report upon the advisability and feasibility of the State assuming the entire cost of the State-approved minimum salary scales for teachers in the public free schools, with the localities retaining administration thereof, and how the necessary revenues might be provided. All agencies of the State shall assist the Council in this study. The Council shall conclude its study and

make its report to the Governor and the General Assembly not later than September one, nineteen hundred and fifty-nine, and shall include in its report such proposed legislation as it deems necessary to accomplish the recommendations it may make.

The Council selected Charles K. Hutchens, member of the House of Delegates and member of the Council, to serve as Chairman of a committee to make the initial study and report to it. Chosen to serve with Mr. Hutchens on this committee were: Earle M. Brown, Lynchburg, Russell M. Carneal, Williamsburg, Paul Manns, Bowling Green, and Julian H. Rutherford, Jr., Roanoke, members of the House of Delegates; Curry Carter, Staunton, and Earl A. Fitzpatrick, Roanoke, members of the Senate; David B. Kinney, Attorney at Law, Arlington, and Davis Y. Paschall, Superintendent of Public Instruction, Richmond. John B. Boatwright, Jr. and G. M. Lapsley served as Secretary and Recording Secretary, respectively, to the Committee.

The Committee reviewed the history of the allocation of State-aid funds to the localities for education; it examined the practices of other states in their support of education at the local school level; it procured, through the Department of Education, information as to the cost and effect of having the State assume the cost of payment of teachers' salaries up to the approved minimum scales. The Committee completed its study and made its report to the Council. Based upon the information before it, the Council has reached the following conclusions and makes the following recommendations.

CONCLUSIONS AND RECOMMENDATIONS

We believe that State funds can best be distributed in aid of local schools by the assumption by the State of the cost of instructional personnel in those schools up to the minimum State-approved salary scales for the number of positions required by State standards. It will be necessary, however, in order to insure local participation in support of the schools, that the receipt by each locality of State funds for this purpose be conditioned upon a reasonable exertion of local effort. This local participation is especially important since it is not intended that present local *control* be interfered with.

We regard this program as advisable as a long-range major objective. But due to the many problems and uncertainties currently facing public education in Virginia we do not deem it feasible for the State to make such a change at this time. We, accordingly, recommend that no major change be made now in the allocation formula for State aid funds to the localities, but that the subject be given further study.

HISTORY OF THE APPORTIONMENT OF STATE SCHOOL FUNDS TO LOCALITIES

In the report made by the Virginia Advisory Legislative Council under date of December 14, 1955, entitled "Apportionment of Funds for Public Free Schools", the Council traced the development of the present system of allocation of State funds to localities for school purposes. Originally, as noted above, these funds were distributed on the basis of school population as provided in the Constitution of 1902. In 1934 the "teacher unit" became the measure for the allocation of a majority of the moneys appropriated by the State for school purposes. From 1946 to

1952, average daily attendance in each locality was used as the principal determinant of the amount of State aid. In the latter year a given sum was allocated for each "State-aid teaching position", defined as one teaching position for each thirty pupils in average daily attendance in the elementary grades and one teaching position for each twenty-three such pupils in the high school grades. This basic apportionment formula has continued until the present time.

However, during the last twenty-five years, there have always been certain types of special appropriations designed to correct inequities resulting from distribution of the basic fund. For instance, in 1946, the basic appropriation amounted to approximately 12 million dollars for each year of the biennium but there were in addition special purpose appropriations including a \$230,000 fund each year for "maintenance of minimum educational programs". During the current school year the major appropriations are, the basic appropriation for teachers' salaries, almost 51 million dollars, and appropriations for "salary equalization" of a little more than 9 million dollars and for a minimum educational program, of 8 million dollars.

APPLICATION OF THE PRESENT FORMULAS

The major appropriations from which teachers' salaries are paid are as follows:

Basic Appropriation

The purpose of this fund is to provide State-aid for salaries of instructional personnel and to define the number of such personnel for which the General Assembly appropriates funds. It provides funds to all localities, counties and cities alike, depending on the number of pupils in average daily attendance. Reimbursement is made to the localities on the basis of assigned State-aid teaching positions defined as follows:

State-aid teaching position is defined as one teaching position for each thirty (30) pupils in average daily attendance in the elementary grades and one teaching position for each twenty-three (23) pupils in average daily attendance in the secondary (high school) grades.

The General Assembly prescribes certain eligibility requirements, most of which guarantee that State funds will be used for the purpose for which appropriated, and that such funds will not be substituted for local funds.

Salary Equalization Fund

This fund was originally established for the purpose of guaranteeing, from State funds, a minimum salary scale for teachers. It was allocated on the basis of salaries paid individual teachers as of given dates without regard to the ability or willingness of the county or city to provide such funds locally. Actually, three separate adjustments have been provided through this fund since 1947. For the current biennium, each county and city is receiving exactly the same amount as received in 1957-58.

A more appropriate title for this appropriation would be "Salary Adjustment Fund."

Minimum Education Program Fund

This is in reality an equalization fund which recognizes *Need*, *Effort* (Minimum Effort), and *Ability*. No locality is penalized because it may have exerted effort over and above the minimum, and no locality receives additional funds for effort in excess of minimum requirements. In other words, it does not reward degree of effort in excess of the minimum, nor does it penalize those who do exert greater effort.

Briefly, the formula is as follows:

Formula:

1. Average daily attendance for previous year x \$185*=*NEED*
2. 50¢ per \$100 tax rate on 1950 true values of locally taxed wealth *plus* other *State* and *Federal* funds for operation (Capital Outlay and Debt Service excluded) for the current year =FUNDS AVAILABLE
IF *Funds Available* exceed *Need*, the locality does *not* participate in the fund even though county or city may meet the basic requirement of 50¢ per \$100 of true values of locally taxed wealth.
IF *Need* exceeds *Funds Available*, the locality *will* share in the distribution of the Minimum Education Program Fund on a *pro rata* basis (because State funds have not been sufficient to meet full needs).
3. No locality can receive more than \$225,000 from this fund (Minimum Education Program Fund) during either year of the biennium.

Despite all efforts which have been made to devise factors for inclusion in the distribution formula which would result in doing substantial equity between the various localities in the State without imposing undue hardships on any, this end has not been achieved. (We may add that formulas employed in other states appear to suffer from the same deficiency.) The 1955 report of the Council stated “. . . we believe that no formula can be devised to distribute State aid among the localities which will solve all the problems and be acceptable to the General Assembly, school officials, local governing bodies and the public in Virginia. Dissatisfaction has resulted from all which have been tried . . . We feel that any solution based on the factors which have been previously used will have the same results. With this conclusion we are in thorough agreement.

STATE ASSUMPTION OF THE COST OF MINIMUM SALARY SCALES FOR TEACHERS

We believe that the allocation of State funds in aid of local schools should be based upon the State-approved minimum salary schedule for three reasons. In the first place, it would greatly simplify the present complex and somewhat arbitrary formulas, making the distribution simpler in administration and more readily understood by the members of the Legislature who make the appropriations, by school officials, and by the public. Secondly, by treating each locality alike and gearing State aid directly to the number of required teaching positions and the salaries actually being received by teachers, it would minimize the inequities in the

present system. And finally, it would produce badly needed relief for many localities which presently are finding it difficult to meet their commitments under the present system.

We have set forth above the provisions and factors of the several formulas by which allocations to localities are made. These formulas are an accumulation of short-term solutions, and one who is not familiar in detail with the history of their adoption cannot hope to readily understand them. To illustrate the complexities involved, we call attention to the fact that Item 141 of the present Appropriation Act does not set forth in terms how the funds for salary equalization are to be expended but refers back to the 1956 Appropriation Act. The corresponding provision of the 1956 Act likewise refers back to amounts appropriated in 1952 and 1954 and further provides that the State Board shall distribute from that appropriation sums required to put into effect the salary schedules approved for public school teachers by the State Board of Education and the Governor. Thus, in order to determine what any locality would be entitled to from this appropriation it would be necessary to know what it actually received during a period of more than six years. It would further be necessary to ascertain what the locality is entitled to from the basic appropriation for teachers' salaries and what it would receive from the appropriation for a minimum educational program. Under the proposal herein recommended for consideration, however, it will be necessary only to determine the number of required State-aid teaching positions, and the status of each teacher with respect to the recommended salary schedule, in order to determine a locality's allocation.

This method of allocation of State-aid funds would treat every county and city in the State alike from State funds and would further be directly related to the needs of each county and city for instructional personnel. It would not permit a locality to use State funds to employ more teachers or pay higher salaries than set forth in the State approved standards. Nor would it permit a locality to accept State funds and profit thereby by increasing pupil-teacher ratios and crowding children into classrooms.

We realize that State assumption of the cost of State approved minimum salary scales is not feasible unless it can be done in a manner and at a time so that it will not penalize any locality by reducing State funds available to it for public education. This being the case, it is obvious that this method of allocation will be of financial benefit to every county and city in the State. The 1956 report to which reference was made above discusses the matter of State and local revenues and points out that, because of its broader tax base, the State is in a better position than are the localities to meet the increasing costs of education. The trend in these costs has been upward for many years and the State's share in the cost has likewise become proportionately greater. In 1934 the State contributed approximately 5.5 million dollars toward a total school budget of about 23 million or less than 25% of the total. For the current school year the major appropriations plus the required constitutional funds amounted to more than 70 million dollars.

Representatives of local governments have long claimed that real estate, which is the major subject to which the localities can look for tax revenue, is bearing too great a portion of the tax load and in some instances is required to pay a tax completely out of proportion to its income producing ability. State-aid to local governments has been sought and obtained in steadily increasing amounts in recent years and this trend will continue. Assumption by the State of the *function* of supporting the State

approved minimum salary schedule, rather than mere channeling by the State to the localities of revenues derived from State tax sources appears to us to be the soundest method of providing relief for the hard pressed local governing units, and yet maintaining standards acceptable to the State as a whole.

LOCAL CONTROL

Since the days of the "little red school house" the people in each community have had intense interest in their local school. We think this local concern essential to the maintenance of education on a basis which will satisfy our citizens. The local people are best able to determine the educational needs of their children. Therefore we urge that regardless of the manner or extent of State support, there be no change in the traditional balance of State-local responsibility in this field.

LOCAL EFFORT

We are aware that assumption by the State of the major part of the instructional costs might, if this were the sole change made in the method of allocation of funds, result in some localities in a diminution of local support for education with the result that, despite the greatly increased cost to the State, the educational program available to the school children in these localities might be adversely affected. We accordingly believe that, coupled with the State's assumption of this cost, there will have to be devised some requirement for local participation in order for it to receive the benefit of the State appropriation. Otherwise, there might merely be a shifting of the burden of support for local schools from the localities to the State without a commensurate benefit to the educational system. What this requirement should be needs further study.

CONCLUSION

We have set forth above what we consider to be a most desirable long-range program for the support of public education in Virginia. We wholeheartedly commend this principle to the General Assembly but we are unable to recommend it for immediate adoption. The events affecting public education in Virginia in the past year have made it impossible for us to develop in detail information upon the basis of which we can suggest proper solutions to the problems which would inevitably develop were such a change to be made now. The adoption of a new and unfamiliar, although simplified, method of allocation of State funds would make planning for public education in Virginia much more difficult at the State and at the local levels in the time of serious crisis still facing us and in view of the many uncertainties which still exist. Since we believe, however, that the suggested approach is the proper one in principle, we recommend that it be given serious thought by the General Assembly and that provision be made for a continuation of the study, with as wide participation as possible among the membership of the General Assembly. The results of the continued study should be made available to the public, the General Assembly and the school officials in Virginia as far as possible in advance of the convening of the next regular session of the General Assembly.

ACKNOWLEDGMENT

We would like to express our appreciation to the members of our Committee for their contribution of their time and effort toward the preparation of this report.

Respectfully submitted,

JOHN H. DANIEL, Chairman

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