

AN ANALYSIS
of
PUBLIC EXPENDITURES
for
EDUCATION
in the
COMMONWEALTH OF PENNSYLVANIA



A Report to
THE JOINT STATE GOVERNMENT COMMISSION
(OF THE GENERAL ASSEMBLY)

by its
COMMITTEE ON CONTINUATION
OF THE TAX STUDY

REPORT NO. 7
JUNE 21, 1944

CAPITOL BUILDING
HARRISBURG, PA.

JOINT STATE GOVERNMENT COMMISSION
OF
THE GENERAL ASSEMBLY

(Created in 1937, P. L. 2460, as last amended 1943, P. L. 13)

"A continuing agency of the General Assembly to undertake studies and develop facts, information and data on all phases of government for the use of the General Assembly and Departments and Agencies of the State Government."

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LETTER OF TRANSMITTAL

To the Members of the Joint State Government Commission of the
General Assembly of Pennsylvania:

Under authority of the Act of July 1, 1937, P. L. 2460 (Act creating Joint State Government Commission), as last amended by the Act of March 8, 1943, P. L. 13, we submit herewith a Report covering An Analysis of Public Expenditures for Education in the Commonwealth of Pennsylvania, 1920-1943.

LLOYD H. WOOD, *Chairman,*
Committee on Continuation
of the Tax Study.

June 21, 1944.

FOREWORD

This is the seventh of a series of studies of the costs of government in Pennsylvania and its political subdivisions, under preparation by the Joint State Government Commission. These surveys are submitted in the form of reports by the Commission's Committee on Continuation of the Tax Study, which was organized for the purpose of developing recommendations to the 1945 session of the General Assembly for revision of the tax structure of the Commonwealth.

The reports issued to date are:

No. 1—The Debt of the Commonwealth of Pennsylvania and its Local Subdivisions.

No. 2—Fiscal Operations and Debt of the School District of Philadelphia 1920-1943.

No. 3—Fiscal Operations and Debt of the School District of Pittsburgh 1919-1943.

No. 4—Fiscal Operations and Debt of the School District of Scranton 1919-1943.

No. 5—Fiscal Operations and Debts of Eleven Selected School Districts 1920-1943.

No. 6—An Analysis of the Fiscal Operations of the School Districts of the Commonwealth of Pennsylvania 1920-1942.

This particular report (No. 7) has been divided into two parts. *Part I* is An Analysis of Expenditures for Public Education in the Commonwealth of Pennsylvania from 1920 to 1942 Inclusive. *Part II* is An Analysis of Appropriations Made for Educational Purposes by the Commonwealth of Pennsylvania 1921 to 1945 Inclusive.

A future report will deal with an Analysis of the Tax Structure and Revenues of the General Fund of the Commonwealth 1913 to 1943. Other reports will deal with a Fiscal Analysis of the Operating

Funds of the Commonwealth and the Costs of Government of the Commonwealth and its Local Subdivisions.

William Penn brought with him to the colony which he founded educational ideals of a highly progressive pioneer. His efforts to establish public education in Pennsylvania began with the first General Assembly in 1682. Realization of his ideals, however, was retarded by differences in language, religion, national sympathies, and the exigencies of pioneer life.

Efforts to establish free public schools did not come to a successful conclusion for more than 150 years after Penn landed at New Castle. It was not until 1834 that his ideal became a reality. Schools have been a subject of legislation at almost every session of the General Assembly from the date of the adoption of the "Great Law" of 1682 down to and including the present time. The Free School Law of 1834, which authorized establishment of school districts in every ward, township, and borough in the State, was the foundation of the present system. The school district substantially in its present form was created in 1854, and despite many amendments remained in force until 1911 when the School Code was adopted. Since that date Pennsylvania has operated under the Code with various amendments and with considerable change in fundamental policy from time to time. As matters now stand the 2546 School Districts in Pennsylvania are governed by elected boards of School Directors except in Philadelphia and Pittsburgh where the Boards of Education are appointed by the judges of the Courts of Common Pleas in the counties in which these cities are located. The School Boards have many powers, including the right to levy taxes on real estate, incur indebtedness within specific limits, and otherwise perform functions necessary for the operation of the public school system.

An idea of the growth in the expenditures for maintaining public schools since 1920 may be obtained by a comparison of the expenditures in that year and in 1942. The total expenditures for public educational purposes in 1920 were \$84,639,000, of which \$42,159,000 was for the payment of teachers' salaries; \$7,949,000 was spent in capital outlays, and \$34,531,000 for all other purposes. The total expenditures for the school year 1941-1942 were \$221,450,000. This indicates an increase of 162 percent in the period from 1920 to 1942.

Payments for teachers' salaries in that period increased from \$42,159,000 to \$106,504,000, an increase of 153 percent; capital expenditures decreased from \$7,949,000 to \$7,853,000, a decrease of 1 percent; and all other expenditures increased from \$34,531,000 to \$107,093,000, an increase of 210 percent.

Due to the fact of its early settlement, Pennsylvania's population seems to be adjusting itself to its resources and traditional standards of living earlier than areas in the South and West which were settled at later dates. A factor to be considered in the matter of Pennsylvania's school population is that the percentage of children of school age who are enrolled is much lower than in some other states. In Pennsylvania only 82.2 percent of children between 5 and 17 years attend public school, while in the State of Washington 98.6 percent of school age children are enrolled. Pennsylvania's percentage is smaller than the U. S. average, which is 85.3 percent. This fact should be taken into consideration in comparing the expenditures for education in Pennsylvania with those in other comparable states.

The practice of subsidizing education in Pennsylvania began in the Revolutionary War when the Commonwealth made a grant estimated at 25,000 pounds sterling to the University of Pennsylvania, then known as Franklin Academy. Since that date appropriations have grown and the purposes for which they have been made are as varied as the activities of the school system. The 1943-1945 state appropriation for education amounted to \$148,000,000, which represents an increase of 232 percent over the 1921-1923 expenditures of \$44,500,000. A major item of expense in maintaining schools is the salaries paid to teachers. In 1921-1923 the payments to School Districts by the Commonwealth for teachers' salaries, tuition and closed schools amounted to \$26,225,000, while in 1943-1945 the amount appropriated by the General Assembly for this purpose was \$102,300,000, an increase of 290 percent. One thing that has contributed materially to the increase in payments for teachers' salaries has been the fact that since 1941 the General Assembly has been inclined to abandon the practice of requiring School Districts to pay a share of any mandatory increases to teachers and has placed the entire burden upon the Commonwealth. Another fact that will be noticeable is that there has been no decline in the number of teachers employed to correspond with declines in enrollment of

pupils. The result is an increase in the present per pupil costs of teachers' salaries.

The various fiscal studies of public education as well as those of the Commonwealth itself will contribute vitally in the development of the essential background and statistical data necessary for a comprehensive understanding of the fiscal affairs of the Commonwealth, upon which the Joint State Government Commission proposes to base its recommendations to the 1945 General Assembly for a constructive revision of the entire tax and fiscal structure of the Commonwealth.

The Joint State Government Commission, therefore, is concerned with the over-all costs of government of all the political subdivisions of the Commonwealth, as well as with those of the Commonwealth itself, in the preparation of its recommendations for revision of the tax structure. It is hoped, also, that these various studies will contribute substantially to the permanent records of the Commonwealth. The surveys of this Commission should be distinguished from those of other official agencies relating to the methods of allocation of state revenues to political subdivisions and the practices of these political subdivisions in making their expenditures.

The Committee desires to express its appreciation to Dr. Francis B. Haas, Superintendent of Public Instruction of the Commonwealth, for his generous assistance and cooperation with the Committee.

The Commission and its Committee on Continuation of the Tax Study again express to the Pennsylvania Economy League their great appreciation of the assistance of the technical staff of its Harrisburg office in the development of the factual data for this report.

IRA T. FISS, *Chairman*
Joint State Government Commission

LLOYD H. WOOD, *Chairman*
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PUBLIC EXPENDITURES FOR EDUCATION IN THE COMMONWEALTH OF PENNSYLVANIA

PART I HIGHLIGHTS OF THE HISTORY OF EDUCATION IN PENNSYLVANIA

The history of Pennsylvania really began March 4, 1681, when Charles II, King of England, granted to William Penn an immense territory west of the Delaware River. Penn drew up a "Frame of Government," which the First General Assembly of the Colony accepted on December 4, 1682. The same General Assembly also adopted the "Great Law" of 1682, which provided that the laws of the Commonwealth be printed and "be one of the books taught in the schools of this Province and Territories thereof."

William Penn's educational ideals were those of a highly progressive pioneer in a new country, wholly lacking in educational facilities. His second "Frame of Government," approved by the second General Assembly on April 2, 1683, specifically provided "That all persons in this Province and Territories thereof, having children, and all the guardians and trustees of orphans, shall cause such to be instructed in reading and writing, so that they may be able to read the scriptures and to write by the time they attain to twelve years of age; and that then they be taught some useful trade or skill, that the poor may work to live, and the rich if they become poor may not want: of which every County Court shall take care."

A realization of this ideal was, however, retarded by differences in language, religion, national sympathies, and the exigencies of pioneer life. Free public schools were not established until 1834, more than one hundred and fifty years after Penn landed at New Castle. Between

1682 and 1834 many private elementary schools were established on a linguistic, nationalistic, or religious basis, for Pennsylvania had been settled by Dutch, Swedish, English, Irish, Scotch-Irish, Welsh, French, German, Bohemian, and other immigrants of as many or more religious sects, including Quakers, Catholics, Calvinists, Baptists, Episcopalians, Methodists, Presbyterians, Puritans, Huguenots, Moravians, Mennonites, Amish, Dunkers, Seventh-Day Adventists, Economites, Zion's Bruder, Brinser Brethren, members of various "Reformed" churches, and many others.

Consequently, Pennsylvania was forced to "muddle through" a unifying period before a free state school system could be established. In fact, for many years the various nationalistic or religious groups were more interested in establishing separate colonies than in consolidating the Commonwealth into a unified state. However, there was a constant agitation to provide free education for all, as was evidenced in the Provisional Constitution of 1776, the amendment to the Constitution in 1790, the Bill of 1794, (which passed both Houses of the General Assembly in slightly different form, but died in a Conference Committee), and the Pauper School Acts of 1802, 1804, and 1809.

The period 1783-1883 witnessed the founding of twelve colleges and sixty-one academies in the Commonwealth. All of these institutions, except two colleges, received state aid in the form of money, land, or both. The first normal school in the United States was established at Philadelphia in 1818, the year in which the School District of Philadelphia was created by the General Assembly.

The first "Free Public School Act" was passed in 1824, but was repealed amid a storm of opposition.¹ The free public school system was finally established ten years later in 1834, when the Secretary of the Commonwealth was designated as the Superintendent of Common Schools. This measure also aroused a storm of opposition from

¹ Walsh in his "History and Organization of Education in Pennsylvania" observes: "Criticism of existing conditions finally led to the passage in 1824 of an act that, at least, gave some hint of a general public school system. A study of this act reveals some interesting facts. It clearly contained the germ of a public school system; it adhered to the pauper idea in setting apart the children of the poor; it recognized the right of a religious denomination to control the selection of the teacher and still receive public money; and, finally, it legalized the absolute control of all educational machinery by local authorities. No attempt seems to have been made to put it into force and, when the Legislature met in 1826, it promptly repealed the act and restored the law of 1809."

opponents of free public education and barely escaped repeal in 1835. It is estimated that, when this Act was passed, there were at least 4,000 private schoolhouses in the State, all built by volunteer contributions. Most of the early schoolhouses in Pennsylvania consisted of one room and, for the most part, were crude, uncomfortable, and poorly lighted and heated. Reading was the only subject regularly taught, and, when instruction in writing was first introduced, it was confined wholly to boys. Geography and grammar received scant attention and were taught, as distinct branches, only to a very limited extent. Little was done in arithmetic beyond "sums" dictated by the teachers.

Between 1834 and 1854 laws were passed by the General Assembly to amend and consolidate the several acts relative to a general system of common schools; to authorize establishment of the first central high school (Central High School of Philadelphia) in 1836; to empower directors of public schools to grant certificates of competency to teachers; to permit the establishment of public high schools in Pittsburgh and Easton in 1849; to abolish permissive features of the Acts of 1834 and 1836 and establish a mandatory general system of public education; and to establish county supervision of public schools.

In 1857 the position and duties of the Superintendent of Common Schools were separated from those of the Secretary of the Commonwealth and an independent Department of Common Schools created. This same year saw the passage of a law which provided for state normal schools. In 1873 the Commonwealth adopted a new Constitution, which provides in Article X, Section 1, "The General Assembly shall provide for the maintenance and support of a thorough and efficient system of public schools, wherein all the children of the Commonwealth above the age of six years may be educated, and shall appropriate at least one million dollars each year for that purpose."

The year 1895 was noted for the passage of the first compulsory school attendance law. Two years earlier, the optional free textbook law of 1885 was made compulsory. Legislation relating specifically to high schools was enacted in 1887, 1893 and 1895, authorizing the directors of any school district to establish high schools. In 1901 the General Assembly authorized the centralization of township schools, establishment of township high schools, and transportation of pupils

to these central schools. This was followed in 1903 by an act, which required all school districts not maintaining high schools, to pay the tuition of all resident children who might attend high schools in other districts. The first minimum salary act for public school teachers was passed in 1903, followed by a second similar measure in 1907. A State Educational Commission was appointed in 1907 to simplify the school laws of the State. A codification, based on the report of this Commission, was passed in 1909 by the General Assembly, but was vetoed by the Governor. This codification, generally known as the School Code, was finally enacted into law on May 18, 1911, (P.L. 309), effective June 1, 1911. This Code, although frequently amended, is still the basic law, creating and regulating the present public school system of the Commonwealth.

SCHOOL DISTRICTS AS POLITICAL SUB-DIVISIONS OF THE COMMONWEALTH

The school districts, now constituted as political sub-divisions of the Commonwealth, did not come into being until 1854. Their present organization and authority is derived from the School Code of 1911 as amended. The history of the development of the school district, as a political sub-division, is of sufficient interest to warrant a brief review.

PAUPER SCHOOL LAWS—1802-1809

While the various "Frames of Government" and Constitutions of the Commonwealth provided directly or indirectly for a state-wide system of elementary education, it was not until 1802 that a general school law was passed by the General Assembly. This Act of 1802 (P.L. 76), provided that the Overseers of the Poor in each city, borough, or township should provide schools for children of indigent parents and pay for their tuition from public taxation.¹ This act was the first of the so-called "Pauper School Laws."

An Act in 1804 (P.L. 298), which repealed the Act of 1802, required teachers of private schools to receive into their schools such

¹ Walsh observes: "The law remained a dead letter and very few children received any benefit from it."

children of indigent parents as the Overseers of the Poor should recommend, the costs of tuition to be borne by the local county or city treasury.

The Act of 1809 (P.L. 193), required county commissioners to direct township, ward, or district assessors to take annually a census of indigents having children between the ages of five and twelve. The assessors were required to furnish these lists to teachers in private schools and notify indigent parents that their children were entitled to free education.

In 1824, an Act was passed repealing the Act of 1809 and, according to its title, provided "more effectually for the education of the poor gratis, and for laying the foundation of a general system of education throughout the Commonwealth". There are no records to show that this Act ever went into effect and it was repealed in 1826, restoring the provisions of the Act of 1809.

SPECIAL SCHOOL DISTRICTS—1809-1834

In 1812 a supplement to the Act of 1809 authorized the county commissioners to establish public schools. This supplement was a forerunner of the Act of 1818,¹ which constituted Philadelphia the "First School District of the State of Pennsylvania." Both acts made provision only for education of children of indigent parents. Their purpose was to provide public schools to replace the more expensive practice of sending indigent children to private schools at public expense.

Special acts, passed in 1821, authorized employment of teachers to instruct indigent children in schools, established by Allegheny, Cumberland, Dauphin, and Lancaster Counties. By a special act in 1822, the City of Lancaster and the incorporated boroughs of Lancaster County became the "Second School District" in Pennsylvania, with power to erect school houses, employ teachers, and provide books for children of indigent parents.

FREE SCHOOL LAW OF 1834

The Free School Law of April 1, 1834 (P.L. 102), directed every county in the Commonwealth to form a school division, and that every ward, township, and borough should establish a school district, costs to be defrayed by county tax levies on property, which were required to equal twice the annual state appropriation for this purpose.

¹Laws of Pennsylvania, 1818, Chapter LXVI, page 124.

Optional provisions of the law permitted each district to accept the imposed financial conditions or to continue to operate under the Act of 1809. The Act of 1834 also provided for popular election of school directors, who were authorized to build public schools, employ teachers, and provide free education for *all* children. In 1836 and 1849 the General Assembly authorized school boards to create sub-districts, one for each school, if so desired.

PRESENT SCHOOL SYSTEM FIRMLY ESTABLISHED—1854

The school district, substantially in its present form, was created by Act of May 8, 1854 (P.L. 610). School districts, as agents of the Commonwealth, were given the powers of corporate bodies with many additional powers. The system of sub-school districts and ward school districts was abolished and the State was divided into school districts, coterminous with each city, incorporated town, borough, or township of the Commonwealth. An important feature of this act was the creation of the office of County Superintendent of Schools.

Previous to 1854, prescribed courses of study for the public schools were at the discretion of the various boards of School Directors. In hundreds of schools throughout the Commonwealth instruction was confined to reading, writing, and arithmetic, while in a smaller number instruction in the common or basic subjects was neglected in favor of algebra, mensuration, surveying, astronomy, natural philosophy, chemistry, and studies of a like character. The General Assembly, however, by Act of 1854, directed the teaching of "orthography, reading, writing, grammar, geography, and arithmetic, as well as such other branches as the board of directors or controllers may require." This act made it the duty of school directors to select the books for their schools, with the advice of the teachers, and the use of any other texts was prohibited.

Between 1834 and 1854 a great many independent or special school districts were created, consisting either of a part of one township or adjacent parts of two or more townships. The Act of 1854, abolishing sub-districts and ward districts, was intended to eliminate all independent school districts, but two supplements to this Act extended the abolition to 1855. On May 28, 1857 (P.L. 621) the General Assembly passed an Act abolishing all these special or independent school districts as unnecessary or undesirable.

ACCEPTANCE OF THE FREE SCHOOL SYSTEM—1874

School legislation after 1836 had given the directors of all districts the option to operate under the "free school laws" or the "pauper school laws." Thereafter, school districts, which operated under the "pauper school laws," received no state appropriation, though various measures were passed, offering such districts retroactive appropriations to induce them to accept the "free school system." Although the public school system was firmly established by the General Assembly by the Act of 1854, it was not until 1874 that the State Superintendent of Schools could report that *all* school districts had become a part of the free public school system, offering *free* education to all children of school age.

In 1867 school directors were permitted to select sites for school buildings, and it was made obligatory to hold teachers' institutes in all counties. Cities and boroughs, with populations of more than 10,000, were authorized to elect a Superintendent of Schools, and certificates were denied to any teacher who did not qualify with a fair knowledge of the theory of teaching and required subjects. In 1903 the minimum salary of teachers was fixed at \$35 per month. In 1907 the minimum salary for teachers with certificates was increased to \$50 per month, and for teachers without certificates to \$40 per month, and the initial legislative step was taken to set up a state-wide retirement system for public school employees.

As stated before, the various school laws were codified by Act of May 18, 1911 (P.L. 309). This code became effective June 1, 1911, and is still in effect, although it has been amended many times.

SCHOOL DISTRICT ORGANIZATION—1943

The School Code of 1911, as amended from time to time, now provides that existing school districts may unite to form a "union school district," and in certain cases "independent school districts" may be formed from contiguous territory out of one or more city, borough, or township school districts. Otherwise, school districts are organized in various municipalities of each county as political sub-divisions of the Commonwealth.

The various districts in 1942, officially classified by population (the

classification being subject to change after each federal decennial census), were as follows:

| Class of District | Population | Number of School Districts—1942 |
|-------------------|-------------------------------|---------------------------------|
| First | Over 500,000 | 2 |
| Second | Over 30,000 and under 500,000 | 20 |
| Third | Over 5,000 and under 30,000 | 279 |
| Fourth | Under 5,000 | 2,245 |
| Total | | 2,546 |

Under the existing School Code of 1911, with its amendments and related legislation, the public school system of the Commonwealth is administered by a Board of School Directors for each district. There were 2,546 school districts existing in 1942. The Boards of School Directors of first-class school districts (Philadelphia and Pittsburgh), known as Boards of Public Education, are appointed by the judges of the Courts of Common Pleas in the counties in which these districts are located. The Boards of School Directors of second, third, and fourth class districts are elected by the voters in each district.

POWERS OF SCHOOL BOARDS

Each school district is a corporate entity and a political sub-division of the Commonwealth with, among others, the powers to:

- (1) Levy and collect advalorem taxes on real estate and (except for first class districts) per capita taxes not to exceed \$5, on residents of 21 years of age;
- (2) Incur indebtedness within specific limits, fixed by the General Assembly within Constitutional limitations;
- (3) Acquire and sell real estate for school purposes;
- (4) Construct, reconstruct, repair, operate, and maintain school buildings and properties;
- (5) Maintain and compensate a staff of principals, supervisors and teachers, with minimum salaries, prescribed by the General Assembly, and attendance officers, and other necessary employees;
- (6) Provide all books and other necessary supplies without cost to pupils;

- (7) Provide free transportation of pupils to and from schools under prescribed conditions; and
- (8) Establish and offer without cost approved courses of study in all elementary and secondary schools to all children of compulsory school age, fixed by the General Assembly, resident in the district and under certain conditions, adults, resident in the district.

These powers and many others, not enumerated, are usually circumscribed by limitations, imposed by the General Assembly, although some of the powers are quite broad and are not defined in detail. School districts are virtually autonomous political sub-divisions of the Commonwealth, limited only by the State Constitution of 1873 and by laws, which fix standards within which local districts are free to act. In addition to providing free public schools for elementary education, the School Boards are authorized to establish and maintain high schools (junior and senior), vocational schools, evening schools, schools for the physically and mentally handicapped, and for delinquents and adults, kindergartens, cafeterias, libraries, museums, reading rooms, gymnasiums, and playgrounds.

Wide variations exist among school districts within each class, both as to population and as to wealth or financial ability to support public schools. This variation is reflected in the "true valuation per teacher" of taxable property within each district, a formula, prescribed by the General Assembly as a basis for certain state subsidies to the districts. The principle of state responsibility for and ultimate control of education, long and universally recognized in the United States, prevails in Pennsylvania. As agents for the State, the School Districts, though vested with large discretionary powers, are obligated to perform specific duties in a manner expressly stipulated by law.

Though School Boards have no control over the valuation of real property (within their jurisdiction), upon which they may levy real property taxes, and, though they are bound by certain legal maxima or minima limitations with respect to debt and tax rates on real property or per capita levies, they are, for most purposes, free agents in financial matters. The legal maxima and minima limits, fixed by the General Assembly, have varied from time to time, but almost always upward. In fact, with respect to certain functions, districts of the first, second, and

third class are virtually unrestricted, and districts of the fourth class have wide financial discretion. This breadth of financial power is vitally important in the fiscal operations of School Districts. These subjects are discussed in greater detail at appropriate places in this survey and companion reports by the Joint State Government Commission.

TOTAL EXPENDITURES OF ALL SCHOOL DISTRICTS

In the 75-year period, 1836-1910, expenditures of Pennsylvania's public schools, excluding those of Philadelphia,¹ rose from \$305.7 thousand in 1836 to over \$30 million in 1910. Two tables are presented to show trends of disbursements and receipts.

Combined Statement of All School Districts of Public School System of Pennsylvania (Excluding Philadelphia)² 1836-1850

| <i>Payments</i> | 1836 | 1840 | 1850 |
|---|----------------|----------------|----------------|
| Disbursements for expenses of school houses | 111,803 | 161,384 | 253,741 |
| All other expenses | 193,973 | 580,263 | 609,377 |
| Totals | 305,776 | 741,647 | 863,118 |
| Receipts from state appropriations | 98,670 | 264,537 | 186,763 |
| Tax collections ³ | 207,105 | 395,918 | 768,422 |
| Totals | 305,775 | 660,455 | 955,185 |
| Number of districts ⁴ | 987 | 1,050 | 1,387 |
| Number of pupils ⁵ | 139,604 | 181,913 | 424,344 |
| Number of teachers | 3,394 | 4,666 | 10,907 |

¹ Statistics compiled prior to 1920 did not include Philadelphia.

² Wickersham—History of Education—1886, 373.

³ Official reports from 1836 to 1852 show these items as tax levied. It may be assumed the amounts reported are collections from the tax levies, for, in some years during the period, the aggregate of state appropriations paid out and tax levied is equivalent to total payments.

⁴ In 1836 the public school system consisted of 987 districts of which 745 districts were operating under the provisions of the laws of 1834 and the balance under the laws of 1809. By 1840, 879 districts out of 1,050 were operating under the laws of 1834 and 171 still continued to operate under the laws of 1809. Finally, in 1874 all districts operated under the provisions of the laws of 1834. The number of districts shown in data are the "whole" number without regard to the specific laws under which they were operating.

⁵ Whole number of pupils is the terminology used prior to 1920. It represents gross enrollments, regardless of transfers and dismissals.

The foregoing tabulation covers the fifteen-year period, 1836-1850, and that below, 1860-1910. Data for the preceding period do not indicate receipts other than those from state appropriations and tax levied, nor do they indicate amounts of disbursements for teachers' salaries, while those for the later period, 1860-1910, include disbursements for teachers' salaries as well as all receipts. The upward trends, indicated in the foregoing table, continued during the next 60 years, as shown below:

**Combined Statement of All School Districts
of Public School System of Pennsylvania
(Excluding Philadelphia)
1860-1910¹**

(in thousands of dollars)

| | 1860 | 1870 | 1880 | 1890 | 1900 | 1910 | Percent Increase 1910 Over 1860 |
|---|--------------|--------------|--------------|---------------|---------------|---------------|--|
| <i>Payments</i> | | | | | | | |
| Teachers' salary pay- ments | 1,442 | 3,011 | 3,607 | 5,439 | 8,772 | 15,293 | 960.5 |
| Cost of buildings, etc. ² | 449 | 2,500 | 810 | 2,131 | 3,062 | 5,934 | 1221.6 |
| All other expenses ... | 210 | 808 | 1,584 | 2,657 | 4,714 | 8,860 | 4119.0 |
| Totals | 2,101 | 6,319 | 6,001 | 10,227 | 16,548 | 30,087 | 1332.0 |
| <i>Receipts</i> | | | | | | | |
| State appropriations .. | 194 | 321 | 747 | 1,206 | 4,623 | 6,254 | 3123.7 |
| All other receipts ... | 1,639 | 5,685 | 5,859 | 9,581 | 15,244 | 30,265 | 1746.6 |
| Totals | 1,833 | 6,006 | 6,606 | 10,787 | 19,867 | 36,519 | 1892.3 |
| Average real property tax millage rate | 5.43 | 7.76 | 5.04 | 5.88 | 5.12 | 7.14 | 31.5 |
| Total property and head tax levies | 2,016 | 4,732 | 4,819 | 7,924 | 10,501 | 21,010 | 942.2 |
| Number of districts | 1,766 | 2,001 | 2,192 | 2,325 | 2,509 | 2,598 | 37.1 |
| Number of pupils (thou- sands) | 586 | 695 | 770 | 849 | 1,004 | 1,107 | 88.9 |
| Average pupils in attend- ance (thousands) ... | 367 | 485 | 509 | 575 | 728 | 847 | 130.8 |
| Number of teachers | 13,003 | 16,097 | 19,305 | 21,886 | 26,878 | 30,887 | 137.5 |

¹ Statistical Report of Department of Public Instruction—1919-1920.

² Capital outlays.

Beginning in 1920, statistical data, published by the Department of Public Instruction, included those of Philadelphia. These data are presented in the following table:

**Combined Statement of All School Districts
of Public School System of Pennsylvania
1920-1940¹**

(in thousands of dollars)

| | 1920 | 1930 | 1940 | Percent Increase 1940 Over | |
|--|----------------|----------------|----------------|-------------------------------|------------|
| | | | | 1920 | 1930 |
| <i>Payments</i> | | | | | |
| Teachers' salary payments | 42,159 | 97,810 | 104,479 | 147.8 | 6.8 |
| Costs of buildings, etc. ² . . . | 7,949 | 29,169 | 14,746 | 85.5 | -49.4 |
| All other expenses | 34,531 | 85,135 | 106,749 | 209.1 | 25.3 |
| Totals | 84,639 | 212,114 | 225,974 | 166.9 | 6.5 |
| <i>Receipts</i> | | | | | |
| State appropriations | 10,833 | 28,266 | 36,769 | 239.4 | 30.1 |
| All other receipts | 95,157 | 180,961 | 185,088 | 94.5 | 2.2 |
| Totals | 105,990 | 209,227 | 221,857 | 109.3 | 6.0 |
| Average real property tax millage rate (not reported) | | 18.00 | 18.00 | | |
| Total property and head tax levies | 57,755 | 150,812 | 138,537 | 139.9 | -8.1 |
| Number of districts | 2,590 | 2,585 | 2,552 | -1.5 | -1.3 |
| Pupil enrollment (thou- sands) | 1,615 | 1,902 | 1,856 | 14.9 | -2.4 |
| Pupils in average daily at- tendance (thousands) . . | 1,244 | 1,661 | 1,668 | 34.1 | 0.4 |
| Number of teachers | 44,862 | 61,629 | 63,977 | 42.6 | 3.8 |

¹ The foregoing table includes all payments and receipts of all classes of school districts. "All other expenses" include district payments for administration, instruction (except payments for teachers' salaries), auxiliary agencies, operation and maintenance of the school plant, fixed charges, and debt service. "All other receipts" include district property and head tax collections, tuition fees, miscellaneous revenue, and proceeds from bonds and temporary loans.

The table does not cover disbursements by the state for county and state supervision, teachers' colleges, state share of retirement contributions, specialized schools, subsidies to colleges, universities, other educational institutions, libraries, museums, and other small miscellaneous subsidies. These payments and receipts are discussed in detail in another section of this survey.

² Capital outlays.

TOTAL GOVERNMENTAL EXPENDITURES FOR EDUCATION IN THE COMMONWEALTH OF PENNSYLVANIA

A summary of total governmental expenditures for education in the Commonwealth of Pennsylvania during the biennia 1939-1941 and 1941-1943 is shown in the following table:

**Total Governmental Expenditures¹ for Education
in the Commonwealth of Pennsylvania
(in thousands of dollars)**

| | 1939-1941 | Percent | 1941-1943 | Percent |
|--------------------------------------|-----------|---------|-----------|---------|
| State Government (General Fund) | 102,187 | 23.80 | 112,243 | 24.79 |
| Counties (County Taxes) | 285 | 0.07 | 327 | 0.07 |
| School Districts (Local Taxes) . . . | 322,897 | 75.21 | 319,350 | 70.52 |
| Federal Government | 3,952 | 0.92 | 20,921 | 4.62 |
| Totals | 429,321 | 100.00 | 452,841 | 100.00 |

For the biennium 1939-1941 total governmental expenditures for public education in the Commonwealth amounted to \$429 million, of which the sum of \$102 million or 23.8 percent was contributed by the state government in the form of grants to the local school districts or through direct expenditures for support of the Department of Public Instruction and educational activities of other state agencies. The counties contributed only \$285 thousand or 0.07 percent of the biennial total. The sum of \$323 million or 75.21 percent of the total was furnished by the more than 2500 local school districts from the proceeds of taxes on real estate and per capita levies. Federal grants to public educational programs within the Commonwealth in the biennium amounted to only \$4 million or 0.92 percent of the total.

For the biennium 1941-1943 total governmental expenditures for public education in the Commonwealth increased to \$453 million, an increase of 5.48 percent over the previous biennium. These expenditures for 1941-1943 constitute the all time peak of expenditures for public education within the Commonwealth. During this biennium 24.79 percent of the total was financed by the state, 0.07 percent by

¹These figures of total expenditures for public education within the Commonwealth do not, of course, include the disbursements of private schools, colleges, universities and other private educational institutions, nor do they include federal grants to such private institutions.

the counties, 70.52 percent by the local school districts, and 4.62 percent by the federal government.

Logically, the major item of governmental disbursements for all education in the Commonwealth consists, naturally, of expenditures for the public school system, as appears below:

**Items of Governmental Expenditures for
Educational Purposes in the Commonwealth of Pennsylvania
(in thousands of dollars)**

| | 1939-1941 | Percent | 1941-1943 | Percent |
|--|----------------|---------------|----------------|---------------|
| Public School System | 417,585 | 97.27 | 423,684 | 93.56 |
| Universities, Colleges, and Other Educational Institutions | 8,693 | 2.02 | 9,432 | 2.08 |
| Special Vocational Programs | 1,687 | 0.39 | 18,188 | 4.02 |
| Sundry Educational Items | 1,356 | 0.32 | 1,537 | 0.34 |
| Totals | <u>429,321</u> | <u>100.00</u> | <u>452,841</u> | <u>100.00</u> |

By far the largest and most important item of expenditure for education in the Commonwealth was for the public school system, which represented 97.27 percent of the total governmental expenditures of \$429.3 million for public educational purposes in the 1939-1941 biennium and 93.56 percent of \$452.8 million in the 1941-1943 biennium.

Another large item in expenditures for education in Pennsylvania were the biennial appropriations by the General Assembly to the various colleges, universities, and other educational institutions. These appropriations increased from \$8.7 million in 1939-1941 to \$9.4 million in 1941-1943.

The increase in total expenditures for education during 1941-1943 was largely due to the expansion of special programs, which had cost only \$1.7 million in 1939-1941, but increased to \$18.2 million in 1941-1943. These programs are related to vocational defense training, training of out-of-school and N.Y.A. youths, rehabilitation of persons afflicted with tuberculosis, etc. Another major factor in the larger expenditures in 1941-1943 was an increase of \$8.9 million in state grants to school districts.

PUBLIC SCHOOL SYSTEM

Of the \$417 million expended by the public school system in 1939-1941, 22.1 percent was financed by the State, including state grants

to school districts, costs of the State Department of Public Instruction, and the costs of medical inspection of school children in the fourth class school districts,¹ conducted by the State Department of Health. In 1941-1943 expenditures of the public school system increased to \$423 million,² of which 23.9 percent was financed by the state.

Expenditures of the public school system include federal grants for vocational training and medical inspections of school children. They also include expenditures by the counties of the Commonwealth for supplies and clerical help used for the operation of the offices of county superintendents. This item does not represent the total expenses borne by the counties for certain minor expenses, incurred by the counties in the furnishing of quarters and other facilities for the use of the county superintendents.

¹ Costs of medical inspections in other classes of school districts are borne by the local school districts.

² Data for expenditures of school districts in 1943 have not been published by the Department of Public Instruction. Therefore, expenditures of school districts in 1943 are estimated as approximately the same as 1942.

EDUCATIONAL EXPENDITURES OF THE STATE GOVERNMENT

An analysis of the expenditures of the state government for education in the Commonwealth, which rose from \$102 million in 1939-1941 to \$112 million in 1941-1943, an increase of 9.8 percent, is shown in the table which follows:

| State Government Expenditures for Education in the Commonwealth of Pennsylvania (in thousands of dollars) | | | | |
|--|-----------|---------|-----------|---------|
| | 1939-1941 | Percent | 1941-1943 | Percent |
| <i>Public School System</i> | | | | |
| Grants to School Districts | 73,990 | 72.41 | 82,853 | 73.81 |
| Costs of Specialized Schools | 1,756 | 1.72 | 1,771 | 1.58 |
| Contributions to Public School Em- ployes' Retirement Fund | 6,203 | 6.07 | 6,172 | 5.50 |
| Cost of Teachers' Colleges | 8,421 | 8.24 | 8,481 | 7.55 |
| Costs of County Supervision | 1,154 | 1.13 | 1,333 | 1.19 |
| Costs of State Supervision ¹ | 579 | .56 | 613 | .55 |
| Costs of Medical Inspections of School Children ² | 33 | .03 | 32 | .03 |
| Subtotal | 92,136 | 90.16 | 101,255 | 90.21 |
| <i>Grants to</i> | | | | |
| Universities, Colleges, and Other Educational Institutions | 8,693 | 8.51 | 9,432 | 8.40 |
| Free Public Libraries | 40 | .04 | 55 | .05 |
| Miscellaneous Activities | 345 | .34 | 417 | .37 |
| Subtotal | 9,078 | 8.89 | 9,904 | 8.82 |
| <i>Direct Expenditures for</i> | | | | |
| Professional Examining and Licens- ing Boards | 489 | .48 | 513 | .46 |
| State Library and Museum | 225 | .22 | 219 | .19 |
| State Historical Commission | 153 | .15 | 233 | .21 |
| Board of Censors ³ | 106 | .10 | 119 | .11 |
| Subtotal | 973 | .95 | 1,084 | .97 |
| Grand Totals | 102,187 | 100.00 | 112,243 | 100.00 |

¹ Supervision of Public School System by the State Department of Public Instruction.

² For fourth class school districts only.

³ Motion picture films and other material for public display.

The largest expenditures of the Commonwealth on account of public education were for the public school system and represented 90.16 percent and 90.21 percent of the total state government edu-

cational expenditures in 1939-1941 and 1941-1943, respectively. These state expenditures rose from \$92 million in 1939-1941 to \$101 million in 1941-1943, an increase of 9.9 percent. They included payments of \$74 million and \$83 million in 1939-1941 and 1941-1943, respectively, to local school districts in the form of grants. They also included payments for the support of specialized schools, contributions to the public school employes' retirement fund, appropriations for the support of fourteen State Teachers' Colleges, payments for county and state supervision, and costs of medical inspection of school children in fourth class school districts.

FEDERAL GRANTS FOR PUBLIC EDUCATION IN THE COMMONWEALTH

Due principally to expansion of special federal war-time programs, federal grants for public education in the Commonwealth rose from \$3.9 million in 1939-1941 to \$20.9 million in 1941-1943, an increase of 429 percent. The various items of federal grants for public education are shown below:

| Federal Aid for Education in the Commonwealth of Pennsylvania | | | | |
|--|---------------------|----------------------|----------------------|----------------------|
| (in thousands of dollars) | | | | |
| | 1939-1941 | Percent | 1941-1943 | Percent |
| <i>Public School System</i> | | | | |
| Vocational Training | 2,242 | 56.73 | 2,701 | 12.91 |
| Medical Inspection of School Children | 26 | .66 | 51 | .24 |
| Subtotal | <u>2,268</u> | <u>57.39</u> | <u>2,752</u> | <u>13.15</u> |
| Special Programs | 1,684 | 42.61 | 18,169 | 86.85 |
| Totals | <u><u>3,952</u></u> | <u><u>100.00</u></u> | <u><u>20,921</u></u> | <u><u>100.00</u></u> |

These federal grants for public education are made to the Commonwealth for specific purposes or programs and are distributed through the Department of Public Instruction, except those for medical inspection, which are expended by the State Department of Health.

However, in addition to these federal grants for education, all of which cleared through the State Treasury, it is estimated by the Department of Public Instruction that between 1935 and 1938 approximately \$54 million were expended directly within the Commonwealth by the federal government in the form of P.W.A. grants to local school districts for the construction of school buildings. No exact record of these federal expenditures is available.

RELATION OF THE EXPENDITURES OF THE DEPARTMENT OF PUBLIC INSTRUCTION OF THE COMMONWEALTH TO OTHER EXPENDITURES OF THE GENERAL FUND

Appropriations for the Department of Public Instruction are made by the General Assembly from the general fund of the Commonwealth. Analysis of expenditures from these appropriations shows that between the 1923-1925 and the 1941-1943 biennia state expenditures for the department increased from \$57 million to \$133 million or 132.2 percent. The sum of \$133 million, distributed through the General Fund, in 1941-1943, included \$20.9 million of federal grants, which represented 15.7 percent of the total. In 1923-1925 the sum of \$57 million included \$802 thousand of federal grants, only 1.4 percent of the total. In the same period total expenditures of the General Fund for all purposes increased from \$114 million to \$427 million or 273.6 percent. In the 1923-1925 biennium state expenditures for the Department of Public Instruction represented 50.1 percent of the total expenditures of the General Fund and in the 1941-1943 biennium they represented only 31.1 percent of the total General Fund expenditures. This percentage decline was, however, due to sharp increases in total expenditures and not to any decline in educational expenditures.

When federal grants are eliminated from both educational and total general fund expenditures for 1941-1943, state expenditures for the Department of Public Instruction were 31.5 percent of the total state General Fund expenditures. It may appear that state expenditures for the Department of Public Instruction from the General Fund over the years have not kept pace with the normal growth in total expenditures of the general fund of the Commonwealth, but this is not true on a comparative basis, for in 1931-1933 the Commonwealth was forced, because of the acute depression, to embark upon a long period of abnormal expenditures from the General Fund for extraordinary emergency relief.

Prior to 1931-1933 state expenditures for public assistance had not been large. In the biennium, 1923-1925, the state spent only \$1.7 million from the General Fund for this purpose, but public assistance expenditures from this fund rose to \$32.9 million in the 1931-1933 biennium. Emergency relief expenditures increased steadily thereafter, and in 1937 the state created the Department of Public Assistance and assumed responsibility for financing the state's share of the federal

social security program. Consequently, total expenditures for public assistance from the General Fund, therefore, increased so rapidly that in 1939-1941 the state expended from both state and federal funds the huge sum of \$256 million,¹ while total expenditures from the General Fund for all purposes in that biennium amounted to \$478 million.²

In order to show the true relationship of state expenditures for the Department of Public Instruction to the total normal expenditures of the General Fund of the Commonwealth, the table presented below, has been compiled with public assistance, non-recurring, and all federal subsidies eliminated from the total expenditures of the General Fund:

**Relation of State Expenditures for the Department
of Public Instruction to Adjusted State General
Fund Expenditures—1923-1943³**

| Biennium | GENERAL FUND EXPENDITURES (in thousands of dollars) | | | Ratio to 1923-1925 Expenditures | |
|---------------------|--|-----------------------|----------------------|------------------------------------|-----------------------|
| | Total | Public Instruction | Percent ⁴ | Total | Public Instruction |
| 1923-1925 | \$104,000 | \$56,500 | 54.3 | 100.0 | 100.0 |
| 1925-1927 | 120,225 | 65,068 | 54.1 | 115.6 | 115.2 |
| 1927-1929 | 140,424 | 74,102 | 52.8 | 135.0 | 131.2 |
| 1929-1931 | 186,330 | 88,150 | 47.3 | 179.2 | 156.0 |
| 1931-1933 | 174,861 | 89,914 | 51.4 | 168.1 | 159.1 |
| 1933-1935 | 167,934 | 90,996 | 54.2 | 161.5 | 161.1 |
| 1935-1937 | 182,627 | 91,897 | 50.3 | 175.6 | 162.7 |
| 1937-1939 | 208,938 | 96,888 | 46.4 | 200.9 | 171.5 |
| 1939-1941 | 215,764 | 102,137 | 47.3 | 207.5 | 180.8 |
| 1941-1943 | 239,088 | 112,193 | 46.9 | 229.9 | 198.6 |
| Totals | \$1,740,191 | \$867,845 | 49.9 | | |

³ Adjusted after deduction of public assistance, non-recurring items, and all federal subsidies.

⁴ Percent of total expenditures for Department of Public Instruction.

Except for the biennia 1931-1933 and 1933-1935, the adjusted General Fund expenditures rose steadily from \$104 million in 1923-

| | | |
|---------------|--|---------------|
| 1 | | |
| State | Expenditures (in thousands of dollars) | Percent |
| Federal | \$216,654 | 84.44 |
| | 39,911 | 15.56 |
| | <u>\$256,565</u> | <u>100.00</u> |
| 2 | | |
| State | Expenditures (in thousands of dollars) | Percent |
| Federal | \$432,418 | 90.42 |
| | 45,791 | 9.58 |
| | <u>\$478,209</u> | <u>100.00</u> |

1925 to \$239 million in 1941-1943, an increase of 129.9 percent. General Fund expenditures for the Department of Public Instruction over the entire period rose without interruption from \$56.5 million, or 54.3 percent of the adjusted General Fund expenditures in 1923-1925, to \$112.2 million, or 46.9 percent of the adjusted General Fund expenditures in 1941-1943, an increase of 98.6 percent in the aggregate state expenditures for the Department of Public Instruction, but a decline of 7.4 percent in the proportion of state expenditures for the Department of Public Instruction to total adjusted General Fund expenditures.

The higher standard of living, the increased emphasis on educational preparation of teachers, the larger number of pupils attending public schools, especially in secondary grades, where per pupil costs were higher, greater numbers of teachers, and higher salaries for teachers are some of the factors reflected in the increased state expenditures for the Department of Public Instruction.

Aggregate adjusted state expenditures of \$867.8 million from the General Fund for the Department of Public Instruction over the period 1923-1943 represented 49.9 percent of the total adjusted expenditures from the General Fund for the period.

In the 1923-1925 biennium, General Fund expenditures for the Department of Public Instruction represented 54.3 percent of the total adjusted expenditures from the General Fund. Although General Fund expenditures for the Department of Public Instruction rose rapidly after 1923-1925, the percent of expenditures did not keep pace with the total current operating expenditures of the Commonwealth and varied from a low of 46.4 percent of the total in 1937-1939 to a high of 54.2 percent in 1933-1935. Assuming no increases during 1943-1945 in the total adjusted general fund expenditures, other than the "cost of living" salary increases to teachers for 1943-1945, granted by the General Assembly in 1943, General Fund expenditures of the state for the Department of Public Instruction will be about 52 percent of the total adjusted expenditures from the General Fund.

EXPENDITURES OF THE PUBLIC SCHOOL SYSTEM IN THE COMMONWEALTH

Expenditures of the public school system in the Commonwealth includes all payments for support of the local school district systems, specialized schools, teachers' colleges, the State Department of Public Instruction, contributions to school employes' retirement fund, and

costs of county and state supervision. They arose from \$330 million in 1923-1925 to \$423 million in 1941-1943, an increase of 28.28 percent. In 1923-1925, 84.23 percent of these expenditures were financed by the school districts, 15.53 percent by state grants, and 0.24 percent by federal grants. By 1941-1943 the school districts' proportion had been reduced to 75.45 percent, while the state's proportion rose to 23.91 percent and federal grants increased to 0.64 percent.

The relation of the expenditures financed from local taxes in the more than 2500 school districts of the Commonwealth, to the expenditures of the districts from funds granted to them by the state and the federal government, is shown in the following table:

Expenditures of the Pennsylvania Public School System
(in thousands of dollars)

| Biennia | Financed by School Districts | | Financed by State Government ¹ | | Financed by Federal Government | | Total ¹ | Ratio to 1923-1925 |
|---------------|---------------------------------|--------------|---|--------------|--------------------------------------|-------------|--------------------|-----------------------|
| | Amount | Percent | Amount | Percent | Amount | Percent | | |
| 1923-1925 ... | 277,932 | 84.23 | 51,230 | 15.53 | 802 | 0.25 | 329,964 | 100.00 |
| 1925-1927 ... | 306,990 | 83.59 | 59,148 | 16.11 | 1,118 | 0.30 | 367,256 | 111.30 |
| 1927-1929 ... | 334,983 | 83.38 | 65,723 | 16.36 | 1,030 | 0.26 | 401,736 | 121.75 |
| 1929-1931 ... | 338,130 | 81.34 | 76,853 | 18.49 | 691 | 0.17 | 415,674 | 125.98 |
| 1931-1933 ... | 302,898 | 78.96 | 79,508 | 20.73 | 1,201 | 0.31 | 383,607 | 116.26 |
| 1933-1935 ... | 264,508 | 76.06 | 82,214 | 23.64 | 1,023 | 0.30 | 347,745 | 105.39 |
| 1935-1937 ... | 303,231 | 78.25 | 82,937 | 21.40 | 1,356 | 0.35 | 387,524 | 117.44 |
| 1937-1939 ... | 334,176 | 78.95 | 86,762 | 20.50 | 2,320 | 0.55 | 423,258 | 128.27 |
| 1939-1941 ... | 322,897 | 77.39 | 92,102 | 22.07 | 2,242 | 0.54 | 417,241 | 126.45 |
| 1941-1943 ... | 319,350 ² | 75.45 | 101,223 | 23.91 | 2,701 | 0.64 | 423,274 | 128.28 |
| Totals ... | <u>3,105,095</u> | <u>79.67</u> | <u>777,700</u> | <u>19.96</u> | <u>14,484</u> | <u>0.37</u> | <u>3,897,279</u> | |

¹ Excludes small items for medical inspection of school children, also excludes payments by *county units* for county superintendents.

² Estimated on the assumption that 1942-1943 expenditures of school districts were the same as in 1941-1942.

Total biennial expenditures for the public school system increased by \$93 million or 28.28 percent between 1923-1925 and 1941-1943. In the meantime the share financed by school districts fell from 84.23 percent of the total in 1923-1925 to 75.45 percent in 1941-1943, while the state share rose from 15.53 percent of the total to 23.91 percent and the federal government's share increased from 0.24 percent to 0.64 percent in 1941-1943. It is clearly indicated, therefore, that the Commonwealth has been required to finance a steadily increasing proportion of the growing costs of Pennsylvania's public school system. Assuming no other changes, the emergency salary increase, granted to teachers by the General Assembly for the 1943-1945 biennium, will raise the state's share to approximately 28 percent of the total.

RELATION OF THE EXPENDITURES FOR PUBLIC EDUCATION IN THE COMMONWEALTH TO TOTAL OPERATING EXPENDITURES OF ALL UNITS OF GOVERNMENT—1942

Nearly 35 percent of the total operating expenditures of all units of government in Pennsylvania in 1942, excluding all direct federal expenditures within the Commonwealth which were not administered through the Commonwealth treasury or the treasury of any local unit, were for public education. Total operating expenditures in the Commonwealth were \$651 million¹ in 1942, while the estimated total governmental expenditures for public education were \$226 million².

PURCHASING POWER OF THE DOLLAR IN PENNSYLVANIA

It is interesting in discussing increasing expenditures for education to note that the purchasing power of the dollar in Pennsylvania, based on the index of the cost of living, prepared by the State Department of Labor and Industry, increased 27.2 percent between June 15, 1920 and June 15, 1942.

The dollar is of value only in terms of what it will buy. The value of the dollar is dependent on the cost of living. If services and commodities are expensive, a certain sum of money will purchase less than when they are cheaper. Economists distinguish between the monetary value of the dollar and the actual value of what the dollar can purchase, by terming the former the "money" dollar and the latter the "real" dollar.³ This distinction would not be necessary if wages, salaries, and prices were always constant, but over periods of years all these factors of cost fluctuate widely under influence of economic and political forces, such as war, when wages and prices rise, and peace, when they generally return to "normal" levels, unless the gold content of the unit of currency is changed meanwhile.

¹ Includes federal grants of \$57 million.

² Estimated as one-half of the total expenditures for public education for biennium 1941-1943 and includes federal grants of \$10.4 million.

³ The "real" dollar can be computed from the "money" dollar by dividing the "money" dollar by the index figure of the cost of living and multiplying by 100. When this is done, the purchasing value of the "money" dollar is obtained.

A comparison of the purchasing power of the dollar for selected years from 1920 to 1942, based on changes in the cost of living in the United States and in the Commonwealth of Pennsylvania is shown below:

Purchasing Power of the Dollar—1920-1942

| Year | United States ¹ | Pennsylvania ² |
|------|----------------------------|---------------------------|
| 1920 | 100.0 | 100.0 |
| 1922 | 121.4 | 123.8 |
| 1923 | 118.2 | 120.6 |
| 1930 | 122.2 | 120.8 |
| 1932 | 151.8 | 151.3 |
| 1933 | 157.8 | 162.6 |
| 1940 | 138.5 | 148.1 |
| 1941 | 132.9 | 142.0 |
| 1942 | 121.0 | 127.2 |

¹ Average annual purchasing value derived from Economic Almanac for 1943-1944, National Industrial Conference Board, pp. 130, 131.

² Derived from Department of Labor and Industry, Annual Reports, Index of Cost of Living in Pennsylvania.

The fluctuations in the purchasing power of the dollar after 1920 resulted from changes in the cost of living. Cost of living indexes must be used with caution, since they are usually based on living costs of wage earners' families and are composed of the five major items into which family expenditures are usually classified—food, housing, clothing, fuel and light, and sundries. The price of food is usually the determining factor in the indexes, for over one-third of the expenditures of the families of wage earners and lower-salaried workers are spent for food. Nevertheless, changes shown by such indexes are valuable for broad comparisons of the purchasing power of the dollar.

Prior to 1933 the purchasing power of the dollar in Pennsylvania compared favorably with that of the entire country. In 1933 and thereafter, the purchasing power of the dollar in Pennsylvania was from 3 percent to 7 percent greater than the average of the country. In 1933 the dollar bought commodities or services, which in 1920 would have cost \$1.578 in the country as a whole and \$1.626 in Pennsylvania. Therefore, in comparing expenditures in 1933 with those of 1920, it should be recognized that each dollar expended in 1933 would purchase commodities and services of more than half as much again as in 1920. Likewise, in 1942, each dollar expended in Pennsylvania secured 27.2c more in goods and services than in 1920.

As teachers' salary payments in Pennsylvania are major items of current operating expenditures and, as shown, have materially increased in "money" dollars since 1920, it is pertinent to compare average teachers' salaries and the fluctuations in purchasing power of these salaries for the period 1920-1942. The comparisons are as follows:

**Average Annual Money and Real Salary
of Teachers in Pennsylvania Public Schools¹**

| Year | Average Annual Money Salary Per Teacher ² | Ratio to 1920 | Purchasing Value of the Dollar ³ | Average Annual Real Salary Per Teacher | Ratio to 1920 |
|------|--|---------------|---|--|---------------|
| 1920 | 909 | 100.0 | 100.0 | 909 | 100.0 |
| 1921 | 1,143 | 125.7 | 118.8 | 1,358 | 149.4 |
| 1922 | 1,244 | 136.9 | 123.8 | 1,540 | 169.4 |
| 1923 | 1,333 | 146.6 | 120.6 | 1,608 | 176.9 |
| 1924 | 1,376 | 151.4 | 120.2 | 1,654 | 182.0 |
| 1925 | 1,404 | 154.5 | 115.2 | 1,617 | 177.9 |
| 1926 | 1,439 | 158.3 | 113.1 | 1,628 | 179.1 |
| 1927 | 1,440 | 158.4 | 114.3 | 1,646 | 181.1 |
| 1928 | 1,499 | 164.9 | 117.5 | 1,761 | 193.7 |
| 1929 | 1,547 | 170.2 | 118.2 | 1,829 | 201.2 |
| 1930 | 1,568 | 172.5 | 120.8 | 1,894 | 208.4 |
| 1931 | 1,596 | 175.6 | 134.4 | 2,145 | 236.0 |
| 1932 | 1,595 | 175.5 | 151.3 | 2,413 | 265.5 |
| 1933 | 1,533 | 168.6 | 162.6 | 2,493 | 274.3 |
| 1934 | 1,473 | 162.0 | 152.4 | 2,245 | 247.0 |
| 1935 | 1,438 | 158.2 | 150.4 | 2,163 | 238.0 |
| 1936 | 1,504 | 165.5 | 147.1 | 2,212 | 243.3 |
| 1937 | 1,566 | 172.3 | 143.1 | 2,241 | 246.5 |
| 1938 | 1,583 | 174.1 | 146.6 | 2,321 | 255.3 |
| 1939 | (not available) | | 150.8 | | |
| 1940 | 1,612 | 177.3 | 148.1 | 2,387 | 262.6 |
| 1941 | (not available) | | 142.0 | | |
| 1942 | 1,690 | 185.9 | 127.2 | 2,150 | 236.5 |
| 1943 | 1,885 ⁴ | 207.4 | 118.5 | 2,234 | 245.8 |
| 1944 | 2,090 ⁴ | 229.9 | 119.5 | 2,498 | 274.8 |

¹ Includes teachers, principals, and supervisors.

² Derived from Statistical Reports of Department of Public Instruction.

³ Derived from Department of Labor and Industry, Index of Cost of Living in Pennsylvania as of June 15 each year except 1944 which is March 15.

⁴ Estimate.

Two significant facts may be gleaned from the foregoing table. School salaries did not follow the cost of living and related purchasing power of the dollar. In the twenties average money salaries of teachers

increased continually, although the purchasing power of the dollar fluctuated. From 1926 to 1933, when the purchasing power of the dollar rose from \$1.131 to \$1.626, an increase of 43.8 percent, money salaries also increased substantially with the result that, although there was a small money salary reduction in 1933, the average real salaries of school teachers rose from \$1,628 in 1926 to \$2,493 in 1933, an increase of 53.1 percent. In fact, at the lowest point of the depression—1933—school teachers were receiving the highest real salary in history up to that time. Although the purchasing power of the dollar remained relatively stable from 1933 through 1940, money salaries continued to rise, increasing 5.2 percent between 1933 and 1940, while the purchasing power of the dollar declined 8.9 percent. Since 1940, due to the present war, the purchasing power of the dollar has declined. The cost of living index has risen from 67.5¹ percent on June 15, 1940 to 84.4¹ percent on June 15, 1943, or 25 percent. Meantime, the average teacher's salary rose only about 17 percent.

The second significant fact revealed is that the general level of both money and real salaries is considerably above those at the advent of the Edmonds Act. The school year 1921-1922 saw the first application of this Act. In that year the average annual money salary of public school teachers was \$1,244 and the average annual real salary \$1,540. By 1940 the average annual money salary had risen to \$1,612 and the average annual real salary to \$2,387. This represented a 29.6 percent increase in the money salary or a 55 percent increase in the real salary. The average teacher, principal, or supervisor in the public schools of the Commonwealth could buy 55 percent more with his salary in 1940 than in 1922, when the Edmonds Act became operative. The decreased purchasing value of the dollar since entry of the United States into the present war brought the average real salary down to \$2,234 in 1943. However, this was still \$405 or 22.1 percent above the average teacher's real salary in 1929, when the cost of living was slightly higher than in 1943.

In brief, while teachers in the public schools of the Commonwealth did not enjoy as favorable a position in 1943 as during the depression years, nevertheless they were in a better condition than during the years of prosperity following World War I. In 1944-1945, however,

¹ 1920=100.0.

with the "cost of living" salary increase, granted in 1943 by the General Assembly for the current biennium, the average teacher's money salary will be approximately \$2,090 and, in terms of real dollars, will be \$2,498, a new high of all time in the Commonwealth.

TRENDS IN POPULATION OF THE COMMONWEALTH

Pennsylvania's population did not rise as rapidly as that of the nation during the thirty-year period, 1910-1940. According to the federal decennial census reports, the Commonwealth's population rose from 7.6 million in 1910 to 9.9 million in 1940, an increase of 30.3 percent. Meanwhile, the population of the nation rose from 91.9 million in 1910 to 131.6 million in 1940, an increase of 43.2 percent. Comparisons of the national and state populations from 1910 to 1940, as compiled decennially by the U. S. Bureau of the Census, follows:

| Decade Ending | NATION | | PENNSYLVANIA | | |
|--------------------------|--------|------------------|--------------|------------------|----------------------|
| | Census | Ratio to 1910 | Census | Ratio to 1910 | Percent ¹ |
| 1910 | 91.9 | 100.0 | 7.6 | 100.0 | 8.3 |
| 1920 | 105.7 | 115.0 | 8.7 | 114.5 | 8.2 |
| 1930 | 122.7 | 133.5 | 9.6 | 126.3 | 7.8 |
| 1940 | 131.6 | 143.2 | 9.9 | 130.3 | 7.5 |
| Ratio 1940 to 1910 .. | 143.2 | | 130.3 | | |

In 1910 the population of Pennsylvania was 8.3 percent of the national population and, although the Commonwealth's population increased 30.3 percent in the thirty-year period, 1910-1940, it represented only 7.5 percent of the national population in 1940.

CHANGES IN AGE GROUPS

In 1910, 38.5 million or 41.9 percent of the nation's population and 3.1 million or 40.8 percent of Pennsylvania's population were under 20 years of age. In 1940, 45.3 million or 34.4 percent of the nation's population were in this age group and 3.3 million or 33.4 percent of Pennsylvania's population were under 20 years of age.

¹ Percent of national population.

Comparisons of changes in age groups of the population of the nation and the Commonwealth in each decennial census since 1900 is shown below:

| Age Groups | NATION POPULATION (millions) | | | | PERCENT | | | |
|---------------------------|---------------------------------|-------|-------|-------|---------|-------|-------|-------|
| | 1910 | 1920 | 1930 | 1940 | 1910 | 1920 | 1930 | 1940 |
| Under 5 years | 10.6 | 11.6 | 11.4 | 10.5 | 11.5 | 11.0 | 9.3 | 8.0 |
| 5-19 years | 27.9 | 31.5 | 36.2 | 34.8 | 30.4 | 29.8 | 29.5 | 26.4 |
| Pre-school and school age | 38.5 | 43.1 | 47.6 | 45.3 | 41.9 | 40.8 | 38.8 | 34.4 |
| 20-44 years | 35.9 | 40.5 | 47.0 | 51.2 | 39.1 | 38.3 | 38.3 | 38.9 |
| 45 years and over | 17.5 | 22.1 | 28.1 | 35.1 | 19.0 | 20.9 | 22.9 | 26.7 |
| Totals | 91.9 | 105.7 | 122.7 | 131.6 | 100.0 | 100.0 | 100.0 | 100.0 |
| Ratio 1910 | 100.0 | 115.0 | 133.5 | 143.2 | | | | |

| Age Groups | PENNSYLVANIA POPULATION (millions) | | | | PERCENT | | | |
|---------------------------|---------------------------------------|-------|-------|-------|---------|-------|-------|-------|
| | 1910 | 1920 | 1930 | 1940 | 1910 | 1920 | 1930 | 1940 |
| Under 5 years | .9 | 1.0 | .9 | .7 | 11.9 | 11.5 | 9.4 | 7.0 |
| 5-19 years | 2.2 | 2.5 | 2.9 | 2.6 | 28.9 | 28.7 | 30.2 | 26.3 |
| Pre-school and school age | 3.1 | 3.5 | 3.8 | 3.3 | 40.8 | 40.2 | 39.6 | 33.3 |
| 20-44 years | 3.1 | 3.4 | 3.6 | 3.9 | 40.8 | 39.1 | 37.5 | 39.4 |
| 45 years and over | 1.4 | 1.8 | 2.2 | 2.7 | 18.4 | 20.7 | 22.9 | 27.3 |
| Totals | 7.6 | 8.7 | 9.6 | 9.9 | 100.0 | 100.0 | 100.0 | 100.0 |
| Ratio to 1910 | 100.0 | 114.2 | 126.3 | 130.3 | | | | |

The decline in the proportion of pre-school and school age children to the populations of the nation and the state is significant. In the nation this age group increased 6.8 million in 1940 or 17.7 percent over 1910 by comparison with a population increase of 39.7 million or 43.2 percent. In Pennsylvania this age group increased only 0.2 million or 6.5 percent in 1940 over 1910 by comparison with a population increase of 2.3 million or 30.3 percent.

GROWTH AND DECLINE OF SCHOOL POPULATION IN PENNSYLVANIA

The school population usually consists of children in the 5-19 years age group and replacements come from the group under 5 years of age. Therefore, changes in the size of these age groups are reflected later in school population. As these combined groups grew in Pennsylvania, the attendance in public schools of the Commonwealth likewise increased to an all-time peak in 1933. Thereafter, school attendance declined steadily, and, consistent with the earlier decline of 13 percent in these combined age groups, as shown by the census of 1940, public

school attendance in the Commonwealth in 1942 had fallen 13 percent below attendance in 1933.

The reduction in the potential attendance of school children since 1921 has affected public school enrollments in the State, particularly in elementary grades. The rather large increase in secondary public school attendance during this period largely offset this decline¹ until recently. Total public school enrollments, however, have dropped steadily from 2.0 million in the early 30's (1932-1936) to 1.5 million, as of November 30, 1943,² a decline of 25 percent. Even before the present war, the decline was appreciable, being 11 percent lower in 1941 than in 1933.

The following tabulation shows the number of children born in Pennsylvania in each odd year from 1917 to 1943. Opposite these dates are figures showing public school enrollments in Grade 1 for the year when most children, born in any given year, have or will become six years of age.

¹ Lester K. Ade—Major Issues in Financing Education in Pennsylvania—1938—Bulletin No. 135—Pennsylvania Department of Public Instruction.

² Estimate of Department of Public Instruction.

**Comparison of First Grade Public School Enrollment
and Live Births in
Pennsylvania—1924-1942**

| Year | Live Births ¹ | | School Year | Public School Enrollment Grade ² | |
|----------------|--------------------------|---------------|-------------|---|---------------|
| | Number | Ratio to 1917 | | Number | Ratio to 1924 |
| 1917 | 222,505 | 100.0 | 1924 | 246,430 | 100.0 |
| 1919 | 207,685 | 93.3 | 1926 | 227,511 | 92.3 |
| 1921 | 229,452 | 103.1 | 1928 | 236,774 | 96.1 |
| 1923 | 217,235 | 97.6 | 1930 | 211,078 | 85.7 |
| 1925 | 215,120 | 96.7 | 1932 | 210,925 | 85.6 |
| 1927 | 210,001 | 94.4 | 1934 | 195,748 | 79.4 |
| 1929 | 189,524 | 85.2 | 1936 | 179,377 | 72.8 |
| 1931 | 178,714 | 80.3 | 1938 | 166,011 | 67.4 |
| 1933 | 157,046 | 70.6 | 1940 | 144,074 | 58.5 |
| 1935 | 161,166 | 72.4 | 1942 | 141,572 | 57.4 |
| 1937 | 161,288 | 72.5 | .. | .. | .. |
| 1939 | 161,254 | 75.5 | .. | .. | .. |
| 1941 | 175,198 | 78.7 | .. | .. | .. |
| 1943 | 199,207 ³ | 89.5 | .. | .. | .. |

¹ Years 1917 to 1939 as published in Statistical Reports of the Department of Public Instruction, Years 1941 and 1943 supplied by the Bureau of Vital Statistics.

² Statistical Reports of Department of Public Instruction.

³ Provisional estimate by Bureau of Vital Statistics. 1943 is expected to be the peak year in Pennsylvania, as well as in other states, and a decline in births in the near future has been predicted by the Bureau of Vital Statistics. The reversal in trend between 1941 and 1943 is due to war marriages and is most likely of a temporary nature.

From 1917 to 1933 the number of births dropped 29.4 percent and public school enrollments in Grade 1 in the related period, 1924 to 1940, declined 41.5 percent. In 1935 the number of live births rose 4.1 thousand over 1933, but were still 27.6 percent less than 1917. In 1942 enrollments in Grade 1 dropped 2.5 thousand, and were 42.6 percent less than 1924. This decrease has been due, not only to the decline in number of births, but also to the tendency to eliminate over-age children in Grade 1.

These data seem to further indicate a very definite continuation into the future of the decline from the records, established between 1932 and 1936, of the number of persons eligible for college and post-graduate school work. Later in this survey, it is shown that the state's secondary school attendance, which reached a peak in 1940, had declined 7.2 percent by 1942.

RELATION OF TOTAL POPULATION TO PUBLIC SCHOOL ENROLLMENT IN PENNSYLVANIA

The relation of the over-all increase in total population and the changes in public school enrollments in kindergarten and Grades I-XII, by decennial periods, is as follows:

Relation of Total Population to Public School Enrollment

| Census | Population | Public School Enrollment | |
|-----------------------------|------------|--------------------------|----------------------|
| | | Number | Percent ¹ |
| 1910 | 7,665,111 | 1,282,965 ² | 16.7 |
| 1920 | 8,720,017 | 1,885,244 ³ | 21.6 |
| 1930 | 9,631,450 | 1,937,793 | 20.1 |
| 1940 | 9,900,180 | 1,855,530 | 18.7 |
| 1940 Ratio to 1910 | 129.1 | 144.6 | |

¹ Percent of total population.

² Reported as whole number of pupils in Department of Public Instruction statistical reports (1910).

³ Reported as whole number of pupils in Department of Public Instruction statistical reports (1920). Total enrollment for 1920 was also reported in the same statistical report as 1,610,387 (p. 19), and 1,592,501 (p. 595).

In 1910 public school enrollments in Pennsylvania comprised 16.7 percent of the total population. In 1920 enrollments were 602

thousand higher and comprised 21.6 percent of the total population. In 1930 enrollments had continued to rise, being 52 thousand above 1920, but they had fallen to only 20.1 percent of the total population. By 1940 the total population had increased about 269 thousand or 2.8 percent over 1930, but enrollments had decreased by more than 82 thousand pupils or 4.2 percent.

It is evident that the growth in population of Pennsylvania is approaching stabilization between 1950 and 1960, as indicated in Publication No. 1—1934—Preliminary Report of the Pennsylvania State Planning Board. It is also evident from these data and those with respect to live births that, except for a spurt for a short period after the war, due to increase in births resulting from war marriages, public school enrollments will continue to decline until a more or less static situation develops by 1960.

It must be recognized that Pennsylvania, during the years 1940-1944, has absorbed a large number of migratory workers in defense and war industries, many of whom have children of pre-school and school age. Conversely, many workers from the Commonwealth have migrated to other states. It is expected that most of the in-migrants will leave the Commonwealth and the out-migrants will return to Pennsylvania after the war and no appreciable changes in school enrollments from this "switching" are anticipated.

FORECAST OF CHANGES IN POPULATION AND AGE GROUPS

In 1820, 48 percent of the people of the Commonwealth were younger than age 15. In 1940, less than 25 percent were younger than 15. In 1820, 63 percent of the population were younger than 25. In 1940, only 42 percent were younger than 25.

In 1840, 54 percent of the Commonwealth's population were under 20 years of age. By 1940 this proportion had declined from more than half to a little more than one-third. Of Pennsylvania's 9,900,180 inhabitants in 1940, 3,362,676 or 34 percent were under 20 years of age, while 677,648 were 65 or older.

It is a truism, therefore, to remark that Pennsylvania's population as well as that of the United States, has been steadily growing older for more than 100 years and that youth is no longer the outstanding characteristic of the nation or state.

Any forecast of the population of Pennsylvania is attended by peculiar difficulties in a war period, such as the present. It may be noted, however, that neither the First World War nor the Civil War caused any interruption to the pre-war population trends, nor is it likely that the present war will do so, unless there is a drastic change in our national immigration policies. All normal population growths follow a definite pattern and, in time, a level of stability is reached, in which the population and the means of subsistence attain a stabilized balance under prevailing standards of living.

That Pennsylvania's population growth in the past century has been somewhat slower than the national growth and that the Commonwealth's population appears to be reaching a point of stability sooner than the nation as a whole, are due merely to the earlier settlement and industrial development of Pennsylvania than of other sections of the United States. Consequently, it is only reasonable that the Commonwealth's population should adjust itself to its resources and traditional standard of living earlier than the more lately settled areas in the South and West. It is probable, therefore, if present or higher standards of living are maintained in Pennsylvania, and, if unforeseeable major economic or political changes do not occur, that the population of the Commonwealth will attain its maximum by 1960, with an anticipated increase in total population to between 10.2 million and 10.5 million by 1950 and to 11 million in 1960.

However, by 1960, the total number of persons in the state under 20 years of age, from whom the public school enrollments are derived, is expected to decline. The estimated population,¹ in four age groups, of persons under 20 years of age for the years 1950 and 1960 are shown below:

| Age Group | POPULATION | | | RATIO TO 1940 | | |
|-------------------------|------------------|-------------------|-------------------|---------------|---------------|---------------|
| | Census 1940 | Estimate 1950 | Estimate 1960 | Census 1940 | Estimate 1950 | Estimate 1960 |
| Under 5 years | 726,065 | 725,340 | 682,774 | 100.0 | 99.9 | 94.0 |
| 5 to 9 years | 762,813 | 795,412 | 774,004 | 100.0 | 104.3 | 101.5 |
| 10 to 14 years | 906,708 | 778,673 | 790,742 | 100.0 | 85.9 | 87.2 |
| 15 to 19 years | 967,090 | 763,587 | 785,929 | 100.0 | 79.0 | 81.3 |
| Subtotals | 3,362,676 | 3,063,012 | 3,033,449 | 100.0 | 91.1 | 90.2 |
| Over 19 years | 6,537,504 | 7,505,430 | 8,015,151 | 100.0 | 114.8 | 122.6 |
| Totals | <u>9,900,180</u> | <u>10,568,442</u> | <u>11,048,600</u> | <u>100.0</u> | <u>106.7</u> | <u>111.6</u> |

¹The estimates for these years are derived from estimates for the country, as reported by the U. S. Bureau of the Census 1940, Series P-3, No. 15.

The total enrollment in public schools of Pennsylvania in 1940 was 1,855,530 pupils, of which 1,154,465 or 62.2 percent were enrolled in elementary schools and 701,065 or 37.8 percent in secondary schools. It is estimated that 220 thousand pupils¹ in Pennsylvania in 1940 attended private schools and institutions of higher education, although an unknown portion of these pupils came from other states.

According to these estimates, the population of pre-school and school age group in 1950 will be nearly 300 thousand or 8.9 percent *below* 1940 and in 1960 will be another 30 thousand or 9.8 percent *below* 1940. These declines will undoubtedly be reflected by decreases in public school enrollments during the next score of years.

In view of these anticipated declines in public school enrollments, it is reasonable to assume that proportionately fewer public school teachers will be required by 1950 and still fewer by 1960. If the pupil-teacher ratio of 1940 is maintained during the twenty-year period, the number of teachers would be reduced by about 5,000 to 59 thousand by 1950 and further reduced by another one thousand to 58 thousand by 1960.

INCREASE IN NUMBER OF TEACHERS

The number of public school teachers, employed by the various school districts of the Commonwealth, rose from 35,496 in 1910 to 63,977 in 1940, an increase of 80.2 percent. During the same period total public school enrollment rose from 1,282,965 in 1910 to 1,855,530 in 1940, an increase of 47.0 percent.

The increases in the number of teachers, related to the changes in total public school enrollment in the decennial years, 1910-1940, are as follows:

| | Number ² | | Ratio to 1910 | | Pupil-Teacher Ratio |
|----------------|---------------------|-------------|---------------|-------------|---------------------|
| | Teachers | Enrollments | Teachers | Enrollments | |
| 1910 | 35,496 | 1,282,965 | 100.0 | 100.0 | 36 |
| 1920 | 44,862 | 1,885,244 | 126.4 | 146.9 | 42 |
| 1930 | 61,629 | 1,937,793 | 173.6 | 151.0 | 31 |
| 1940 | 63,977 | 1,855,530 | 180.2 | 147.0 | 29 |

²See Annual Statistical Reports of Department of Public Instruction.

The disproportionate increase in numbers of teachers in relation to the rise in public school enrollments resulted in reduction in the number of enrolled pupils from 36 per teacher in 1910 to 29 per teacher in 1940, a decrease of 19.4 percent.

¹Derived by deducting total enrollments in public schools from total school attendance in Pennsylvania in 1940.

COMPARISON OF POPULATION AND PUPIL ATTENDANCE IN SELECTED STATES

Pennsylvania, with a population of 9,900 thousand in 1940, ranked among all the states second to New York with a population of 13,479 thousand. Pennsylvania, with 1,852 thousand pupils, enrolled in public schools in 1940, also ranked second to New York with 2,228 thousand enrolled pupils. The population, number of pupils enrolled in public elementary and secondary schools, and the percent of population attending these schools in twenty-five selected states, including the District of Columbia, in 1940 are presented in the following table:

Population and School Attendance—1940
Twenty-five Selected States¹

| | Population ² (thousands) | Pupils Enrolled in Public Schools ³ (thousands) | Percent ⁴ |
|-----------------------------------|--|--|----------------------|
| Continental United States | 131,669 | 25,434 | 19.3 |
| New York | 13,479 | 2,228 | 16.5 |
| <i>Pennsylvania</i> | 9,900 | 1,852 | 18.7 |
| Illinois | 7,897 | 1,249 | 15.8 |
| Ohio | 6,908 | 1,214 | 17.6 |
| California | 6,907 | 1,189 | 17.2 |
| Michigan | 5,256 | 970 | 18.5 |
| Massachusetts | 4,317 | 700 | 16.2 |
| New Jersey | 4,160 | 717 | 17.2 |
| Missouri | 3,785 | 701 | 18.5 |
| Indiana | 3,428 | 671 | 19.6 |
| Wisconsin | 3,138 | 536 | 17.1 |
| Minnesota | 2,792 | 512 | 18.3 |
| Iowa | 2,538 | 503 | 19.8 |
| Louisiana | 2,364 | 473 | 20.0 |
| Maryland | 1,821 | 287 | 15.8 |
| Washington | 1,736 | 331 | 19.1 |
| Connecticut | 1,709 | 281 | 16.4 |
| Oregon | 1,090 | 189 | 17.3 |
| Rhode Island | 713 | 114 | 16.0 |
| District of Columbia | 663 | 96 | 14.5 |
| Montana | 559 | 107 | 19.1 |
| Idaho | 525 | 121 | 23.0 |
| Delaware | 267 | 44 | 16.5 |
| Wyoming | 251 | 56 | 22.3 |
| Nevada | 110 | 21 | 19.1 |

¹ Except for Indiana, which is a neighboring state, the states compared with Pennsylvania have been selected because they all had a larger per capita income, a greater per capita wealth than Pennsylvania, or cities with population over 400,000.

² Economic Almanac for 1943-1944, published by National Industrial Conference Board, p. 178.

³ Statistical Abstract of the United States—1942, p. 135, Bureau of the Census.

⁴ Percent of population enrolled in public schools.

Pennsylvania, with 18.7 percent of its total population in 1940, enrolled in public elementary and secondary schools, had a smaller percentage than the United States average and ranked ninth among the twenty-five selected states. It was exceeded in percent of enrollment by eight of the selected states. These percentages are significant, for they indicate the portion of the population, which receives instruction at public expense. In other words, in Idaho each unit of 100 persons supports 23 pupils in the public schools, whereas in Pennsylvania each unit of 100 persons supports about 19 pupils in the public schools, and in the District of Columbia each unit of 100 persons supports fewer than 15 pupils in the public schools.

COMPARATIVE PUBLIC SCHOOL ENROLLMENTS, PUPIL-TEACHER RATIOS, AND PUPIL TRANSPORTATION

In all analyses of comparative financial data to show the varying standards of public education and public support thereof, it is essential to understand that there are wide variations among the states in the percentage of school age children (5-17 years), who attend public schools. For instance, in the State of Washington 98.6 percent of school age children are enrolled in public elementary and high schools, while in Pennsylvania and Maryland only 82.2 percent and 72.8 percent respectively were enrolled. Children, not enrolled in public school, attend private schools not supported at public expense or are exempt by law.

Other important factors in varying costs of expenditures are the number of pupils in average daily attendance per teacher, the percent of total enrollment, attending secondary schools (grades 9-12), where costs per pupil are higher, and the percent of enrolled pupils, who are transported to and from school at public expense. These data for the twenty-five selected states are shown in the table on opposite page.

**Percent of Population, 5-17 Years of Age,
Enrolled in Public Schools,
Pupils in Average Daily Attendance Per Teacher,
Percent of Total Enrollment Attending Secondary Schools,
and Percent of Enrolled Pupils Transported at Public Expense
in Selected States—1930-1940¹**

| Percent of Population 5-17 Years of Age, Enrolled in Public Schools | Pupils in Average Daily Attendance Per Teacher | Percent of Total Enrollment Attending Secondary Schools (Grades 9-12) | Percent of Enrolled Pupils Transported at Public Expense |
|--|--|---|--|
| U. S. Average 85.3 | 25.2 | 26.0 | 16.3 |
| Nevada 100.4 ² | Md. 29.8 | Oregon 32.3 | Ind. 33.3 |
| Washington . . 98.6 | Calif. 27.6 | N. Y. 32.0 | Wash. 29.2 |
| Wyoming . . . 97.1 | Ind. 27.5 | Wash. 31.9 | La. 27.3 |
| California . . . 95.9 | <u>Penna. 27.4</u> | Mass. 31.3 | Del. 25.3 |
| Idaho 93.7 | D. of C. 27.1 | Ohio 30.6 | Ohio 25.0 |
| Iowa 91.0 | La. 26.8 | Calif. 30.4 | Wyo. 24.3 |
| Oregon 90.8 | Conn. 26.6 | Conn. 30.3 | Md. 22.9 |
| District of Columbia . . . 90.7 | R. I. 26.4 | Ill. 30.1 | Ore. 17.2 |
| Indiana 90.4 | Mich. 26.3 | Mont. 29.8 | Conn. 14.6 |
| Missouri 86.2 | Wash. 25.9 | N. J. 29.8 | Minn. 14.2 |
| New York 86.0 | Ohio 25.7 | Wis. 29.8 | Nev. 12.7 |
| New Jersey . . . 85.2 | Mass. 25.4 | Mich. 29.6 | N. J. 12.5 |
| Montana 85.0 | Del. 24.1 | <u>Penna. 29.5</u> | Idaho 11.8 |
| Ohio 84.3 | Ill. 23.8 | Ind. 29.4 | Iowa 11.7 |
| Michigan 83.0 | N. Y. 23.8 | Wyo. 29.0 | Mo. 11.5 |
| Minnesota 82.9 | Wis. 23.7 | Minn. 28.7 | <u>Penna. 11.1</u> |
| <u>Pennsylvania. 82.2</u> | N. J. 23.5 | Idaho 28.3 | Mont. 10.6 |
| Delaware 80.8 | Idaho 23.5 | Nev. 28.1 | Calif. 10.3 |
| Connecticut . . . 80.7 | Ore. 22.8 | Iowa 27.7 | Mass. 7.8 |
| Illinois 80.4 | Mo. 22.7 | Del. 27.3 | N. Y. 7.4 |
| Massachusetts . . 78.6 | Minn. 21.5 | R. I. 26.7 | Mich. 5.8 |
| Wisconsin 76.4 | Nev. 20.1 | D. of C. 26.0 | Wis. 4.2 |
| Louisiana 76.3 | Iowa 19.5 | Mo. 25.1 | R. I. 3.8 |
| Rhode Island . . 75.8 | Mont. 18.9 | Md. 23.6 | Ill. 1.6 |
| Maryland 72.8 | Wyo. 18.5 | La. 21.0 | D. of C. 0.3 |

¹ Statistical Summary of Education 1939-1940, U. S. Office of Education.

² Includes duplicate enrollments of pupils. This condition exists, when registered pupils are subsequently transferred to another district school and again registered without an adjustment in total enrollment.

Pennsylvania ranks seventeenth among the twenty-five selected states, including the District of Columbia, with 82.2 percent of its population between 5-17 years of age, enrolled in public elementary and secondary schools. Only three states, Maryland, California, and Indiana, had more pupils per teacher in average daily attendance than Pennsylvania. With respect to attendance in secondary schools in 1940, Pennsylvania ranked thirteenth, with 29.5 percent of its pupils enrolled in high schools. A ranking of sixteenth for Pennsylvania is shown in respect to percentage (11.1 percent) of enrolled pupils, transported to and from school at public expense.

Although 82.2 percent of Pennsylvania's population between 5-17 years of age was enrolled in public schools, the percentage was smaller than the United States' average of 85.3 percent. Pennsylvania had 2.2 more pupils per teacher in average daily attendance than the United States' average of 25.2 pupils. Of the 25 selected states, 21 had lower pupil-teacher ratios, but 13 of these had higher per capita income than Pennsylvania, and 17 had higher per capita wealth.¹ Pennsylvania, with 29.5 percent of its pupil enrollment attending high schools (grades 9-12), exceeded the United States average of 26 percent. A much smaller percentage (11.1 percent) of enrolled pupils in Pennsylvania was transported to and from school at public expense than the 16.3 percent average for the United States.

It should be stated, however, that these comparative statistics are overall figures for each state and do not allow for sharp variations among the many school districts of each state.

COMPARATIVE INCOME AND WEALTH OF SELECTED STATES

Total income received by individuals in the United States rose from \$68 billion in 1920 to \$114 billion in 1942, an increase of 66.5 percent.

New York ranked first in income received from 1920 through 1942. In second and third places, respectively, were Pennsylvania and Illinois, except in 1942, when California outranked Pennsylvania. The state receiving the smallest income in all years was Nevada.

Total incomes for selected years of twenty-five selected states (in-

¹ See page 48.

cluding the District of Columbia), ranked according to income receipts in 1942, are shown below:

Income Received by Individuals by States¹
(in millions of dollars)

| Ranked 1942 | 1920 | 1930 | 1940 | 1941 | 1942 |
|---------------------------|--------|--------|--------|--------|---------|
| United States | 68,507 | 72,525 | 76,220 | 91,910 | 114,039 |
| New York | 9,731 | 12,700 | 12,000 | 13,717 | 15,468 |
| California | 3,343 | 4,777 | 5,578 | 6,716 | 8,735 |
| <i>Pennsylvania</i> | 6,328 | 6,524 | 6,285 | 7,455 | 8,694 |
| Illinois | 5,050 | 5,823 | 5,743 | 6,770 | 7,908 |
| Ohio | 4,312 | 3,986 | 4,470 | 5,533 | 6,676 |
| Michigan | 2,611 | 2,933 | 3,427 | 4,238 | 5,361 |
| New Jersey | 2,458 | 3,091 | 3,153 | 3,721 | 4,531 |
| Massachusetts | 2,999 | 3,257 | 3,320 | 3,928 | 4,482 |
| Missouri | 1,859 | 1,994 | 1,922 | 2,379 | 2,920 |
| Indiana | 1,716 | 1,551 | 1,840 | 2,373 | 2,903 |
| Wisconsin | 1,554 | 1,643 | 1,630 | 1,979 | 2,413 |
| Connecticut | 1,204 | 1,317 | 1,433 | 1,812 | 2,308 |
| Washington | 1,036 | 973 | 1,118 | 1,472 | 2,160 |
| Minnesota | 1,294 | 1,342 | 1,434 | 1,655 | 2,034 |
| Iowa | 1,231 | 1,156 | 1,238 | 1,557 | 2,022 |
| Maryland | 1,015 | 1,058 | 1,207 | 1,509 | 1,953 |
| Louisiana | 907 | 729 | 862 | 1,052 | 1,372 |
| District of Columbia | 462 | 573 | 872 | 1,023 | 1,311 |
| Oregon | 564 | 533 | 632 | 796 | 1,129 |
| Rhode Island | 522 | 488 | 510 | 636 | 743 |
| Montana | 305 | 284 | 326 | 386 | 450 |
| Idaho | 243 | 203 | 232 | 277 | 365 |
| Delaware | 162 | 208 | 247 | 286 | 332 |
| Wyoming | 166 | 145 | 150 | 177 | 223 |
| Nevada | 66 | 71 | 93 | 108 | 180 |

¹ Source—National Industrial Conference Board. Studies in Enterprise and Social Progress, and Economic Almanac for 1943-1944.

In 1942 total income in each of the twenty-five selected states showed large percentages of increases over 1920. Although Pennsylvania ranked third in amount of income in 1942, it had the smallest percent of increase in 1942 over 1920 of any of the twenty-five selected states, except Wyoming. During this period income increased in California 161.3 percent; in Michigan 105.3 percent; in New Jersey 84.3 percent; in Indiana 69.2 percent; in New York 59 percent; in Missouri 57.1 percent; in Illinois 56.6 percent; in Ohio 54.8 percent; in Massachusetts 49.4 percent; and in Pennsylvania 37.4 percent.

Total wealth in the United States in 1937¹ was about the same as in 1922. New York ranked first among the states in total wealth from 1922 through 1937. In second and third places, respectively, were Pennsylvania and Illinois, except in 1924, 1925, and 1926, when Ohio and California outranked Illinois and in 1933 when California outranked Illinois.

Total wealth for selected years of twenty-five states, including the District of Columbia, ranked according to wealth in 1937, is shown in the following table:

| | Total Wealth by States ² (in millions of dollars) | | | Percent of Increase 1937 over 1922 |
|--------------------------------------|---|---------|-------------------|--|
| | 1922 | 1930 | 1937 ¹ | |
| United States ³ | 300,825 | 337,483 | 300,075 | .. |
| New York | 35,094 | 54,955 | 51,439 | 46.6 |
| <i>Pennsylvania</i> | 27,782 | 30,050 | 25,152 | -9.5 |
| Illinois | 20,899 | 26,216 | 20,842 | -0.3 |
| Ohio | 17,201 | 20,174 | 16,967 | -1.4 |
| California | 15,609 | 21,801 | 16,500 | 5.7 |
| Michigan | 10,893 | 15,379 | 13,227 | 21.4 |
| Massachusetts | 11,543 | 13,038 | 11,785 | 2.1 |
| New Jersey | 9,546 | 11,285 | 9,943 | 4.2 |
| Indiana | 9,260 | 9,260 | 8,548 | -7.7 |
| Wisconsin | 7,857 | 9,946 | 8,107 | 3.2 |
| Missouri | 9,411 | 8,601 | 7,486 | -20.5 |
| Iowa | 10,080 | 5,053 | 6,574 | -34.8 |
| Connecticut | 4,748 | 5,687 | 5,249 | 10.6 |
| Minnesota | 8,115 | 6,060 | 5,178 | -36.2 |
| Maryland | 3,685 | 4,446 | 4,424 | 20.1 |
| Washington | 5,366 | 4,493 | 4,345 | -19.0 |
| District of Columbia | 1,669 | 2,084 | 2,904 | 74.0 |
| Louisiana | 3,269 | 2,822 | 2,790 | -14.7 |
| Oregon | 3,121 | 2,924 | 2,738 | -12.3 |
| Rhode Island | 1,640 | 2,024 | 2,084 | 27.1 |
| Montana | 2,134 | 1,704 | 2,076 | -2.7 |
| Idaho | 1,500 | 1,569 | 1,359 | -9.4 |
| Wyoming | 918 | 1,147 | 882 | -3.9 |
| Delaware | 589 | 693 | 778 | 32.1 |
| Nevada | 751 | 635 | 647 | -13.8 |

¹ Latest data available.

² Source—National Industrial Conference Board, Studies in Enterprise and Social Progress and Economic Almanac for 1943-1944.

³ Totals exclude wealth items that cannot be distributed by states: ocean cable lines, freight cars not owned by railroads, ships of the United States Navy, gold and silver coin and bullion.

The increases in total wealth between 1920 and 1937 in eleven of the selected states ranged from 2.1 percent in Massachusetts to 74 percent in the District of Columbia. The decreases in total wealth in the other fourteen states during the same period, including Pennsylvania, with a decrease of 9.5 percent, ranged from 0.3 percent in Illinois to 36.2 percent in Minnesota.

Although realized income in Pennsylvania had increased only 37.4 percent in 1942 over 1920 and its wealth decreased 9.5 percent¹ in 1937 below 1922, total biennial state expenditures for all current operations more than tripled between 1923-1925 and 1941-1943.² The comparative and changing position of the various states in respect to income and wealth have an important bearing upon the relative ability of the individual states to supply various public services, including free education.

COMPARATIVE PER CAPITA INCOME AND WEALTH, CURRENT EXPENDITURES PER PUPIL, AND SALARIES OF TEACHERS IN SELECTED STATES

As expenditures for public schools and other purposes increase steadily from year to year, it becomes more and more important to examine income and wealth of the States as measures of its ability to pay for ever increasing demands on the public treasury. While Pennsylvania stands second among the states in respect to total wealth and third in respect to total annual income, many smaller, as well as larger, states have greater per capita wealth and income than Pennsylvania. Comparisons of per capita income and wealth, per pupil current expenses, and average salary of teachers in various states are informative and indicative, but caution must be used in arriving at conclusions from these data. With these qualifications in mind, the per capita realized income, per capita wealth, per pupil current expenditures, including interest, and the average salary of principals, supervisors, and teachers in the twenty-

¹ This decrease was due, in large part, at least, to declining values of coal and other extractive industries, as their deposits are depleted by operations from year to year. Large areas in Pennsylvania are affected by this process and they pose serious problems of readjustment and development of general industries to support their populations.

² For further information, see report of Joint State Government Commission, June 23, 1944.

five¹ selected states, including the District of Columbia, in 1939-1940 are presented in the following table:

¹ Except for Indiana, which is a neighboring state, the states compared with Pennsylvania have been selected because they all had a larger per capita income, a greater per capita wealth than Pennsylvania, or cities with population over 400,000.

**Per Capita Income and Per Capita Wealth, Current Expenditures
Per Pupil, and Average Salary of Principals,
Supervisors, and Teachers of
Selected States—1939-1940**

| | Per Capita | | Per Pupil | | Average Salary of Principals, Supervisors, and Teachers ³ |
|----------------------|---------------------|--|---|---|---|
| | Income ¹ | Wealth ² | Current Expenses ³ (Including Interest) | | |
| U. S. Average | \$554 | \$2,335 | \$94.03 | | \$1,441 |
| District of Columbia | 1,205 | Nev. 6,173 D. of C. . . . 4,732 | N. Y. 169.90 Calif. 150.15 | N. Y. 2,604 Calif. 2,351 | |
| Connecticut | 840 | N. Y. 3,893 | N. J. 148.54 | D. of C. . . . 2,350 | |
| New York | 829 | Mont. 3,757 | Nev. 136.45 | N. J. 2,093 | |
| Delaware | 803 | Wyo. 3,623 | D. of C. . . 131.74 | Mass. 2,037 | |
| Nevada | 771 | | | | |
| California | 748 | Conn. 3,127 | Ill. 121.09 | Conn. 1,861 | |
| New Jersey | 701 | Del. 3,011 | Mass. 116.66 | R. I. 1,809 | |
| Illinois | 685 | R. I. 3,011 | R. I. 116.53 | Wash. 1,706 | |
| Massachusetts | 681 | Mass. 2,719 | Conn. 114.54 | Ill. 1,700 | |
| Rhode Island | 643 | Idaho 2,706 | Mont. 110.89 | Del. 1,684 | |
| Washington | 626 | Mich. 2,676 | Del. 110.10 | Md. 1,642 | |
| Wyoming | 622 | Ill. 2,668 | Wyo. 110.00 | <i>Penna.</i> 1,640 ⁴ | |
| Michigan | 620 | Wis. 2,634 | Wash. 108.56 | Ohio 1,587 | |
| Ohio | 616 | Iowa 2,613 | <i>Penna.</i> . . . 106.05 | Mich. 1,576 | |
| Maryland | 614 | Oreg. 2,606 | Minn. 104.20 | Nev. 1,557 | |
| <i>Pennsylvania</i> | 602 | Wash. 2,577 | Ohio 103.83 | Ind. 1,433 | |
| Montana | 570 | <i>Penna.</i> 2,564 | Oreg. 101.85 | Wis. 1,379 | |
| Wisconsin | 570 | Ind. 2,536 | Mich. 100.67 | Oreg. 1,333 | |
| Oregon | 560 | Calif. 2,516 | Wis. 93.82 | Minn. 1,276 | |
| Minnesota | 553 | Md. 2,505 | Iowa 90.32 | Mont. 1,184 | |
| Indiana | 541 | Ohio 2,486 | Md. 90.29 | Wyo. 1,169 | |
| Missouri | 496 | N. J. 2,413 | Ind. 89.18 | Mo. 1,159 | |
| Idaho | 459 | Mo. 2,004 | Mo. 83.80 | Idaho 1,057 | |
| Iowa | 445 | Minn. 1,900 | Idaho 81.65 | Iowa 1,017 | |
| Louisiana | 395 | La. 1,219 | La. 60.66 | La. 1,006 | |

¹ From The Economic Almanac for 1942-1943, p. 389—Published by National Industrial Conference Board. The income, as here estimated, consists of the total payments to individuals by business and government in the form of wages, salaries, dividends, interest, net rents and royalties, and net profits withdrawn by unincorporated enterprises.

² Year 1937—See The Economic Almanac for 1943-1944, p. 353.

³ Statistical Summary of Education, 1939-1940—U. S. Office of Education.

⁴ In 1941 and 1943 the General Assembly increased average salaries a total of 29.6 percent. Assuming no change in other states since 1939-1940, Pennsylvania would move from twelfth place in the above table to fourth place.

In 1940 fourteen states and the District of Columbia of the twenty-five selected states had higher per capita realized income than Pennsyl-

vania. In 1937¹ fifteen of the states and the District of Columbia had greater per capita wealth than Pennsylvania. Four states (California, Maryland, Ohio, and New Jersey), which ranked ahead of Pennsylvania in per capita realized income, ranked lower than Pennsylvania in per capita wealth, while five states (Montana, Wisconsin, Oregon, Idaho, and Iowa), which ranked below Pennsylvania in per capita realized income, ranked higher than Pennsylvania in per capita wealth.

In 1940 twelve of the selected states and the District of Columbia had larger current expenditures per pupil, including interest, than Pennsylvania, while only ten states and the District of Columbia paid larger average salaries to its principals, supervisors, and teachers in 1940. Except for Montana, all states, with larger current expenses per pupil than Pennsylvania, had larger per capita realized income, while *all* states which paid larger average salaries to their principals, supervisors, and teachers had larger per capita realized income.

In 1940 Pennsylvania's per capita income of \$602 exceeded the average of the United States by \$48 or 9 percent. In 1937 the Commonwealth's per capita wealth of \$2,564 exceeded the United States average by \$229 or nearly 10 percent. In 1940 Pennsylvania's current expenses per pupil of \$106.05 exceeded the United States average by \$12.02 or about 13 percent, while thirteen, twelve with higher per capita income and eleven with higher per capita wealth than Pennsylvania, of the twenty-five selected states disbursed more per pupil than Pennsylvania for current expenses. In 1940 the average salary of \$1,640 to principals, supervisors, and teachers in Pennsylvania exceeded the United States average by \$199 or nearly 14 percent, while eleven, all of which had higher per capita income than Pennsylvania and all but three of which had higher per capita wealth, of the twenty-five selected states paid higher average salaries to their teachers than Pennsylvania.

Total Yearly Expenditures Per Pupil in Average Daily Attendance and Expenditures Per Pupil for Seven Major Current Expense Accounts—1937-1938¹

A breakdown of the current operating expenditures of the school systems of the selected states into seven major items leads to certain interesting observations. The following data relates to the school year 1937-1938, the latest period for which this information has been compiled.

¹Per pupil amounts derived from figures reported in Federal Biennial Survey of Education, 1936-1938, the latest data available.

| Total Current Operating Expenditures (Including Interest) | Administration | Instruction | Operation of Physical Plant |
|---|----------------------------|-----------------------------|-----------------------------|
| United States Average \$ 88.98 | \$3.88 | \$60.98 | \$8.25 |
| New York 159.67 | Nev. 15.25 | N. Y. 110.08 | D. of C. 15.01 |
| California 140.34 | Wyo. 8.25 | Calif. 98.92 | Nev. 14.83 |
| New Jersey 138.25 | N. J. 5.76 | D. of C. 92.49 | Calif. 14.16 |
| Nevada 138.24 | N. Y. 5.30 | N. J. 92.15 | N. J. 13.65 |
| ¹ Dist of Columbia . . 123.05 | Calif. 5.16 | Mass. 83.08 | Minn. 13.16 |
| Massachusetts 112.18 | Iowa 5.04 | Nev. 82.20 | Ill. 12.97 |
| Illinois 110.89 | <i>Penna.</i> 4.97 | Conn. 76.57 | Mass. 12.07 |
| Wyoming 110.66 | Minn. 4.89 | Del. 76.55 | Mont. 11.89 |
| Connecticut 110.56 | Mont. 4.81 | R. I. 75.86 | Mich. 11.70 |
| Rhode Island 110.00 | Wash. 4.69 | Ill. 73.00 | Conn. 11.65 |
| Washington 107.46 | Del. 4.45 | Wash. 71.59 | N. Y. 11.47 |
| Delaware 106.20 | Wis. 4.44 | <i>Penna.</i> 68.44 | R. I. 11.35 |
| Montana 106.16 | Mo. 4.42 | Mont. 68.26 | Wis. 11.18 |
| <i>Pennsylvania</i> 97.20 | Mich. 4.39 | Wyo. 67.48 | Ohio 10.41 |
| Ohio 94.72 | Ill. 4.28 | Mich. 63.95 | Iowa 10.39 |
| Michigan 93.59 | Mass. 4.11 | Wisc. 62.94 | Wash. 10.30 |
| Minnesota 93.29 | Conn. 4.10 | Ore. 61.74 | Wyo. 9.97 |
| Oregon 93.16 | Ore. 3.69 | Ohio 61.23 | Ore. 9.66 |
| Wisconsin 91.30 | Idaho 3.46 | Minn. 60.75 | Del. 9.60 |
| Iowa 85.43 | R. I. 3.34 | Md. 57.57 | Idaho 9.18 |
| Maryland 85.43 | Ohio 3.32 | Iowa 55.34 | Ind. 8.79 |
| Indiana 80.15 | Md. 2.69 | Ind. 52.97 | <i>Penna.</i> 8.74 |
| Idaho 78.84 | D. of C. 2.66 | Mo. 52.13 | Md. 6.45 |
| Missouri 74.82 | La. 2.51 | Idaho 51.61 | Mo. 6.30 |
| Louisiana 57.68 | Ind. 2.47 | La. 38.50 | La. 2.86 |

¹ Interest not reported.

**Total Yearly Expenditures Per Pupil in Average Daily Attendance and
Expenditures Per Pupil for Seven Major Current Expense Accounts—1937-1938¹**

(Continued from page 50)

| Maintenance of Physical Plant | Auxiliary School Services | Fixed Charges | Interest |
|----------------------------------|------------------------------|-------------------------|------------------------------|
| U. S. Average \$3.42 | \$5.43 | \$1.91 | \$5.12 |
| Nevada 9.82 | Wyo. 15.21 | N. Y. 9.64 | N. J. 12.72 |
| Illinois 7.53 | Mont. 13.73 | Nev. 7.87 | N. Y. 12.02 |
| New Jersey .. 5.66 | Wash. 10.91 | D. C. 4.89 | R. I. 11.51 |
| Washington . 5.50 | Del. 9.74 | Md. 3.44 | Calif. 8.91 |
| District of Columbia . 5.29 | Ind. 8.20 | <u>Penna. 2.59</u> | Ohio 8.49 |
| Wyoming ... 4.99 | Conn. 7.96 | Calif. 2.27 | Ill. 7.11 |
| California ... 4.93 | N. J. 7.42 | Ore. 2.01 | Md. 6.50 |
| New York ... 4.89 | Minn. 7.28 | Mont. 1.83 | Conn. 6.09 |
| Iowa 4.86 | Ore. 6.81 | La. 1.45 | Ore. 5.28 |
| Minnesota ... 4.77 | Mass. 6.51 | Ohio 1.41 | Wyo. 4.76 |
| Michigan ... 4.51 | Wis. 6.48 | Ind. 1.37 | <u>Penna. ... 4.38</u> |
| Wisconsin ... 4.16 | Md. 6.40 | Idaho 1.27 | Nev. 4.35 |
| Massachusetts . 4.03 | Idaho 6.34 | Wis. 1.19 | Mich. 4.29 |
| Oregon 3.96 | N. Y. 6.27 | Minn. 1.08 | Iowa 4.28 |
| Missouri 3.90 | La. 6.21 | Del.90 | Mo. 4.13 |
| Ohio 3.69 | Ohio 6.18 | Iowa90 | Idaho 3.84 |
| Montana 3.60 | Calif. 5.98 | N. J.89 | Wash. 3.63 |
| Delaware 3.40 | Ill. 5.80 | Wash.84 | La. 3.59 |
| Connecticut .. 3.37 | <u>Penna. 4.83</u> | Conn.82 | Ind. 3.15 |
| <u>Pennsylvania. 3.26</u> | Iowa 4.61 | Mich.78 | Mass. 2.37 ² |
| Indiana 3.20 | R. I. 4.42 | Mo.65 | Mont. 2.04 |
| Rhode Island . 3.18 | Mich. 3.98 | R. I.34 | Del. 1.56 |
| Idaho 3.13 | Nev. 3.92 | Ill.19 | Minn. 1.36 |
| Louisiana ... 2.56 | Mo. 3.28 | Mass.2 | Wis.92 |
| Maryland ... 2.38 | D. C. 2.71 | Wyo.2 | D. C. |

¹ Per pupil amounts derived from figures reported in Federal Biennial Survey of Education—1936-1938—latest data available.

² No amounts reported.

³ Cities only.

With administration expenditures of \$4.97 per pupil in 1937-1938, Pennsylvania was \$1.09 per pupil or 28 percent above the U. S. average and ranked seventh among the twenty-five selected states. In the same year the Commonwealth expended \$68.44 per pupil for instruction or 12 percent more than the average of the country, and ranked twelfth among the selected states. Pennsylvania expended \$8.74 per pupil for operations of physical plant or 6 percent above the U. S. average and

ranked twenty-second among the selected states. The Commonwealth expended \$3.26 per pupil for maintenance of the physical plant or 5 percent less than the U. S. average and ranked twentieth among the selected states. Pennsylvania ranked nineteenth among the selected states with per pupil expenditures of \$4.83 for auxiliary school services in 1937-1938 and expended 60c per pupil or 11 percent less than the average of the country. Pennsylvania ranked fifth among the selected states in per pupil expenditures for fixed charges with \$2.59 per pupil in 1937-1938 and expended 36 percent more than the average of the country. With \$4.38 per pupil interest charges in 1937-1938, Pennsylvania expended 74c per pupil or 14 percent less than the United States average and ranked eleventh among the selected states.

Finally, with respect to total current operating expenditures, including interest, the Commonwealth ranked fourteenth among the states, but expended \$8.22 or 9.2 percent more than the United States average.

COMPARISON OF REVENUE RECEIPTS OF PUBLIC SCHOOLS IN SELECTED STATES

The revenues to defray expenditures of public schools come from three governmental sources—local governments,¹ the state government, and the federal government. As larger and larger revenues are required to meet the ever-growing needs, a comparison of the governmental sources of financial support for public schools in Pennsylvania with those of other states will be of value. While such comparisons are not conclusive and must be used with caution, in a broad sense they serve many useful purposes.

In respect to sources of financial support for public schools, the states show wide differences. The percentage distribution of revenue receipts of public schools from local, state, and federal governmental sources for public day schools in 25 selected states (including the District of Columbia) in 1939-1940 is shown below:

¹ Including counties.

**Percentage Distribution of Public Day Schools Revenues
From Various Governmental Sources in Selected States—1939-1940¹**

| | Local ² | State | Federal |
|---------------------------------|--------------------|-------|---------|
| Continental United States | 68.0 | 30.3 | 1.7 |
| New York | 66.5 | 33.1 | 0.4 |
| California | 50.1 | 46.3 | 3.8 |
| New Jersey | 91.3 | 6.0 | 2.7 |
| Nevada | 74.1 | 22.0 | 3.9 |
| District of Columbia | 85.0 | .. | 15.0 |
| Illinois | 89.1 | 10.0 | 0.9 |
| Massachusetts | 89.1 | 10.3 | 0.6 |
| Rhode Island | 88.5 | 10.5 | 1.0 |
| Connecticut | 90.4 | 9.1 | 0.5 |
| Montana | 84.8 | 13.9 | 1.3 |
| Delaware | 7.1 | 85.9 | 7.0 |
| Wyoming | 72.7 | 18.8 | 8.5 |
| Washington | 36.5 | 62.5 | 1.0 |
| <i>Pennsylvania</i> | 78.3 | 21.0 | 0.7 |
| Minnesota | 62.9 | 36.0 | 1.1 |
| Ohio | 59.6 | 35.5 | 4.9 |
| Oregon | 97.3 | 1.9 | 0.8 |
| Michigan | 55.8 | 42.1 | 2.1 |
| Wisconsin | 75.0 | 21.5 | 3.5 |
| Iowa | 97.7 | 1.5 | 0.8 |
| Maryland | 77.3 | 21.6 | 1.1 |
| Indiana | 65.4 | 33.9 | 0.7 |
| Missouri | 66.8 | 32.1 | 1.1 |
| Idaho | 83.0 | 15.9 | 1.1 |
| Louisiana | 45.7 | 52.8 | 1.5 |

¹ See Statistical Summary of Education 1939-1940—U. S. Office of Education, Table 22—pp. 23-24. Except for Indiana, which is a neighboring state, the states compared with Pennsylvania have been selected because they all had a larger per capita income, a greater per capita wealth than Pennsylvania, or cities with population over 400,000. The states are arranged in the table in order of the amount of their annual per pupil current expenditures of their individual school systems with the highest listed first.

² Including counties.

All but three (Delaware, Washington, and Louisiana) of the twenty-five selected state school systems received a larger proportion of

their 1939-1940 revenues from local political sub-divisions¹ than from combined state and federal sources. The State itself was the most important source of revenue in these three states.

Pennsylvania ranked eleventh among the twenty-five selected states with 78.3 percent of the revenue receipts of its public schools derived from local sources in 1939-1940. State grants comprised 21 percent of the school revenue receipts and federal grants only 0.7 percent. These figures compare with the averages in the United States of 68.0 percent of revenue receipts from local sources; 30.3 percent from state grants; and 1.7 percent from federal grants.

In 1943 the General Assembly of Pennsylvania appropriated \$24.3 million as an additional state grant for the purpose of increasing all public school teachers' salaries during the school years of 1943-1944 and 1944-1945. Assuming that disbursements for 1943-1944 continue in all other respects at the same level as in the school year 1941-1942, the latest year for which the statistics of total disbursements by all the school boards of the Commonwealth are available, total state grants for that year will have been increased by \$12,150,000 and will then represent nearly 25 percent of the total public school revenue receipts.

COMPARISON OF VARIOUS CITY SCHOOL SYSTEMS

It is recognized that comparative figures must be cautiously used, for they often are incomplete and misleading. However, by comparing various items of cost, which make up the current operating expenditures of the school districts of Philadelphia and Pittsburgh,² with those in the other twelve largest cities of the United States, certain broad conclusions about the school systems of the two first class and largest school districts in Pennsylvania may be made to advantage, if they are used with the necessary safeguards and discretion.

A comparison of per pupil expenditures of the fourteen largest United States city school systems, reporting for 1941-1942,³ broken down into the six major items of operations is shown in the following table:

¹ Including counties.

² Philadelphia and Pittsburgh are the only First Class School Districts in Pennsylvania.

³ Reported in Expenditures per Pupil in City Schools, 1941-1942, U. S. Office of Education—July 1943, Circular No. 219.

Philadelphia, with a population of 1,931,334 and Pittsburgh, with 671,659, ranked third and ninth, respectively, among the fourteen largest cities in the United States. In total current operating expenditures, Pittsburgh, with \$147.64 per pupil, and Philadelphia, with \$121.93 per pupil, ranked fourth and eleventh, respectively. In all six of the major divisions of current operating expenditures, Pittsburgh ranked higher than Philadelphia.

In four of the six major divisions of current operating expenditures, Pittsburgh was among the five highest cities. The ranking of Pittsburgh in these four divisions was first in maintenance of physical plant and in per pupil expenditures for administration, second in operation of physical plant, and fifth in instruction. It ranked ninth in per pupil expenditures for auxiliary school services and eleventh in fixed charges. Except in per pupil expenditures for administration, in which it ranked a close second to Pittsburgh, Philadelphia was among the lower six reporting cities.

The ranking of Philadelphia in these five major divisions was ninth in instruction, eleventh in operation of physical plant, twelfth in fixed charges and thirteenth in maintenance of physical plant, and in auxiliary school services.

Schools are divided into six broad classifications by the United States Office of Education for reporting these statistical data. These are elementary, junior high, senior high, junior-senior high, regular 4 year high, and vocational and trade high. Pittsburgh supports schools in each category, except that of "senior high." Philadelphia supports schools in each category, except that classified as "regular 4 year high school." The mere fact that there is a wide variation in classes of schools, supported by individual cities, subjects these comparative statistics to serious qualifications.

Recent available data¹ with respect to city school systems have been limited to cities of 100,000 or more. Pennsylvania has three cities of more than 100,000 in addition to Philadelphia and Pittsburgh. These are—Scranton with a population of 140,404, Erie with 116,955, and Reading with 110,568. A comparison of expenditures of twelve school systems in cities with populations between 100,000 and 150,000, reporting for 1941-1942, broken down into the six major divisions of operations, is shown on opposite page.

¹See Expenditures per Pupil in City Schools, 1941-1942, U. S. Office of Education—July 1943—Circular No. 219.

Scranton, Erie, and Reading ranked third, sixth, and ninth, respectively, among the twelve reporting cities with populations between 100,000 and 150,000. In total current operating expenditures, Scranton with \$121.91 per pupil, Reading with \$120.94 per pupil, and Erie with \$119.23 per pupil ranked fourth, fifth, and sixth respectively, among the twelve reporting cities.

In three of the six major divisions of per pupil current operating expenditures, Scranton was among the five highest cities. The ranking of Scranton in these three divisions was first in fixed charges, fourth in instruction, and fifth in auxiliary school services. It ranked sixth in administration, seventh in operations of physical plant, and tenth in maintenance of physical plant. Except for expenditures for maintenance of physical plant, both Erie and Reading were among the five highest cities. Erie ranked ahead of Scranton in administration, operation of physical plant, and auxiliary school services. Reading ranked ahead of Scranton in administration, operation of physical plant, maintenance of physical plant, and auxiliary school services.

The ranking of Erie in the six major divisions was fourth in auxiliary school services and fixed charges, fifth in administration, in instruction, and in operation of physical plant, and eleventh in maintenance of physical plant.

The ranking of Reading in the six major divisions was first in auxiliary school services, second in operation of physical plant, third in administration, and in fixed charges, sixth in instruction, and seventh in maintenance of physical plant.

Scranton supports elementary, junior high, and regular four year high schools. Erie supports elementary, junior high, junior-senior high, and vocational and trade high schools. Reading supports elementary, junior high, and senior high schools.

SUMMARY

Total governmental expenditures for public educational purposes in the Commonwealth amounted to \$429.3 million in 1939-1941 and rose to \$452.8 million in the biennium 1941-1943. In 1939-1941 75.21 percent was financed by the local school districts, 0.07 percent

by the counties, 23.8 percent by the State, and 0.92 percent by the federal government, and in 1941-1943 70.52 percent was financed by local school districts from local taxation, 0.07 percent by the counties, 24.79 percent by the State, and 4.62 percent by the federal government.

By far the most important expenditures were those for the public school system, which amounted to \$417.6 million in 1939-1941 and \$423.7 million for 1941-1943,¹ increases of 26.6 percent and 28.4 percent, respectively, over 1923-1925. The 1939-1941 expenditures for the public school system represented 97.27 percent and the estimated expenditures for 1941-1943 represented 93.56 percent of the total governmental expenditures for educational purposes in the Commonwealth. In 1923-1925 the state financed 15.53 percent² and local school districts 84.23 percent of public school system expenditures, while these percentages changed to 22.07 and 77.39 respectively, for 1939-1941 and 23.91 and 75.45, respectively for 1941-1943.

State expenditures for educational purposes³ are paid from the general fund and rose from \$56.5 million in 1923-1925 to \$112.2 million in 1941-1943, an increase of 98.66 percent. During the same period total expenditures from the general fund for all purposes⁴ rose from \$104 million to \$239 million or 129.9 percent. During the period, 1923-1925 to 1941-1943, state expenditures for educational purposes represented an average of 49.9 percent of the total expenditures from the general fund.⁵

Pennsylvania's population was 9,900,180 in 1940, its total income was \$8.694 billion in 1942, its total wealth was \$25.152 billion in 1937, and in these characteristics the Commonwealth ranked second, third and second, respectively,⁶ among the forty-eight states of the Union and the District of Columbia. Pennsylvania's per capita income and per capita wealth exceeded the average per capita income and per capita wealth of the United States and, with a per capita income of \$602 and a per capita wealth of \$2,564 in 1940, ranked sixteenth and seventeenth, respectively, among the forty-eight states and the District of Columbia.

¹ Estimated on assumption that 1942-1943 expenditures of school districts were the same as in 1941-1942.

² Excluding comparatively small amounts for medical inspection of school children.

³ Excluding expenditures for rehabilitation of persons afflicted with tuberculosis, contracts of school districts for defense supervision, and all federal educational subsidies.

⁴ Excluding state emergency expenditures for public assistance and non-recurring items.

⁵ Excluding state emergency expenditures for public assistance and non-recurring items.

⁶ The data in this sentence are for the latest years for which these data were available.

With 82.2 percent of its 1940 school-age population (between 5 and 17 years old) enrolled in its public schools, Pennsylvania was below the United States average of 85.3 percent and ranked seventeenth among *twenty-five* selected states.¹ The Commonwealth, with 29.5 percent of its enrolled pupils attending its secondary schools, exceeded the United States average and ranked thirteenth among the selected states. Pennsylvania's pupil-teacher ratio of 27.4 in 1940 exceeded the United States average and ranked fourth among the selected states. With 11.1 percent of its enrolled pupils transported to and from school at public expense, Pennsylvania was below the United States average of 16.3 percent and ranked sixteenth among the selected states.²

In 1940 Pennsylvania's current operating expenditures, including interest of \$106.05 per pupil exceeded the United States average by \$12.02 or 12.8 percent and ranked fourteenth among the selected states. The teachers' ³ average money salary of \$1,640 in the Commonwealth in 1940 exceeded the United States average by \$199 or nearly 14 percent and ranked twelfth among the selected states.⁴

A comparison of current operating expenditures per pupil of Pennsylvania's school system for the year 1938⁵ broken down into seven major categories of the school system, with the United States average for these categories, is shown below:

| Major Divisions | United States Average | Pennsylvania | Pennsylvania's Rank Among Selected States |
|---|--------------------------|--------------|---|
| Administration | 3.88 | 4.97 | 7 |
| Instruction | 60.98 | 68.44 | 12 |
| Operation of Physical Plant | 8.25 | 8.74 | 22 |
| Maintenance of Physical Plant | 3.42 | 3.26 | 20 |
| Auxiliary School Services .. | 5.43 | 4.83 | 19 |
| Fixed Charges | 1.91 | 2.59 | 5 |
| Interest | 5.12 | 4.38 | 11 |
| Total Current Operating Expenditures | 88.98 | 97.20 | 14 |

¹ Except for Indiana, which is a neighboring state, these states (including the District of Columbia) were selected because they all had a larger per capita income or a greater per capita wealth than Pennsylvania or had cities with populations over 400,000.

² Statistical Summary of Education 1939-1940, United States Office of Education.

³ Including principals and supervisors.

⁴ In 1941 and 1943 the General Assembly increased average salaries a total of 29.6 percent. Assuming no changes in other states since 1939-1940, Pennsylvania would move from twelfth place among the selected states to fourth place.

⁵ Latest data available.

The data in the above tabulation were derived from figures reported in Federal Biennial Survey of Education, 1936-1938.

In 1940 Pennsylvania's population had increased about 269 thousand or 2.8 percent over 1920, but enrollments in public schools dropped more than 82 thousand pupils or 4.2 percent in the same period. Only 33.3 percent of the Commonwealth's population was under twenty years old in 1940, compared with 40.2 percent in 1920. It is evident from the declining proportion of persons under twenty years old and the constancy in the number of live births in recent years (except in 1941 and 1942, when war marriages temporarily caused sharp increases in birth) that the growth in Pennsylvania's population is approaching stabilization between 1950 and 1960. It is estimated that, while the population of the Commonwealth will have increased by 6.7 percent and 11.6 percent over 1940 in 1950 and 1960, respectively, the population of children under twenty years will have declined in 1950 and 1960 by 8.9 percent and 9.8 percent, respectively, below 1940. These declines in the pre-school and school age group will undoubtedly be reflected by corresponding decreases in the public school enrollments during the next score of years.¹ In view of these anticipated declines in public school enrollments, it is reasonable to assume that proportionately fewer teachers will be required by 1950 and 1960. If the pupil-teacher ratio of 1940 is maintained during the twenty-year period, the number of teachers would be reduced from 64 thousand in 1940 by about 5,000 in 1950 and further reduced by an additional 1,000 in 1960.

In discussing increasing expenditures for educational purposes, it is interesting to note that the purchasing power of the dollar in Pennsylvania² increased 27.2 percent between June 15, 1920 and June 15, 1943. Throughout the period 1920-1943, the purchasing power of the dollar exceeded 1920 and reached a peak of \$1.626 in 1933. Therefore, in comparing expenditures, it should be recognized that each dollar expended after 1920 would purchase more commodities and services than in 1920.

As teachers' salary payments in Pennsylvania are a major item of

¹These estimates are derived from estimates for the country as reported by the United States Bureau of the Census 1940, Series P-3, No. 15.

²Derived from Index of Cost of Living, prepared by the State Department of Labor and Industry.

current operating expenditures of the public school system, 50.04 percent in 1939-1941, and have materially increased since 1920, it is pertinent to relate average teachers' salaries, known as money salaries, to the fluctuations in the purchasing power of the dollar, or, in other words, compare their *money* salaries with their *real* salaries.

**Average Annual Money and Real Salary
of Teachers in Pennsylvania Schools¹**

| Year | Average Annual Money Salary Per Teacher | Purchasing Power of the Dollar | Average Annual Real Salary Per Teacher |
|------------|---|--------------------------------------|--|
| 1920 | 909 | 100.0 | 909 |
| 1922 | 1,244 | 123.8 | 1,540 |
| 1923 | 1,333 | 120.6 | 1,608 |
| 1933 | 1,533 | 162.6 | 2,493 |
| 1942 | 1,690 | 127.2 | 2,150 |
| 1943 | 1,885 ² | 118.5 | 2,234 |
| 1944 | 2,090 ² | 119.5 | 2,498 |

The data in the foregoing table were derived from the statistical reports of the Department of Public Instruction, and the index of the cost of living in Pennsylvania of the Department of Labor and Industry.

Two significant facts may be gleaned from the foregoing table. School salaries did not follow the trend in cost of living and the related purchasing power of the dollar. In fact, at the lowest point of the depression—1933—school teachers were receiving the highest *real* salary in history up to that time. Since 1940, due to the present war, the purchasing power of the dollar has declined. The cost of living index has risen from 67.5 percent³ on June 15, 1940 to 84.4 percent³ on June 15, 1943, or 25 percent.⁴ Meantime, the average teachers' salary rose about 17 percent up to June 14, 1943.

The second significant fact is that the general level of both money and real salaries are substantially above those at the advent of the Edmonds Act. The school year 1921-1922 saw the first application of this act. In that year the average *money* salary was \$1,244 and the average *real* salary was \$1,540. By 1943 the average *money* salary

¹ Includes teachers, principals, and supervisors.

² Estimated by adding average increases provided by the General Assembly to average salaries of 1942.

³ 1920 equals 100.0 percent.

⁴ Derived from Department of Labor and Industry, Annual Reports, Index of Cost of Living in Pennsylvania.

had risen to \$1,885 and the average annual *real* salary, although lower than in 1933, had risen to \$2,234. This represents an increase of 51.5 percent in the *money* salary and an increase of 45.1 percent in the *real* salary between 1922 and 1943.

While teachers did not enjoy as favorable a position in 1943 as during the depression years, they were in a better condition than during the years of prosperity following World War I. In 1944-1945, however, with the "cost of living" increase, granted in 1943 by the General Assembly, the average teachers' *money* salary will be approximately \$2,090, and, in terms of the average *real* salary will be \$2,498, a new high of all time for both average *money* and *real* salaries.

PART II
APPROPRIATIONS FOR EDUCATIONAL PURPOSES
MADE BY
THE COMMONWEALTH OF PENNSYLVANIA
1920-1943

HISTORICAL INTRODUCTION

During the Revolutionary War the University of Pennsylvania, then known as Franklin Academy, received from the Commonwealth a grant estimated at 25,000 pounds sterling, from the proceeds of confiscated Tory estates. This grant marked the beginning of expenditures for educational purposes by the Commonwealth of Pennsylvania. Thereafter, many other grants were made from time to time to various academies, colleges and universities. In 1837 the Superintendent of Common Schools reported that these institutions had received almost \$500,000 in subsidies up to that time.

However, it was not until 1802 that funds, derived from either local or state taxation, were made available for free education to the children of Pennsylvania. In that year the first "pauper school law" was enacted to make local tax receipts available to defray the expenses of elementary education of the children of indigent parents.

The first attempt to establish free or public schools in the Commonwealth was made in 1831, when the General Assembly created the Common School Fund. Monies from the sale of state lands and fees paid to the State Land Office were deposited in this fund for common school purposes.

In 1834 the Free School Act appropriated \$75,000 from the Common School Fund to local school districts, organized under that Act. This money was distributed through the counties to their School Dis-

districts¹ on the basis of the numbers of taxable inhabitants in each district. In 1835-1836 the common school appropriation was increased to \$200,000 and in the following year \$500,000 were appropriated for construction of school buildings, making a total of \$700,000 in 1836-1837 or about \$1.00 per taxable inhabitant in the participating districts. Thereafter, annual appropriations varied from \$323,794.23 in 1838 to \$190,266.17 in 1852. By 1896 the public school appropriation amounted to \$4,439,753.

The amount per taxable inhabitant appropriated by the State for common schools between 1845 and 1872 ranged from 38c in 1865 to 62c in 1872. By 1876 it had increased to 92c and in 1890 it was \$1.38.

PUBLIC SCHOOL APPROPRIATIONS—1897-1911

In 1897 the method of distribution of state appropriations to the various school districts was changed, due to many inequities which had arisen from the use of the number of taxable inhabitants in each district as the basis. The 1897 law provided that appropriations for free public schools should be distributed to the school district, one-third on the basis of number of teachers employed, one-third on the number of children between the ages of six and sixteen, and one-third on the number of taxable inhabitants in each district.

In 1907 another material change was made in the basis of distribution. Until that year the appropriation was allocated without regard to teachers' salaries. An act, passed in 1907, however, provided that a specified portion of minimum salaries of teachers be paid by the State to each School District and that the remainder of the appropriation be distributed among the districts on the basis of numbers of teachers, children, and taxable inhabitants.

Since 1907 there have been many changes in the basis of distribution of state grants to the School Districts. The present methods have become very complex and the amounts appropriated are related definitely to such factors as teachers' salaries, tuition paid by one district to another, closed schools, vocational education, and transportation of pupils, etc. The various changes in methods of allocation after 1907

¹ See Part I of this report for historical summary of the school district organization.

are discussed in later sections of this survey, which relate to state appropriations for these particular purposes. The ensuing discussion is confined to the ever-increasing size of appropriations made by the Commonwealth for educational purposes from biennium to biennium.

EDUCATIONAL APPROPRIATIONS FROM THE GENERAL FUND—1912-1943

TOTAL EDUCATIONAL APPROPRIATIONS—1912-1920

Expenditures for educational purposes from appropriations out of the General Fund of the Commonwealth between 1912 and 1920 may be classified into three major groups,¹ as follows:

Total State Educational Expenditures (in thousands of dollars)—1912-1920

| Biennium In Which Payment Was Made | Public School System | Colleges and Uni- versities | Percent of Total | General Edu- cation | Percent of Total | Percent of Total | Total | Ratio to 1912- 1914 |
|---|----------------------------|-----------------------------------|------------------------|---------------------------|------------------------|------------------------|--------|---------------------------|
| 1912-1914 | 16,659 | 86.7 | 2,399 | 12.5 | 151 | 0.8 | 19,209 | 100.0 |
| 1914-1916 | 17,059 | 84.4 | 3,006 | 14.9 | 145 | 0.7 | 20,210 | 105.2 |
| 1916-1918 | 12,616 | 80.5 | 2,913 | 18.6 | 144 | 0.9 | 15,673 | 81.6 |
| 1918-1920 | 24,779 | 86.3 | 3,743 | 13.0 | 177 | 0.7 | 28,699 | 149.4 |

It will be noted that the expenditures for the Public School System ranged from 80.5 percent of the total in 1916-1918 to 86.7 percent in 1912-1914, while grants to colleges and universities ranged from 12.5 percent of the total in 1912-1914 to 18.6 percent in 1916-1918. Total appropriations increased 49.4 percent between 1912-1914 and 1918-1920.

TOTAL EDUCATIONAL APPROPRIATIONS FROM THE GENERAL FUND—1921-1945

The method by which the General Assembly appropriated money for various educational purposes between 1921 and 1945 permits only a very general classification. Certain appropriations were of the "lump sum" type and, therefore, included various items which can be segregated into several categories, which will be discussed later.

¹ This same grouping is used in later consideration of state grants between 1921-1945 where each item is discussed in detail.

Total expenditures from biennial appropriations between 1921 and 1943 and appropriations for the 1943-1945 biennium are as follows:

Total State Educational Expenditures (in thousands of dollars)

—By Biennia 1921-1945

| Biennium For Which Appropriation Was Made | Public ¹ School System | Percent of Total | Colleges and Universities | Percent of Total | General Education | Percent of Total | Sub-Total | Ratio to 1921-1923 |
|---|-----------------------------------|------------------|---------------------------|------------------|-------------------|------------------|-----------|--------------------|
| 1921-1923 | 38,911 | 87.3 | 5,460 | 12.2 | 207 | .5 | 44,578 | 100.0 |
| 1923-1925 | 52,032 | 91.0 | 4,895 | 8.6 | 243 | .4 | 57,170 | 128.2 |
| 1925-1927 | 60,266 | 91.6 | 5,206 | 7.9 | 299 | .5 | 65,771 | 147.5 |
| 1927-1929 | 66,753 | 89.5 | 7,540 | 10.1 | 331 | .4 | 74,624 | 167.4 |
| 1929-1931 | 77,544 | 87.8 | 10,381 | 11.8 | 376 | .4 | 88,301 | 198.1 |
| 1931-1933 | 80,709 | 89.1 | 9,430 | 10.4 | 457 | .5 | 90,596 | 203.2 |
| 1933-1935 | 83,237 | 91.1 | 7,657 | 8.4 | 444 | .5 | 91,338 | 204.9 |
| 1935-1937 | 84,293 | 91.0 | 7,763 | 8.4 | 582 | .6 | 92,638 | 207.8 |
| 1937-1939 | 89,082 | 90.6 | 8,741 | 8.9 | 540 | .5 | 98,363 | 220.7 |
| 1939-1941 | 94,344 | 91.1 | 8,693 | 8.3 | 591 | .6 | 103,628 | 232.5 |
| 1941-1943 ¹ . . . | 103,920 | 91.1 | 9,432 | 8.3 | 644 | .6 | 113,996 | 255.7 |
| 1943-1945 ² . . . | 136,831 | 92.4 | 10,515 | 7.1 | 734 | .5 | 148,080 | 332.2 |
| Ratio of 1921-1923 to 1943-1945. | 351.7 | | 192.5 | | 354.6 | | 332.2 | |

¹ Expenditures reported to 3-1-1944.

² Amount appropriated by the 1943 session of the General Assembly.

The 1943-1945 state appropriations of \$148 million, which constitute the over-all biennial state cost of education to the Commonwealth, including federal grants,³ was the highest for the period, representing an increase of 232.2 percent over the 1921-1923 expenditures of \$44.6 million.

In addition to the expenditures listed above, other state appropriations are made for each biennium to the Department of Public Instruction. While related indirectly to education, those appropriations for Professional Examining and Licensure, the Historical Commission, and the State Board of Censors are not included in this study. The appropriation for vocational rehabilitation made to the Department of Labor and Industry is excluded also.

**PUBLIC SCHOOL SYSTEM APPROPRIATIONS—BY BIENNIA—
1921-1945**

Appropriations for the public school system include: grants to School Districts through the Department of Public Instruction; costs

³ Includes federal grants for vocational education, constituting about 2-3 percent of the total, but does not include federal grants for defense training.

of operation of specialized schools; the state's contribution to the School Employees' Retirement Fund; costs of operation of State Teachers Colleges; and costs of county and state supervision.

Total amounts expended or appropriated for support of the public school system, by these five categories, between 1921 and 1945 are shown below:

Public School System Expenditures (in thousands of dollars)—1921-1945

| Biennium For Which Appropriation Was Made | School ¹ Districts | Specialized Schools | Retirement Contri- butions | Teachers' ² Colleges | County and State Supervision | Total |
|--|----------------------------------|------------------------|----------------------------------|------------------------------------|------------------------------------|---------|
| 1921-1923 | 28,448 | 1,571 | 2,501 | 4,824 | 1,567 | 38,911 |
| 1923-1925 | 40,686 | 1,346 | 4,470 | 3,500 | 2,030 | 52,032 |
| 1925-1927 | 46,795 | 1,586 | 4,594 | 5,300 | 1,991 | 60,266 |
| 1927-1929 | 50,823 | 1,751 | 5,607 | 6,578 | 1,994 | 66,753 |
| 1929-1931 | 56,831 | 1,786 | 6,149 | 10,728 | 2,050 | 77,544 |
| 1931-1933 | 61,057 | 1,789 | 6,265 | 9,485 | 2,113 | 80,709 |
| 1933-1935 | 67,089 | 1,541 | 5,848 | 7,022 | 1,737 | 83,237 |
| 1935-1937 | 67,614 | 1,502 | 6,228 | 7,384 | 1,565 | 84,293 |
| 1937-1939 | 71,287 | 1,693 | 6,300 | 8,071 | 1,732 | 89,083 |
| 1939-1941 | 76,232 | 1,756 | 6,203 | 8,420 | 1,733 | 94,344 |
| 1941-1943 ³ | 85,552 | 1,771 | 6,172 | 8,480 | 1,946 | 103,920 |
| 1943-1945 ⁴ | 117,682 | 2,117 | 6,670 | 8,300 | 2,062 | 136,831 |
| Ratio 1943-1945 to 1921-1923 | 413.7 | 134.7 | 266.7 | 172.1 | 131.6 | 351.7 |

¹ Includes federal grants for vocational education. With the exception of state-wide administrative costs for vocational education and teacher training, amounting to about \$935 thousand for the 1941-1943 biennium, these appropriations are paid to the 2,546 school districts through the Department of Public Instruction.

² See footnotes on page 104.

³ Expenditures reported to 3-1-1944.

⁴ Amount appropriated by the 1943 session of the General Assembly.

These expenditures for the public school system showed steady increases from \$39 million in 1921-1923 to \$104 million in 1941-1943, an increase of 167 percent. For the 1943-1945 biennium \$137 million, the largest sum on record appropriated for this purpose, represents an increase of 251 percent over 1921-1923 expenditures.

APPROPRIATIONS TO SCHOOL DISTRICTS

Payments of appropriations to School Districts are made through the Department of Public Instruction on a "reimbursement" basis. The local School Districts disburse the amounts required to carry on their operations and, thereafter, make applications to the Department

for reimbursement from state funds, according to formulas prescribed by the General Assembly or by the federal government in case of federal grants.

State appropriations are distributed to School Districts as the state's contribution toward (1) teachers' salaries, tuition payments, and "closed" schools; (2) vocational education; (3) transportation of pupils to and from schools to encourage consolidation; and (4) financially handicapped school districts.

The following table shows biennial expenditures between 1921 and 1943, and the 1943-1945 appropriations, for these four categories of appropriations. Expenditures for vocational education, which are not paid to School Districts, are included, but have been deducted in the table from the total payments from appropriations in order to arrive at the actual amounts paid to the School Districts:

Payments to School Districts (in thousands of dollars)—1921-1945

| Biennium For Which Appropriation Was Made | Teachers' Salaries, Tuition, and Closed Schools ³ | Vocational Teachers' Salaries, Teachers' Training & ⁵ Supervision ⁶ | Transportation | Aid to Financially Handicapped School Districts | Total Payments From Appropriations ⁵⁻⁶ | Vocational Teacher Training and Supervision | Total Amount Paid to School Districts |
|---|--|---|----------------|---|---|---|---------------------------------------|
| 1921-1923 ... | 26,225 | 1,726 | 497 | ... | 28,448 | 312 | 28,136 |
| 1923-1925 ... | 38,383 | 1,604 | 699 | ... | 40,686 | 379 | 40,307 |
| 1925-1927 ... | 43,698 | 1,773 | 1,324 | ... | 46,795 | 405 | 46,390 |
| 1927-1929 ... | 47,500 | 1,723 | 1,500 | 100 | 50,823 | 441 | 50,382 |
| 1929-1931 ... | 52,500 | 1,251 | 2,980 | 100 | 56,831 | 511 | 56,320 |
| 1931-1933 ... | 56,000 | 2,307 | 1,500 | 1,250 | 61,057 | 528 | 60,529 |
| 1933-1935 ... | 57,306 | 1,936 | 2,872 | 4,975 | 67,089 | 442 | 66,647 |
| 1935-1937 ... | 58,458 | 2,197 | 3,016 | 3,943 | 67,614 | 565 | 67,049 |
| 1937-1939 ... | 61,510 | 3,152 | 3,629 | 2,996 | 71,287 | 802 | 70,485 |
| 1939-1941 ... | 63,769 | 3,412 | 4,552 | 4,499 | 76,732 | 964 | 75,268 |
| 1941-1943 ¹ .. | 70,784 | 4,062 | 6,870 | 3,835 | 85,552 | 935 | 84,616 |
| 1943-1945 ² .. | 102,300 ⁴ | 4,382 | 9,000 | 2,000 | 117,682 | 940 | 116,742 |
| Ratio 1943-1945 to 1921-1923 | 390.1 | 253.9 | 1801.1 | | 413.7 | 302.3 | 414.9 |

¹ Expenditures to 3-1-1944.

² Amount appropriated by the 1943 session of the General Assembly.

³ This item is commonly called "Support of Public Schools".

⁴ Includes regular appropriation of \$78 million for "Support of Public Schools" and special appropriation of \$24 million for "cost of living" increases in teachers' salaries.

⁵ The amounts appropriated for vocational education include, not only payments to School Districts for this purpose, but also state cost of supervision and training of teachers and other special items not expended by the school districts.

⁶ Includes federal grants for vocational education.

APPROPRIATION FOR "SUPPORT OF PUBLIC SCHOOLS"

The largest appropriation for the operation of the public school system and the second largest made from the General Fund of the Commonwealth for the 1943-1945 biennium is the one commonly known as the appropriation for "Support of Public Schools", which amounted to \$78 million for the biennium 1943-1945. This appropriation provides for making payments to School Districts covering the state's share of school teachers' salaries, the state's portion of tuition payments made by the one district to another for instruction to non-resident high school pupils, and grants for schools closed since 1911 or in accordance with provisions of the Act of April 25, 1901, (P.L. 105), to encourage consolidation of small schools.

During the biennia 1923-1925 and 1925-1927 this appropriation and several others were merged into one large appropriation, but the earlier system was resumed again in 1927-1929.

Expenditures from the appropriation for "Support of Public Schools" for the biennia between 1921 and 1943 inclusive, the appropriations for the 1943-1945 biennium, and the allocation for specific purposes are shown below:

| Expenditures for "Support of Public Schools" (in thousands of dollars)— | | | | |
|---|--|--------------------------------------|---------------------------------|-----------------------------|
| 1921-1945 | | | | |
| Biennium For Which Appropriation Was Made | Teachers' ¹ Salaries Allocation | High School Tuition Allocation | Closed Schools Allocation | Total Appro- priation |
| 1921-1923 | 25,874 | ... | 351 ² | 26,225 |
| 1923-1925 | 37,725 | ... | 658 ² | 38,383 |
| 1925-1927 | 42,598 | ... | 965 | 43,563 |
| 1927-1929 | 46,267 | ... | 1,233 | 47,500 |
| 1929-1931 | 50,976 | ... | 1,524 | 52,500 |
| 1931-1933 | 54,084 | 160 ³ | 1,756 | 56,000 |
| 1933-1935 | 55,124 | 318 | 1,864 | 57,306 |
| 1935-1937 | 56,114 | 370 | 1,974 | 58,458 |
| 1937-1939 | 58,991 | 411 | 2,108 | 61,510 |
| 1939-1941 | 60,976 | 502 | 2,291 | 63,769 |
| 1941-1943 ⁴ | 63,701 | 4,708 | 2,376 | 70,784 |
| 1943-1945 ⁵ | 93,700 ⁶ | 6,000 | 2,600 | 102,300 ⁶ |
| Ratio 1943-1945 to 1921-1923 | 364.9 | ... | 740.7 | 393.0 |

¹ Does not include vocational reimbursement for teachers in vocational education.

² Estimate.

³ Allocation made in 1932-1933 for 1931-1932, first school year for which payments were made.

⁴ Expenditures to 3-1-1944.

⁵ Allocations of 1943-1945 appropriation.

⁶ Includes special appropriation of \$24.3 "cost of living" increase for teachers' salaries granted by the General Assembly in 1943.

It will be noted that expenditures for teachers' salaries, tuition, and closed schools increased from \$26 million in the 1921-1923 biennium to \$71 million in 1941-1943, an increase of 173 percent. Then it rose to \$78 million in 1943-1945, an increase of 200 percent over 1921-1923. The 1943-1945 regular appropriation was supplemented by a special appropriation of \$24 million to provide temporary increases in teachers' salaries, granted by the General Assembly in 1943 as an emergency measure to meet the increased costs of living due to war conditions. Including this emergency appropriation with the 1943-1945 regular appropriation, the increase over 1921-1923 is 293 percent.

Since some state and federal grants for teachers' salaries are also included in expenditures for vocational education, the entire discussion of teachers' salaries will be undertaken later, when the combined amounts paid to School Districts for both categories of teachers' salaries are considered.

APPROPRIATIONS FOR TUITION—1931-1945

By act of the General Assembly, March 16, 1905 (P.L. 40), districts which did not maintain high schools for their own residents, were required to pay tuition to those districts which accommodated pupils sent to them for high school instruction. However, grants by the State of part of such tuition payments were not provided at that time. In 1931, however, legislation was enacted May 29, 1931 (P.L. 243), requiring the Commonwealth to subsidize tuition payments in accordance with a prescribed formula.

The 1931 formula provided for partial reimbursement of any School District, which maintained a "true valuation per teacher" of less than \$100,000, for such tuition payments, "provided that the percentage of the minimum salaries of teachers paid by the Commonwealth is higher in the school district where the pupils reside than in the district where they attend high school. The amount of state reimbursement for high school tuition shall be the percentage of such tuition as is equal to the excess in the percentage of teachers' salaries paid by the Commonwealth in the district where the pupils reside over the percentage of teachers' salaries paid by the Commonwealth in the district where the pupils attend: Provided, That the amount paid by the Commonwealth to a School District for the tuition of any high school pupil shall not exceed twenty dollars (\$20.00) a year."

The present basis for making reimbursements for tuition payments was changed by the Act of May 7, 1937 (P.L. 564). Under this Act the basis of "true valuation per teacher," on which the percentages of state reimbursements for tuition were determined, was divided into seven classes, ranging up to \$250,000 per teacher. The percentages of tuition costs which were to be reimbursed by the State ranged from 60 percent for the districts with true valuation per teacher of less than \$25,000 to 30 percent for districts with a "true valuation per teacher" of \$200,001, but not more than \$250,000.

The following table shows the seven classes established on the basis of "valuations per teacher" and the percentages of tuition costs to be reimbursed by the State to the local School District:

Tuition Reimbursement Basis—Effective June 1, 1941

| Districts Where Valuation Per Teacher is: | Per Cent State Reimbursement for Tuition |
|--|---|
| Not more than \$25,000..... | 60 |
| \$25,001-\$50,000 | 55 |
| \$50,001-\$75,000 | 50 |
| \$75,001-\$100,000 | 45 |
| \$100,001-\$150,000 | 40 |
| \$150,001-\$200,000 | 35 |
| \$200,001-\$250,000 | 30 |
| Over \$250,000 | None |

This schedule was intended to become effective July 1, 1939. However, the Commonwealth's General Fund was in financial straits when the 1939 session of the General Assembly met. Consequently, the effective date of this schedule was postponed by Act of June 26, 1939 (P.L. 1097) to June 1, 1941, to cover tuition expenditures in the school year 1940-1941 and thereafter.

This legislation resulted in a sharp increase in state subsidies for tuition to \$4.7 million in 1941-1943, which was 836 percent over such expenditures for the previous biennium and 1378 percent over 1933-1935 expenditure of \$318 thousand. It is estimated that subsidies for tuition in 1943-1945 will rise to \$6 million or 27.6 percent over 1941-1943. This will mean an over-all increase of 1786 percent in 1943-1945 over 1933-1935.¹

¹ See table on page 70.

APPROPRIATIONS FOR CLOSED SCHOOLS

Although the General Assembly in 1897 authorized consolidation of schools and permitted districts to close any school, provided the cost of transportation to other schools was less than the cost of operating local schools, no reimbursement was allowed for this purpose. On April 25, 1901 (P.L. 105) districts were permitted to establish centralized schools in an effort to encourage the closing of schools.

The School Code of May 18, 1911 (P.L. 309), contained a provision for reimbursement by the State to encourage consolidation of schools. Under this act districts were permitted to include in their total number of teachers (a factor in distributing the state appropriation at that time) one teacher for each closed school.

In 1921, the Edmonds Act of April 28, 1921 (P.L. 328) changed the basis for distributing state grants. Provision was made for the payment to all fourth class districts of \$200 per year for each school that had been closed permanently or discontinued since 1911 or which had been closed or discontinued in accordance with the provisions of the act of 1901. Consequently, the Commonwealth, since 1921, has been paying at the rate of \$200 per annum for many schools which have been torn down for years.

While the state reimburses fourth class districts \$200 per year for each closed school, the reduction in the number of teachers which would result from the closing of schools would produce a higher true valuation per teacher and may result in some districts receiving a lower percentage of state aid. Consequently, fourth class districts in computing true valuation per teacher are permitted by Act of April 30, 1925 (P.L. 374), to include one teacher for each teacher in every school closed since 1923. However, the department of Public Instruction, in calculating the true valuation per teacher, uses only the number of such teachers necessary to make the total equivalent to the number employed prior to the closing of such schools.

The total number of schools closed since 1901 on which grants are paid and the biennial state grants for these closed schools since 1921 are as follows:

Payments for Closed Schools—1921-1945

| Biennium Applicable | Schools Closed | Amount of Grant ¹ (thousands) | Ratio to 1921-1923 |
|------------------------------|-------------------|--|-----------------------|
| 1921-1923 | 877 | \$351 | 100.0 |
| 1925-1927 | 2,412 | 965 | 274.9 |
| 1927-1929 | 3,083 | 1,233 | 351.3 |
| 1929-1931 | 3,809 | 1,524 | 434.2 |
| 1931-1933 | 4,389 | 1,756 | 500.3 |
| 1933-1935 | 4,659 | 1,864 | 531.1 |
| 1935-1937 | 4,934 | 1,974 | 562.4 |
| 1937-1939 | 5,270 | 2,108 | 600.6 |
| 1939-1941 | 5,727 | 2,291 | 652.7 |
| 1941-1943 ² | 5,940 | 2,376 | 676.9 |
| 1943-1945 ³ | 6,500 | 2,600 | 740.7 |

¹ Amounts appropriated biennially for this purpose are not segregated. The amounts shown are estimated on the basis of the total number of closed schools at the end of each biennium multiplied by the \$200 for number of schools closed each year.

² Expenditures to 3-1-44.

³ Allocations of 1943-1945 appropriation.

Legislation providing payments to fourth class districts for closed schools has been a contributing factor in the discontinuance of one teacher, one room, and other small schools since 1923. At the end of the 1921-1923 biennium there were 877 closed schools on which grants were paid by the State. By 1943 the number had increased to 5,940 or 577 percent. The amount disbursed by the State for this purpose increased from \$351 thousand in 1921-1923 to \$2.4 million in 1941-1943 or 577 percent.

In 1942 a number of fourth class districts became third class districts, due to increases in population based on the 1940 census. In order that these districts would not be penalized, legislation was enacted on August 5, 1941 (P.L. 785) providing for the continuance of the closed school grants to those third class districts.

By Act of May 27, 1943 (P.L. 740) closed school grants were further expanded to include all third class districts in or coterminous

with townships. This act provides for payment of \$200 per annum for each school in third class districts closed since 1911 or in accordance with provision of the act of 1901.

APPROPRIATIONS FOR VOCATIONAL EDUCATION

The "Frame of Government" which William Penn prescribed for the Commonwealth in 1683 provided that all children within the Province shall be taught some useful trade or skill, to the end none be idle, but the poor may work to live and the rich, if they become poor, may not want.

While vocational education made some progress earlier, it was not until 1913 that state vocational aid for agriculture, home economics, and industrial education was provided by the Showalter Act of July 25, 1913 (P.L. 1249), which appropriated \$140,000 for these purposes.

The passage of the Smith-Hughes Act by the federal congress in 1917 was the beginning of federal grants to the states for vocational education. In that year the General Assembly of the Commonwealth accepted the provisions of that act and, as required, made appropriations in the sum of \$350,000 for vocational education. The Commonwealth since has made regular biennial appropriations for vocational education, which include four major items: (1) Commonwealth's contribution to salaries of teachers engaged in vocational education; (2) payments to colleges and universities for the training of vocational teachers; (3) state administrative costs in connection with vocational education; and (4) costs of special vocational education classes.

In 1937 the State accepted the provisions of the George-Deen Act approved by Congress on June 8, 1936, providing additional federal grants to the State for vocational education.

Federal contributions to vocational education in Pennsylvania are shown in the following tabulation, which sets forth expenditures from state appropriations for vocational education. However, reimbursements for teachers' salaries included in this appropriation are in addition to reimbursements for minimum salaries of all teachers covered by the

Edmonds Act, which are included in the appropriation for "Support of Public Schools."

**Expenditures for Vocational Education (in thousands of dollars)—
1921-1945¹**

| Biennium For Which Appropriation Was Made | Teachers' Salaries | Teachers' Training | Miscel- laneous | Super- vision | Total | Federal Grants | State Grants | Percent Federal to Total |
|--|-----------------------|-----------------------|--------------------|------------------|-------|-------------------|-----------------|--------------------------------|
| 1921-23 | 1,414 | 199 | None | 113 | 1,726 | 529 | 1,197 | 30.6 |
| 1923-25 | 1,225 | 201 | None | 178 | 1,604 | 802 | 802 | 50.1 |
| 1925-27 | 1,368 | 215 | None | 190 | 1,773 | 1,118 | 655 | 63.1 |
| 1927-29 | 1,282 | 211 | None | 230 | 1,723 | 1,030 | 693 | 59.8 |
| 1929-31 ⁴ | 741 | 199 | None | 312 | 1,252 | 691 | 561 | 55.2 |
| 1931-33 | 1,779 | 211 | None | 317 | 2,307 | 1,201 | 1,106 | 52.1 |
| 1933-35 | 1,494 | 174 | None | 268 | 1,936 | 1,023 | 913 | 52.8 |
| 1935-37 | 1,632 | 195 | \$81 | 289 | 2,197 | 1,356 | 841 | 61.7 |
| 1937-39 | 2,351 | 263 | 126 | 413 | 3,152 | 2,320 | 832 | 73.6 |
| 1939-41 | 2,448 | 306 | 172 | 486 | 3,412 | 2,242 | 1,170 | 65.7 |
| 1941-43 ² | 3,127 | 298 | 139 | 498 | 4,062 | 2,701 | 1,361 | 66.5 |
| 1943-45 ³ | 3,442 | 300 | 140 | 500 | 4,382 | 2,692 | 1,690 | 61.4 |
| Ratio 1943-45 to 1921-23 | 243.4 | 150.8 | ... | 442.5 | 253.9 | 508.9 | 141.2 | |

¹ Includes only additional reimbursements for vocational teachers' salaries.

² Expenditures to 3-1-44.

³ Appropriated in 1943 by the General Assembly.

⁴ The General Assembly made appropriations for one year instead of two.

It will be noted that there has been a considerable increase in the cost of vocational education both to the State and to the federal government. In 1921-1923 the combined costs amounted to about \$1.7 million and increased to \$4.4 million, the estimated cost for the biennium 1943-1945, an increase of 153.9 percent. However, \$529,000 or 30.6 percent of the combined total was received from the federal government in 1921-1923, reducing the cost of vocational education to the State to \$1,197,000.

In 1943-1945 it is estimated that the Commonwealth will receive from the federal government \$2,692,000 or 61.4 percent of the total, making the net cost to the State \$1,690,000. As a result, while total cost of vocational education increased 153.9 percent from 1921-1923 to 1943-1945, cost to the State increased only 41 percent.

TEACHERS' SALARIES IN THE PUBLIC SCHOOL OF PENNSYLVANIA

With the enactment of the free school law in 1834, the State Superintendent of Common Schools was authorized to collect statistics

relating to schools. In 1836 he reported average monthly salaries of \$18.34 for 2,428 male teachers and an average of \$11.96 for 966 female teachers in the Common Schools of the State. The school term for that year was four months and three days. The total number of "whole scholars" or full time pupils for that year was 139,604 with a total of 3,394 teachers, an average of 41 pupils to each teacher.

By 1850 the number of school teachers had risen to 10,907 with "whole scholars" having increased to 424,344. The 6,972 male teachers received an average salary of \$17.20 per month, while 3,935 female teachers received an average of \$10.15 per month for a school term of five months.

In 1900, male teachers received a monthly average salary of \$41.62 and female teachers an average of \$32.66 for an average term of eight months. In 1902, a year before the first minimum salary act was passed, the average monthly salaries for male teachers was \$42.98 and of female teachers \$33.34.

FIRST MINIMUM SALARY ACT

The year 1903 ushered in a new phase of state control of School District activities. Districts were required, under the Act of April 9, 1903 (P.L. 172), to pay all teachers a minimum salary of \$35 per month, effective during the school year 1904-1905. This measure marked the beginning of state regulation of minimum salaries for all public school teachers in the Commonwealth. However, the State continued to make appropriations in accordance with legislation enacted in 1897; namely, grants to School Districts, one-third of the grant allocated on the basis of number of teachers employed, one-third on the basis of number of pupils between the ages of six and sixteen, and one-third on the basis of taxable residents in each district.

SECOND MINIMUM SALARY ACT

The second minimum salary Act of May 31, 1907 (P.L. 336), effective for the school year 1907-1908, classified teachers into two groups and established minimum salaries for each group. This act provided that teachers with provisional certificates should receive \$40 per school month, while those with higher grade certificates and two years' experience should receive \$50 per school month.

For the first time the State was required by the Act to reimburse school districts for any increases in teachers' salary payments resulting from the establishment of minimum legal salaries. Reimbursements for these increases were paid from the state appropriation for public schools, and after such payments were deducted from this appropriation, the balance of the appropriation was allocated according to the formula set up in 1897.

THE PUBLIC SCHOOL CODE

The Public School Code, Act of May 18, 1911 (P.L. 309), revised the formula for distribution of state grants to School Districts. This code provided for increases in minimum teachers' salaries to \$45 and \$55 for the two classes of teachers, established in 1907, and provided that school districts be reimbursed out of state appropriations to the extent of the amount by which minimum salaries, fixed in the School Code, exceeded salaries paid by any School District in the school year beginning in June, 1906. The balance of the appropriation was to be distributed among the districts in accordance with the following formula: (1) one-half on the basis of the number of paid teachers in each district and (2) one-half on the basis of the number of pupils between the ages of six and sixteen.

MINIMUM SALARY ACT

The minimum salary schedule established in 1911 remained in effect until passage of the Act of July 28, 1917 (P.L. 1235), when a third classification of teachers was added, although the basis for distribution of state appropriations remained unchanged. The new classification provided that teachers with provisional certificates should receive \$45 per school month; those with professional and normal school certificates \$55, and those with permanent certificates and normal school diplomas \$60.

WOODRUFF SALARY ACT

Again by Act of July 10, 1919 (P.L. 910), minimum salaries were increased by what was known as the Woodruff Act. Minimum monthly salaries for teachers, as classified in 1917, were fixed at \$60, \$70 and \$80, respectively.

In addition, salary increases, as shown in the following table, were granted to all teachers, not affected by the change in minimum salaries, and to teachers for whom the increase did not equal 25 percent of their 1918-1919 pay.

| Monthly Salary | Percent of Increase |
|-------------------|---------------------|
| Below \$100 | 25 |
| \$100-\$150 | 20 |
| \$150-\$200 | 15 |
| Over \$200 | 10 |

The formula for reimbursements to second, third, and fourth class school districts, as set up in the Woodruff Act, made a definite departure from previous formulas. In this Act the qualifications of teachers were introduced as a direct basis for reimbursing the districts with definite amounts stipulated for each type of teacher. The second, third, and fourth class School Districts were entitled to reimbursement of \$5 per month for each teacher with a professional certificate, \$12.50 for teachers holding normal school certificates, and \$20 for those holding normal school diplomas, permanent certificates, or college certificates. The rural school districts received an additional grant of \$5 per teacher over and above the amount provided on the basis of certification. First class School Districts, however, were reimbursed by a different method and received 50 percent of the increases in salaries which resulted from the Woodruff Act.

All these reimbursements were paid from the state appropriation for public schools and, after such payments were deducted from this appropriation, one-half of the remainder was allocated among the various districts on the basis of the number of teachers and the other half on the basis of the number of pupils between the ages of 5 and 16 years in each district.

THE EDMONDS ACT

As early as 1838 the possibility of a distribution formula which might favor the wealthier and more populous counties was feared by many school boards. An effort to eliminate this danger was made in the Edmonds Act of April 28, 1921 (P.L. 328) which adopted population as a measure of the individual ability of the various dis-

tricts to support their own public schools. The four classes of School Districts, established in 1911 by the School Code on the basis of population, were used as the base of a new formula for distributing grants to School Districts, as shown by the following table:

**State Reimbursement for Teachers' Salaries as Established by
Edmonds Act—1921**

| Class of District | Population of the District | Minimum ¹ Elementary Salary | Period | Percent of Salary Reimbursed | Amount of Reimbursement Per Teacher |
|-------------------|----------------------------|--|--------|------------------------------|-------------------------------------|
| First | Over 500,000 | 1,200 | Year | 25 | 300 |
| Second | 30,000-500,000 | 1,000 | Year | 35 | 350 |
| Third | 5,000-30,000 | 1,000 | Year | 35 | 350 |
| Fourth | Under 5,000 | | | | |
| | Elementary | 100 | Month | 50 | 50 |
| | High School | 130 | Month | 50 | 65 |

¹ While minimum salaries were also established for principals, supervisors, and high school teachers, reimbursement by the state for such salaries was based on the minimum salaries of elementary school teachers in all except fourth class districts. Consequently, only changes in minimum salaries of elementary school teachers are shown after 1921, as changes in high school teachers' salaries (other than fourth class districts) did not affect state reimbursements.

The Edmonds Act also provided for minimum annual salaries and annual increments for the teaching and supervisory staffs. It also provided reimbursement of a portion of all teachers' salaries, based on specified percentages of minimum salaries of elementary teachers in first, second, and third class districts and on minimum salaries of elementary and secondary school teachers in fourth class districts, as indicated by the table above.

**THE AMENDED EDMONDS ACT—TRUE VALUATION
PER TEACHER**

The Edmonds Act was amended by the Act of May 23, 1923 (P.L. 328) to change the basis for state reimbursement for teachers' salaries. This legislation was intended to establish a more equitable basis for distribution of state funds.

Until 1921 state grants for teachers' salaries had been apportioned principally on the basis of numbers of taxable residents, teachers,

and pupils. In 1921 total population in each district was introduced as a basis. Under these formulas no consideration was given to the wealth of particular districts. To correct this condition, the amendment of 1923 introduced a new feature in the reimbursement formula; namely, "true valuation" of all real property in each district to the number of teachers.

In arriving at the "true valuation," the law provides that the assessed valuation of real estate in each district at the end of every second year be divided by the average ratio of assessed valuations to true valuations for three years immediately preceding the date on which such true valuation is determined. In other words, if a district had an assessed valuation of \$100,000 and reported the average ratio of assessed valuation to true valuation as 50 percent, the "true valuation" for the district was determined as \$200,000. To arrive at the "true valuation per teacher," the "true valuation" was divided by the number of teachers, principals, and supervisors employed by the district. The State Council of Education was given final and conclusive power to take such action as may be necessary to determine any question raised in arriving at these true valuations.

As pointed out elsewhere in this report, School Districts do not determine valuation of property. This function has been assigned by law to other municipal sub-divisions of the Commonwealth. In fact, the School Laws specifically say that School Districts, in levying their taxes, must use the assessed valuations of the local sub-divisions coterminous with them. However, though the School Districts do not make the assessment, they are required to determine the ratio of assessed valuation to true valuation.

Assessments in Pennsylvania for county purposes are presently made on a county-wide basis by Boards of Assessments and Revision of Taxes. All School Districts, except those located in cities of the third class, where assessments for purposes of city and school taxes are established by the city assessors, use their county assessments in levying school taxes.

The Constitution of the Commonwealth, Article IX, Section 1, provides that all taxes shall be uniform upon the same class of subjects within the same territorial limitations. This provision presupposes that

all assessments made for county purposes should be on a uniform basis within the county. Therefore, all School Districts within one county, using that county's assessments, would be expected to have the same ratio of assessed valuation to true valuation. An analysis of the reports filed by School Districts indicates that such is not the case. In all counties there are different ratios reported by individual School Districts in the same counties.

In fourth to eighth class counties, while county assessments are required to be uniform on the basis of the constitutional provision, assessments are made by assessors independently elected for each township and each ward of each of the boroughs and cities without county-wide supervision. Consequently, the only way by which corrections in assessments could be made was by appeals of individuals or municipalities to the County Commissioners, sitting as boards of revision.

In 1943 this condition was somewhat alleviated by establishment of a Board of Assessment and Revision of Taxes for each of the fourth to eighth class counties, consisting of three county commissioners, with power to establish rules and regulations for uniform assessment throughout the county and to review assessments to ascertain whether they are within those prescribed rules and regulations. If the Boards of Assessments and Revision of Taxes in those counties will exercise these powers, they can make constructive revisions toward uniformity. These valuations, as finally established by these boards, are still subject to appeal by taxpayers or by municipalities to the courts.

In first, second, and third classes of counties the principle of uniform county-wide assessment of property for purposes of levying county taxes has been in effect for more than a decade. In these counties the laws established boards of assessment and revision with the power to appoint assessors and prescribe the methods for assessing. The boards of assessment have attempted to establish and carry out a uniform basis of assessment throughout the county. It would, therefore, be expected that in those counties, at least, all School Districts within any one county would show the same ratio of assessed valuations to true valuations. This, again, is not the case. The following table indicates

the degree of variation in ratios of assessed valuations to true valuations for the second and third class counties:

Ratios Established by State Council of Education for School Districts Coterminous with Boroughs and Townships in Second and Third Class Counties—1941-1942 School Year

| Ratio to True Valuation | SCHOOL DISTRICTS | | | | |
|-------------------------|------------------|-------------------|----------------|-------------------|---------------------|
| | Allegheny County | Lackawanna County | Luzerne County | Montgomery County | Westmoreland County |
| 100 | 19 | 34 | 61 | 11 | 16 |
| 95 | 5 | 1 | | | 3 |
| 92 | 1 | | | | |
| 90 | 10 | | | 5 | 2 |
| 89 | | | | | 1 |
| 85 | 3 | | 1 | 4 | 3 |
| 80 | 28 | 1 | 1 | 3 | 10 |
| 75 | 13 | 1 | | 10 | 7 |
| 72.5 | 1 | | | | |
| 70 | 8 | | | 3 | 3 |
| 66 2/3 | 3 | | | 1 | |
| 65 | 9 | | | 4 | 1 |
| 62.5 | 1 | | | | |
| 60 | 13 | | | 4 | 2 |
| 50 | | 1 | | 10 | 9 |
| 45 | | | | 2 | |
| 42.5 | | | | 1 | |
| 40 | | | | 4 | 1 |
| 35 | | | | 1 | |
| 33 1/3 | | | | 2 | |
| 30 | | | | 1 | |
| Totals | 114 | 38 | 63 | 66 | 58 |

Pennsylvania's counties have statutory powers to arrive at uniform valuations for assessment purposes. If these powers, greatly strengthened by passage in 1943 of the assessment law for fourth to eighth class counties, are properly exercised, it is possible to set a ratio of assessed value to true value which would apply uniformly to all School Districts within each county. Until this is done, both within the individual counties and within the Commonwealth as a whole, any "true valuation per teacher" formula intended to produce an equitable distribution of state aid will fall far short of accomplishing the desired results.

During the 1941-1943 biennium 75.7 percent of fourth class districts and 53.7 percent of third class districts received their grants

from the Commonwealth for minimum salaries for teachers under the "true valuation per teacher" formula. Since the approval of the 1923 Edmonds Act, which first specified the formula, the same "true value per teacher" has been introduced into the formulas for reimbursement for tuition, transportation, and for vocational education. Consequently, this factor in the matter of state reimbursements has gained in importance.

From the above statements it is apparent that the State should have a definite interest in the methods used to determine valuations of real estate as they are applied for reimbursement purposes. So long as these valuations are not determined by methods uniformly adopted throughout the Commonwealth or even in individual counties, wide variations among districts cannot be avoided, and the formulas for determination of state grants will continue to enable some districts to obtain an unjust share of the total appropriation provided by the State for aid to public schools while other districts will receive less than the amount to which they are entitled.

Though the State Council of Education has legislative authority to approve or disallow ratios of assessed to true values, as submitted for approval by the districts, it lacks the full-time organization and funds that would be required to check the accuracy of the submitted figures. Such a task could be properly handled only by some state agency authorized to prescribe assessment methods and standards.

THE AMENDED EDMONDS ACT¹—METHOD OF REIMBURSEMENT

Under an amendment of May 23, 1923 (P.L. 328), to the Edmonds Act reimbursement for districts having a true valuation per teacher over \$100,000 retained the original Edmonds Act principles whereby the population basis which determines the class of district still governs. In districts where the true valuation per teacher is less than \$100,000, greater reimbursements are made. This is the basic method by which state reimbursement presently is made to districts with the 1941 and 1943 acts superimposed on it.

The following table shows the different percentages by which the State is required to reimburse particular classes of School Districts for all certificated members of the teaching and supervisory staffs. In all but fourth class districts reimbursements are prescribed percentages of the legal minimum salaries for elementary teachers. In the case of fourth

class districts, the percentages reimbursed by the State are based on minimum salaries established for high school as well as for elementary teachers.

**State Reimbursements for Teachers' Salaries—Under Amended
Edmonds Act of 1923**

| True Valuation Per Teacher | Minimum Salary | | Percent Reimbursement | Per Teacher Reimbursement |
|---|----------------|--------|--------------------------|------------------------------|
| | Amount | Period | | |
| First Class Districts—Elementary Teachers | | | | |
| Over \$100,000 | 1,200 | Year | 25 percent | 300 per year |
| Second and Third Class Districts—Elementary Teachers | | | | |
| Over \$100,000 | 1,000 | Year | 35 percent | 350 per year |
| \$50,000-\$100,000 | 1,000 | Year | 60 percent | 600 per year |
| Less than \$50,000 | 1,000 | Year | 75 percent | 750 per year |
| Fourth Class Districts—Elementary Teachers | | | | |
| Over \$100,000 | 100 | Month | 50 percent | 50 per month |
| \$50,000-\$100,000 | 100 | Month | 60 percent | 60 per month |
| Less than \$50,000 | 100 | Month | 75 percent | 75 per month |
| Fourth Class Districts—High School Teachers | | | | |
| Over \$100,000 | 130 | Month | 50 percent | 65 per month |
| \$50,000-\$100,000 | 130 | Month | 60 percent | 78 per month |
| Less than \$50,000 | 130 | Month | 75 percent | 97.50 per month |

It will be noted that the higher the true valuation per teacher (up to \$100,000) the lower the percentage of teachers' minimum salaries reimbursed by the State. In first class districts the state grant for teachers' salaries was \$300 per year per teacher or 25 percent of the minimum salary payments to elementary teachers; in second and third class districts, it ranged from \$350 to \$750 per teacher, or 35 percent and 75 percent respectively; and in fourth class from \$400 to \$675 for elementary teachers, or 50 percent and 75 percent respectively, on the basis of an eight month term.

Minimum salaries in fourth class districts were on a monthly basis, for these districts were required to maintain a minimum school term of only eight months, although they could extend the term, if desired. As a result, some of these districts operated on an eight-month school term, some on a ten-month term, while others were on terms varying between eight and ten months. However, districts were reimbursed on the basis of the number of months of operation.

The 1923 amendment to the Edmonds Act, increasing the percentage of teachers' salaries reimbursed by the State, was largely responsible for the sharp increase in state grants for teachers' salaries from \$27.3 million in 1921-1923 to \$39 million in 1923-1925 or 44.6 percent.¹

TEACHERS' SALARY INCREASE

The Edmonds Act was amended again by Act of August 5, 1941 (P.L. 783) in respect to minimum salary schedules and the basis for reimbursement. Increases in state grants to School Districts for teachers' salaries from 1923 to 1941 depended entirely upon increases in number of teachers employed and changes in true valuations per teacher. As a result of these factors, state grants for teachers' salaries amounted to \$63.4 million in the 1939-1941 biennium compared with \$39 million in 1923-1925, an increase of 62.6 percent.¹

The General Assembly by Act of August 5, 1941 (P.L. 783) increased minimum salaries for teachers in fourth class districts. No change was made in minimum salaries of teachers in the other districts at that time. The entire cost of this increase was assumed by the State. This increase raised the salaries in fourth class districts from \$100 per month (\$800 per eight-month school year) to an annual salary of \$1,000 in elementary schools and from \$130 per month (or \$1,040 for an eight-month term) to \$1,200 per year in the high schools. The act also provided for two annual increments of \$50 each to both elementary and secondary teachers.

State reimbursements for teachers' salaries increased to \$66.8 million in 1941-1943, 5.4 percent greater than in 1939-1941. This increase was due principally to legislation just discussed. During the 1941-1943 biennium the two increments for teachers having over one and two years' service became effective, requiring an additional increase in the appropriation. The estimated grant for teachers' salaries for the 1943-1945 biennium is \$97.1 million.

¹ See table on page 92.

The effect of the increases granted in 1941 on the percentage of teachers' minimum salaries to be reimbursed by the State to fourth class districts is shown in the following table.

**Increases in Basis of State Reimbursements of Teachers' Salaries
To Fourth Class School Districts—1923 to 1943**

| | ELEMENTARY | | | HIGH SCHOOL | | |
|--|--------------------------------|---------------------------------|------|--------------------------------|---------------------------------|------|
| | Teachers' Minimum Salary | State's Share Amount Percent | | Teachers' Minimum Salary | State's Share Amount Percent | |
| True Valuation Per Teacher—Over \$100,000 | | | | | | |
| 1923 Salary Act | | | | | | |
| 8-month term..... | 800 | 400 | 50 | 1,040 | 520 | 50 |
| 1941 Salary Increase.... | 200 | 200 | 100 | 160 | 160 | 100 |
| | 1,000 | 600 | 60 | 1,200 | 680 | 56.6 |
| 1941 Minimum Salary.. | 1,000 | 600 | 60 | 1,200 | 680 | 56.6 |
| Two yearly increments.. | 100 | 100 | 100 | 100 | 100 | 100 |
| | 1,100 | 700 | 63.6 | 1,300 | 780 | 60 |
| 1941 Minimum After Two Years' Service... | 1,100 | 700 | 63.6 | 1,300 | 780 | 60 |
| True Valuation Per Teacher—Under \$50,000 | | | | | | |
| 1923 Salary Act | | | | | | |
| 8-month term..... | 800 | 600 | 75 | 1,040 | 780 | 75 |
| 1941 Salary Increase.... | 200 | 200 | 100 | 160 | 160 | 100 |
| | 1,000 | 800 | 80 | 1,200 | 940 | 78.3 |
| 1941 Minimum | 1,000 | 800 | 80 | 1,200 | 940 | 78.3 |
| Two yearly increments.. | 100 | 100 | 100 | 100 | 100 | 100 |
| | 1,100 | 900 | 81.8 | 1,300 | 1,040 | 80 |
| 1941 Minimum After Two Years' Service.. | 1,100 | 900 | 81.8 | 1,300 | 1,040 | 80 |

The foregoing table shows that the State reimburses the average fourth class district \$200 in order to raise the minimum starting annual salary of an elementary teacher from \$800 (8 months at \$100 each) to \$1,000. In cases where the districts have longer terms, the reimbursement for this purpose is the difference between the \$1,000 minimum starting salary and \$100 multiplied by the number of months in school term. For instance, if a district had a school term of nine months, the district would receive only \$100 additional reimbursement instead of \$200. This same principle of reimbursing also applied to salaries of high school teachers. The two increments of \$50 for each year's service are paid to the fourth class districts by the State, regardless of the length of the term beyond eight months.

As a result of these increases in minimum salaries in fourth class districts, the percentage of such salaries paid by the State, where the "true valuation" per teacher is over \$100,000, increased from 50 percent to 63.6 percent in elementary schools and from 50 percent to 60 percent of high school salaries. In cases where the true valuation per teacher is less than \$50,000, the percentage reimbursed by the Commonwealth increased from 75 percent to 81.8 percent in elementary schools and from 75 percent to 80 percent in high schools. The increase in teachers' minimum salaries in elementary schools with a true valuation per teacher under \$50,000 increased from \$800 to \$1100 or 37½ percent, (including the two annual increments of \$50), while the amount reimbursed by the State increased from \$600 to \$900 or 50 percent.

THE 1943 EMERGENCY TEACHERS' SALARY INCREASE

The General Assembly by the Act of May 28, 1943 (P.L. 786), temporarily increased salaries of all members of the teaching and supervisory staffs of all districts who earned less than \$3500 per year. This measure was intended to offset the increased costs of living due to the war. The act as passed is effective only for the school years 1943-1944 and 1944-1945. The entire cost of this emergency increase was borne by the State in accord with the following schedule:

| 1941-1942 Salaries | Temporary Increases |
|-------------------------|------------------------|
| \$1,000 - \$1,099 | \$300 |
| \$1,100 - \$1,499 | 250 |
| \$1,500 - \$1,999 | 200 |
| \$2,000 - \$2,999 | 150 |
| \$3,000 - \$3,499 | 100 |
| \$3,500 and over | 0 |

While the amendment to the Edmonds Act in 1923 established fixed percentages of salaries as the basis by which the Commonwealth would reimburse the School Districts, based upon "true" valuation per teacher, the increase in minimum salaries of teachers in fourth class districts in 1941 and the emergency increases granted in 1943 to all teachers earning less than \$3,500 per year, substantially raised the percentage of the State's reimbursements for teachers' salaries to the districts.

The following table shows the effect of these increases since 1923 on the percentage of reimbursements by the state on minimum salaries of elementary school teachers in fourth class districts:

**Minimum Salaries and State Grants—Elementary Teachers
Fourth Class Districts—1943-1945**

| | 8-Month School Year | 9-Month School Year |
|---|------------------------|------------------------|
| Commonwealth's Share | | |
| 75 percent of 1923 base pay of \$100 per month | 600 | 675 |
| Increase of minimum to \$1,000 per year in 1941 | 200 | 100 |
| Two annual increments of \$50 each —1942-1943 and 1943-1944 .. | 100 | 100 |
| Emergency increase, 1943-1944 and 1944-1945 | 300 | 300 |
| Total Commonwealth Share | 1,200 | 1,175 |
| Total Local Share | 200 | 225 |
| Total Present Salary | 1,400 | 1,400 |
| Commonwealth's Contribution... | 85.7 percent | 83.9 percent |
| Local Contribution | 14.3 percent | 16.1 percent |

In 1923 the minimum salary of an elementary teacher in a fourth class district (having a true valuation per teacher of less than \$50,000) was \$800 of which \$600, or 75 percent, was reimbursed by the State. Due to increases granted in 1941 and 1943, the minimum annual salary for the school years 1943-1944 and 1944-1945 will increase to \$1,400 or 75 percent. The State's share in these years, however, will be increased to \$1,200, an increase of 100 percent over 1923, due to the fact that the increases granted in 1941 and 1943 were assumed entirely by the State. Consequently, the State's share of minimum salaries of elementary teachers in fourth class districts increased from 75 percent of such salaries in 1923 to 85.7 percent for the years 1944 and 1945.

**REIMBURSEMENTS FOR TEACHERS IN SPECIAL EDUCATION
AND EXTENSION SCHOOLS**

In addition to reimbursements under the basic formulas, the districts receive state reimbursements for salaries of full time teachers in special education and extension schools—in first class districts, 25

percent of the basic minimum salary; and in second, third, and fourth class districts, 30 percent of the basic minimum salary.

Reimbursement by the State for salaries of part time teachers in this group is on the same percentage basis as for full time teachers. However, in no event can the state reimbursement exceed 80 percent of the teacher's salary.

While these reimbursements were first made in 1925, segregation of funds appropriated for these purposes was not made until 1933-1935. In that biennium \$599 thousand or only 0.9 percent of the total state appropriation for all teachers' salaries was appropriated for this purpose. The allocation for the 1943-1945 biennium was \$597 thousand or 0.6 percent of the total.

TEACHERS' SALARIES IN VOCATIONAL SCHOOLS

The minimum salaries provided by law for teachers in academic schools also apply to teachers in vocational schools. However, districts, operating vocational schools, receive extra state reimbursements for salaries paid to vocational teachers in addition to the basic percentages used in determining reimbursements for academic teachers' salaries. The following schedule shows the basis for such additional grants:

Percentage of Additional Reimbursement for Salaries of Vocational Teachers

| Class of District | True Valuation per Teacher | | |
|-------------------|----------------------------|------------------------------|-------------------------------|
| | More Than \$200,000 | \$100,000 to \$200,000 | Not More Than \$100,000 |
| 1st Class | 25% | 25% | 25% |
| 2nd Class | 40% | 45% | 50% |
| 3rd Class | 40% | 45% | 50% |
| 4th Class | 40% | 45% | 50% |

The Act of July 1, 1937 (P.L. 2548) further provides that fourth class districts shall be reimbursed twenty percent of salaries for approved instruction in academic subjects in rural community vocational schools and that no district, regardless of class, shall be reimbursed from state and federal funds more than 80 percent of the salary paid to any teacher.

In the last decade state reimbursements (including federal grants) for vocational teachers' salaries have increased substantially from \$1,494

thousand in the 1933-1935 biennium to \$3.4 million appropriated for the 1943-1945 biennium or 130 percent.

SUMMARY OF STATE REIMBURSEMENTS FOR TEACHERS' SALARIES—1921-1945

Reimbursements by the State for teachers' salaries constitute the major part of grants to School Districts of the Commonwealth, as shown in the following table:

Biennial State Grants to School Districts (in thousands of dollars)—1921-1943

| | Total Payments to ¹ School Districts | Payments to School ¹ Districts for Teachers' Salaries | Percent of Total |
|-----------------|--|--|------------------------|
| 1921-1923 | 28,448 | 27,288 | 95.9 |
| 1927-1929 | 50,823 | 47,549 | 93.6 |
| 1933-1935 | 67,089 | 56,618 | 84.4 |
| 1939-1941 | 76,232 | 63,424 | 83.2 |
| 1941-1943 | 85,552 | 66,828 | 78.1 |
| 1943-1945 | 117,682 | 97,142 | 82.5 |

¹ Includes federal grants for instructional purposes.

It will be noted that state grants for teachers' salaries amounted to 82.5 percent of the total amount distributed to districts for the 1943-1945 biennium and compared with 95.9 percent of the total in the 1921-1923 biennium. The increase to \$97.1 million for the 1943-1945 biennium, 259 percent over the \$27.2 million expended in 1921-1923, was due largely to the increases in minimum salaries throughout the period and to the increases in the percentages of such salaries assumed by the State. During this period the total teaching and supervisory staff of all districts combined increased from 45,485 in 1921 to 61,312 for school year 1942-1943, or only 34.8 percent. The appropriation for emergency salary increases for the 1943-1945 biennium amounts to approximately \$24 million or about 20 percent of the total grant to School Districts for that biennium.

As a result of increase in reimbursement for teacher salaries, total state grants distributed to districts increased from \$28.4 million in 1921-1923 to \$85.5 million in 1941-1943 or 201 percent. For the 1943-1945 biennium \$117.7 million has been appropriated for the purpose, an increase of 37.6 percent over the 1941-1943 expenditures and 314 percent over the 1921-1923 expenditures.

Of the total reimbursements for teachers' salaries, only a small percentage (less than 4.2 percent in 1943-1945) was for salaries of teachers in special education, extension, and vocational schools.

The following table shows the amounts reimbursed or appropriated by the State for all classes of teachers' salaries during the period 1921-1945.

**Biennial Expenditures for Teachers' Salaries (in thousands of dollars)
By Classes of Teachers—1921-1945**

| Biennium for Which Appropriation Was Made | Edmonds ¹ Act | Extension Education | Special Education | Vocational Education | Total |
|--|-----------------------------|------------------------|----------------------|-------------------------|--------|
| 1921-1923 | 25,874 | None | None | 1,414 | 27,288 |
| 1923-1925 | 37,725 | None | None | 1,225 | 38,950 |
| 1925-1927 | 42,463 | ² | \$135 | 1,368 | 43,966 |
| 1927-1929 | 46,267 | ² | ² | 1,282 | 47,549 |
| 1929-1931 | 50,976 | ² | * | 741 ³ | 51,717 |
| 1931-1933 | 54,084 | ² | ² | 1,779 | 55,863 |
| 1933-1935 | 54,525 | \$98 | 501 | 1,494 | 56,618 |
| 1935-1937 | 55,543 | 81 | 490 | 1,633 | 57,747 |
| 1937-1939 | 58,409 | 79 | 503 | 2,351 | 61,342 |
| 1939-1941 | 60,362 | 90 | 524 | 2,448 | 63,424 |
| 1941-1943 | 63,099 | 91 | 511 | 3,127 | 66,828 |
| 1943-1945 ³ | 93,103 | 93 | 504 | 3,442 | 97,142 |

¹ Includes reimbursement for salaries of all teachers covered by the Edmonds Act, as amended.

² Included under Edmonds Act.

³ Allocations from 1943-1945 appropriations.

TRANSPORTATION OF PUPILS

Transportation of pupils by School Districts was first regulated by the Commonwealth in 1897. In that year districts were authorized to close or consolidate schools, as conditions permitted, and to furnish free transportation for pupils transferred to other schools, provided the cost of transporting pupils was less than the cost of operating schools which otherwise might be closed. The cost of transportation was borne entirely by the districts under this Act of June 22, 1897 (P.L. 181). No reimbursement of transportation costs was made by the State prior to 1919.

As a result of subsequent legislation, enacted between 1919 and 1943, various changes in the basis for distribution of state appropriations for transportation of pupils were effected.

The Act of June 18, 1919 (P.L. 498), appropriated funds for reimbursing the districts for transportation costs. Under this act the State reimbursed all districts 50 percent of these costs, where they resulted from the consolidation of schools or for transportation of pupils to and from joint consolidated schools maintained by one or more districts, provided the total amount paid to any one district did not exceed \$3,000 per annum. In fourth class districts reimbursement also included costs of transportation of pupils from schools closed because enrollments were ten pupils or less. The total amount reimbursed by the State in such cases was not to exceed \$1.00 per day per pupil.

The Act of May 13, 1925 (P.L. 628) materially changed the basis of reimbursements for transportation. Instead of the flat 50 percent reimbursement to all districts, this act set up three classes. Districts with a "true valuation per teacher" of more than \$100,000 continued to receive 50 percent, while for those with a valuation of \$50,000 to \$100,000 per teacher the percentage was raised to 60 percent, and for those with a valuation of \$50,000 or less, the reimbursement was raised to 75 percent. Furthermore, in districts receiving a higher percentage reimbursement, the maximum limitation per annum was raised from \$3,000 to \$4,000. A further limitation was set up, however, providing that total reimbursement should not exceed one dollar per day per pupil for the number of days of transportation to and from school. This act also removed the previous limitation, whereby reimbursement was limited to transportation of pupils to and from consolidated schools. Reimbursements now cover costs of transporting all pupils residing more than two miles from the schools to which they are assigned, thereby effecting a major policy change and substantially increasing the state disbursements for transportation.

The Act of July 1, 1937 (P.L. 2589), effective in 1941, again increased the state's share of transportation costs, which was authorized to range from 50 percent to 90 percent of such costs. This act grouped districts on the basis of their "true valuation per teacher" with percentages of reimbursement ranging from 50 percent for districts with

a valuation of more than \$250,000 to 90 percent for districts with a valuation of \$25,000 or less.

The following schedule shows the present basis for state reimbursements of pupil transportation costs:

Percentage of Transportation Costs Presently Reimbursed by State

| Districts With True Valuation Per Teacher | Percent of State Reimbursement |
|---|--------------------------------|
| \$25,000 or less | 90 |
| \$25,001 to \$50,000 | 80 |
| \$50,001 to \$75,000 | 75 |
| \$75,001 to \$100,000 | 70 |
| \$100,001 to \$150,000 | 65 |
| \$150,001 to \$200,000 | 60 |
| \$200,001 to \$250,000 | 55 |
| More than \$250,000 | 50 |

The maximum state reimbursement to any district may not exceed \$8,000 per year or more than \$1.00 per day per pupil for the actual number of days of transportation to and from school. In addition, reimbursement for costs of transporting mentally and physically handicapped children are made to the districts on the same basis as reimbursement for other pupils.

TRANSPORTATION APPROPRIATIONS—1917-1945

The first state appropriation for reimbursement of transportation costs, made for the 1917-1919 biennium, amounted to \$350,000. By 1943-1945 the biennial appropriations for this purpose had increased to \$9,000,000. This large increase was due principally to legislation which increased the number of pupils required to be transported as a result of the closing of certain schools (one classroom schools in fourth class districts with ten or less pupils enrolled), the consolidations of two or more schools, the transportation of handicapped pupils and the voluntary transportation of high school pupils for which districts are reimbursed also. In addition, the percentages of state reimbursement increased substantially.

The following table shows the sums appropriated for this purpose from 1921 to 1943:

| Biennium | State Reimbursement for Transportation Costs | Ratio to 1921-1923 |
|------------------------------|--|-----------------------|
| 1921-1923 | 497,061 | 100.0 |
| 1923-1925 | 698,816 | 140.6 |
| 1925-1927 | 1,323,786 | 266.3 |
| 1927-1929 | 1,500,000 ^a | 301.8 |
| 1929-1931 | 2,979,985 | 599.5 |
| 1931-1933 | 1,499,877 ^a | 301.7 |
| 1933-1935 | 2,871,998 | 577.8 |
| 1935-1937 | 3,015,586 | 606.7 |
| 1937-1939 | 3,628,801 | 730.0 |
| 1939-1941 | 4,552,117 | 915.8 |
| 1941-1943 ¹ | 6,870,059 | 1382.1 |
| 1943-1945 ² | 9,000,000 | 1810.6 |

¹ Expenditures to 3-1-44.

² Appropriated in 1943 by the General Assembly.

^a Apparently, appropriations in 1927-1929 and 1931-1933 were inadequate, with the result that a part of the reimbursements for transportation during those biennia was paid from appropriations of the succeeding biennia.

In 1925-1927 state reimbursement for transportation of pupils to and from school increased sharply to \$1.3 million or almost double the expenditures of the preceding biennium. This large increase was due primarily to legislation enacted in 1925, increasing the percentages of state reimbursement. Since 1925-1927 there has been a continuous increase in these reimbursements. In 1941-1943 they amounted to \$6.9 million or 430 percent more than in 1925-1927. For the 1943-1945 biennium \$9 million was appropriated for this purpose by the General Assembly, an increase of 30 percent over the 1941-1943 expenditures and 592 percent over 1925-1927.

STATE AID TO "FINANCIALLY HANDICAPPED" SCHOOL DISTRICTS

Prior to 1927, aid to "handicapped districts" was provided from income received by the State School Fund, established by the School Code and managed by the State Council of Education. Until 1935, all receipts of state forest reservations, water-rights, and state real estate not used for state or public purposes, as well as all escheated estates were accumulated in this fund. Money from these sources was

invested by the State Council of Education. The income from the investments, together with all income from state rental and certain other sources, was earmarked for use in equalizing educational advantages throughout the State; for loans to local School Districts; and for promotion of education in the public schools in conservation of national resources, in forestry, and in agricultural and industrial pursuits, as determined by the State Council of Education.

State aid to "financially handicapped" School Districts is presently provided from appropriations from the General Fund by the General Assembly. The amount of these appropriations varies considerably from biennium to biennium, depending upon economic conditions and the need that the General Assembly feels exists or may develop in such School Districts. When these appropriations are exhausted, this aid is discontinued until the General Assembly appropriates additional amounts. The appropriations are distributed at the discretion of the Department of Public Instruction which investigates the necessity in the district applying for aid. Payments are usually made on conditions that School District officials agree to correct faulty administration of school affairs, where possible.

APPROPRIATIONS FOR AID TO FINANCIALLY HANDICAPPED SCHOOL DISTRICTS

The first specific appropriation from the General Fund for financially handicapped School Districts was made in 1927. The records show that the sum of \$99,700 was expended from this appropriation during the 1927-1929 biennium, and \$99,956 in 1929-1931. In 1931-1933 the amount increased substantially to \$1.2 million and in 1933-1935 it rose to \$5.0 million, 317 percent over the 1931-1933 expenditures. Since then state aid has fluctuated materially, ranging from \$3 million in 1937-1939 to \$4.5 million in 1939-1941. Appropriations for 1943-1945 amounted to \$2 million, 60 percent below appropriations for the 1933-1935 biennium.

While state aid for financially handicapped districts showed material changes between 1931 and 1943, the average payments to individual districts also showed wide fluctuations, ranging from an average payment of \$3,712 per district in the school year 1938-1939 to \$10,826 in 1942-1943.

The following table shows the biennial expenditures for financially handicapped districts between 1933 and 1943, the number of districts which received aid in each year, total annual disbursements, and the average annual amount distributed:

**Aid to Financially Handicapped Districts
1933 to 1943¹**

| School Year in Which Paid | Biennial Appropriation Expenditures (thousands) ² | Number of Districts in Which Aid Was Given | Annual Amounts Distributed (thousands) ² | Average Per District |
|---------------------------------|---|---|--|----------------------------|
| 1933-1934 | 4,975 | 521 | 2,490 | 4,779 |
| 1934-1935 | | 533 | 2,266 | 4,251 |
| 1935-1936 | 3,943 | 307 | 1,923 | 6,263 |
| 1936-1937 | | 332 | 2,065 | 6,220 |
| 1937-1938 | 2,996 | 368 | 1,610 | 4,375 |
| 1938-1939 | | 429 | 1,593 | 3,713 |
| 1939-1940 | 4,499 | 388 | 2,117 | 5,456 |
| 1940-1941 | | 349 | 2,337 | 6,696 |
| 1941-1942 | 3,835 ³ | 236 | 1,887 | 7,996 |
| 1942-1943 | | 167 | 1,808 | 10,826 |
| 1943-1944 | 2,000 ⁴ | ... | | |
| 1944-1945 | | | | |

¹ Furnished by the Department of Public Instruction.

² The "biennial appropriation expenditures" represent amounts expended from appropriations applicable to that biennium, while "annual amounts distributed" represent expenditures during the school year in which they were made, regardless of the date of the appropriation.

³ Expenditures to March 1, 1944.

⁴ Appropriated in 1943 by the General Assembly.

The solution of the problem of so-called financially handicapped districts has apparently not been found in the present method of state aid. During the period 1933-1942 the number of districts receiving aid ranged from 533 in 1935 to 167 in 1943. The districts receiving this aid, throughout the period 1933-1943, were located in 62 of the 67 counties.

It will be noted from the above table that the expenditures of \$3.8 million in 1941-1943 were only 23 percent less than the \$5 million spent in 1933-1935, despite the smaller number of recipients and improved economic conditions in the latter biennium. This

indicates that the question of aid to financially handicapped School Districts is not a problem limited to depression periods, nor one of a temporary nature.

APPROPRIATIONS FOR SPECIALIZED SCHOOLS

Appropriations by the General Assembly for specialized schools cover the costs of operating three state special educational institutions as well as services purchased from privately operated schools which furnish education for the blind and the deaf.

Financial assistance from the State was first given to the Pennsylvania Institute for the Deaf and Dumb¹ about ten years after it was established in 1820. Since then other private schools, furnishing education to the deaf and the blind, were founded. At present educational services for the deaf and blind are purchased from the following schools:

- (1) Pennsylvania School for the Deaf
- (2) Pennsylvania Institution for Instruction of the Blind
- (3) Western Pennsylvania School for the Deaf
- (4) Western Pennsylvania School for the Blind

State appropriations for education of the blind and the deaf in private institutions are distributed on the same basis as reimbursement to local School Districts for educating such pupils, namely, the State pays 75 percent of the cost of tuition and maintenance of such pupils and the district in which the pupil resides pays 25 percent.² Where districts provide special education for the deaf and the blind, reimbursement is included in the grant for teachers' salaries distributed to such district. In cases where the pupils are sent to one of the state aided private schools, the State pays the entire cost directly to the institution, but deducts the districts' share from grants to those districts.

¹ Now known as Pennsylvania School for the Deaf.

² The Commonwealth pays 100 percent of the cost of educating deaf or blind children between the ages of 6 and 21 if the school district in which they reside cannot be determined. In cases of children under 6 years of age or persons over 21 the Commonwealth pays 100 percent of the cost.

EXPENDITURES FOR SPECIALIZED SCHOOLS—1921-1945

Of the three special educational institutions maintained by the Commonwealth, one provides education for the deaf and two are schools for orphaned children.

The Pennsylvania State Oral School for the Deaf was established at Scranton in 1883 with financial aid from the State. In 1914 the State took over ownership of the school and has operated it since.

The Thaddeus Stevens Industrial School is located at Lancaster. It is operated by the State for homeless indigent boys between the ages of sixteen and eighteen years and is devoted to vocational education.

The Pennsylvania Soldiers' Orphans Home at Scotland provides education for orphaned boys and girls. The school provides elementary, junior high, and senior high school education.

The cost to the State for this type of special education has fluctuated within a relatively narrow range between 1921 and 1943, as follows:

State Expenditures (in thousands of dollars) for Specialized Schools—1921-1945

| Biennium for Which Appropriation Was Made | Education of Blind and Deaf | Penna. State Oral School | Home for Training in Speech | Penna. Soldiers' Orphans School | Thaddeus Stevens Industrial School | Total Specialized Schools |
|--|-----------------------------------|-----------------------------------|--------------------------------------|--|---|---------------------------------|
| 1921-1923 | 1,055 | 97 | 78 | 276 | 65 | 1,571 |
| 1923-1925 | 939 | 72 | 78 | 207 | 50 | 1,346 |
| 1925-1927 | 979 | 117 | 105 | 300 | 85 | 1,586 |
| 1927-1929 | 1,134 | 110 | 97 | 325 | 85 | 1,751 |
| 1929-1931 | 1,155 | 129 | 87 | 308 | 107 | 1,786 |
| 1931-1933 | 1,143 | 170 | 76 | 300 | 100 | 1,789 |
| 1933-1935 | 1,059 | 150 | 24 | 250 | 58 | 1,541 |
| 1935-1937 | 1,053 | 150 | .. | 249 | 50 | 1,502 |
| 1937-1939 | 1,131 | 155 | .. | 312 | 95 | 1,693 |
| 1939-1941 | 1,135 | 179 | .. | 347 | 95 | 1,756 |
| 1941-1943 ¹ . . . | 1,104 | 181 | .. | 380 | 106 | 1,771 |
| 1943-1945 ² . . . | 1,330 | 207 | .. | 450 | 130 | 2,117 |

¹ Expenditures to 3-1-1944.

² Appropriated in 1943 by the General Assembly.

It will be noted that total expenditures increased from \$1,571 thousand in the 1921-1923 biennium to \$1,771 thousand in 1941-1943, or 12.7 percent. The appropriation for the 1943-1945 biennium was \$2,117 thousand, an increase of 19.5 percent over 1941-1943. This was the largest biennial increase in the period 1921 to 1943.

APPROPRIATIONS FOR PUBLIC SCHOOL EMPLOYEES' RETIREMENT FUND

The Public School Employes' Retirement System was established by the General Assembly by Act of July 18, 1917 (P.L. 1043) and became operative two years later. The fund is administered by a Board of eight members, consisting of the following: the Superintendent of Public Instruction; the Treasurer of the Commonwealth; one member appointed by the Governor; three members of the Retirement Association (elected by the Association for three years); one member, not an employe or an officer of the state government, elected by the other members of the Board; and the Executive Secretary of the Pennsylvania State School Directors' Association.

In 1919, when the Retirement Fund was put into operation, the liability for retirement benefits, based on previous salaries and services of public school employes, was fixed at \$61 million. Under the Act of 1917, one-half of this amount was payable by the State and one-half by the employing school districts over a period of thirty years. The Act provided for semi-annual payments by the State and the districts in amounts equal to a total of 2.8 percent of the total compensation of all eligible and enrolled members in the retirement system for services rendered in the preceding school year. However, due to the unusually large increases in compensation of school employes since the last war, the legal reserves accumulated so rapidly that the entire sum would have been fully accumulated before expiration of the thirty-year period. Consequently, by Act of April 28, 1925 (P.L. 354), the rate of payment was reduced in 1925 to 2 percent of the total compensation of the preceding school year and in 1933 under Act of May 4, 1933 (P.L. 265), upon recommendation of the actuary, the rate was reduced further to 1.6 percent.

The current costs of maintaining the fund (exclusive of provision for benefits based on past services) for old employes as well as new members, (persons employed since the system was established, who were required by the Act of 1917 to belong to the retirement system) were apportioned on the following basis—one-half to be deducted periodically from employes' salaries, one-fourth to be contributed by the district, and one-fourth by the State. All contributions were based

on a percentage of the employes' salaries, with earnings of the fund at the rate of four percent, compounded annually, guaranteed by the State. Employes were declared eligible for retirement at the age of sixty-two and compelled to retire at seventy. The fund is required to provide for all members on retirement an annual pension of approximately one-eightieth of the average salary over the previous ten years, multiplied by the number of years of service.

The following table shows all sums appropriated to the Retirement Fund by the State between 1921 and 1943:

| | Biennial State Appropriations to the Retirement Fund (in thousands of dollars) | Ratio to 1921 |
|------------------------------|--|------------------|
| 1921-1923 | 2,501 | 100.0% |
| 1923-1925 | 4,470 | 178.7% |
| 1925-1927 | 4,594 | 183.7% |
| 1927-1929 | 5,607 | 224.2% |
| 1929-1931 | 6,149 | 245.9% |
| 1931-1933 | 6,265 | 260.6% |
| 1933-1935 | 5,848 | 233.8% |
| 1935-1937 | 6,228 | 249.0% |
| 1937-1939 | 6,300 | 251.9% |
| 1939-1941 | 6,203 | 248.0% |
| 1941-1943 ¹ | 6,172 | 246.8% |
| 1943-1945 ² | 6,670 | 266.7% |

¹ Expenditures to March 1, 1944.

² Appropriated in 1943 by the General Assembly.

It will be noted that state expenditures for the Retirement Fund increased sharply from \$2.5 million in 1921-1923 to \$6.1 million in 1929-1931, an increase of 146 percent. However, since the 1929-1931 biennium, expenditures showed only minor changes and in 1943-1945 the appropriation amounted to \$6.7 million, an increase of 167 percent over 1921-1923.

APPROPRIATIONS TO STATE TEACHERS COLLEGES

The establishment of free public schools in 1834 created the problem of maintaining a sufficient supply of qualified teachers for

the rapidly expanding school population. The colleges in existence at that time had few students in training for public school teaching. Consequently, of necessity, a large number of teachers was provided by various academies which received state grants on condition that a small number of needy students be trained for the teaching profession without cost to themselves. However, the number of teachers, provided by the colleges and academies between 1834 and 1854, was quite small in relation to the expanding number of schools in urgent need of teachers.

In 1854, with the creation of the office of county superintendents, county normal schools were established under their supervision. In 1857 a normal school act was passed, dividing the State into twelve districts in which state normal schools might be established. This legislation was merely permissive and provided no state reimbursement for the cost of operating such schools. It was not until 1893 that state normal schools were established in all twelve districts. While these schools were known as State Normal Schools, they were private institutions, recognized by the State.

The first state appropriation for normal schools was made in 1861, when \$5,000 was paid to both the Millersville Normal School and the Edinboro Normal School. By 1865 the State had appropriated and distributed \$15,000 to each of the four schools operating at that time. In the general appropriation act of 1866 provision was made to allow 50 cents per week to each student preparing to teach in public schools and a payment of \$50 bonus to each graduate who pledged himself to teach two years in the common schools of the Commonwealth.

From 1869 to 1911, when the School Code provided for the purchase of all normal schools by the Commonwealth, various appropriations were made from time to time, both for operating and construction costs in these schools.

Purchase of the normal schools by the State began in 1911 and was consummated in 1918. The total purchase cost of these schools to the Commonwealth was more than \$1.6 million.

In 1926 the fourteen extant state normal schools became State Teachers Colleges with a four-year prescribed course, leading to a

degree of Bachelor of Science in Education. The State Teachers Colleges and the number of full time students in each in 1921, 1928, 1940, 1943, follows:

| | Number of Full Time Students | | | |
|---|------------------------------|--------------|--------------|--------------|
| | 1921 | 1928 | 1940 | 1943 |
| State Teachers College at: | | | | |
| Bloomsburg | 265 | 682 | 581 | 253 |
| California | 191 | 878 | 611 | 186 |
| Clarion | 97 | 289 | 307 | 129 |
| East Stroudsburg | 224 | 769 | 487 | 203 |
| Edinboro | 135 | 593 | 264 | 106 |
| Indiana | 408 | 1,379 | 1,425 | 762 |
| Kutztown | 318 | 573 | 459 | 243 |
| Lock Haven | 124 | 442 | 409 | 146 |
| Mansfield | 354 | 815 | 547 | 231 |
| Millersville | 429 | 570 | 531 | 194 |
| Shippensburg | 269 | 654 | 478 | 167 |
| Slippery Rock | 207 | 783 | 545 | 189 |
| West Chester | 621 | 1,325 | 1,545 | 758 |
| Cheyney Training School for Teachers..... | ¹ | 127 | 207 | 134 |
| Total | <u>3,642</u> | <u>9,879</u> | <u>8,396</u> | <u>3,701</u> |

¹ Established 1921 as a State Training School.

The number of students in State Normal Schools in 1921 totaled 3,642 and by 1928 the number in the teachers' colleges had increased to 9,879, an increase of 171 percent. In 1940, the number had declined to 8,396 or 15 percent less than the number in 1928, but 131 percent greater than in 1921. During this period average daily attendance of pupils in the elementary and secondary public schools of the State increased 18.8 percent in 1928 over 1921 and in 1940 average daily attendance of public school pupils was 4.3 percent higher than in 1928 and 24 percent higher than in 1921. However, over-all enrollment in public schools of the Commonwealth has declined since 1933 when the total was 1,777,503. In 1938 it had declined to 1,705,192 and by 1941 to 1,612,483, a decline of 9.3 percent since 1933. This decline, prior to the war, indicates that there will be less need in the future to train as many public school teachers as in the past.

In 1943 the number of students in State Teachers' Colleges had declined sharply to 3,701 or a decrease of 63 percent from 1928 and 56 percent from 1940. This sharp decline was due to the war. Average daily attendance in the public schools, on the other hand, declined only 10 percent in 1943 from 1928 and 13.5 percent from 1940.

The net cost to the Commonwealth for State Teachers' Colleges increased substantially between 1921 and 1929. Expenditures for this purpose increased from \$4.8 million in the 1921-1923 biennium to \$6.6 million in the 1927-1929 biennium, an increase of 37 percent. With the decline in the number of students in these colleges after 1928, expenditures also declined and in 1941-1943 amounted to \$4.1 million, a decline of 37.9 percent from the peak in 1927-1929. This represented, however, a decrease from 1921-1923 of 15 percent compared with an increase of 1.6 percent in the number of students. For the 1943-1945 biennium, the estimated net cost to the State of \$4 million was only \$140 thousand under the 1941-1943 expenditures, despite a reduction of 13.5 percent in total number of students between 1940 and 1943.

The net cost to the State, when reduced to a per student basis, however, declined from \$526.93 in 1921-1923 to \$438.80 in 1941-1943 or 17 percent.

The following table shows the cost to the State for Teachers' Colleges between 1921 and 1943:

State Expenditures for Teachers Colleges—1921-1943 (in thousands of dollars)

| Biennium | Total Expenditures | Tuition Income and Other Receipts | Net Cost to State ¹ |
|-----------------|--------------------|-----------------------------------|--------------------------------|
| 1921-1923 | 4,824 | ² | 4,824 |
| 1923-1925 | 3,500 | ² | 3,500 |
| 1925-1927 | 5,300 | ² | 5,300 |
| 1927-1929 | 6,578 | ² | 6,578 |
| 1929-1931 | 10,728 | 5,774 ³ | 4,954 |
| 1931-1933 | 9,485 | 4,973 ³ | 4,512 |
| 1933-1935 | 7,022 | 4,032 ⁴ | 2,990 |
| 1935-1937 | 7,384 | 4,190 ⁴ | 3,194 |
| 1937-1939 | 8,071 | 4,399 ⁴ | 3,672 |
| 1939-1941 | 8,420 | 4,703 ⁴ | 3,717 |
| 1941-1943 | 8,480 | 4,340 ⁴ | 4,140 |
| 1943-1945 | 8,300 ⁵ | 4,300 ⁶ | 4,000 |

¹Prior to 1929 receipts by the various State Teachers Colleges were collected and retained by the individual colleges. For that period the state appropriation for Teachers Colleges represented the cost to the State for this purpose. After 1929 these receipts were collected by the State and deposited with other receipts in the General Fund. Consequently, the net cost to the state for Teachers Colleges after 1929 was the difference between expenditures from the appropriations and the amounts collected by the colleges and deposited in the State Treasury.

²Receipts retained by colleges.

³Deposited in General Fund and not credited to appropriation.

⁴Deposited in General Fund and credited to appropriation.

⁵Appropriated in 1943 by the General Assembly.

⁶Estimated.

STATE APPROPRIATIONS FOR COUNTY AND STATE SUPERVISION OF PUBLIC SCHOOLS

COUNTY SUPERVISION OF PUBLIC SCHOOLS

It was evident to the early advocates of free public schools that successful operation of these schools could not be attained without proper supervision. As early as 1843 the General Assembly provided by Act of April 8, 1843 (P.L. 191), for the appointment of school inspectors and in 1854, Act of May 8, 1854 (P.L. 617), for the election of a County Superintendent by the School Directors of each county. The superintendent's duties were to see that the curriculum, as prescribed by law and by the Board of School Directors, was taught adequately, to examine and certify teachers, and to make periodic visits to various schools in his county. Since that time the value of this office in the school system has been recognized by legislation governing the duties and salaries of County Superintendents.

The School Code of 1911, establishing the present school system in Pennsylvania, provided minimum salaries for County Superintendents on the basis of the number of schools under the superintendent's supervision. The salary was fixed at the rate of \$15.00 annually for each of the first hundred schools in the county and \$5.00 for each additional school, with a minimum salary of not less than \$1,500 per year and a maximum not more than \$2,000. Increases above these amounts, granted by the county School Directors, were deductible from other state funds apportioned to School Districts.

In 1917 the minimum salaries of County Superintendents were further increased, Act of July 6, 1917 (P.L. 737), by raising the minimum payment for each additional school over the first hundred per county from \$5.00 to \$10.00 per school, with a minimum annual salary of \$2,000 and a maximum of \$2,500. These minimum salaries remained in effect until 1923. However, in 1919 the State provided by Act of May 27, 1919 (P.L. 300), funds to pay necessary traveling expenses not to exceed \$500 annually of each County Superintendent.

In 1923 the minimum salaries of County Superintendents were increased again and were based upon the population of the various counties, Act of May 23, 1923 (P.L. 328). These rates remained in

effect until 1929, when they were again increased, Act of May 7, 1929 (P.L. 1587). Since 1929, no change has been made.

Following are the present minimum salaries of County Superintendents, prescribed by the General Assembly in 1923 and 1929 and paid entirely by the State:

| Population of County | 1923 Minimum Annual Salary | 1929 and Present Minimum Annual Salary |
|---|-------------------------------|--|
| Less than 20,000 | \$2,500 | \$3,000 |
| 20,000, but less than 45,000 | 3,000 | 3,500 |
| 45,000, but less than 150,000 | 3,500 | 4,000 |
| 150,000 or more | 4,000 | 4,500 |
| <hr/> | | |
| Salaries of all Assistant County Superintendents and supervisors of special education | 2,500 | 3,000 |

In addition to the County Superintendents, provision was made for Assistant County Superintendents, based on the number of teachers in each county under the superintendent's supervision. The State also assumes payment of the full amount of their minimum salaries. The number of assistants permitted a county superintendent is determined as follows:

| Number of Teachers in County | Number of Assistants |
|--------------------------------|----------------------|
| 150, but less than 550 | 1 |
| 550, but less than 1,050 | 2 |
| 1,050 or more | 1-5 ¹ |

¹ One assistant for each 500 teachers, but not more than five assistants.

In addition to the Assistant County Superintendents, in counties having more than 550 teachers, a Supervisor of Special Education is appointed. In counties with less than 550 teachers a Joint Supervisor of Special Education is provided to serve two, but not more than three counties.

The State also provides funds to pay each member of the County Board of School Directors the sum of \$5.00 for each meeting, but not to exceed \$60.00 per year. All other expenses of the County Board of School Directors, as well as those of County Superintendents, are paid by the counties.

As a result of the expansion in the number of assistant county superintendents and supervisors, as well as the increases in the mini-

mun salaries and allowances for traveling expenses (all of which are assumed by the State), the Commonwealth's biennial appropriations for this purpose have risen steadily between 1921 and 1943, as shown in the next table.

STATE SUPERVISION OF PUBLIC SCHOOLS

State supervision of public schools in Pennsylvania began in 1834, when the Secretary of the Commonwealth was given the additional title of Superintendent of Common Schools. The office of Superintendent of Common Schools continued as a part time position until 1857, when the General Assembly separated the two offices and created the Department of Education (as the Department of Public Instruction was then called) with a Superintendent of Common Schools. The Superintendent was appointed by the Governor with the approval of the senate. This act united all of the educational activities of the State, and led to further authority to interpret school laws, to direct school finances, to recommend study courses, to inspect educational activities, to issue certain certificates to teachers, and to be represented on boards of teachers' colleges. The office of County Superintendent, established in 1854, aided materially in the progress toward statewide supervision of public education.

In 1911 the State Department of Public Instruction, in accordance with the school code adopted in that year, consisted of a Superintendent, two Deputy Superintendents, three Experts in Specialized Education, four Inspectors, and the necessary clerks.

Under the Administrative Code of 1923 which reorganized the government of the Commonwealth, various professional examining boards and the State Board of Censors were placed in this department as departmental administrative bodies.

To provide funds to operate this department, the General Assembly appropriated the sum of \$115,800 for the 1911-1913 biennium. By 1923-1925, expenditures for this purpose had increased to \$988 thousand or 753 percent. Since 1923-1925 the cost of operating the Department of Public Instruction has declined and the appropriation for the 1943-1945 biennium amounted to \$624 thousand or a decrease of 37 percent from 1923-1925.

The following table shows the cost to the Commonwealth for county and state supervision from 1921 to 1945:

State Expenditures for County and State Supervision—1921-1945

| Biennium for Which Appropriation Was Made | County Supervision (in thousands) | Percent of Total | State Supervision (in thousands) | Percent of Total | Total (in thousands) |
|--|---|---------------------|--|---------------------|-------------------------|
| 1921-1923 | 895 | 57.1 | 672 | 42.9 | 1,567 |
| 1923-1925 | 1,042 | 51.3 | 988 | 48.7 | 2,030 |
| 1925-1927 | 1,070 | 53.7 | 921 | 46.3 | 1,991 |
| 1927-1929 | 1,113 | 55.8 | 881 | 44.2 | 1,994 |
| 1929-1931 | 1,193 | 58.0 | 857 | 42.0 | 2,050 |
| 1931-1933 | 1,290 | 61.0 | 823 | 39.0 | 2,113 |
| 1933-1935 | 1,126 | 64.8 | 611 | 35.2 | 1,737 |
| 1935-1937 | 997 | 63.7 | 568 | 36.3 | 1,565 |
| 1937-1939 | 1,075 | 62.0 | 657 | 38.0 | 1,732 |
| 1939-1941 | 1,154 | 66.5 | 579 | 33.5 | 1,733 |
| 1941-1943 | 1,333 | 68.5 | 613 | 31.5 | 1,946 |
| 1943-1945 ¹ . . . | 1,438 | 69.7 | 624 | 30.3 | 2,062 |
| Ratio 1943-1945 To 1921-1923 | 160.7 | | 92.8 | | 131.6 |

¹ Appropriated in 1943 by the General Assembly.

Throughout the period 1921 to 1945, the cost of county and state supervision increased from \$1.6 million in the 1921-1923 biennium to \$2 million appropriated for the 1943-1945 biennium or 31.6 percent. While the cost of county supervision increased 60.7 percent during this period, the cost of state supervision decreased 7.2 percent. In 1921-1923 county supervision absorbed 57.1 percent of supervision costs and by 1943-1945 it had increased to 69.7 percent of the total.

The following table shows a comparison between the cost of state supervision, and the payments to school districts for each biennium from 1921-1923 to 1923-1925.

State Payments from Appropriations to School Districts and Expenditures for State Supervision—1921-1945 (in thousands of dollars)

| Biennium for Which Appropriation Was Made | Expenditures for State Supervision | Ratio to 1921-1923 | Total Expenditures for Public School System | Ratio to 1921-1923 |
|--|--|-----------------------|---|-----------------------|
| 1921-1923 | 672 | 100.0 | 38,911 | 100.0 |
| 1923-1925 | 988 | 147.0 | 52,032 | 133.7 |
| 1925-1927 | 921 | 137.0 | 60,266 | 154.9 |
| 1927-1929 | 881 | 131.1 | 66,753 | 171.6 |
| 1929-1931 | 857 | 127.5 | 77,544 | 199.3 |
| 1931-1933 | 823 | 122.5 | 80,709 | 207.4 |
| 1933-1935 | 611 | 90.9 | 83,237 | 213.9 |
| 1935-1937 | 568 | 84.5 | 84,293 | 216.6 |
| 1937-1939 | 657 | 97.8 | 89,082 | 228.9 |
| 1939-1941 | 579 | 86.2 | 94,344 | 242.5 |
| 1941-1943 | 613 | 91.2 | 103,920 | 267.1 |
| 1943-1945 | 624 | 92.8 | 136,831 | 351.7 |

It will be noted that while appropriations for the Public School System, which constituted 90.3 percent of the state's expenditures for educational purposes, increased 251.7 percent from 1921-1923 to 1943-1945, the cost of operating the Department of Public Instruction declined 7.2 percent.

STATE APPROPRIATIONS TO COLLEGES, UNIVERSITIES, AND OTHER EDUCATIONAL INSTITUTIONS

APPROPRIATIONS FOR UNIVERSITIES AND COLLEGES

The first expenditure by the State for educational purposes was made in the Revolutionary War, when £25,000 was appropriated to the University of Pennsylvania. Thereafter, state aid was granted to various academies, in most cases, in the sum of \$2,000 at the time the academy was chartered, with the provision that a certain number of needy students be given free instruction. Between 1783 and 1829 such grants were made to approximately sixty academies. During the period from the close of the Revolutionary War to 1836, grants either in the form of money or state land were also made to ten of the thirteen chartered colleges.

In 1838 the General Assembly provided for annual appropriations to academies, colleges, and universities which were intended to extend over a period of ten years. Under this legislation, colleges and universities with a staff of at least four professors and teaching at least one hundred pupils, received \$1,000 yearly. Each institution, maintaining one or more teachers, and having at least fifteen pupils, received \$300; those with twenty-five pupils, \$400; and those with forty received \$500 per year.

Due to the condition of the Commonwealth's finances, as well as the pressure from other institutions for state aid, this legislation was in effect for only six years.

By 1909 state biennial grants had risen to \$1,037,510, all of which was distributed to the Universities of Pennsylvania and Pittsburgh and Pennsylvania State College. By 1919 the appropriation increased to \$3,786,462 or 265 percent and was distributed to five

universities and colleges, including Temple University and Duquesne University.

The following table shows appropriations to universities and colleges between 1909 and 1919:

| Institutions | 1909-1911 | 1911-1913 | 1913-1915 | 1915-1917 | 1917-1919 | 1919-1921 |
|----------------------------|-----------|-----------|-----------|-----------|---------------------|---------------------|
| State College . . | 482,510 | 805,000 | 1,220,000 | 900,000 | 1,275,000 | 1,786,462 |
| University of Pennsylvania | 230,000 | 795,000 | 820,000 | 750,000 | 800,000 | 1,000,000 |
| University of Pittsburgh . | 325,000 | 275,000 | 400,000 | 600,000 | 675,000 | 750,000 |
| Duquesne University . | .. | .. | .. | .. | 15,000 ² | 50,000 ² |
| Temple University . | .. | 125,000 | 100,000 | 125,000 | 170,000 | 200,000 |
| Total | 1,037,510 | 2,000,000 | 2,540,000 | 2,375,000 | 2,935,000 | 3,786,462 |

¹ Report of Citizen's Committee on the Finances of Penna. (Part II) 1922.

² The appropriation for Duquesne University was not distributed, as it was later determined that this was a denominational school. Under Article 3, Section 18 of the State Constitution, financial aid to such institutions is not permitted.

At the present time, there are five universities and colleges and three medical schools which receive state financial aid. No set formula is used for determining these grants. Consequently, appropriations for each biennium are based entirely on the General Assembly's estimate of their needs.

However, the Universities of Pennsylvania, Pittsburgh, and Temple, and Pennsylvania State College are obliged, under the Barr Resolution of 1925, to grant to each of the fifty members of the Senate of the General Assembly the right to appoint three scholarship students. These scholarships are not awarded on a competitive basis, but the appointees must meet the admission requirements, as determined by each institution. Although it is the intention of the universities in granting these scholarships to increase the educational opportunities for persons lacking the means to attend college, such is not always the case. There has never been any direct relation between state grants to universities and colleges and the number or value of these scholarships.³

³ For further discussion of this subject, see Report on the Organization and Administration of the Government of the Commonwealth of Pennsylvania, published by the Joint Legislative Committee on Finances, commonly known as the Sterling Committee Report of 1934.

The following table shows expenditures from state appropriations to universities and colleges for the biennia 1921-1923 to 1941-1943, and the appropriation for 1943-1945.

Expenditures from Appropriations—1921-1945
State Aided Universities and Colleges (in thousands of dollars)

| Biennium for Which Appropriation Was Made | Penna. State College | Univ. of Penna. | Univ. of Pgh. | Lincoln Univ. | Women's Medical College | Jefferson Medical College | Hahnemann Medical College | Temple Univ. | Total |
|---|----------------------|-----------------|---------------|---------------|-------------------------|---------------------------|---------------------------|--------------|--------|
| 1921-1923 .. | 2,631 | | | | | | | | |
| 1923-1925 .. | 2,168 | 1,230 | 900 | .. | 20 | .. | .. | 270 | 5,051 |
| 1925-1927 .. | 2,358 | 1,230 | 900 | .. | 20 | .. | .. | 270 | 4,588 |
| 1927-1929 .. | 4,000 | 1,292 | 900 | .. | 50 | .. | .. | 270 | 4,870 |
| 1929-1931 .. | 6,311 | 1,500 | 1,000 | .. | 64 | \$135 | \$50 | 400 | 7,149 |
| | | 1,500 | 1,200 | .. | 70 | 145 | 100 | 600 | 9,926 |
| 1931-1933 .. | 5,060 | | | | | | | | |
| 1933-1935 .. | 3,708 | 1,650 | 1,320 | .. | 90 | 85 | 110 | 660 | 8,975 |
| 1935-1937 .. | 3,707 | 1,485 | 1,188 | .. | 81 | 78 | 99 | 594 | 7,233 |
| 1937-1939 .. | 4,274 | 1,485 | 1,188 | .. | 81 | 75 | 99 | 750 | 7,385 |
| 1939-1941 .. | 4,460 | 1,585 | 1,188 | \$50 | 100 | 125 | 110 | 900 | 8,332 |
| | | 1,485 | 1,238 | 50 | 100 | 125 | 100 | 900 | 8,458 |
| 1941-1943 .. | 5,049 | | | | | | | | |
| 1943-1945 ¹ .. | 5,290 | 1,485 | 1,238 | 75 | 120 | 150 | 150 | 900 | 9,167 |
| Ratio 1943-1945 | | 1,650 | 1,376 | 100 | 120 | 165 | 165 | 1,250 | 10,116 |
| To 1921-1923 | 192 | | | | | | | | |
| | | 121 | 138 | | 600 | | | 333 | 200 |

¹ Appropriated in 1943 by the General Assembly. This does not include federal aid to state college which is received from the federal government by the State and paid over to the college through the general fund. This amounted to \$100,000 per biennium for 1923 to 1937.

The amounts increased in the last four biennia and are as follows: 1935-37—\$179,000; 1937-39—\$336,307; 1939-41—\$376,000; and 1941-43—\$366,000.

These amounts were not included in the expenditures of the Department of Public Instruction by the Budget Bureau and were classified as miscellaneous.

Total expenditures from appropriations for universities and colleges amounted to \$5 million in 1921-1923 and were distributed to five universities and colleges. By 1941-1943 the amount expended had increased to \$9.2 million or 82 percent, while the number of universities and colleges receiving aid had increased from five to eight. For the 1943-1945 biennium \$10.1 million was appropriated, an increase of 100 percent over 1921-1923.

The grants of \$5.3 million to Pennsylvania State College accounted for approximately 52 percent of the total appropriation for the 1943-1945 biennium. The next highest grant was to the University of Pennsylvania, which amounted to \$1.6 million or about 16 percent of the total, while the University of Pittsburgh received \$1.3 million. With the exception of the grant of \$1.2 million to Temple University, 12 percent of the total, the grants to the other four universities and

Education, although state grants are made to only five of these. Most of the other institutions are denominational or sectarian institutions and, therefore, are ineligible for state aid. However, under the Act of July 18, 1919 (P.L. 1044), provision was made for competitive scholarships of \$100 per year for four years to enable students to attend any approved college or university in the Commonwealth. These scholarships are limited to one for each county, except where there is more than one senatorial district in a county, in which case one scholarship is awarded for each senatorial district. No more than eighty scholarships can be awarded in any one year.

In 1944, students holding these scholarships were enrolled in thirty-one universities and colleges and in two junior colleges throughout the Commonwealth. Consequently, while state aid is given directly to only five universities and colleges, almost 50 percent of the approved universities and colleges in the State receive indirect aid from the State by reason of these scholarships. As a result, many denominational and sectarian institutions, which cannot be assisted directly, receive state aid in this manner.

Appropriations for scholarships are included in the appropriations for general educational purposes under miscellaneous grants. For the 1943-1945 biennium it is expected that \$96,000 will be paid to approximately 320 students to enable them to attend universities and colleges.

While expenditures for this purpose are relatively small, there is a possibility that this means of distributing state grants may become more pronounced in the post-war era. The General Assembly of New York in 1944 appropriated funds to establish 1200 competitive scholarships, each valued at \$350 per year, to be awarded to returning veterans desiring to attend any accredited college or university in that State. It is quite likely that other states will follow a similar course in view of the present financial condition of many of the higher institutions of learning, which however, in many states, cannot be assisted directly by state appropriation because of legal or constitutional prohibitions against the dedication of public funds for sectarian education.

SUMMARY AND CONCLUSIONS

Since the establishment of a free public school system in 1834, state subsidies for educational purposes have grown substantially. While originally, grants to School Districts were made to encourage the development of a system of free education in the State, they have become a permanent and material factor in the fiscal operations of the Public School System. This is particularly true since 1921, when the present basis for distributing state aid to school districts was introduced by the Edmonds Act.

Although this Act materially changed the basis of distribution, various amendments, together with new legislation enacted after 1921, increased the Commonwealth's share of school costs and the number of purposes for which state subsidies are granted. Consequently, the total cost to the State for educational purposes increased from \$44.6 million in the 1921-1923 biennium to \$148 million appropriated for the 1943-1945 biennium, an increase of 232 percent. During the period 1921 to 1943, the number of teachers increased 31.5 percent while pupils in average daily attendance increased only 7.4 percent. When related to the total current operating expenditures of all School Districts, state grants increased from 16.7 percent of the total in 1920 to 29.3 percent in 1942.

While the state appropriations for educational purposes include grants to colleges, universities, and other educational institutions, as well as for miscellaneous purposes, subsidies related directly to the public school system absorbed 90.3 percent of the \$1 billion appropriated and expended by the State for educational purposes in the twenty-five years from 1921-1945. Grants to colleges, universities, and other educational institutions amounted to \$95 million or 9.2 percent of the total, while expenditures for miscellaneous purposes amounted to \$5 million or only 0.5 percent of the total.

The large increase in state subsidies to School Districts was caused by various factors, the most important of which was legislation, substantially changing the conditions under which grants were made and the consequent increasing proportion of school costs assumed by the State. For this reason, greater emphasis will be given to the effect of the legislation in this period on the growth of subsidies for educational purposes.

STATE GRANTS FOR TEACHERS' SALARIES

In 1921 the Edmonds Act provided that School Districts be reimbursed by the State for certain percentages of specific operating costs. The most important item was for salaries of teachers, which are supplemented by the State in an effort to assure that they receive reasonable minimum salaries throughout the Commonwealth. Prior to the adoption of the Act, reimbursement by the State for part of teachers' minimum salaries, as prescribed by the General Assembly, were made on the basis of fixed sums per teacher and had priority in the appropriations for public schools. The balance of such appropriations was distributed among the districts on the basis of numbers of teachers and numbers of pupils. The Edmonds Act prescribed higher minimum salaries for all teachers and provided that the districts be reimbursed for graduated percentages of these minimum salaries by the State, based on minimum salaries of elementary teachers. For the first time, consideration was given also to the wealth of districts, as determined by population, in distributing state grants.

In 1923 the Edmonds Act was amended and, while the percentages of reimbursement to the more wealthy districts remained unchanged, they were increased for districts which maintain a "true valuation of real property per teacher" of less than \$100,000 based on an intricate formula, prescribed by the General Assembly. While the Edmonds Act implied that the more populous districts were wealthier than the smaller districts, the amendment of 1923 specifically related the value of real property in a district to the number of teachers, as a basis of state aid.

By relating the true value of real property to the number of teachers in each district, it was expected that a more equitable basis for distribution of state grants would be provided. While this was partly accomplished, the many different methods of arriving at assessed valuations among the counties, as well as among the individual units within the counties, make it difficult to establish a uniform ratio of assessed valuation to true valuation. Consequently, it is possible for districts through manipulation of the ratio of assessed valuation to true valuation to obtain larger state grants than the sums to which they are entitled. Though the State Council of Education has authority to disallow their estimates, it is not practical to do so for, in effect, it would

have to constitute itself as a state board of assessment and establish uniform realty assessments throughout the state, a step which certainly was not contemplated by the General Assembly, although there is much to be said in its favor.

Due principally to the 1923 amendment to the Edmonds Act, grants for salaries of teachers covered by this act increased from \$25.9 million in 1921-1923 to \$37.7 million in 1923-1925, or 45.6 percent, while total state expenditures for educational purposes increased from \$44.6 million to \$57.2 million or 28.3 percent. Thereafter, increases in reimbursements for teachers' salaries were due entirely to increases in numbers of teachers or changes in the "true valuations per teacher" until 1941, when minimum salaries of teachers in fourth class districts were raised. During this period, reimbursement for teachers' salaries, under the Edmonds Act, increased from \$37.7 million in 1923-1925 to \$61 million in 1939-1941 or 61.8 percent, although the number of teachers increased only 26.9 percent, from 49,843 in 1923 to 63,257 in 1941. Total expenditures by the State for educational purposes increased from \$57.2 million to 103.6 million or 82 percent over the same period.

When minimum salaries of teachers in fourth class districts were raised in 1941 the entire cost of the increases was assumed by the State. Although the number of teachers in the public schools declined from 63,257 in 1941 to 61,312 in 1943, state reimbursements for teachers' salaries in the 1941-1943 biennium increased to \$63.1 million or 4.4 percent over 1939-1941.

In 1943 the General Assembly granted temporary "cost of living increases" to all teachers earning less than \$3500. These increases, effective for the school years 1943-1944 and 1944-1945, ranged from \$100 per year for teachers earning between \$3000 and \$3499 per annum to \$300 for teachers earning between \$1000 and \$1099. Again the entire amount of the increase was borne by the Commonwealth. It is estimated that the cost will be \$24.3 million, or approximately 16.6 percent of the 1943-1945 appropriation for educational purposes.

This assumption of the entire cost of increases in minimum salaries for teachers in the 1941 and 1943 acts of the General Assembly established a new policy in this matter. The Edmonds Act, and amend-

ments thereto, provided that the Commonwealth would pay fixed percentages. The later legislation provided that the State be saddled with the whole cost. Consequently, state reimbursements in 1943-1945 are substantially more than the basic percentages established in 1923, particularly in districts where "the true valuation per teacher" is less than \$50,000.

Principally as a result of these legislative changes in the basis of distributing grants and the assumption by the State of a greater proportion of payments to teachers for salaries, state expenditures for the salaries of teachers, covered by the Edmonds Act, increased from \$25.9 million in 1921-1923, or 58 percent of the total cost of education to the State in that biennium, to \$93.1 million, or 63 percent of the total cost of education in 1943-1945, an increase of 259 percent over the period.

STATE GRANTS TO SCHOOL DISTRICTS FOR PURPOSES OTHER THAN TEACHERS' SALARIES

While state reimbursement on account of salaries for teachers constitutes the largest individual grant to School Districts, many other state grants are made for transportation of pupils to and from schools, tuition costs, closed schools, vocational education, and to financially handicapped districts. Although the individual grants are small in relation to reimbursements for teachers' salaries, they have increased, in most instances, at a much greater rate than reimbursements for teachers' salaries. The following table compares state expenditures for these purposes in 1921-1923 with 1943-1945 appropriations:

| State Reimbursement for: (in thousands of dollars) | 1921-1923 | 1943-1945 | Percent Increase |
|---|------------------|---------------|---------------------|
| Transportation | 497 | 9,000 | 1710 |
| Tuition | 318 ² | 6,000 | 1787 |
| Vocational Education ¹ | 1,726 | 4,382 | 154 |
| Closed Schools | 351 | 2,600 | 640 |
| Aid to Financially Handicapped Districts | 100 ³ | 2,000 | 1900 |
| Total | 2,992 | 23,982 | 702 |

¹ Includes federal grants.

² 1933-35 Biennium.

³ 1927-29 Biennium.

In most cases these increased state expenditures were the direct result of legislation which raised the percentages to be borne by the State or expanded the base of the grants to cover a greater number of pupils. For instance, reimbursements for transportation costs were introduced in 1919 primarily to encourage the consolidation of schools. At first all districts were reimbursed 50 percent of transportation costs, provided the total amount reimbursed to any one district did not exceed \$3,000 per year. In 1925 the basis for reimbursement was related to the "true valuation per teacher" and provided for the transportation of all pupils residing more than two miles from the schools to which they were assigned. This was another major change in policy and, as a result, the cost to the State for transportation substantially increased to \$1.3 million in 1925-1927 or about double the expenditures for this purpose in the preceding biennium.

In 1941 the percentages of reimbursement by the State for transportation costs were increased further and ranged from 50 percent to 90 percent of such costs to the districts. As a result, expenditures in the 1941-1943 biennium increased to \$6.9 million or 50 percent over the sum of \$4.6 million expended in 1939-1941. For the 1943-1945 biennium, the sum of \$9 million was appropriated for this purpose, 1710 percent over the 1921-1923 expenditures of \$497 thousand.

State grants for tuition (for pupils assigned to schools outside of the district in which they reside, which were first provided by the General Assembly for the 1931-1933 biennium, were relatively nominal at that time, as the legislation provided only for reimbursement to districts that maintained a "true valuation per teacher" of less than \$100,000 and received a higher percentage of state reimbursement for teachers' salaries than the districts to which tuitions were paid for teaching pupils residing in other districts. In 1941 the General Assembly enacted legislation which expanded greatly the number of districts entitled to reimbursement for tuition. This act provided for state reimbursement of percentages ranging from 30 to 60 percent of tuition costs to all districts with a "true valuation per teacher" up to \$250,000.

Grants for closed schools were intended to encourage consolidation of schools. While direct grants for this purpose were not made until 1921, indirect grants were made by permitting districts to include one teacher for each closed school in the total number of teachers, used as

a factor at that time in the distribution of state appropriations. In 1921 the Edmonds Act provided for the payment of \$200 annually to fourth class districts for each school, closed since 1911, or in accordance with the provision of the Act of 1901, which authorized consolidations of schools, but did not at that time encourage them by state grants. Since 1921 grants for closed schools have increased steadily from \$351 thousand in 1921-1923 to \$2.6 million in 1943-1945 or 640 percent. In 1941 and 1943 legislation provided for the continuance of grants for this purpose to districts previously in the fourth class, which had become third class districts due to increase in population, based on the 1940 census, and extended such grants to all third class districts in or coterminous with townships.

Unlike grants for the foregoing purposes, aid to financially handicapped School Districts is not distributed on a formula basis, but at the discretion of the Department of Public Instruction, which makes investigation of all districts which apply for aid. Expenditures for this purpose were \$1.2 million in 1931-1933 (the biennium when the first substantial appropriation was made) and \$5 million in the 1933-1935 biennium. The average payment to districts increased from \$4,779 in the school year 1933-1934 to \$10,826 in 1942-1943. The grants since 1940, a period of sustained prosperity in Pennsylvania, as a whole, indicate that the condition of certain "handicapped" districts is not of a temporary nature, for in some districts state aid has necessarily been increased substantially. For instance, in one district no aid was requested until 1938-1939, when the district received \$80,250. In 1940-1941 the grant had reached \$180,000 or an increase of 124 percent and in 1942-1943 it was \$120,000 or 50 percent over the grant of 1938-1939.

While costs of vocational education to the Commonwealth increased substantially from \$1.7 million in 1921-1923 to \$4.4 million in 1943-1945, an increase of 154 percent, the net cost to the State increased only 41 percent. This was due to greater federal grants for vocational education, which rose from \$529 thousand or 30.6 percent of total vocational grants in 1921-1923 to \$2.7 million or 61.4 percent of the total in 1943-1945, an increase of 410 percent. Reimbursements for minimum salaries of vocational teachers are included in the appropriation for all teachers covered by the Edmonds Act. However, additional reimbursements for this purpose are made by the State, based

on percentages, ranging from 25 percent to 50 percent, of salaries actually paid to vocational teachers, provided not more than 80 percent of the salary of any one teacher can be paid from combined state and federal grants.

OTHER STATE EXPENDITURES RELATING TO PUBLIC SCHOOL SYSTEM

In addition to amounts distributed to local school districts, subsidies are provided by the State for specialized schools, operation of State Teachers Colleges, county and state supervisory aid, and for the School Employes' Retirement Fund. While expenditures for these purposes are not distributed to districts, they are directly related to the public school system. Throughout the twenty-five-year period from 1921 to 1945, these expenditures increased, in most instances, although they fluctuated within relatively narrow ranges. The largest increase was for the State's share for contribution to the Retirement Fund, which, under a formula prescribed by the General Assembly, increased 167 percent, due to the increases in teachers' salaries during the period. On the other hand, the net cost to the State for operation of State Teachers Colleges declined 17 percent between 1921-1923 and 1943-1945.

GRANTS TO COLLEGES, UNIVERSITIES, AND OTHER EDUCATIONAL INSTITUTIONS

State grants are made to only eight colleges and universities, three of which are medical schools. While there are fifty-nine approved colleges and universities in the State, many of these are denominational or sectarian schools, which, under the Constitution of the Commonwealth, may not be given state aid. Many of these schools receive small indirect grants in the way of state scholarships to students in the sum of \$100 per year for four years, which permit the student to attend any approved university or college in the Commonwealth. No more than eighty of these scholarships can be awarded in any one year.

Grants to universities and colleges rose from \$5.1 million in 1921-1923 to \$10.1 million in 1943-1945, an increase of 100 percent. Approximately 50 percent of the 1943-1945 appropriation was allocated to Pennsylvania State College, while the Universities of Pennsylvania, Pittsburgh and Temple received 16.3 percent, 13.6 percent, and 12.4 percent respectively.

CONCLUSIONS

Subsidies for all purposes in Pennsylvania and throughout the country usually have been for the purpose of encouraging new activities, the need of which local units of government do not recognize or are unable or unwilling to support. State or federal subsidies are introduced to bring about the desired service in a great number of units at one time. Once central support is extended and the local service established, the subsidies tend to become permanent, while the grants thereunder become larger from year to year. However, subsidies should be made in an effort to equalize educational advantage throughout the State through assistance to districts which are not strong enough economically and financially to furnish adequate minimum services. Yet, as in the case of subsidies for transportation of pupils, the original purposes of these subsidies are soon disregarded and the size of the various subsidies increased from year to year by lobby activities. This has been the case with educational subsidies in Pennsylvania, particularly over the last ten years.

During this period new subsidies to School Districts were provided by the General Assembly, while older subsidies were expanded greatly. By relating the basis for distribution of grants to the wealth of the districts, an attempt was made to take into consideration the ability of the local districts to support the minimum standards prescribed by the State. A more equitable or realistic basis for allocation of these grants would have been achieved had the basis for determining the ratio of assessed valuation of real estate to true valuation been uniform throughout the State, or even within the individual counties. However, by arbitrarily increasing the ratio of assessment to true valuation, many districts are able to claim and receive a higher percentage of state reimbursement than was intended under the legislative formula.

As a result of legislation enacted throughout the period, particularly in 1941 and 1943, when the costs of salary increases to teachers were borne entirely by the State, the basic principle of the Edmonds Act, which attempted to relate state grants to the ability of school districts to support their public schools, has been totally disregarded. In order to restore the original purposes of the Edmonds Act, the entire system of distributing grants to School Districts should be revamped.

While much of the increase in state grants for educational purposes has been due to legislation, which deliberately increased the Commonwealth's share of school districts' costs, part of the increase, particularly prior to 1933, when statewide enrollments were increasing, was caused by normal expansion of the costs of those functions which are subsidized by state grants. Consequently, assuming that the present basis for distribution of grants is not changed by legislation, any variations in the costs of these subsidies in the future will depend on increases or decreases in the operating expenditures of the School Districts for which state reimbursement is made.

As pointed out elsewhere in this series of school studies, the improvements in the school plant since 1920 should make it possible, with the exception of necessary replacement of obsolete buildings or capital outlays resulting from consolidation of smaller schools, to place greater emphasis on quality and standard of teaching and services rather than upon the increase in the number of teachers or expansion of plant and other facilities. This is particularly true in view of the decline in total enrollments, which began in 1933 and is expected to continue to about 1960. Thereafter, it is anticipated that both the population of the State and school attendance will become relatively static.

