A STUDY TO DETERMINE THE SOUNDNESS OF THE GILMER-AIKIN
PLAN OF FINANCING THE PUBLIC SCHOOLS
OF MONTAGUE COUNTY, TEXAS

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OF MONTAGUE COUNTY, TEXAS

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TABLE OF CONTENTS

LIST OF TABLES ........................................... v

Chapter

I. INTRODUCTION .......................................... 1

The Importance of the Problem
Definition of Terms and Meaning of the Problem
Delimitation of the Study
Sources of Data
Related Studies
Method of Procedure

II. PRINCIPLES AND CRITERIA OF SOUND PUBLIC SCHOOL FINANCE .................

The Principle of Democracy
The Principle of Equality and Opportunity
The Principle of Adaptability
The Principle of Variability
The Principle of Prudence
The Principle of Stability
The Principle of Separability of Control and Support in Education
The Principle of the Resolution of the Forces of Several Principles
Criteria
The Criterion of Democracy
The Criterion of Equality of Opportunity
The Criterion of Adaptability
The Criterion of Variability
The Criterion of Prudence
The Criterion of Stability
The Criterion of Separability
The Criterion of Balance

III. THE APPLICATION OF THE GILMER-ALKIN PLAN TO MONTAGUE COUNTY SCHOOLS 35

Scholastics, Average Daily Attendance,
Tax Evaluation, and Bond Rate
School Expenditures—Common and Independent School Districts

iii
<table>
<thead>
<tr>
<th>Chapter</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Contributions--Common and Independent School Districts</td>
<td></td>
</tr>
<tr>
<td>Local Maintenance Rate--Common and Independent School Districts</td>
<td></td>
</tr>
<tr>
<td>Teachers</td>
<td></td>
</tr>
<tr>
<td>Transportation Costs</td>
<td></td>
</tr>
<tr>
<td>Recommendations for Consolidation</td>
<td></td>
</tr>
<tr>
<td><strong>IV. APPLICATION OF THE GILMER-AIKIN PLAN TO THE ESTABLISHED CRITERIA</strong></td>
<td>52</td>
</tr>
<tr>
<td>The Principle and Criterion of Democracy</td>
<td></td>
</tr>
<tr>
<td>The Principle and Criterion of Equality of Opportunity</td>
<td></td>
</tr>
<tr>
<td>The Principle and Criterion of Adaptability</td>
<td></td>
</tr>
<tr>
<td>The Principle and Criterion of Variability</td>
<td></td>
</tr>
<tr>
<td>The Principle and Criterion of Prudence</td>
<td></td>
</tr>
<tr>
<td>The Principle and Criterion of Stability</td>
<td></td>
</tr>
<tr>
<td>The Principle and Criterion of the Separability of Control and Support in Education</td>
<td></td>
</tr>
<tr>
<td>The Principle and Criterion of a Well-Rounded Financial Program</td>
<td></td>
</tr>
<tr>
<td><strong>V. SUMMARY, REMEDIAL PROPOSALS AND CONCLUSIONS.</strong></td>
<td>78</td>
</tr>
<tr>
<td>Summary</td>
<td></td>
</tr>
<tr>
<td>Conclusions</td>
<td></td>
</tr>
<tr>
<td>Remedial Proposals and Recommendations</td>
<td></td>
</tr>
<tr>
<td><strong>BIBLIOGRAPHY</strong></td>
<td>84</td>
</tr>
</tbody>
</table>
# LIST OF TABLES

<table>
<thead>
<tr>
<th>Table</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Comparison of Instructional Costs for 1948-1949 and 1949-1950 - Total Budget and Per Capita Costs Increase</td>
<td>43</td>
</tr>
<tr>
<td>3. State Contributions - Common and Independent School Districts</td>
<td>46</td>
</tr>
<tr>
<td>4. Local Contributions - Common and Independent School Districts</td>
<td>49</td>
</tr>
<tr>
<td>5. Local Maintenance Rates - Common and Independent School Districts</td>
<td>51</td>
</tr>
<tr>
<td>6. Teachers - Common and Independent School Districts</td>
<td>54</td>
</tr>
<tr>
<td>7. Transportation Costs Per School and Pupil and Number of Pupils Transported</td>
<td>56</td>
</tr>
</tbody>
</table>
Chapter I

INTRODUCTION

The problem of this thesis is to examine the Gilmer-Aikin plan as it will affect the Montague County, Texas, schools in order to ascertain whether present inequities, if any, will be corrected, and to present additional remedial proposals if needed.

This is the study of a localized application of a new system of state financial support for Texas common and independent school districts, Senate Bills 115, 116 and 117, as enacted by the Fifty-first Legislature of the State of Texas in the year 1949. In this chapter the problem of the study, its importance, its definition, the sources of data, related studies in the field, and methods of procedure in making the study will be discussed.

A new financial structure and support for Texas schools became a reality when the governor of Texas signed the Gilmer-Aikin Bills June 3, 1949. The real picture of the Gilmer-Aikin plan as it will function in one Texas county supplies the problem of this study.
The Importance of the Problem

The Gilmer-Aikin plan constitutes a revolution in the structure and the amount and nature of the support, state and local, accorded to Texas public schools. For that reason alone, it is a matter of serious import to every child and adult in Texas. Whether the new method of financing will be advantageous or injurious, whether it will eliminate local inequities, or create more inequality than that which already exists, whether it will provide better or proper equipment, plant, teachers and education for the children of the State, are also questions of vital and long-range importance.

The proponents of the plan point to the undeniable fact that Texas' rank in education is far lower than it should be, particularly in view of the exceptional natural wealth of the State; that Texas teachers are poorly paid; that much of the plant and equipment is inefficient, dangerous, useless or even non-existent; that in many districts of the State nine-months' school terms are not available; that the facilities offered for negro education are deplorable; that attendance is often desultory; that many districts receive inequitable treatment, and that the education of the child is the province of the entire State and not the localized individualized community alone. This last argument is in line with the contention that the Texas child should not
suffer because his parents happen to reside in a poverty-stricken, non-tax-paying, non-school supporting locality. The child when an adult may become a citizen of some other part of the state and a citizen of the nation, and the citizen who is poorly educated is often no asset to the locality, the state, or the nation and no suitable basis for the erection of a real and enduring universal democracy.

The detailed application of the financing of the Gilmer-Aikin plan to one county has importance, therefore, because it will give at least a beginning idea of what the plan will do in practice. That is the importance of this study.

Definition of Terms and Meaning of the Problem

The Gilmer-Aikin plan consists of three bills, Senate Bills Numbers 115, 116 and 117. Senate Bill Number 115 provides for a reorganization of the state's educational administration; Senate Bill Number 116 provides a minimum Foundation School program for the public free schools of the state and provides a method of distribution of funds; Senate Bill Number 117 provides for the financing of the Foundation School Program.

Considered in detail, the bills have three objectives: (1) a more efficient method of school administration at the state level; (2) the guarantee to each child of school age the availability of a good minimum education program nine
months of the year; and (3) the guarantee of a method of financing that will tend to equalize local and state support and make each county pay, according to its ability, in proportion to what other counties pay.¹

Senate Bill 115 provides that the elective office of the State Superintendent of Public Instruction and the appointive nine-member State Board of Education be abolished. It provides, instead, a twenty-one member elective State Board of Education (one member from each congressional district elected for a six-year term). This new Board will appoint a Commissioner of Education who, together with the Board and the Department of Education, will form a so-called Central Education Agency. This will be the sole agency which can enter into agreements on educational undertakings. Until the Commissioner is chosen, the State Auditor will serve as interim administrator of the Foundation School Program. The new Board of Education members must meet at least six times a year. They draw no salary but are reimbursed for the expenses of attending meetings. The Board will determine the school policies of the State. The Commissioner will serve as the Board's executive officer.

Senate Bill Number 117 is, in a sense, an enabling act. It provides that there must be appropriated and transferred

¹The Fort Worth (evening) Star-Telegram, June 2, 1949, p. 6.
to a special fund known as the Foundation School Fund the amount of state school funds as determined necessary by the Foundation School Fund Budget Committee composed of the State Commissioner of Education, the State Auditor and the State Comptroller of Public Accounts. Before the first day of November (except for the year 1949) preceding each regular session of the Legislature, the Budget Committee must determine and certify to the State Comptroller the estimated amount to be placed in the Foundation School Fund for the purpose of financing the Foundation School Program.

Senate Bills 115 and 117 are important bills. It is with Senate Bill 116, providing a plan for distributing the financial burden, however, that this study is primarily concerned. This bill contains a number of provisions. For purposes of simplification, it will be outlined briefly here, article by article.

Article I gives the purpose of the act - to guarantee to each school-age child in Texas a minimum Foundation School Program for nine full months and to establish eligibility requirements of Texas school districts if they are to participate in the program.

Article II provides: (a) that legislative appropriations be paid in accordance with this act; (b) that the act covers educational professional personnel services and transportation and the number of units of each allotted to such
school district; and (c) the payment of at least a minimum salary.

Article III deals with professional units based on segregated average daily attendance. It includes a number of attendance and other provisions, some of which will receive treatment later in this study. Under the provisions of this article, classroom teacher units will be based roughly as follows: attendance of 15-25 pupils will constitute one classroom teacher unit. For other and graduated levels the plan provides one classroom teacher unit for approximately each 20 pupils in attendance. The article also provides for vocational teacher units, special service teacher units, exceptional children teacher units, supervisor and/or counsellor units, principal units and superintendent units. These units are based on such factors as daily attendance, number of teachers and number of schools and vary only slightly from district to district.

Article IV dealing with salary schedules provides a minimum base beginning salary plus increments for experience and degrees. Roughly translated, this section means that beginning teachers with bachelors degrees would receive a minimum base salary of $2403 for a nine-months' term with $6 per month added for each year of teaching experience not to exceed $72 per month. Beginning teachers with masters degrees would receive a base salary of $2628 a year with
increases of $6 per month up to $15 a month. Thus, all teachers with master's degrees and twenty-six years' experience would earn $4032 for the nine-months' term.

Article V deals with services and current operating costs. Briefly stated, this article provides that the total operating costs for each school district, other than for salaries and transportation, shall be based upon classroom teacher units and exceptional teacher units. The Article also provides for transportation costs.

Article VI provides a system of financial allocation and support for the Foundation Program. Summarized briefly, under the provisions of the article an economic index is determined for each county in the State by the State Commissioner of Education. This index measures the wealth of the counties in proportion to the wealth of other counties. The economic index is based on county valuations, school population of the county and county income. Measurement of county income is based on value of manufactures and minerals produced, agricultural products and payrolls. County income weighs more proportionately in the computation of this index than do assessed valuation and scholastic population. The act automatically assigns the first indexes for the counties and provides for their recomputation every four years (beginning in 1951) by the Commissioner of Education. The economic index for Montague County (the locale of this survey) has been established as .311 per cent.
The article also provides that the Commissioner of Education shall calculate and determine the total sum of local funds that the school districts of a county shall contribute to the total cost of the Foundation School Program by multiplying $45,000,000 by the economic index of the county. The Commissioner of Education is also given a formula by which the amount of local funds to be charged to and used by each local district shall be determined.

If a district cannot raise its assigned amount after levying the maximum legal school maintenance tax at the State's assessed valuation, the difference will be paid by the State from a special minimum school fund.

Article VII says that the act is not inimical to the interests of parochial schools.

Article VIII provides for the consolidation of dormant or inactive school districts. Article IX provides for appeals from actions of the Central Education Agency; Articles X, XI, XII, and XIII are enabling acts, conversion and fraud acts, repealing and constitutional clauses, and the emergency clause, which provides that the act shall be in full force after its enactment.

As may be seen from the inspection of the above provisions in the Gilmer-Aikin plan, it is a completely new method of organizing the administration and support of Texas schools.
The only other term in the statement of the problem which may require definition is the term "inequities." By it is meant that the children of one school district do not receive educational opportunities equal in quality and quantity to the children of another school district.

Delimitation of the Study

The Gilmer-Aikin Bills provide state-wide public school support, but this survey is limited to the effects of the plan in Montague County, Texas. There is no effort to analyze the plan as it will or may apply to other areas of the State. The study is a detailed localized application of the plan to conditions in Montague County.

Furthermore, though the plan envisions a complete reorganization of the State educational administration, including the elimination of the present elective office of State Superintendent of Public Instruction, the increase of the State Board of Education membership from nine to twenty-one and the change of that membership from an appointive to an elective basis, this study makes no effort to evaluate the effects of the administrative reorganization except indirectly as the number of administrative supervisors under it may be changed. The study is limited solely to the financial applications and implications of the plan as applied to one specific county. No other aspects or ramifications will be considered.
Sources of Data

The sources of data for this study may be listed as follows:

(1) Educational literature and studies in the field of educational public finance.


(3) The tax rolls of Montague County - including assessments and valuations.

(4) The financial, scholastic census and attendance records of individual schools in Montague County.

(5) The daily press and Texas educational journals.

(6) Personal interviews with school administrators, tax officials and other officials in Montague County.

Related Studies

There are many studies in the field of public finance and quite a few in the field of educational finance; but since the Gilmer-Aikin plan is a newly-born addition to the financial structure of Texas and Texas education, no definitive study of it and of its effects are yet available. The studies herein summarized are not similar to the present survey, but they do supply information upon the criteria, methods and financing of education.
Mills and Starr\textsuperscript{2} have collected readings in the fields of public expenditures, public revenues other than taxes, taxation, public credit and financial administration. They give the characteristics of public expenditures, their classification and growth, suggested controls, and economic effects. They point out that revenues may come from sources other than taxes--national and state industries such as the post office or state-owned flour mills, municipal industries such as street railways and various types of administrative revenues. Under taxation, they discuss the development of taxation, the incidence of the tax burden, the general property tax, modified property taxes, income and excess profits taxes, the taxation of corporations, commodities, estates and inheritances and current problems in taxation. Under public credit, the authors consider the growth of the national debt, war and emergency financing, public debt retirement and local public debts. Under financial administration, the budget and the fiscal administration of the government were considered.

A recent work in the field of finance by Harold Groves\textsuperscript{3}, gives the historical development of public finance and discusses public revenues including the general property tax

\textsuperscript{2}Mark Carter Mills and George W. Starr, \textit{Readings in Public Finance and Taxation}, p. 823.

\textsuperscript{3}Harold M. Groves, \textit{Financing Government}, p. 653.
and its modifications, the shifting and incidence of taxation, the income tax, capital gains, corporations, death and gift taxes, business taxes, consumption taxes, motor vehicle, poll and social security taxes, the taxation of natural resources, and non-tax revenues. Groves also discusses the institutions and problems of the revenue system as a whole, including such subjects as the power to tax, tax exemptions and inter-governmental fiscal relations. Under the heading "Public Expenditures," Groves considers the general aspects of public expenditures, expenditures for particular functions, the possibilities of economy, state and federal aids, public borrowing, fiscal administration and fiscal prosperity.

Alfred Simpson^defines the fundamental problems in the financing of education as central aids, inter-governmental relations and the problems of federal-state-local educational fiscal relations with an emphasis on the "great need of federal support for education." He also considers the financing of the area of educational expansion for older youths and adults. He deals with the financing of what he terms the most strategic and expensive functioning segment of the educational system - the school personnel. Under these headings, among the topics he considers are external conditions which bear on education at the federal level, population mobility,

the general status of support and need, problems which result from status demand, speculations on the outlook and the financing of school personnel including its present deplorable status, external conditions bearing upon salaries, problem areas, and the outlook for solving such problems.

Mort and Reusser discuss the subject of school finance under these headings: the development of America's educational finance and its guiding principles, operational finance, and trends and needs in state and federal participation in school support.

The development of American educational finance includes the organization and control of public education, the financing of public education, and the principles of school finance. The subject "operational finance" includes a conceptual basis for local financial administration, the budgeting of school funds, the auditing of school accounts, school income, its sources and management, accounting for public school funds, cost analysis, financial statements and reports, the salaries of school employees, school supply management, school property management, and school indebtedness management. Under trends and needs in state and federal participation in school support, Mort and Reusser present a conceptual basis for state aid to education, an appraisal and implementation of the conceptual pattern of state and local finance, other

financial implications of the basic conceptual pattern, the federal financing of education, the legal provisions of state and federal school funds affecting administration, state educational endowments, and a summary of the state taxation and federal taxation. Of particular value to this study were Mort's and Reusser's principles of school finance which will serve as the basis of the criteria to be presented in the second chapter of this study.

A number of useful articles on Texas educational finances have appeared in recent issues of the Texas Outlook, the magazine of the Texas State Teachers Association.

N. S. Holland⁶ says that Texas school superintendents need to know more about public finances, should take the lead in improving the tax structure, should promote the study of taxation for all public agencies in the state, should know something about the incidence of taxation, and that teachers in general should work toward the rectification of our present hodge-podge tax structure.

Holland⁷ further contends that the general property tax is the world's worst tax. It is, moreover, hazardous and fluctuating and no good during depression years. However, he offers no substitute for the property tax.


Burton condemns the basis of distributing school funds—the use of scholastic census (a method eliminated by the Gilmer-Aikin plan) because of the variations in attendance, wealth and other factors, and advocates instead as a basis for distribution, school attendance, the method incorporated in the Gilmer-Aikin plan.

Pearson answers, "Yes" because, he says, we have too many school districts, trustees, and small schools. Our teaching personnel and leadership are not adequately trained, salaries are too low, tenure insecure, educational leadership political, and a just and equitable plan of financing our schools not yet developed.

Morphet says that teachers need to know about public school finance because of its importance and because it is, in a sense, a product of the classroom. Finance affects conditions under which teachers work. Teachers should know financial problems in order to discuss them with and interpret them to the lay public. Teachers should know these facts about public school finance: (1) the schools must be supported adequately if democracy is to function satisfactorily; (2) waste and graft are bad for education and

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8 Floyd H. Burton, "Distributing State Schools Funds," Ibid., XXXIII (June, 1949), 2.
9 Luther Pearson, "Do Our Schools Cost Too Much," Ibid., XXXIII (June, 1949), 2.
society; (3) educational finance should be considered both with and separately from other financial problems; (4) teachers, school board and administration should work cooperatively to improve finance; (5) economy and efficiency are essential; (6) the school budget should be well-considered and well-balanced; (7) a good system of state and local financial support is essential for a satisfactory educational program; and (8) federal support for schools is essential.

**Methods of Procedure**

In this study an examination of some of the literature in the field of educational finance was made. The three Gilmer-Aikin Bills were studied and analyzed in detail. Criteria for a sound educational financial program were established. The financial provisions of the Gilmer-Aikin plan were applied in detail to all of the common and independent school districts in Montague County to determine whether or not the financial condition of those districts will be helped or injured by the application of the plan. Conclusions were drawn, other possible methods of financial support, including federal aid, considered, and recommendations made.
Chapter II

PRINCIPLES AND CRITERIA OF SOUND PUBLIC SCHOOL FINANCE

A criterion is a standard to determine the correctness of a judgment or conclusion. In this chapter the principles of public finance as advanced by Mort and Reusser\(^1\) will be listed, and after an elaboration of them, criteria in connection with these principles will be established. In Chapter III the Gilmer-Aikin plan will be applied to Montague County in an effort to determine whether or not it includes sound principles and criteria of public school finance.

Principles and Criteria of Public School Finance

1. The program should be democratic.

2. The program should provide equality of opportunity.

3. The program should be adaptable.

4. The program should be capable of variability.

5. The program should incorporate the prudential principle.

6. The program should be stable.

\(^1\)Mort and Reusser, *op. cit.*, pp. 95-114.
7. The program should include the principle of the separability of control and support in education.

8. The program should incorporate all and not over-emphasize any one of the above principles.

The Democracy Principle

This is the principle of granting to local communities the freedom to participate in the making of decisions which directly concern them. Local public school systems in Texas have, by and large, in the past enjoyed such local independence of decision. Arguments in favor of local participation include the idea of greater opportunity for participating in local government, the preservation of political institutions by decentralization of authority, the facilitation of the provision of services adapted to the variation of local needs and the promotion of economy by placing administration under close local surveillance.²

On the other hand, the whole as well as the parts must be considered. The child is a ward of the state and the nation as well as of the county or the community. If the county or community is unable to or fails to provide sufficient educational financial support, the uneducated or improperly educated adult resulting may not be capable of assisting

²Paul R. Mort and Francis G. Cornell, Adaptability of Public School Systems, p. 93.
in the progress of the state and nation as well as of the community or county. Therefore, some uniformity of method and procedure and some minimum standards of support which may be impossible from local support alone may be advisable. Democracy in education means that all the functions of education should be in the hands of all the people.\(^3\)

The Equality of Opportunity Principle

The ideal of equality of educational opportunity for all the people was a goal of the early fathers of this nation. Jefferson expressed it almost explicitly in the Declaration of Independence. When free public schools were established, a long, but not final, step was made in the direction of equalized educational opportunity. More equalization was obtained when the practice of state aid to the needier districts was begun in New England. Slowly the principle has spread to the other parts of the nation. While it is by no means universal, it is more widely practiced with each decade.

Equality of opportunity is a principle based upon the idea that democracy is strengthened and served by extending to all children equal minimum opportunity to attend adequate schools for the purposes of achieving, among other things, self-realization, economic sufficiency, civic interest and efficiency in human relationships.\(^4\)

\(^3\)Mort and Reusser, op. cit., p. 98.
\(^4\)Ibid., pp. 98-99.
Equality of opportunity does not mean the provision of exactly the same education for all children. Such provision is neither wise nor practicable. It does mean the provision of certain minimum essentials for the direction, supervision and financial support of schools. At the same time it must be understood that this minimum does not imply a ceiling. As Mort and Reusser point out, "Equality of opportunity demands leveling up, not leveling down. It demands helping the slow, not hobbling the swift."

The Principle of Adaptability

The school program must serve present needs and at the same time meet social, economic and political exigencies. The program must be capable of change in structure, methods and purposes. Such ability to change is called adaptability.

Adaptability is the capacity for adaptation. It may be thought of as being conditioned by the environmental setting in which a school system must operate, in the structural nature of the school system, and by the use of adaptation processes of public and private agencies within or without the school systems.

In spite of the American tradition of lack of tradition, sometimes our veneration for the past or apathy to proposed change makes adaptability in education difficult of realization even though it may be desirable. Often when tradition

\[5\] Ibid., p. 100.
\[6\] Mort and Cornell, op. cit., pp. ix-x.
is broken, the break transpires not by orderly, logical and considered processes but spasmodically, hastily and with resulting substitutes that are even less satisfactory than the discarded anomalies. The schools, to avoid such poorly-conceived and poorly-executed departures, must be aware of changing economic, social and political conditions and be always alert, progressive and dynamic. There have been, as Mort and Reusser point out, many new educative processes and services such as playgrounds, health clinics, and dramatic societies developed within the past few years. Often these educative processes ignore the school. That development supplies evidence for the charge that the schools in some respects are ignoring the needs of the communities, forcing the people to look elsewhere for educational services and thus failing to accept the principle of adaptability.

The Variability Principle

Closely related to adaptability is the principle of variability. The educational system must be organized, managed and financed so that it will be adjustable to adjustable needs. Educators should keep continually in mind the knowledge that theirs is a complex and should never be a static field. The ages, conditions, characteristics and needs of its clientele are ever-changing. Different age groups, economic groups, social levels, psychological and
environmental backgrounds present to the schools ever-differing needs to answer and problems to solve. Furthermore, despite the standardization of much of American life, community differs from community even though both may appear similar. The educational program must be variable. Variability differs from adaptability in that adaptability "refers to changes in the recognized program that might or might not be applied to all communities without variation"; while variability is "adaptation to variations in recognized needs from community to community." Variability means flexibility. Adaptability means capacity for change.

The Prudential Principle

The prudential principle means economy and efficiency. What economy is varies under different and given conditions. Unwise expenditure of money is uneconomical, but failure to spend money may be even more uneconomical.

Lack of economy in school finance springs often from decentralization of control, political control, diversification of control, weakness in administration and irresponsibility of public officials.

Examples of uneconomical school controls abound. The existence of a number of unnecessary poverty-stricken,

7Hort and Reusser, op. cit., p. 102.
inefficient local school districts and schools where consolidation would furnish much sounder and better educational plants, personnel and structure is one example. School board members elected because of popular vagaries or appointed solely because of wealth is another example. In Texas the provision that no professional educator can serve on the just-expiring nine-member State Board of Education is a case in point. The selection of administrative officials because of political favoritism or nepotism is still another example, and there are many other such instances of neglect of the prudential principle.

Positively, the prudential principle includes the incorporation and execution of sound budgetary, accounting, auditing and reporting principles. Furthermore, the prudential principle requires long-time planning of the educational program. Preparation for policies and procedures during times of economic crises, the avoidance of over-expenditures during periods of unusual prosperity and the like are essential.

The prudential principle means, in brief, that the school's organization, finance and management should result in equitable treatment, good judgment, avoidance of loss, corruption, and waste and the insistence upon sound finance.

The Stability Principle

This principle was once thought to mean conservatism
and complete control in the hands of the local governments in order to keep power close to the people. Unfortunately, the principle of stability has often resulted in a failure to recognize obvious needs for change and to accept positive educational goods because the community was not yet experienced in their use or value. Actually, the principle should mean, from the financial standpoint, that financial implications of new projects be thoroughly studied and, if possible, anticipated before beginning the new projects to be sure that they do not result in the crash of the entire structure. Some opponents of the Gilmer-Aikin plan contend— with the exact degree of justice unknown—that the plan violates the above principle of stability. The same argument, it may be pointed out, has been used against many new educational projects which are today widely accepted and approved—kindergartens, vocational education, and adult night schools, for example.

As a contribution to stability and as a real and legitimate observance of the principle of stability there may be included such practices as the balanced budget, the avoidance of the elevator, or up and down, type of educational financing, the trying of new, wild educational schemes purely for the purpose of being thought progressive and particularly the incorporation of adequate and proper tenure provisions in order to secure the continuance of a trained
and adequate educational personnel. Instances abound of school systems which have suffered serious educational regression because of some community upheaval, partial or whole, in faculty and administration upon the whims and vagaries of some small but powerful community group.

The Principle of Separability of Control and Support in Education

This is the principle as defined by Mort and Reusser that educational control should follow the dollar. (With the principle, incidentally, most educational authorities, including Mort and Reusser, do not agree.8) These authorities point out that financial support and policy control are by no means interdependent, or in anyway connected. "The controls over education or any part of it may be allocated to the local communities or to the state quite independently of the source of support."9

The principle of separability as applied should be based on the principle of placing controls in the hands of those best equipped to handle them for the educational benefit of the child and the community. Furthermore, financial support of the schools cannot be solely the responsibility of the locality (or, many authorities think, even of the state). The unequal division of wealth from community to

8Ibid., p. 106.
9Ibid., p. 16.
community and from state to state should dispel the idea that financial support of education is completely a local problem. Every school area should have sufficient funds for the provision of an adequate system of education regardless of its wealth or taxpaying ability. The support of education should not fall completely or disproportionately upon the shoulders of the property owner.

A state minimum program of financial support is easier of realization than a program which establishes good minimum standards and yet encourages districts to lift their educational level far above that minimum. Some authorities think, therefore, that the state should not support the able districts, but should support those with weaker financial resources.

Upon the principle of state and local separability, Mort and Reusser advance the valid suggestions that the people should better understand state responsibility for education, the functions of local school boards, the necessity for local freedom of policy formulation, the services of implementation to be performed by state units such as strengthening local units and furnishing research and leadership in the diffusion of new knowledge, and the necessity for understanding and following the principle of adaptability in separability. The state should be the

10 Ibid., p. 139.
example; the local unit the agency by which the interests of all the people are served.

The principle that control must follow the dollar is, therefore, an outmoded program as far as education is concerned and should be abandoned.

The Principle of Resolution of the Forces of Several Principles

This principle means in brief that all of the principles should be kept in mind and no one emphasized to the neglect of the others. There is always danger that the prudential principle, drawn directly from the field of public finance, may be stressed, especially from the standpoint of economy, to such an extent that other and equally essential principles are ignored. All the principles should be followed, but not to excess. For example, educational authorities should be prudent but not so prudent that they fear all change. They must be adaptable but not so adaptable that they abandon the good and tested old for the sole purpose of trying something new. They must insist on equalization but not to such an extent that they refuse one group of children a good because it is not possible immediately to extend that good to all children. They must allow for variation but not at the expense of systematization. They must want stability but not translate the term to mean inertia or stagnancy. They must work within the confines of democracy but not
carry it to the extent that democracy becomes anarchy or chaos without representation and without control.

Criteria

The principles of sound public school finance having been listed and elaborated, the next step is to present canons or criteria by which these principles may be judged. Therefore, the principles of public school finance will be re-stated and the criterion of judgment submitted in connection with them.

Principle: The public school financial program should be democratic.

Criterion - Does the program receive support from each member of the group in accordance with the three fundamental tenets of taxation, ability to pay, benefits received and ease of collectibility? That is, do all of those who are affected by the Gilmer-Aikin plan (and that indirectly includes everyone in Texas) have an opportunity of participating personally or through representation in the formulation of the school financial policies? Does everyone have an opportunity to share in the financial support of the plan according to his ability? Does the plan provide for all regardless of financial status?

Principle: The program should provide equality of opportunity.
CRITERION - Does the Gilmer-Aikin plan assure the children of Montague County a minimum school term, plant, equipment, faculty, administration, transportation and all other school factors equivalent to those received by the children of, say, Dallas County or Duval County or Cook County, Illinois, or Los Angeles County, California? That is, does the Gilmer-Aikin plan attempt to furnish the money necessary to give all the children of Montague County regardless of race, color or financial condition an education comparable in adequacy with that of any other area of Texas--or the nation?

Principle: The program should be adaptable.

CRITERION - Does the program have capacity for change? That is, does it provide for the continuity resulting from connection with the past and preparation for the future? Does the program have inherent within it due regard for such financial and other educational policies of the past which have been tested and proved worthwhile and at the same time provide for the discarding of outworn practices and the assumption of new duties and responsibilities? Is the program equally suitable for application to a common school district with forty
scholastics and to an independent school district with one thousand scholastics?

**Principle:** The program should be variable.

**Criterion** - Is the planning and are the things planned flexible? That is, can the program be altered to meet altered conditions? Can it be changed from community to community and from week to week and from age group to age group? Does it, in short, avoid the evil of rigid inflexibility?

**Principle:** The program should be prudential.

**Criterion** - Does the program incorporate sound prudential experiences and policies? That is, does it avoid waste and extravagance? Does it provide adequate provisions for budgeting, auditing and record keeping? Does it allocate sufficient and appropriate sums to such functioning demands as salaries, transportation, buildings? Does it provide enough money for classroom teachers' salaries or is an excess amount allocated to administration? Does it provide for financial contingencies? That is, can it be supported adequately during times of financial expense? Does it have due respect for the spending of the taxpayers' dollar and, in Texas, equally important, does it provide for the securing of that
dollar from the right taxpayer? Is it, in short, financially sound both from the standpoint of income and expenditures?

**Principle:** The program should be stable.

**CRITERION** - Is the program deeply rooted in the mores of the people of Texas, so deeply rooted as to prove acceptable to them? That is, is this a program with the prospects of endurance, relative permanence and stability? Or is it an ephemeral, will-of-the-wisp cure-all that will be fancied today and gone tomorrow like, say, the Technocrats or the chain letter? That is, does the program strike a happy balance and stability and adaptability? Is it sufficiently stable to be enduring and yet sufficiently adaptable to be dynamic?

**Principle:** The program should give proper attention to the theory of the separability of control and support in education.

**CRITERION** - Does the program allow for proper support at the state level and control at the local level? That is, does the state supply adequate financial support to those districts which cannot afford to support an adequate program of education within their own confines and yet at the same
time not impose the dictatorship of centralized or authoritative control? Does the program rob a poor Peter to pay a rich Paul? Does it include the best principles of democracy - support of the welfare of the whole without crippling completely the freedom of the individual? Is it possible, in other words, for the state to supply much of the money which Montague County is to spend upon its schools without at the same time telling Montague County how to run its schools? Must control follow the dollar?

**Principle:** The program should give proper attention to all financial principles rather than to one or a few.

**CRITERION** - Does the Gilmer-Aikin plan provide for a well-rounded, well-balanced emphasis upon and regard for all salutary economic and financial principles? Does it employ all of the principles discussed above or does it emphasize only one or a few at the expense of the others?

**Summary**

The principles and criteria of an adequate financial program for the support of the public schools have been considered in this chapter.

The principles of soundness in educational finance were
listed as:

1. The program should be democratic.
2. The program should provide equality of opportunity.
3. The program should be adaptable.
4. The program should be variable.
5. The program should be prudential.
6. The program should be stable.
7. The program should provide for separability of control and support.
8. The program should give proper attention to all sound financial principles.

The criteria of soundness in educational finance were established as:

1. Does the program allow all groups the opportunity of participation in the formulation of educational financial policies in accordance with their ability to pay and/or benefits received?

2. Does the program assure the children of Montague County financial support to provide educational facilities equivalent to those accorded the children of all other counties?

3. Is the program adaptable—capable of change?
4. Is the program variable—flexible?
5. Does the program incorporate sound prudential policies or the wisest expenditure of money to bring the greatest good to the greatest number?
6. Is the program so deeply-rooted in the mores of the people of Texas as to be acceptable?

7. Does the program allow for proper support at the state level and yet retain sufficient control at the local level?

8. Does the program provide for a well-balanced regard for all financial principles rather than emphasis upon one or a few?

If the Gilmer-Aikin plan follows these principles and tests of soundness in Montague County, it may be regarded as good for Montague County.
CHAPTER III

THE APPLICATION OF THE GILMER-AIKIN PLAN
TO MONTAGUE COUNTY SCHOOLS

In this chapter a detailed application of the Gilmer-Aikin plan will be made to the individual common and independent school districts of Montague County. In the application the following information will be listed and analyzed:

1. Name of the school district.
9. The amount of money contributed by the state, 1948-1949.
10. The estimated amount of money to be contributed by the state, 1949-1950.
11. The amount of money contributed by the local district, 1948-1949.
12. The estimated amount of money to be contributed by
the local district, 1949-1950.


Scholastics, Average Daily Attendance, Tax Evaluation, and Bond Rate

As a basis for estimating the effects of the application of the Gilmer-Aikin plan, the following information is essential: the number of scholastics in each local district, common or independent, the average daily attendance, the tax evaluation and the bond rate. This information, furnished in Table 1, pages 39 and 40 is based on the latest available figures, those for the school year of 1948-1949. The sources of the data were the school records of the individual schools and the county and local tax rolls. The same information for the school year, 1949-1950, is not yet available.

It will be noted in connection with Table 1 that Montague County has twenty common school districts, but that eight of these were dormant during the year, 1948-1949. The disposition of these dormant districts will be suggested later in this study. The scholastic population of the
active districts ranged from 6 at Hancock to 259 at Forrestburg; the average daily attendance from 3\frac{1}{2} at Hancock to 192 at Prairie Valley; the tax evaluation from $74,110 at Hancock to $5,069,985 at Stoneburg (an excellent valuation for a common school district); and the bond rate from $0.00 in several districts to $0.80 at the town of Montague.

In Montague County there are five independent school districts. Bowie, with 1165 scholastics and 1002 average daily attendance, has the largest number of scholastics and daily attendance. Nocona with a tax evaluation of $3,381,530 has the largest tax valuation, while Spanish Fort with 24 scholastics, 16 average daily attendance, and $246,000 tax evaluation is the smallest independent district. The bond rate for the independent districts range from $0.10 at Sunset to $0.50 at Bowie.

Since the increase of the above factors for 1949-1950 is consistent, the base figures of 1949-1950 will be used for estimates to be made for that school term.

Commenting on the number of scholastics, average daily attendance and school tax evaluation for the school year, 1949-1950, it will be seen that there is no consistency in the incidence of these factors and statistics. For example, Prairie Valley with a scholastic census of 227 had an average daily attendance of 192, while Forrestburg with a larger scholastic attendance of 259 had a smaller daily
average attendance of 185. Furthermore, Forestburg provided educational facilities for those 185 pupils upon a local tax evaluation of $318,690 at a $1.40 rate while Stoneburg, with an average daily attendance of 121, had a tax evaluation of $5,069,585 and a $0.90 tax rate. That is, Stoneburg with fewer scholastics, had eight times the tax evaluation that was accorded to Forestburg. Since the state appropriation of $55.00 per capita in 1948-1949 was based on scholastic population, Forestburg, which suffered locally in comparison with Stoneburg, at the same time profited in the matter of state support at the expense of Prairie Valley which received less money from the state than did Forestburg and yet taught more scholastics than did that district. This is one instance of the unorganized support existing under the financial conditions of 1948-1949. Another such example in the same county is afforded by a comparison of the common school district of Lone Star with the independent school district of Bowie. Lone Star had a tax evaluation of $2,414,105, almost the same as that of Bowie with a tax evaluation of $2,562,409. Each levied a maintenance rate of $1.00. Yet Lone Star had 58 scholastics and an average daily attendance of 50, while Bowie had 1165 scholastics and an average daily attendance of 1002. In short, Bowie attempted to educate twenty times as many pupils as did Lone Star upon practically the same local tax base. Adding
to the irony of the situation, Lone Star sent its high school scholastics to Bowie for education in the Bowie schools at no additional expense to the Lone Star district. Other examples of such inequities are revealed by a minute examination of conditions as listed in Table 1. Whether an application of the Gilmer-Aikin plan to these schools will result in an elimination of such conditions remains to be seen.

Table 1


<table>
<thead>
<tr>
<th>Name of School</th>
<th>Scho-</th>
<th>Average</th>
<th>Tax Evaluation</th>
<th>Tax Evaluation</th>
<th>Bond Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>lastics</td>
<td>Daily</td>
<td>1948-1949</td>
<td>1949-1950</td>
<td></td>
</tr>
<tr>
<td>Montague</td>
<td>75</td>
<td>01</td>
<td>$195,685</td>
<td>$195,685</td>
<td>.80</td>
</tr>
<tr>
<td>Prairie Valley</td>
<td>227</td>
<td>192</td>
<td>1,634,150</td>
<td>1,634,150</td>
<td>.50</td>
</tr>
<tr>
<td>Stoneburg</td>
<td>133</td>
<td>121</td>
<td>5,069,985</td>
<td>5,069,985</td>
<td>.10</td>
</tr>
<tr>
<td>Caps Corner</td>
<td>52</td>
<td>40</td>
<td>1,553,930</td>
<td>1,553,930</td>
<td>.15</td>
</tr>
<tr>
<td>Lone Star</td>
<td>58</td>
<td>50</td>
<td>2,414,105</td>
<td>2,414,105</td>
<td>.15</td>
</tr>
<tr>
<td>Forestburg</td>
<td>259</td>
<td>185</td>
<td>818,690</td>
<td>818,690</td>
<td>.10</td>
</tr>
<tr>
<td>Ringgold</td>
<td>170</td>
<td>128</td>
<td>807,125</td>
<td>807,125</td>
<td>.15</td>
</tr>
<tr>
<td>Salona</td>
<td>16</td>
<td>14</td>
<td>252,715</td>
<td>252,715</td>
<td>.10</td>
</tr>
<tr>
<td>Bonita</td>
<td>40</td>
<td>23</td>
<td>379,765</td>
<td>426,425</td>
<td>.00</td>
</tr>
<tr>
<td>Briar Creek</td>
<td>23</td>
<td>16</td>
<td>290,595</td>
<td>290,595</td>
<td>.00</td>
</tr>
<tr>
<td>Hancock</td>
<td>6</td>
<td>3½</td>
<td>74,110</td>
<td>74,110</td>
<td>.00</td>
</tr>
<tr>
<td>Farmer's Creek</td>
<td>13</td>
<td>5</td>
<td>75,475</td>
<td></td>
<td>.90</td>
</tr>
<tr>
<td>Dozier</td>
<td>0</td>
<td>0</td>
<td>72,960</td>
<td></td>
<td>...</td>
</tr>
<tr>
<td>Sandy Mound</td>
<td>0</td>
<td>0</td>
<td>36,260</td>
<td></td>
<td>.00</td>
</tr>
<tr>
<td>Cottonwood</td>
<td>0</td>
<td>0</td>
<td>46,480</td>
<td></td>
<td>.00</td>
</tr>
</tbody>
</table>
TABLE 1--Continued

<table>
<thead>
<tr>
<th>Name of School</th>
<th>School</th>
<th>Average Daily Attendance</th>
<th>Tax Evaluation 1948-1949</th>
<th>Tax Evaluation 1949-1950</th>
<th>Bond Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jones (dormant)</td>
<td>0</td>
<td>0</td>
<td>$79,480</td>
<td>$...</td>
<td>$.00</td>
</tr>
<tr>
<td>Taylor (dormant)</td>
<td>0</td>
<td>0</td>
<td>$186,690</td>
<td>$...</td>
<td>$.00</td>
</tr>
<tr>
<td>Aurelia (dormant)</td>
<td>0</td>
<td>0</td>
<td>$23,830</td>
<td>$...</td>
<td>$.00</td>
</tr>
<tr>
<td>Leona (dormant)</td>
<td>0</td>
<td>0</td>
<td>$274,170</td>
<td>$...</td>
<td>$.00</td>
</tr>
<tr>
<td>Belcher-ville (dormant)</td>
<td>0</td>
<td>0</td>
<td>$660,200</td>
<td>$...</td>
<td>$.00</td>
</tr>
<tr>
<td>Sunset</td>
<td>127</td>
<td>107</td>
<td>$343,820</td>
<td>$343,820</td>
<td>$.10</td>
</tr>
<tr>
<td>Saint Jo</td>
<td>448</td>
<td>382</td>
<td>$1,090,617</td>
<td>$1,170,097</td>
<td>$.25</td>
</tr>
<tr>
<td>Nocoa</td>
<td>896</td>
<td>706</td>
<td>$3,381,530</td>
<td>$4,250,255</td>
<td>$.42</td>
</tr>
<tr>
<td>Bowie</td>
<td>1165</td>
<td>1002</td>
<td>$2,562,409</td>
<td>$3,023,269</td>
<td>$.50</td>
</tr>
<tr>
<td>Spanish Fort</td>
<td>24</td>
<td>16</td>
<td>$246,000</td>
<td>$246,000</td>
<td>$.30</td>
</tr>
</tbody>
</table>

School Expenditures--Common and Independent School Districts

The status of the amount of money available for the local school budget in 1948-1949 as compared with the amount which is estimated to be available for 1949-1950 under the provisions of the Gilmer-Aikin plan supplies one basis for estimating whether that plan will result in financial improvement for each local district in Montague County.

In Table 2, Instructional Costs, page 43 are data upon the school budgets of the common and independent school districts of Montague County for the school year, 1948-1949;
the present estimated budgets under the Gilmer-Aikin plan for 1949-1950; the instructional cost per pupil, 1948-1949 and 1949-1950; and the percentage increase of such cost. The table does not include estimates for the dormant districts which were without budgets nor for the common districts of Farmer's Creek, the budget of which was unavailable.

The school budgets or expenditures for 1948-1949 were obtained from the office of the county school superintendent of Montague County and/or from the local school superintendents. The total sum available for each district in 1948-1949 was based upon the contributions of $55 per scholastic from the state plus the local school tax evaluation multiplied by the local maintenance rate plus incidental allowances from the state for bus transportation and incidental expenses. The schools also received some minor federal support from funds provided by the Smith-Hughes Act, but it constituted such a small percentage of the total budget that it changed the budget totals only slightly. Federal appropriations, as now existent, therefore, form only a minute part of the educational financial picture of Montague County.

An examination of Table 2 reveals that the total increase in school budgets between 1948-1949 and 1949-1950 for the five independent and eleven common school districts remaining amounts to $145,198.55. This is an increase in the
over-all sum of approximately 36.7 per cent. It will also be noted that the instructional cost per pupil increased from an average of $106.71 to an average of $144.78, an increase per pupil of $38.07 or approximately 35.6 per cent. The disparity in percentage increases between total budget and cost per pupil results from certain economies expected to be effected through consolidation, elimination of duplication, and similar cost factors.

It will also be noted from an examination of Table 2, page 40, that without exception each common and independent school district in Montague County anticipates an increase in budget and in instructional cost per pupil. The percentage of increased support per pupil varies inversely, with some exceptions, according to the size of the school district. Nocona, for example, the second largest district in the county upon the basis of scholastics, anticipates the lowest increase in percentage of instructional cost per pupil, 20.5 per cent. The common school district of Hancock, which, in 1948-1949, had an average daily attendance of only 3½ pupils, does not expect to consolidate with a larger school district, and anticipates an increase in instructional cost per pupil of 82.1 per cent, the largest increase in the county.
<table>
<thead>
<tr>
<th>Name of School</th>
<th>Budget 1948-1949</th>
<th>Budget 1949-1950</th>
<th>Cost per Pupil 1948-1949</th>
<th>Cost per Pupil 1949-1950</th>
<th>Increase in Budget</th>
<th>Increase per Pupil</th>
<th>Percentage of Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunset</td>
<td>$13,455.00</td>
<td>$17,055.00</td>
<td>$112.12</td>
<td>$142.12</td>
<td>$3,600.00</td>
<td>$30.00</td>
<td>26.7</td>
</tr>
<tr>
<td>Saint Jo</td>
<td>44,650.00</td>
<td>66,236.00</td>
<td>99.66</td>
<td>150.53</td>
<td>21,580.00</td>
<td>50.87</td>
<td>51.0</td>
</tr>
<tr>
<td>Nocona</td>
<td>81,745.00</td>
<td>101,807.00</td>
<td>91.23</td>
<td>109.94</td>
<td>20,062.00</td>
<td>18.71</td>
<td>20.5</td>
</tr>
<tr>
<td>Bowie</td>
<td>131,571.00</td>
<td>176,455.00</td>
<td>112.93</td>
<td>148.53</td>
<td>44,884.00</td>
<td>35.60</td>
<td>31.4</td>
</tr>
<tr>
<td>Spanish Fort</td>
<td>2,655.00</td>
<td>3,455.00</td>
<td>110.62</td>
<td>144.00</td>
<td>800.00</td>
<td>33.38</td>
<td>30.1</td>
</tr>
<tr>
<td>Montague</td>
<td>8,307.00</td>
<td>10,527.00</td>
<td>110.76</td>
<td>140.30</td>
<td>2,220.00</td>
<td>29.60</td>
<td>20.7</td>
</tr>
<tr>
<td>Prairie Valley</td>
<td>21,940.00</td>
<td>35,842.50</td>
<td>96.65</td>
<td>157.89</td>
<td>13,892.50</td>
<td>61.24</td>
<td>63.3</td>
</tr>
<tr>
<td>Stonburg</td>
<td>23,023.00</td>
<td>30,550.83</td>
<td>173.10</td>
<td>229.70</td>
<td>7,527.83</td>
<td>56.63</td>
<td>32.7</td>
</tr>
<tr>
<td>Caps Corner</td>
<td>9,941.00</td>
<td>11,481.00</td>
<td>162.77</td>
<td>197.94</td>
<td>2,040.00</td>
<td>35.17</td>
<td>21.5</td>
</tr>
<tr>
<td>Lone Star</td>
<td>23,725.50</td>
<td>35,772.76</td>
<td>91.60</td>
<td>138.11</td>
<td>12,047.26</td>
<td>46.51</td>
<td>50.7</td>
</tr>
<tr>
<td>Forestburg</td>
<td>19,031.00</td>
<td>24,529.96</td>
<td>114.71</td>
<td>173.70</td>
<td>10,028.96</td>
<td>58.99</td>
<td>51.4</td>
</tr>
<tr>
<td>Ringgold</td>
<td>1,800.00</td>
<td>2,600.00</td>
<td>112.50</td>
<td>162.50</td>
<td>800.00</td>
<td>50.00</td>
<td>44.4</td>
</tr>
<tr>
<td>Salena</td>
<td>7,705.00</td>
<td>5,605.00</td>
<td>100.12</td>
<td>121.82</td>
<td>1,660.00</td>
<td>21.70</td>
<td>21.6</td>
</tr>
<tr>
<td>Bonita</td>
<td>1,820.00</td>
<td>2,600.00</td>
<td>78.26</td>
<td>113.04</td>
<td>800.00</td>
<td>34.78</td>
<td>44.4</td>
</tr>
<tr>
<td>Briar Creek</td>
<td>973.60</td>
<td>1,773.80</td>
<td>162.30</td>
<td>293.03</td>
<td>800.00</td>
<td>133.33</td>
<td>82.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$394,217.39</strong></td>
<td><strong>539,315.85</strong></td>
<td><strong>$145,088.55</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Average**

- $106.71
- $144.78
- $38.07
- 35.6
The cost-per-pupil item is by no means standardized or uniform among the various districts, ranging from $109.94 in the Nocona district and $113.04 in the Bonita district to $229.70 in the Stoneburg district and $295.63 in the Hancock district.

It should be pointed out that the budget costs for the year, 1949-1950, are by no means absolute. The figures depend upon such varying factors as the assurance that the money to be supplied by the state will be available in the state treasury, population shifts, and economic conditions generally. It may be assumed, however, that the estimates given are reliable, and that under the Gilmer-Aikin proposal the schools of Montague County will have greater financial support than in the past.

State Contributions--Common and Independent School Districts

The amount of money spent in 1948-1949 for local common and independent school districts and the amount estimated as available to be spent in 1949-1950 was given in Table 2, page 43. From what governmental divisions and sub-divisions did that money come and will that money come? For the local subdivisions of Montague County, the answer to that question may be found in Table 3, State Financial Contributions, Common and Independent School Districts, and Table 4, Local Financial Contributions, Common and Independent School Districts.
In Table 3, the amount contributed by the state in 1948-49 is listed as taken from local school records. The amount to be contributed in 1949-1950 is estimated according to the provisions of the Gilmer-Aikin plan by multiplying $45,000,000 by Montague County's economic index which is .311 per cent and distributing the amount to each local district on the basis of the provisions of the Gilmer-Aikin proposal. Consolidations and rectifications will make some changes in the figures for 1949-1950, but the method of computation is in accordance with the provisions of the Gilmer-Aikin plan, and the totals are approximately correct. Table 3, which follows on the next page, illustrates this discussion.
<table>
<thead>
<tr>
<th>Name of School</th>
<th>Amount Contributed by State 1948-1949</th>
<th>Percentage of Total Amount</th>
<th>Amount to be Contributed by State 1950-1951 (estimated)</th>
<th>Percentage of Total Amount</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunset</td>
<td>$10,361.00</td>
<td>77.0</td>
<td>$14,875.00</td>
<td>87.2</td>
<td>$4,514.00</td>
</tr>
<tr>
<td>Saint Jo</td>
<td>36,471.00</td>
<td>81.7</td>
<td>59,183.00</td>
<td>89.3</td>
<td>22,712.00</td>
</tr>
<tr>
<td>Nocona</td>
<td>45,225.00</td>
<td>55.4</td>
<td>75,490.00</td>
<td>74.2</td>
<td>30,265.00</td>
</tr>
<tr>
<td>Bowie</td>
<td>105,947.00</td>
<td>80.0</td>
<td>157,739.00</td>
<td>89.4</td>
<td>51,792.00</td>
</tr>
<tr>
<td>Spanish Fort</td>
<td>933.00</td>
<td>35.1</td>
<td>2,404.00</td>
<td>59.0</td>
<td>1,471.00</td>
</tr>
<tr>
<td>Montague</td>
<td>8,937.21</td>
<td>83.5</td>
<td>9,285.04</td>
<td>88.7</td>
<td>2,348.43</td>
</tr>
<tr>
<td>Prairie Valley</td>
<td>5,599.00</td>
<td>29.5</td>
<td>25,478.00</td>
<td>71.1</td>
<td>19,879.00</td>
</tr>
<tr>
<td>Stoneburg</td>
<td>7,315.00</td>
<td>50.8</td>
<td>2,900.00</td>
<td>39.4</td>
<td>- 260.00</td>
</tr>
<tr>
<td>Caps Corner</td>
<td>2,860.00</td>
<td>33.7</td>
<td>2,900.00</td>
<td>39.4</td>
<td>- 260.00</td>
</tr>
<tr>
<td>Lone Star</td>
<td>3,190.00</td>
<td>61.7</td>
<td>30,580.00</td>
<td>85.5</td>
<td>18,316.00</td>
</tr>
<tr>
<td>Forestburg</td>
<td>12,284.00</td>
<td>44.2</td>
<td>24,410.59</td>
<td>82.6</td>
<td>12,126.59</td>
</tr>
<tr>
<td>Ringgold</td>
<td>8,605.00</td>
<td>48.8</td>
<td>997.57</td>
<td>38.3</td>
<td>117.57</td>
</tr>
<tr>
<td>Salina</td>
<td>889.00</td>
<td>54.9</td>
<td>3,190.45</td>
<td>57.0</td>
<td>996.46</td>
</tr>
<tr>
<td>Bonita</td>
<td>2,000.00</td>
<td>70.2</td>
<td>750.86</td>
<td>29.1</td>
<td>- 508.14</td>
</tr>
<tr>
<td>Briar Creek</td>
<td>1,265.00</td>
<td>42.9</td>
<td>303.57</td>
<td>17.1</td>
<td>- 114.41</td>
</tr>
</tbody>
</table>
In Table 4, the amount contributed by the local districts in 1948-1949 was taken from the financial records of the districts. The amount which each local district must contribute in 1949-1950 was estimated by subtracting from the total amount necessary as estimated in the Foundation Fund the amount to be contributed by the state. The remainder must be supplied by the local school districts if they are to participate upon an equal basis in the Foundation Program.

It will be noted from an examination of Table 3, state contributions, that without exception the state's proportional share of the educational financial load of Montague County will, for most districts, be increased tremendously by the Gilmer-Aikin plan. For example, in 1948-1949, the state assumed 25.5 per cent of the financial support of the Prairie Valley Common School District. In 1949-1950, according to the computations of administrative officials in that district, the state will assume 71.1 per cent of the load. In the independent school district of Spanish Fort, the state in 1948-1949 paid 35.1 per cent of the educational freight. In 1949-1950, the percentage will be 69.6 per cent. While such figures are extreme, all districts of Montague County anticipate that the state's proportionate financial share will be increased under the Gilmer-Aikin plan.

Conversely, while the state's share shows an increase, an examination of Table 4, local contributions, page 49,
will reveal a diminution in the proportionate, financial load to be carried by the local districts. Though the local districts total contributions may not be diminished this year, their proportionate share is lowered. For example, in 1948-1949, the independent school district of Bowie provided 19.4 per cent of its total school support, while in 1949-1950 that district will supply only 10.6 per cent of its support. Nocona, in 1948-1949, supplied 44.6 per cent of its school's finances. In 1949-1950, it will contribute 25.8 per cent.

The effect financially of the Gilmer-Aikin program is not to change the total load of the local districts but to decrease the proportionate share of the financial obligations which these districts must assume. Montague County will profit educationally at the expense of other sections of the state which are better able to support the education of Texas children, as is shown in Table 4, which follows.
TABLE 4
LOCAL CONTRIBUTIONS - COMMON AND INDEPENDENT SCHOOL DISTRICTS

<table>
<thead>
<tr>
<th>Name of School</th>
<th>Amount Contributed by Local Districts 1948-1949</th>
<th>Percentage of Total Amount</th>
<th>Amount to be Contributed by Local Districts 1949-1950 (estimated)</th>
<th>Percentage of Total Amount</th>
<th>Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunset</td>
<td>$3,994.38</td>
<td>23.0</td>
<td>$2,180.42</td>
<td>12.8</td>
<td>$913.96</td>
</tr>
<tr>
<td>Saint Jo</td>
<td>8,179.03</td>
<td>18.3</td>
<td>7,073.07</td>
<td>10.7</td>
<td>1,106.56</td>
</tr>
<tr>
<td>Nocona</td>
<td>36,520.52</td>
<td>44.0</td>
<td>26,317.59</td>
<td>25.8</td>
<td>10,202.93</td>
</tr>
<tr>
<td>Bowie</td>
<td>25,624.00</td>
<td>19.4</td>
<td>18,716.92</td>
<td>10.6</td>
<td>6,997.08</td>
</tr>
<tr>
<td>Spanish Fort</td>
<td>1,722.00</td>
<td>64.9</td>
<td>1,051.02</td>
<td>30.4</td>
<td>670.98</td>
</tr>
<tr>
<td>Montague</td>
<td>1,369.80</td>
<td>16.3</td>
<td>1,241.36</td>
<td>11.3</td>
<td>128.44</td>
</tr>
<tr>
<td>Prairie Valley</td>
<td>16,341.50</td>
<td>74.5</td>
<td>10,364.70</td>
<td>18.9</td>
<td>5,976.80</td>
</tr>
<tr>
<td>Stoneburg</td>
<td>45,529.86</td>
<td>68.7</td>
<td>32,157.71</td>
<td>78.3</td>
<td>13,472.15</td>
</tr>
<tr>
<td>Caps Corner</td>
<td>9,323.58</td>
<td>49.2</td>
<td>8,212.27</td>
<td>67.0</td>
<td>1,111.31</td>
</tr>
<tr>
<td>Lone Star</td>
<td>24,141.55</td>
<td>60.3</td>
<td>15,331.93</td>
<td>74.8</td>
<td>8,809.12</td>
</tr>
<tr>
<td>Forestburg</td>
<td>11,461.06</td>
<td>48.3</td>
<td>5,192.15</td>
<td>14.5</td>
<td>6,269.51</td>
</tr>
<tr>
<td>Ringgold</td>
<td>10,890.19</td>
<td>55.8</td>
<td>5,119.37</td>
<td>17.4</td>
<td>5,770.82</td>
</tr>
<tr>
<td>Salona</td>
<td>2,274.14</td>
<td>51.2</td>
<td>1,002.43</td>
<td>61.7</td>
<td>672.01</td>
</tr>
<tr>
<td>Bonita</td>
<td>4,747.06</td>
<td>45.1</td>
<td>2,703.83</td>
<td>43.0</td>
<td>2,043.23</td>
</tr>
<tr>
<td>Briar Creek</td>
<td>2,905.95</td>
<td>29.8</td>
<td>1,843.14</td>
<td>70.9</td>
<td>1,062.81</td>
</tr>
<tr>
<td>Hancock</td>
<td>555.83</td>
<td>577.1</td>
<td>470.23</td>
<td>82.9</td>
<td>85.60</td>
</tr>
</tbody>
</table>
Local Maintenance Rates—Common and Independent School Districts

In order to supply the local share of the financial support for school required in 1948-1949, a certain maintenance rate per $100 property valuation was required. In many of the school districts of Montague County, in order to secure state funds and to supply the amount of local funds necessary to complete the educational financing of the district, it was at first estimated that a raise in the 1948-1949 tax rate would be required. From the estimates released by the State Department of Education, however, it is now thought that such increases will not be necessary. The local maintenance rate levied in 1948-1949, and the amount to be required in 1949-1950 are listed in Table 5, page 51, Local Maintenance Rates—Common and Independent School Districts.

The local rate for 1948-1949 was obtained from the county tax rolls. The rate required for 1949-1950 has already been fixed in some districts by election and will be required from other districts according to the County Superintendent of Schools, basing his calculations and his estimates upon the provisions of the Gilmer-Aikin plan.
<table>
<thead>
<tr>
<th>Name of School</th>
<th>Maintenance Rate (Per $100 Valuation) 1948-1949</th>
<th>Estimated Maintenance Rate 1949-1950</th>
<th>Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunset</td>
<td>$0.90</td>
<td>$0.61</td>
<td>$0.29</td>
</tr>
<tr>
<td>Saint Jo</td>
<td>0.75</td>
<td>0.61</td>
<td>0.14</td>
</tr>
<tr>
<td>Nocona</td>
<td>1.08</td>
<td>0.62</td>
<td>0.46</td>
</tr>
<tr>
<td>Bowie</td>
<td>1.00</td>
<td>0.61</td>
<td>0.39</td>
</tr>
<tr>
<td>Spanish Fort</td>
<td>0.70</td>
<td>0.50</td>
<td>0.20</td>
</tr>
<tr>
<td>Montague</td>
<td>0.70</td>
<td>0.64</td>
<td>0.06</td>
</tr>
<tr>
<td>Prairie Valley</td>
<td>1.00</td>
<td>0.63</td>
<td>0.37</td>
</tr>
<tr>
<td>Stoneburg</td>
<td>0.90</td>
<td>0.64</td>
<td>0.26</td>
</tr>
<tr>
<td>Caps Corner</td>
<td>0.60</td>
<td>0.55</td>
<td>0.05</td>
</tr>
<tr>
<td>Lone Star</td>
<td>1.00</td>
<td>0.64</td>
<td>0.36</td>
</tr>
<tr>
<td>Forestburg</td>
<td>1.40</td>
<td>0.63</td>
<td>0.77</td>
</tr>
<tr>
<td>Ringgold</td>
<td>1.35</td>
<td>0.64</td>
<td>0.71</td>
</tr>
<tr>
<td>Salona</td>
<td>0.90</td>
<td>0.64</td>
<td>0.26</td>
</tr>
<tr>
<td>Bonita</td>
<td>1.25</td>
<td>0.64</td>
<td>0.61</td>
</tr>
<tr>
<td>Briar Creek</td>
<td>1.00</td>
<td>0.64</td>
<td>0.36</td>
</tr>
<tr>
<td>Hancock</td>
<td>0.75</td>
<td>0.64</td>
<td>0.11</td>
</tr>
</tbody>
</table>
It will be seen from an examination of Table 5 that, contrary to original expectations, no district, common or independent, in Montague County will have to hold an election for school tax increases. In each district the rate required for maintenance under the Gilmer-Aikin plan is appreciably less than that required in 1948-1949. The common school district of Forestburg is allowed the largest decrease, from $1.50 to $0.63 or a decrease of $0.77 on the one hundred dollar evaluation. Cape Corner has the smallest decrease, from $0.60 to $0.55, a decrease of $0.05.

The maintenance rate of the dormant districts will be transferred to those districts with which they have consolidated. This is one reason for escaping the necessity of local tax increases.

It may be pointed out in connection with the maintenance rate that in most districts the 1948-1949 rate will be maintained. The surplus will be used for the retirement of bond issues and the enrichment of the school program.

From the standpoint of local taxation, Montague County stands to benefit materially from the operations of the Gilmer-Aikin plan.

Teachers

The classroom teacher is, perhaps, with the exception of the child, one of the most essential functioning units of the educational system. Overcrowded classrooms and
"over-loaded teachers" are not among the characteristics conducive to better education. The number of teachers employed per common and independent school district in Montague County for the school year, 1948-1949, and the number estimated to be employed in 1949-1950 are shown in Table 6, Teachers—Common and Independent School Districts. The number of teachers for 1948-1949 were obtained from school records, the number estimated for 1949-1950 from the provisions of the Gilmer-Aikin plan. There were 3732 scholastics in Montague County for the school year, 1948-1949. There were 134 teachers. Though complete data on the subject is lacking, it is logical to assume that some of those teachers, especially in the smaller schools, were engaged in administrative duties and thus did not devote all of their time to classroom teaching. Waiving aside that assumption, however, and conceding that all of the teachers listed had classroom duties only, the average size of the classroom unit was approximately 28 pupils with a median of 24.2. The Gilmer-Aikin plan, with its insisting upon a classroom unit size not to exceed 26½ is, therefore, at least some improvement in this respect over present conditions, especially since it provides a median of 23 pupils per teacher. Table 6, which follows, illustrates the apportionment of teachers.
TABLE 6
TEACHERS - COMMON AND INDEPENDENT SCHOOL DISTRICTS

<table>
<thead>
<tr>
<th>Name of School</th>
<th>Teacher-Pupil Load 1948-1949</th>
<th>Teacher-Pupil Load 1949-1950</th>
<th>Number of Teachers 1948-1949</th>
<th>Number of Teachers 1949-1950</th>
<th>Increase in Teachers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunset</td>
<td>25.4</td>
<td>25.4</td>
<td>5</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Saint Jo</td>
<td>32.0</td>
<td>26.3</td>
<td>14</td>
<td>18</td>
<td>4</td>
</tr>
<tr>
<td>Nocona</td>
<td>29.8</td>
<td>28.9</td>
<td>30</td>
<td>33</td>
<td>3</td>
</tr>
<tr>
<td>Bowie</td>
<td>30.4</td>
<td>27.0</td>
<td>38</td>
<td>46</td>
<td>8</td>
</tr>
<tr>
<td>Spanish Fort</td>
<td>24.0</td>
<td>24.0</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Montague</td>
<td>25.0</td>
<td>25.0</td>
<td>3</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Prairie Valley</td>
<td>28.3</td>
<td>22.7</td>
<td>8</td>
<td>11</td>
<td>3</td>
</tr>
<tr>
<td>Stoneburg</td>
<td>16.6</td>
<td>16.6</td>
<td>8</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td>Caps Corner</td>
<td>17.3</td>
<td>17.3</td>
<td>3</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Lone Star</td>
<td>19.3</td>
<td>19.3</td>
<td>3</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Forestburg</td>
<td>28.6</td>
<td>25.9</td>
<td>9</td>
<td>11</td>
<td>2</td>
</tr>
<tr>
<td>Ringgold</td>
<td>24.2</td>
<td>21.2</td>
<td>7</td>
<td>9</td>
<td>2</td>
</tr>
<tr>
<td>Salona</td>
<td>16.0</td>
<td>16.0</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Bonita</td>
<td>20.0</td>
<td>23.0</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Briar Creek</td>
<td>23.0</td>
<td>23.0</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Hancock</td>
<td>6.0</td>
<td>6.0</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>...</strong></td>
<td><strong>...</strong></td>
<td><strong>134</strong></td>
<td><strong>157</strong></td>
<td><strong>23</strong></td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>24.0</strong></td>
<td><strong>23.0</strong></td>
<td><strong>...</strong></td>
<td><strong>...</strong></td>
<td><strong>17.1</strong></td>
</tr>
</tbody>
</table>
From Table 6 it is seen that there will be an increase in the number of teachers from 134 to 157 or an increase of 23 teachers, with a corresponding decrease in the median size of the classroom unit from 24.2 to 23. The independent school districts will experience the largest number of increase in teachers, led by Bowie with an increase of 8 teachers. Many of the common school districts will have no increase in teachers because their scholastic load is proportionately small.

Transportation Costs

Definite estimates of transportation costs and bus service for the school children of Montague County under the Gilmer-Aikin plan are not yet available. Since Montague is a rural county and since getting the child to school is essential, the subject of transportation is of importance to the schools of the county. In Table 7 the transportation cost per pupil in 1948-1949, the estimated transportation cost in 1949-1950, the number of children transported in 1948-1949, and the number to be transported in 1948-1949, and the number to be transported in 1949-1950 are given. Table 7, which follows, illustrates clearly the transportation costs per child in Montague County for 1948-1949 and the estimated cost for 1949-1950.
### TABLE 7

TRANSPORTATION COSTS PER SCHOOL AND PER PUPIL AND NUMBER OF PUPILS TRANSPORTED

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunset</td>
<td>$3,060.00</td>
<td>$3,060.00</td>
<td>$34.00</td>
<td>$44.00</td>
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<td>90</td>
</tr>
<tr>
<td>Saint Jo</td>
<td>5,131.20</td>
<td>3,938.50</td>
<td>50.80</td>
<td>42.35</td>
<td>101</td>
<td>93</td>
</tr>
<tr>
<td>Nocona</td>
<td>4,221.00</td>
<td>6,733.22</td>
<td>31.50</td>
<td>41.05</td>
<td>134</td>
<td>164</td>
</tr>
<tr>
<td>Bowie</td>
<td>5,893.00</td>
<td>7,592.00</td>
<td>30.06</td>
<td>31.50</td>
<td>196</td>
<td>241</td>
</tr>
<tr>
<td>Spanish Fort*</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>Montague*</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>Prairie Valley</td>
<td>7,720.00</td>
<td>7,720.00</td>
<td>48.12</td>
<td>48.12</td>
<td>160</td>
<td>160</td>
</tr>
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<td>Stoneburg</td>
<td>7,072.13</td>
<td>7,072.13</td>
<td>61.49</td>
<td>61.49</td>
<td>115</td>
<td>115</td>
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<tr>
<td>Caps Corner</td>
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<td>5,005.00</td>
<td>75.83</td>
<td>75.83</td>
<td>66</td>
<td>66</td>
</tr>
<tr>
<td>Lone Star</td>
<td>2,300.00</td>
<td>2,900.00</td>
<td>40.00</td>
<td>40.00</td>
<td>70</td>
<td>70</td>
</tr>
<tr>
<td>Forestburg</td>
<td>7,500.00</td>
<td>7,500.00</td>
<td>41.66</td>
<td>41.66</td>
<td>180</td>
<td>180</td>
</tr>
<tr>
<td>Ringgold**</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>Salona*</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>Bonita</td>
<td>2,850.22</td>
<td>3,000.00</td>
<td>81.43</td>
<td>73.17</td>
<td>35</td>
<td>41</td>
</tr>
<tr>
<td>Briar Creek</td>
<td>1,575.00</td>
<td>1,575.00</td>
<td>68.47</td>
<td>68.47</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>Hancock*</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$52,827.55</strong></td>
<td><strong>$55,995.85</strong></td>
<td></td>
<td></td>
<td>1070</td>
<td>1243</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td>...</td>
<td>...</td>
<td><strong>$49.37</strong></td>
<td><strong>$45.93</strong></td>
<td>1070</td>
<td>1243</td>
</tr>
</tbody>
</table>

*No transportation furnished.

**Unavailable.
From Table 7 it was seen that the average cost per pupil for transportation in 1948-1949 was $49.37, while the estimated cost for 1949-1950 will be $45.93. This is a contrast to the 1948-1949 state average of $33.23. It will also be noted that while the cost per pupil decreases $3.44, the total pupil load will be increased from 1070 to 1243. If the pupil load had remained 1070 at $45.93, the cost would have been greater than the 1243 at $33.23, with not so many pupils served; thus the economic benefit to Montague County resulting from the new plan is evident. The number of busses to be operated have not yet been estimated. It may be presumed, however, that Montague County children will have better transportation at a lower cost per pupil.

Recommendations for Consolidation

Under the provisions of the Gilmer-Aikin laws, it is obligatory that districts which have been dormant for a certain period of time be annexed to other districts. The authors of the plan also strongly urge that other small and insufficient districts be consolidated with larger districts. In pursuance of these obligations or recommendations, definite action toward consolidation has been taken in a number of the common school districts of Montague County and has been recommended in other cases.
Among the consolidations which have already occurred are the following:

1. The dormant common school districts of Dozier, Sandy Mound, and Aurelia have been annexed to the Nocona Independent School District.

2. The dormant common school district of Cottonwood has been annexed to the Bonita Common School District.

3. The dormant common school district of Taylor and Leona have been annexed to the Independent School District of Bowie.

4. The dormant common school district of Belcherville has been annexed to Nocona. The Ringgold common school district, except for the lowest six grades, should also consolidate with Nocona.

For the active common school districts of Montague County, the following recommendations, pursuant to the proposals of the Gilmer-Aikin plan, may be made:

1. Montague town common school district should continue to operate as a six-grade school, since it is too far from Nocona for the transportation of the younger children to Nocona, the nearest independent school district where the children of the upper grades now attend.

2. The common school district of Prairie Valley and the Independent School District of Spanish Fort should consolidate.
3. Stoneburg should continue to operate its present six-grade school and send the upper grades to Bowie.

4. Cape Corner should reduce the present eight-grade school to six grades and send the other grades to Saint Jo.

5. Lone Star should consolidate with Bowie.

6. Forestburg, since it is a large common school district with an area of 192 square miles, and poor roads, should continue its present operation.

7. Ringgold should be reduced to a six-grade school and should consolidate its upper grades with Nocona.

8. Salona should be consolidated with Bowie.

9. Bonita should continue with Cottonwood annexed as a six-grade school and should send the upper grades to Nocona, as is the present practice.

10. Briar Creek should be consolidated with Bowie.

11. Hancock should be consolidated with Bowie.

12. Farmer's Creek should be consolidated with Nocona.

For the independent school districts, the following recommendations are made:

1. Sunset's present ten-grade school system should be reduced to a six-grade school and the upper grades sent to Bowie.

2. St. Jo should continue its present operation.

3. Nocona, with the consolidations already effected and those recommended, should be able to finance its own operations adequately.
4. Bowie, like Nocona, because of consolidations already effected and those recommended, should also be able to finance its own operations adequately.

5. Spanish Fort should be consolidated with Prairie Valley, since its present operational structure of one teacher for six grades presents a poor teaching situation.

Summary

In this chapter a detailed survey of the common and independent school districts for 1948-1949, with estimates as to their proposed operation in 1949-1950, was made in connection with the following factors:

1. Number of scholastics. These were estimated to be the same for 1948-1949 and 1949-1950.


3. The school tax evaluation.

4. The school bond rate.


6. The amounts of money contributed by the state and local governments in 1948-1949 and the amount estimated to be contributed in 1949-1950.


Some conclusions from the above data will be drawn in the concluding chapter of this study. From the data presented, does it appear that the Gilmer-Aikin plan in operation will live up to the criteria of financial soundness as established in Chapter II? In Chapter IV to follow, an attempt will be made to answer that question.
CHAPTER IV

APPLICATION OF THE GILMER-AIKIN PLAN TO THE ESTABLISHED CRITERIA OF EDUCATIONAL FINANCE

The criteria of sound educational finance were presented in Chapter II. The Gilmer-Aikin plan, as it will operate financially in Montague County, was analyzed in Chapter III. It is the purpose of this chapter to connect the two subjects, operation and criteria, to determine whether the Gilmer-Aikin plan, as it will operate in Montague County, measures up to the criteria of sound educational finance.

The Principle and Criterion of Democracy

Will the Gilmer-Aikin plan as operating in Montague County answer the tests of financial democracy?

As Governor Beauford Jester suggested in his statement of August 11, 1949,¹ the Gilmer-Aikin plan has its controversial aspects. One phase of this controversy revolves about the criterion of democracy. Opponents of the program contend, with some validity, that to remove the office of the Commissioner of Education from popular control by making the head of the educational system an appointive rather than

an elective officer is a departure from direct democracy. Others contend that to force upon a local district a raised tax levy in order to secure state financial support is a step toward centralization and statism and away from a functioning local democracy.

The Gilmer-Aikin plan as it will operate in Montague County is, however, apparently democratic. The citizens have a voice in selecting one state Board of Education member who, together with twenty other members, will help to determine the educational policies of the state. No common or independent school district of Montague County is, at present, faced with the necessity of an increased tax levy. If such an increase is proposed, the citizens of the district have the right at the ballot box to approve or reject the proposal.

With some exceptions, the Gilmer-Aikin proposal seems to conform, in Montague County at least, to two of the three accepted tenets of taxation, ability to pay and benefits received. That is, Montague County, which does not have resources proportionally equal to some of the wealthier areas of the state, will have its proportionate share of the educational load diminished in accordance with the ability or inability to pay, while at the same time the children of the county will have provided for them educational facilities equivalent from the standpoint of finance to the children of other sections. This is advisable in view of the fact that
the children of the county are wards of the state, and their proper education will result in benefits received by the entire state. It may be added, however, that the same principle logically might be extended to the entire nation rather than confined to one state. That is, though the citizens of Montague County benefit financially from the provisions of the Gilmer-Aikin program, they still bear a disproportionate share of the educational burden in comparison with much wealthier counties of other states, a fact which has lead some educational authorities to advance the hypothesis that if state support of education in poorer districts is advisable, federal support of education in the same districts might result in the provision of better educational opportunities.

Since the basis of the state support of education has not been finally determined, no conjectures can be made as to the ease of collectibility. The local districts still employ the general property tax as a basis of financial support. While that tax is easily collectible in times of economic prosperity, it becomes not quite as satisfactory during periods of economic depression. For this and other reasons it is criticized as a tax base by many leading financial and tax authorities.²

²N. S. Holland, "General Property Tax," Texas Outlook, XXXII (July, 1948), 9.
of Montague County, meets, not perfectly, but better than did past programs, the criterion of financial democracy.

The Principle and Criterion of Equality of Opportunity

Does the Gilmer-Aikin program provide financially equal educational opportunity to all the children of Montague County?

The provision of equal educational opportunity has not always appeared possible of complete realization in smaller counties of the United States and particularly in the South. While the Gilmer-Aikin plan makes progress in the direction of achievement of educational opportunity, it does not completely reach that objective. It does assure the children of Montague County a minimum school term, the possibilities of better plant, equipment and transportation facilities, and teachers with better salaries. That is, it presents such assurance if the citizens of Montague County subscribe to and follow the provisions of the program, and if the supply of money in the state treasury continues to be adequate. It does not, however, completely eliminate the one-teacher school. It does not obviate the necessity for long, and at times arduous, bus transportation on the part of young children. It does not assure the teachers of Montague County a salary schedule equal to that provided the teachers of Dallas and Harris County city schools. To that degree
it falls short in answering the criterion of educational equality.

The Gilmer-Aikin proposal does not eliminate the factor of segregation. The subject of segregation is controversial and, except in connection with this topic, it does not form a part of this study. It must be pointed out, however, that after the Gilmer-Aikin program is put into operation, Texas will still have its segregated Negro schools, some of them, perhaps, poorly equipped and supported. The existence of these schools is inconsistent with the Gilmer-Aikin advocacy of the consolidation of weaker districts. If, under the Gilmer-Aikin plan, the Negro and Latin-American child is not offered educational opportunities commensurate with that offered other children of the state, the Gilmer-Aikin proposal to that extent fails to follow the principle of educational equality of opportunity. It is possible, however, that under the Gilmer-Aikin plan, the present segregated schools which may be now inferior, can be built up to a position of adequacy and equal effectiveness. If this objective is realized, the program will have succeeded in meeting the criterion of educational equality of opportunity.

The Principle and Criterion of Adaptability

Does the Gilmer-Aikin program have inherent within it the capacity for change? Does it provide a link between sound financial policies of the present and future? Is it
equally applicable to urban and rural, to small and large, to agrarian and industrial, to common and independent schools?

Satisfactory answers to the above questions must await examination of the program in actual operation. It may be suggested, however, that apparently the Gilmer-Aikin proposal allows for as much adaptability as does past programs. The curriculum has as yet neither suffered nor benefited from significant changes. The program, as far as can be ascertained, is at present based upon the same tax base as in the past, though future sessions of the legislature may change that condition. Desirable—and undesirable—features of former tax bases are retained. The program does provide a beneficial change in that it allows more financial support for smaller and weaker districts. It is adaptable in that it recommends necessary consolidations, some of which have been consummated. The program does attempt to provide relatively equal support for all districts, urban and rural, agrarian and industrial, small and large, though it has not achieved as yet complete success in realizing this objective.

The multiple-choice law, an action of the Fifty-first Legislature, will provide more adaptability. This law, not a part of the Gilmer-Aikin bills, is an accompaniment of them. This is the law which extends to elementary schools the privilege of multiple choice in choosing texts. That
privilege will allow more adjustment to local needs and local conditions.

The Gilmer-Aikin program may prove more adaptable than the past functioning structure of Texas education. If so, it will have met the criterion of adaptability.

The Criterion and Principle of Variability

Is the Gilmer-Aikin program flexible? That is, can it be altered to meet changing conditions? The program is as flexible as its predecessor, but, as far as can be determined from this study, no more so. Whether it can be changed to meet changing economic conditions remains to be seen. The effects of a depression upon the provision of services may result in serious diminution of local and even of state financial support. The local tax structure based upon the general property levy may prove inflexible and unsatisfactory in times of stress. That condition is not a fault of the Gilmer-Aikin program but of the tax edifice. However, since taxation is essential to the success of the Gilmer-Aikin program, a more variable local tax base might be preferable. A greater degree of variability might be achieved by discarding the local tax support completely and supplying, in lieu of it, federal support. This proposal has been advocated, but has not as yet received the approval of the federal congress.
The Prudential Criterion and Principle

Does the Gilmer-Aikin plan set up and maintain sound prudential practices? Does it, for example, avoid waste and extravagance? Does it insist upon adequate local budgeting, auditing and record keeping? Are its funds for the various school financial demands, such as salaries, transportation, buildings, and other enrichment correctly and impartially and justly allocated? Does it provide access to the proper sources of taxation and school revenue?

It must be acknowledged that, as far as Montague County is concerned, the Gilmer-Aikin bill presents little improvement in the incorporation of the prudential principle. It provides few additional safeguards against waste and extravagance. In the matter of school building, for example, discretion is still left to the local Board of Education and to the contractor and architect that the Board of Education may employ, thus leaving the door open for faulty construction and improper location. It is possible, however, that the new State Board of Education may find means of avoiding such difficulties.

Budgeting, auditing and record keeping have not been changed greatly by the new program. The State Auditor is in charge of the fund until a State Board of Education and a Commissioner of Education have been chosen. Some provision for checks and safeguards exists in the allocation of funds
to the local districts, but once the funds are distributed, they may be spent largely on a basis of local autonomy. A legislative enactment of the Fifty-first Legislature, the Publications Bill, introduced by Senator James Taylor, provides penalties for schools and administrators who neglect the publication of certain notices and records. This is an accompaniment, not a part of, the Gilmer-Aikin plan.

The distribution of funds among teachers, administrators, clerical employees, bus drivers, and other channels of school expenditure follows the best line of educational thought and may be an improvement over present prudential practices in that respect.

The prudential principle of financial contingency is not met by the program. That is, it does not insist upon the setting up of reserves. In fact, partly because of the exactions of the Gilmer-Aikin bills, the reserves in the state treasury have been depleted. In Montague County, however, the program allows for a decrease in the local maintenance rate. If that rate is not decreased, the surplus school income resulting may be used for the establishment of a reserve fund for contingencies, as well as for other phases of the enrichment of the school program.

As to the method of tapping the proper source of revenue, the Gilmer-Aikin program as yet presents no great improvement over its predecessor. Some authorities contend
that the tax structure of the state is unorganized and that natural resources do not bear a proportionate share of the tax burden. If these contentions are correct, the Gilmer-Aikin law has not as yet changed the situation.

In answering the criterion of prudential practices, the Gilmer-Aikin plan offers no great improvement over the school year of 1948-1949. It does retain the best prudential features of earlier programs and in part does accept the prudential criterion.

The Principle and Criterion of Stability

Will the program prove acceptable to the people of Texas? Is it part of the traditions and customs and philosophy of the people? Does it provide a program so sound as to be retained permanently?

The answers to these questions will rest upon the success of the program in operation. The ideal of a better system of education for Texas children has been part of the philosophy of many of the leaders and people of Texas since the founding fathers met at Washington-on-the-Brazos in March, 1836, to build the constitutional foundation of a new republic. Each succeeding Texas constitution has attested to the devotion of some Texas leaders to the objective of a first class system of public education. That ideal has in the past often received only the tribute of lip-service without concrete and definite attempts to
achieve the objective so frequently enunciated. This is shown by the fact that for many years Texas ranked among the lower group of states in educational progress. The expression of the ideal, even though it may have been unrealized, supplies some evidence that Texans are interested in their public schools, even though an improved program may prove more expensive. Thus the Gilmer-Aikin plan, promises better educational facilities, if it delivers upon its promise, it has the possibility of meeting the criterion of stability.

Evidence of the acceptance of the plan by the people rests upon two facts: (1) Many of the legislators in the Fifty-first Legislature, which enacted the Gilmer-Aikin plan, campaigned for election in the summer of 1948 upon the promise that they, if elected, would attempt to provide better support for the public schools. The public elected these legislators. The public, if it was aware of the educational planks in their platforms, must have approved increased educational financial support. The governor, who also was elected overwhelmingly by the people of Texas in 1948, made no secret of the fact that he was strongly interested in and approved of the Gilmer-Aikin proposal. He was one of its strongest proponents. (2) In the summer of 1949, when and where local tax elections have been required to raise local maintenance levies in order to support the Gilmer-Aikin proposal, the overwhelming preponderance of
these elections has been in favor of such increased support. For example, in the elections held in Tarrant County, July 23, 1949, only two of all the school districts in the County refused to approve the required increase in the maintenance tax, and one of those did so by only one vote. The same situation has been repeated throughout the state.

In Montague County, thus far, no tax elections have been necessary. Consolidation elections in the county have, with some exceptions, followed the Gilmer-Aikin recommendations. The plan seems to have been accepted in Montague County. The county may not, however, be a fair standard by which to judge the stability of the program, because proportionately it profits financially from state allocations under the plan. As has been suggested previously, no increase in the local maintenance rates has yet been necessary.

Whether the Gilmer-Aikin program will prove stable in times of financial crisis cannot be answered until and if such crisis materializes. The program apparently answers the criterion of stability.

The Principle and Criterion of the Separability of Control and Support in Education

Does the program provide for proper financial support at the state level and proper policy control at the local level? Does control follow the dollar?

Under the Gilmer-Aikin bill, as was pointed out in
Chapter III of this study, the state's proportionate share of financing the educational system of Montague County will be increased and the local burden proportionately decreased. The state will supply more dollars and a greater percentage of those dollars. Will it, at the same time, attempt to exercise control over the formulation of local Montague educational policy? Thus far, with the exception of certain financial requirements, the state has not attempted to place Montague County in an educational strait jacket. The local board of education is elected by the people of the local school district. The local board chooses the administrative officials, and through them the faculty. The determination of the local policies, curricula, and other educational matters is left in the hands of local agencies. If the local district is not able to supply its proportionate share of the funds, it may still participate in the program.

The plan does prescribe certain standards for teachers, but this presents no radical departure from past practices. It does seek to maintain a specified minimum salary schedule, and it insists that property assessment valuations be upon a percentage commensurate with other sections of the state. These are not, however, drastic infringements upon local autonomy. The local district, if it so chooses, does not have to subscribe to the Gilmer-Aikin program, though such procedure may result in failure to share its benefits. The
Gilmer-Aikin salary schedule supplies a floor, not a ceiling. That is, no district is limited by the plan. All may exceed it. In fact, the originators of the plan urge that, if possible, the local district supply a better educational system than that of the overall plan.

Thus, Gilmer-Aikin does meet the criterion of the separability of state support and local control. It provides the fodder but not the halter for better education.

It may be pointed out again that not all the financial support for education will come from the state under Montague County's operation of the Gilmer-Aikin program. Though the figures vary from district to district within the county, the districts still supply from twenty to thirty per cent of the county's financial support. The ability of some districts justly and easily to meet this exaction is questionable. Federal support, without federal control, might be able to meet the criteria of the separability of support and control equally as well as, if not better than, the Gilmer-Aikin proposal.

The Principle and Criterion of a Well-Rounded Financial Program

Does the Gilmer-Aikin plan provide for a correctly balanced financial emphasis upon all phases of the Montague County educational program? Does it emphasize all of the above principles or neglect some at the expense of others?
With the possible exception of the criteria of adaptability, variability, and prudence, the Gilmer-Aikin program is superior to past existing conditions. It is democratic in that it more nearly finances in accordance with ability to pay and benefits received. While it does not provide complete equality of opportunity, it is an improvement over the past in this respect. It seems in line with the accepted traditions and mores of the people of the state and, unless unforeseen financial exigencies develop, should prove stable. It provides increased state support without a great amount of increased state control, thus following the principle of separability.

The program, so far, has not proved itself greatly superior in adaptability and variability to the just-expiring system. Its prudential features are by no means complete. It does not, for example, provide for fool-proof bookkeeping nor for the accumulation of contingency reserves. Since the wealth and population of Texas is increasing, the last provision may not be essential. As to adaptability, variability and exercise of the prudential principle, the Gilmer-Aikin program, if not superior to past systems, is not inferior. It may, in the future, be better.

The Gilmer-Aikin program as it will operate in Montague County, will, according to the estimates and analysis of this study, meet satisfactorily the criteria of democracy, equality of opportunity, stability, separability of control
and support, and the presentation of a well-rounded program. It will meet only in part the criteria of adaptability, variability, and the prudential concept. It is, as it will be applied in Montague County, a distinct advance over past conditions.
Chapter V

SUMMARY, CONCLUSIONS, AND REMEDIAL PROPOSALS

Summary

A new method of educational support for the public schools of Texas, was enacted in 1949 by the Fifty-first Legislature. This method as it will be applied to one specific Texas county, has supplied the field for this investigation.

In the first chapter of the study, the problem was stated. It is an examination of the Gilmer-Aikin plan as it will affect Montague County schools in order to ascertain whether present inequities, if any, will be corrected, and to present additional remedial proposals if needed. The importance of the problem arises from the fact that the Gilmer-Aikin proposal constitutes in part an educational revolution, and is, or should be, of concern to every citizen of Texas, since public education is a vital part of our democracy. In the first chapter, the three Gilmer-Aikin bills were examined and defined upon the basis of their objectives as attempts: (1) to secure a more efficient method of school administration at the state level; (2) to guarantee to each child of school age the availability of a good nine-months educational program; (3) to guarantee a more
equalized method of educational finance based upon state and county support in accordance with the county's ability to pay in proportion to the abilities of the other counties of Texas. The study was limited to the five independent and twenty common school districts of Montague County. Eight of these districts were dormant. Sources of data were listed for the large part as primary. A brief review of the best thought and study in the field of educational finance was presented.

In Chapter II eight principles of public educational finance as advanced by Mort and Reusser\(^1\) were analyzed and the criteria of testing these principles were established and explained. These criteria may be summarized as: (1) democracy; (2) equality of opportunity; (3) adaptability; (4) variability; (5) prudence; (6) stability; (7) the separability of state support and local control; (8) the provision of a well-rounded, comprehensive financial program.

In Chapter III statistical data upon the operation of the Montague County school districts for the school year 1948-1949, before the Gilmer-Aikin bill was passed, were presented and comparative data as estimated for 1949-1950 were developed. This data included the presentation of statistics upon: (1) the number of scholastics in each common and

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\(^1\) Paul R. Mort and Walter C. Reusser, *Public School Finance*, pp. 95-114.
independent school district of Montague County, 1948-1949; (2) the average daily attendance, 1948-1949; (3) the school district tax evaluation, 1948-1949 and 1949-1950; (4) the bond rate, 1948-1949; (5) school expenditures, 1948-1949, and as estimated for 1949-1950; (6) the instructional costs per pupil, 1948-1949 and estimated for 1949-1950; (7) the amount of school money contributed by the state, for the 1948-1949 term and that estimated for 1949-1950; (8) the amount of money contributed by the local districts, for the term 1948-1949, and that estimated for 1949-1950; (9) the local maintenance rate for 1948-1949, and that estimated for 1949-1950; (10) number of teachers and estimated number of teachers; (11) transportation costs, for the term 1948-1949, and estimated transportation costs, for the term 1949-1950; (12) recommendations for the consolidation of districts.

In chapter IV the data presented in Chapter III were connected with and applied to the criteria established in Chapter II. It was found that in Montague County the Gilmer-Aikin program will answer the criteria of democracy, stability, separability and well-roundedness, and will answer partially the criteria of equality of opportunity, adaptability, variability and the prudential concept.

Conclusions

The Gilmer-Aikin proposal is, in many respects, an improvement over the program it superseded. Apparently, it
will provide longer terms, higher salaries, and better transportation and equipment. It is as democratic in operation as was its predecessor and financially more democratic in that it will supply to more children better education. It provides more, though not complete, equality of educational opportunity. It apparently is acceptable to the people of the state, and thus, except for unseen financial contingency, stable. It does not infringe upon the principle of the separability of state finance and local control. The program is well-rounded financially. While the program offers no great advance in adaptability, variability and prudence, it is not inferior to that which preceded it. For Montague County children for the school year 1949-1950 it will provide better schools, better transportation and higher-paid teachers at a lower proportionate cost to Montague County taxpayers.

The program has not as yet provided for continued assured financing in the case of financial crisis. Perhaps no program could provide such assurance. It does not remedy existing tax inequalities in the state nor tap new and better sources of revenue. Perhaps that was not its intention or duty. It does not completely lift the tax burden from some citizens of Montague County who are at present unable to share heavily in that burden.

The Gilmer-Aikin plan has flaws and imperfections but
it will constitute a decided advance over previously existing educational conditions and provide better educational opportunities for the children of Montague County.

Remedial Proposals and Recommendations

Though the Gilmer-Aikin plan is, in many respects, a distinct advance over the previous educational support of Texas schools, it falls short of perfection in some respects. Certain recommendations may be advanced in connection with its defects in an effort to improve the program and to enrich the financing of Texas education. These recommendations touch the fields of potential inadequate finance and still-existing inequities.

The flaw of potential inadequate finance arises from the fact that the proponents of the Gilmer-Aikin plan, as far as can be determined, made no great effort to foresee and to provide for future support of the program. Perhaps such foresightedness was not necessary, and the criticism is of a situation which it is impossible to remedy. The proponents of the Gilmer-Aikin plan found a state treasury with a huge surplus. Part of that surplus was used to finance the Gilmer-Aikin program for 1949-1950. The legislature adjourned with that surplus gone. When the Fifty-second Legislature meets, there may be no surplus existent to finance the Gilmer-Aikin proposal. The effect of this potential situation upon Texas education is problematical.
In view of this defect of the Gilmer-Aikin plan, it is recommended that, at the earliest possible opportunity, a complete study of the tax structure of the state be made in an effort to find new sources of revenue and to increase the tax proration of any sources which may now fail to bear a fair share of the tax burden. Particularly is this or a similar recommendation imperative in view of the passage of the constitutional amendment which eliminates, after 1950, the general property tax as a source of state income. The flaw of still-existing inequity is a local flaw as far as this study is concerned.

Economies and enrichment of the school program of Montague County can obviously be effected by the adoption of a county unit system of administration. With three of the schools having over one third of the total assessed valuation, and at the same time only one twentieth of the children of the county, it can be seen that a more equal distribution of the possibilities for a further enriched program is desirable. To meet the criterion of equality of opportunity, a county unit system of administration is recommended.
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