

**REPORT OF THE  
INSTRUCTIONAL COSTS COMMISSION**

**To**

**THE GOVERNOR**

**And**

**THE GENERAL ASSEMBLY OF VIRGINIA**



SO-3

COMMONWEALTH OF VIRGINIA  
Department of Purchases and Supply  
Richmond  
1972



## MEMBERS OF THE COMMISSION

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LESLIE D. CAMPBELL, JR., *Chairman*  
WILLIAM M. DUDLEY, *Vice-Chairman*  
JACK P. BARNES  
JOHN N. DALTON  
CHARLES S. HOOPER, JR.  
L. M. KUHN  
WILLARD L. LEMMON  
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WILLIAM P. ROBINSON, SR.  
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Report of the  
Instructional Costs Commission  
to  
The Governor and The General Assembly of Virginia

Richmond, Virginia  
January 15, 1972

TO: HONORABLE LINWOOD HOLTON, *Governor of Virginia*  
and  
THE GENERAL ASSEMBLY OF VIRGINIA

In 1971, a revised Constitution of Virginia was adopted. Article VIII, Sections 1 and 2 state:

Section 1. Public schools of high quality to be maintained.

The General Assembly shall provide for a system of free public elementary and secondary schools for all children of school age throughout the Commonwealth, and shall seek to ensure that an educational program of high quality is established and continually maintained.

Section 2. Standards of quality; State and local support of public schools.

Standards of quality for the several school divisions shall be determined and prescribed from time to time by the Board of Education, subject to revision only by the General Assembly.

The General Assembly shall determine the manner in which funds are to be provided for the cost of maintaining an educational program meeting the prescribed standards of quality, and shall provide for the apportionment of the cost of such program between the Commonwealth and the local units of government comprising such school divisions. Each unit of local government shall provide its portion of such cost by local taxes or from other available funds.

Members of the General Assembly realizing that this Constitutional mandate needed further study, adopted Senate Joint Resolution No. 33 of the Special Session of the 1971 General Assembly which created a Commission to study whether it was feasible or desirable for the State to assume the cost of instruction in public schools.

SENATE JOINT RESOLUTION NO. 33

Creating a Commission to study State assumption of instructional costs in the public schools.

Whereas, many localities are now straining to meet the costs of providing free public schools; and

Whereas, the revised Constitution empowers the State Board of Education to prescribe the standards of quality for educational programs in the public schools; and

Whereas, localities will be required to meet such standards as may be promulgated by such State agency; now, therefore, be it

Resolved by the Senate, the House of Delegates concurring, That there is hereby created a Commission to study whether the Commonwealth should assume all costs of instruction in the public schools, leaving the costs of providing physical facilities to the localities, and, if so, what local revenue sources might be diverted to the State for the purposes of defraying such educational costs.

The Commission shall consist of twelve members, as follows: the Superintendent of Public Instruction, the Legislative and Fiscal Information Officer, five members of the House of Delegates to be appointed by the Speaker thereof, three members of the Senate to be appointed by the President thereof and one representative each from the Virginia Association of Counties and the Virginia Municipal League to be appointed by the Governor.

The members shall receive no compensation but shall be paid their reasonable and necessary expenses, for which and for such assistance as may be required, there is hereby appropriated from the contingent fund of the General Assembly the sum of five thousand dollars.

The Commission shall conclude its study and report to the Governor and the General Assembly no later than December one, nineteen hundred seventy-one.

Senator Leslie D. Campbell, Jr. of Ashland and Delegate William M. Dudley of Lynchburg were elected Chairman and Vice-Chairman of the Commission, respectively. Other members of the Commission are: Mr. Jack P. Barnes, Mayor, Portsmouth; Delegate John N. Dalton, Radford; Mr. Charles S. Hooper, Jr., Crewe; Mr. L. M. Kuhn, Legislative and Fiscal Information Officer, Richmond; Delegate Willard L. Lemmon, Marion; Senator William V. Rawlings, Capron; Delegate William P. Robinson, Sr., Norfolk; Delegate D. French Slaughter, Jr., Culpeper; Senator George M. Warren, Jr., Bristol; and Dr. Woodrow W. Wilkerson, Superintendent of Public Instruction, Richmond.

The Virginia Advisory Legislative Council and the Division of Statutory Research and Drafting made staff and facilities available to carry out this study; Arthur H. Horwitz was assigned to assist the members and the study group at all times.

The Commission held several meetings at the State Capitol to discuss its responsibilities and possible direction. Initially, the Commission attempted to find out how much money would be needed for the State to assume all instructional costs and then to decide whether it was feasible to assume these expenses. After much deliberation, the Commission recommends the following.

## II. RECOMMENDATIONS

1. The Commission recommends that the total problem of public education, its management and control and funding under the new Constitution should be the subject of a broad-based study by subcommittees selected from the Appropriation, Finance and Education Committees of the General Assembly; further, these subcommittees should investigate the problem of quality education and revenue on local and State levels in order to determine an equitable base of revenue to apply to educational costs.

2. The Commission recommends that the State should assume more of the instructional costs in order to fulfill the mandate of the new Constitution and suggests that one way to accomplish this goal would be to adopt the State Board of Education's request for a change-over to average daily membership from average daily attendance.

3. The Commission recommends that the State Department of Education further clarify and refine accounting procedures whereby total instructional cost can be identified as being funded by federal, State or local money.

### III. HISTORY BEHIND THE RECOMMENDATIONS

In order to understand the reasoning behind the recommendations, it is necessary to review the work of the Commission. At its first meeting, the Commission, realizing that the new Constitution required quality education throughout the Commonwealth, determined that it would be desirable to standardize teachers' salaries in an effort to give all children an equality of education and to avoid the better teachers being attracted to the wealthier communities by payment of higher salaries.

In the event the Commission was to recommend a standard teachers' salary, the Commission felt responsible to determine how these salaries would be funded in the event the State took over the total cost. One method would be to change the sales tax formula and pay the education portion of the State sales tax which now goes to the localities and the local 1¢ sales tax into the State treasury as a basis for funding the State's taking over the instructional costs of teachers' salaries.

It was desirable to determine what effect the change in the sales tax revenue would have on the local governments' budget, since most local governments have indicated a need for additional revenue. We desire to find out whether the local governments would be in a better financial situation without the local sales tax and with the State paying the total instructional cost.

It was decided that as a starting point it would be necessary to determine exactly what "instructional costs" were and how much of these costs were being provided by the local governments. Initially this seemed an easy task, as well as a good starting place.

The staff attorney conferred with Mr. J. G. Blount, Jr., of the State Department of Education to obtain such data. It was learned that information on funding the total operation costs (including instructional costs) by source of funds—State, federal and local—was readily available. Also the amount of the total cost of salaries of regular instructional personnel, borne from State, local and federal funds, could be furnished. For 1969-70 the total costs reports for the salaries of such personnel was \$454,667,672. Of this amount \$156,531,114 was paid from State funds, \$16,414,132 was paid from federal funds, and \$281,722,426 was paid from local funds. The specific contribution from these sources toward all instructional costs (substitute teachers, teacher aides, instructional materials, and the like in addition to regular instructional personnel) is difficult to ascertain. In order to determine what to include in instructional costs, many overlapping funds, commingled funds, and federal impact funds have to be taken into consideration. Another variable to be considered is that the State provides under the school aid plan a minimum fee for a set number of positions, but each locality may increase the number of positions if they so desire.

For purposes of the Commission's work, it was decided to include the following items under the heading of Instructional Costs: Principals' salaries, Assistant Principals' salaries, Supervisors' salaries, and Regular and Substitute Day Teachers' salaries. The next step was to determine from the locality (since the State does not have these figures) how much of their budget expenditures in the area of instructional costs was made from local funds. Most localities answered that this figure was impossible to determine since in preparing their budget they had taken their federal, State and local appropriations and put

them into one fund and out of that fund budgeted their expenditures. It was, therefore, impossible for the Commission to determine what effect the shifting of sales tax revenue would have upon the local government. Future state and local budgets should be itemized to make this information available.

The Commission realized from this date that it was impossible to obtain a clear estimate of the cost of assumption of all instructional costs. It was easy enough to determine that if the State had paid the total instructional costs for 1969-70, the additional cost to the State would have been \$281 million dollars. Of course, this figure includes all instructional help hired by the localities, which exceeds the number of personnel allotted by the school aid plan.

The Commission had several choices before them:

1. Allow the State to determine a salary scale for teachers and assume total payments, freeze any locality beyond that figure (no more supplements) until the State salary scale reaches that figure or beyond, and eliminate the school aid formula for instructional costs but allow it to remain for other costs.

2. Have the State assume the entire fixed minimum salaries of instructional personnel and allow the localities to supplement according to fixed guidelines, such as a cost-of-living index set by the State.

3. Same as the second alternative but have no restrictions for locality supplements.

None of these alternatives were acceptable to a majority of the members of the Commission.

As the study progressed, it became evident to the Commission that for the present there was not enough experience in working with the new Constitution to make specific recommendations. Some of the members of the Commission felt that it would take at least a year to study the problem of "quality education" for all throughout the Commonwealth before developing any recommendations. Further, the Subcommittees of the Senate and House should continue a study with the assistance of the Department of Education coordinating ideas of funding and quality education. It was mentioned that if the locality should lose its right to make decisions on such matters as salaries of its teachers, it would be better to lose it to the State than to the federal government. Many members expressed the fear that the locality would lose interest in its schools if it were prohibited from supplementing salaries. There was concern that this action might lower standards instead of raising them.

Also, it was suggested that a Commission should be appointed to look into the formula used by the State Department of Education as well as studying instructional costs. This study would take approximately one year. In line with the thought, members of the Commission felt that under SJR 33 the Commission was authorized to look at only one part of the total picture and instead should be considering the entire problem of education.

As a warning, it was stated that if the Commission waited a year or so to make further recommendations, the funds that would be required to carry out any recommendations might be allocated for other uses.

One concrete suggestion was to endorse the State Board of Education's recommendation to change from the average daily attendance plan to an average daily membership plan, as it would provide \$27 million more per year to the localities. It was noted, however, that even if the Commission made this recommendation it would be too late to add it to the budget request.



There was a split or division of opinion among the members of the Commission as to whether the State should take over and control teachers' salaries in Virginia.

The Superintendent of Public Instruction indicated that the State Board believed that a broader study, coupled with some experience under the new Constitution would be desirable before any definite decision was made on the subject.

#### CONCLUSION

The members of the Commission spent several months diligently studying this problem area. After many man-hours of research, the Commission realized that this Commission's area of study was only part of a larger one that would need additional consideration. Consequently, the members of the Commission submit no legislation at this time, but leave the door open for another study in the near future.

Respectfully submitted,

LESLIE D. CAMPBELL, JR., *Chairman*

WILLIAM M. DUDLEY, *Vice-Chairman*

\* JACK P. BARNES

JOHN N. DALTON

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\* Statement of Jack P. Barnes attached.

Statement  
of  
Mayor Jack P. Barnes  
Member of  
Instructional Costs Study Commission

May I recapitulate some of the points developed by the Commission and offer these comments as a possible reinforcement.

As we concur, the Commission's conclusion that their study was but a micro segment of an enormously large and complex problem is considered a truism. The problem requires research, analysis synthesis and innovations of ideas and concepts from a reservoir of professional talent which is sufficiently resourced in time, finances and staff to develop alternative policies and courses of action which would best serve the Commonwealth.

I feel that the recommendations of the Commission are appropriate. Under the circumstances such a broad based body could not be expected to make precise recommendations. Insufficient supporting material and the unknown effects of such recommendations if adopted simply preclude clear cut policy formulation.

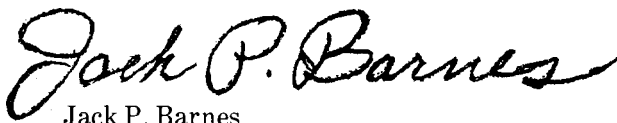
As to the change to average daily membership determining basic state aid, I feel that this definitely offers a great benefit to the local school districts.

In addressing the matter of standard teacher's salaries, I feel it is necessary to insure a minimum salary, however, a local cost of living differential must be a provision. The economic geography of Virginia is so diverse that naturally an absolute equal salary could not be feasible.

The analysis of instructional costs for public education is a tedious and complicated process. The Commission demonstrated its concern for the educational welfare of the boys and girls of the Old Dominion by avoiding hasty conclusions. Had this been done, the results could have impaired the future educational Progress in Virginia. However, standards of equality are meaningless unless the financial muscle is available to support the standards. One of the primary difficulties in financing education in the Commonwealth is that cities like Portsmouth must exert a tremendous effort and yet cannot provide the same level of support for education that other communities can provide with much less effort. Herein lies an educational inequity and an area that must be researched fully in order that rectification may be extended.

In conclusion, it is obvious that the State has much research to conduct and that the findings should be made available to any future committee type body that might be appointed. This guidance, factual information, alternative courses of action and the foreseeable results of each alternative action would allow the body the capability of realistically coming to grips with the specific determinants of the problem. The Commission was, indeed, correct when it abstained from pontification in its recommendations when such direction and support was not developed.

Respectfully submitted,

  
Jack P. Barnes

JPB/chj



