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# REPORT

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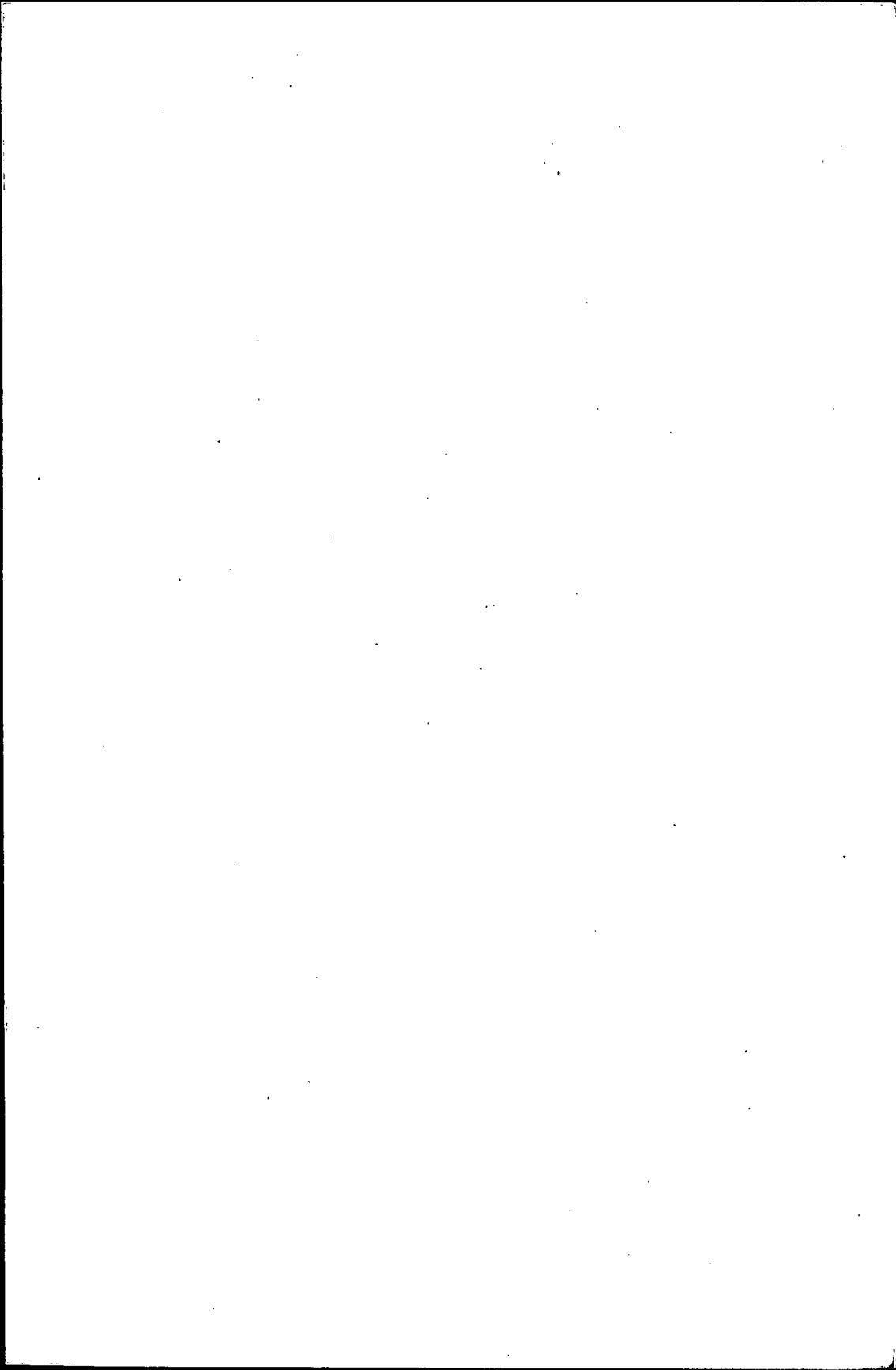
## MARYLAND COMMISSION TO STUDY PUBLIC EDUCATION AND FINANCES

to

THEODORE R. MCKELDIN, GOVERNOR OF MARYLAND  
THE LEGISLATIVE COUNCIL OF MARYLAND  
THE GENERAL ASSEMBLY OF MARYLAND

HARRY J. GREEN,  
*Chairman.*

NOVEMBER, 1952



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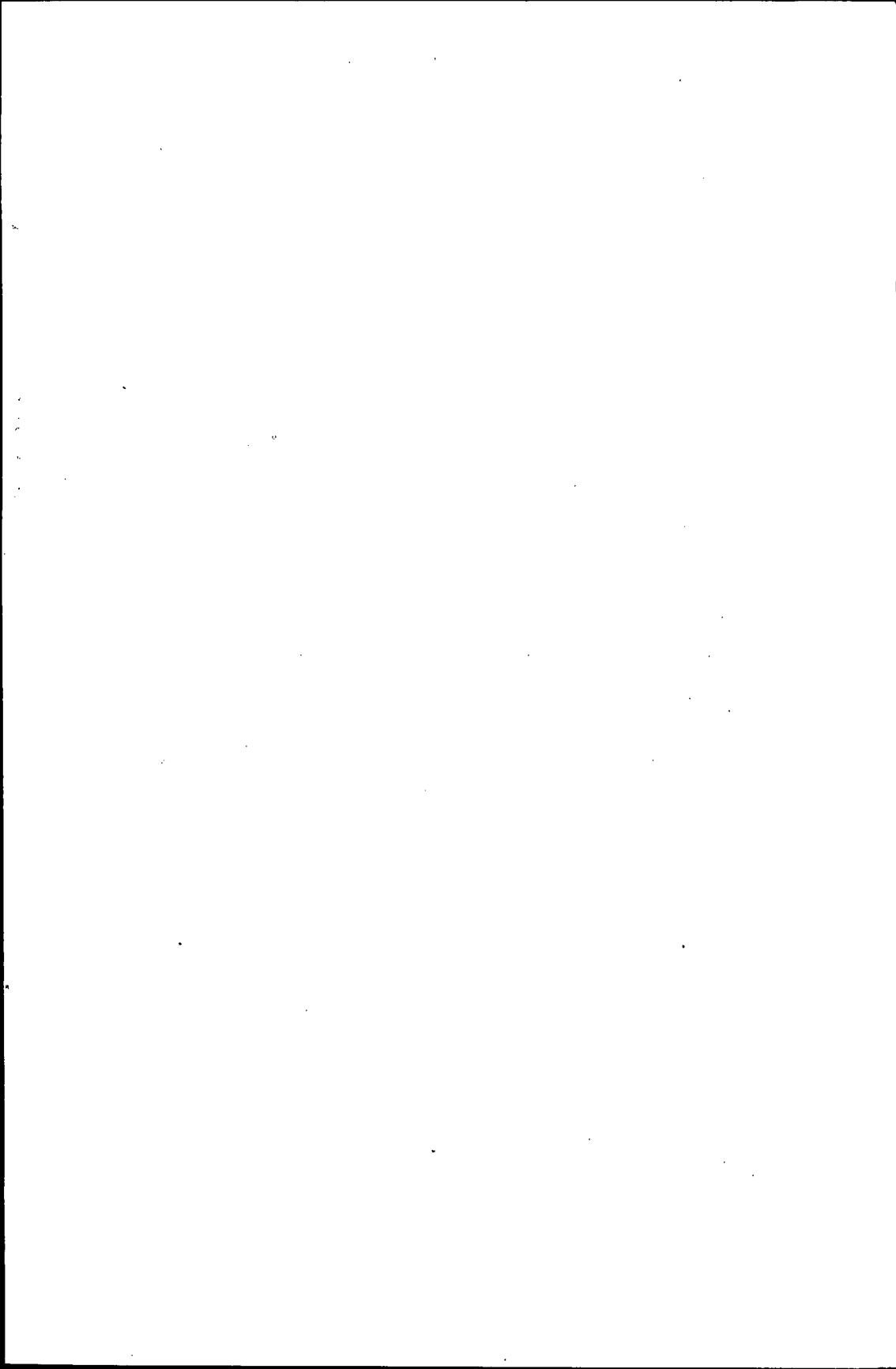
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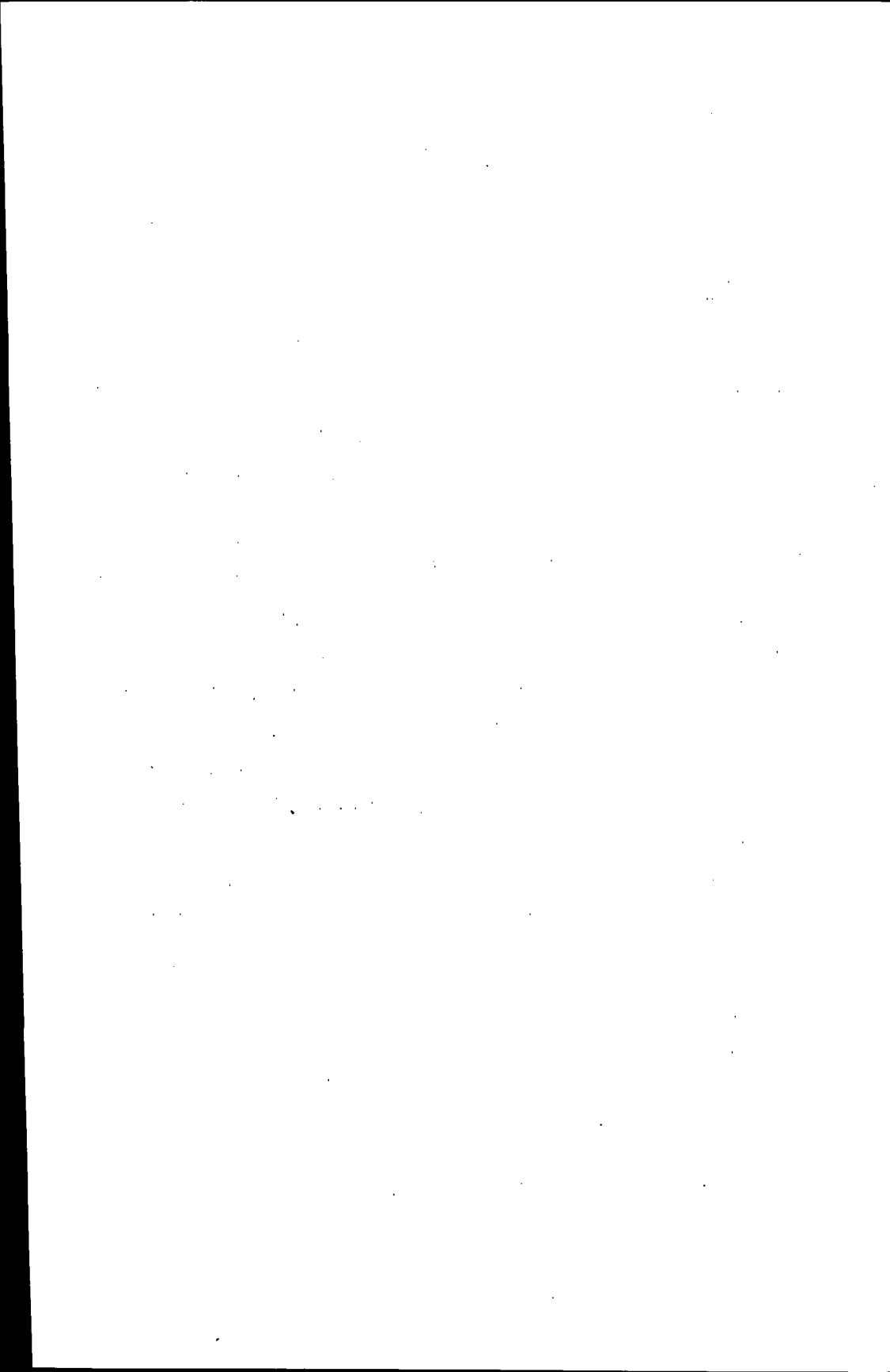
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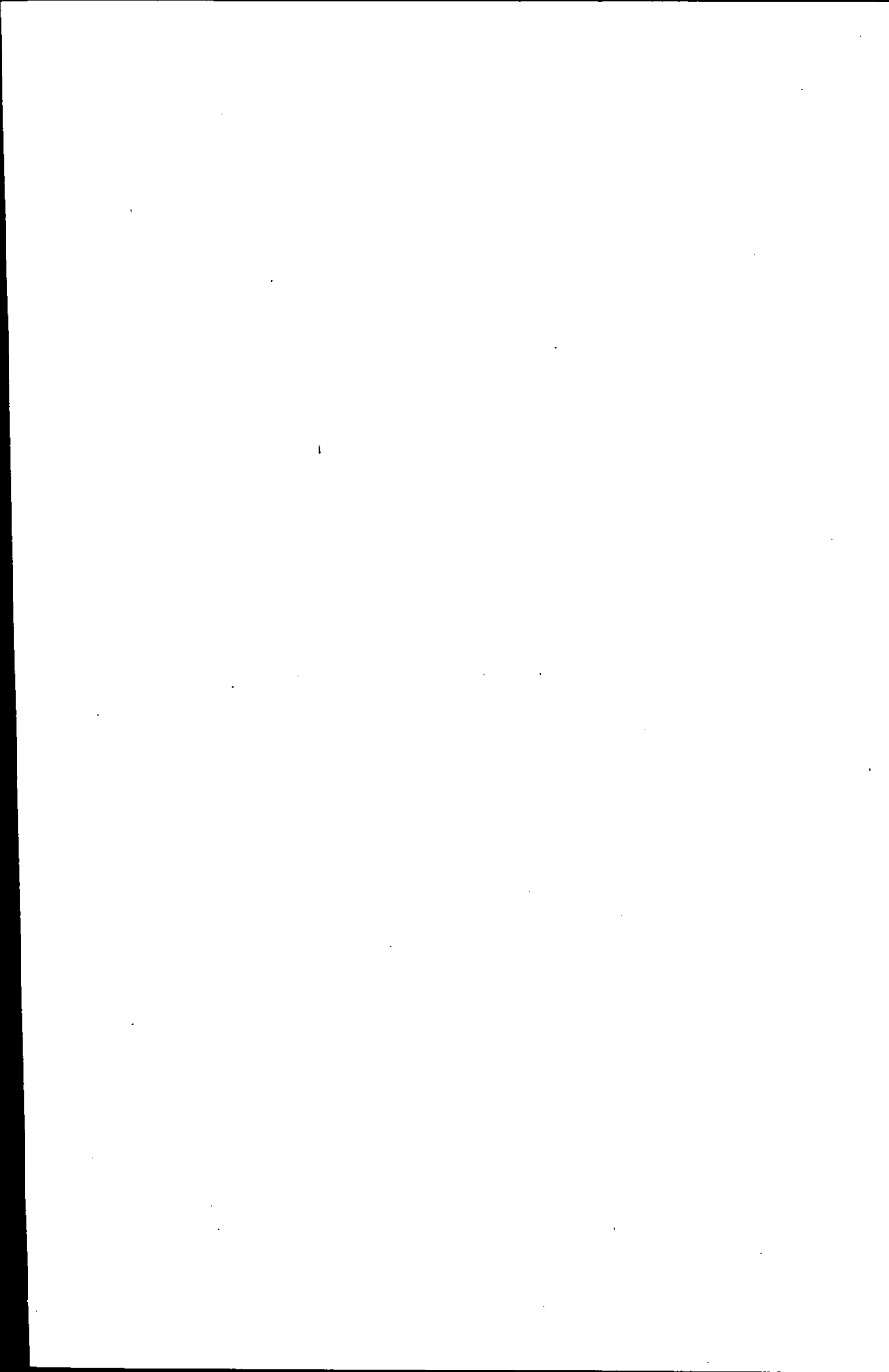
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## ACKNOWLEDGMENT

At this point the Commission wishes to express its appreciation for the cooperation of Governor Theodore R. McKeldin; former Attorney General Hall Hammond; Mr. James Rennie, Director of the Budget; the office of the Comptroller; Dr. Thomas G. Pullen, State Superintendent of Schools; Dr. David Zimmerman and Mrs. Carroll of the State Department of Education; Dr. William Lemmel, Superintendent of Schools of Baltimore City; and Dr. Edwin Broome, Superintendent of Schools of Montgomery County, all of whom have freely and frankly supplied necessary assistance and information to this Commission. Likewise, the Commission must express its gratitude for the thorough, painstaking, and wholehearted efforts of its research assistants, Messrs. Stanley Kelley and Kenneth Miller, of the Johns Hopkins University, as well as to its tireless secretary, Mrs. Robert Wooden.



## FOREWORD

This Commission was appointed during the month of June, 1952, by Governor Theodore R. McKeldin, jointly with Senator George Della, President of the Senate of Maryland, and Mr. John Luber, Speaker of the House of Delegates of the General Assembly of Maryland, pursuant to the terms of Resolution 2 of the General Assembly of 1952. Resolution 2 was originally introduced as Senate Joint Resolution 1 by the President of the Senate, as a part of the program of the Legislative Council, and, for the purposes of reference, is set forth in full in the Appendix.

Examination of the Resolution discloses immediately that the scope of the investigation outlined for this Commission could be interpreted as a mandate to inquire into every phase of the Public School System of Maryland — not only of the elementary and high schools, but the public vocational and specialized institutions of learning, the teachers' colleges, and all the allied educational institutions under the jurisdiction of the State Department of Education, as well as that department, itself.

The Resolution states that "There is a need for a fresh study and reconsideration of the entire structure and operation of the Public School System of this State" and directs that a commission be appointed "to study and re-evaluate the Public School System of this State". The study was to include, but not be limited to, all phases of finance, curriculum, physical plant, administration, and personnel policy.

Obviously, such a project is a gigantic task which necessarily would involve the employment of a staff of experts in pedagogy and the making of highly specialized and technical studies and surveys at very substantial expense to the State, and would require a very considerable period of time, far too long to supply the Legislature and the Governor with the information and recommendations they need to meet the immediate and pressing problems confronting them.

Perhaps the Legislature intended, and may still intend, that such a comprehensive and detailed study should be made. However, while the General Assembly set no time limit in the Resolution for this Commission's work and report, and did not require that either a complete or partial conclusion should be submitted by any specific date, it is clear that a deadline was contemplated. Certainly, from the necessities of the situation and the history of the controversy giving rise to the adoption of the Resolution, as well as from the wording of the Resolution itself, it is manifest that at least a report on the more pressing problems involved should be in the hands of the Governor and of the General Assembly at its 1953 session.

It is a matter of public knowledge, of which this Commission must take cognizance, that since early 1951 there has been a substantial public controversy over questions relating to the proposed upward revision of the State's minimum salary schedule for teachers, the form and extent of any salary increases to be granted, and where the increased financial burdens could and should be placed. Not only has there been complete disagreement among the Legislature, the Governor and the State Department of Education upon each of these problems, but they have been debated publicly and repeatedly in the press, over the radio, and even on television by public officials, parent-teacher associations and other interested persons.

Resolution 2 expresses concern with the new and unprecedented difficulties that have been encountered in financing the public school system in the past few years, and expresses the desire of the Legislature for assistance in the consideration and determination of the many complex questions involved. It makes direct reference to the passage of House Bill 610 in 1951, popularly known as the "Teachers' Salary Bill", its veto by the Governor, and its subsequent reconsideration by the General Assembly. The Resolution also contemplates a study of "the proper division of responsibility as to the administration and financing of the public school system between the State and the several political sub-

divisions"; and that this was deemed a matter of immediate importance, is indicated in the *Report to the General Assembly of 1952 Proposed Bills* by the Legislative Council which recommends

"... that the General Assembly request the Governor to appoint an able and competent commission to make a complete reappraisal and revaluation of the respective responsibilities and the interrelationships in the administration and financing of the public schools, as between the State and the several political subdivisions. This is a question of basic importance in the future treatment and consideration of legislative matters concerning the public schools; and a fresh determination of the State's policy will do much to avoid such a deadlock as has occurred over House Bill 610."

After the introduction of House Bill 610, two other bills dealing with teachers' salaries and the raising of funds with which to meet salary increases were passed by the Legislature and subsequently vetoed by the Governor. Both of these bills will be before the next General Assembly for consideration.

Under the press of such events, numerous state, county and local officials, and organizations and groups interested in public education, have urged at least a partial report by this Commission at the earliest possible moment, on the specific financial and tax problems involved.

As a consequence, we felt we were faced with two choices: (1) we could embark upon a complete investigation and study of the public school system of Maryland, employing qualified experts to make the necessary studies and analyses and then to advise us, a task which, under any circumstances, could not have been completed within four or five months by the most expeditious and diligent study, and which, therefore, would have been of no value at all for Legislative action in 1953; or (2) we could lay aside for later and more detailed inquiry, if desired and directed by the General Assembly, all other phases of the public school system problems save those pressing ones which must be considered and acted upon at the next

meeting of the General Assembly, concentrating our attention and judgment upon those in the hope of being able to file an intelligent report, backed by research and study, in time to place it in the hands of the proper authorities for 1953 action. In the light of the considerations presented above, the Commission, very early in its deliberations, determined to limit immediate study to two problems, deferring all others until the close of the General Assembly of 1953, to be considered then if deemed necessary or advisable.

Inquiry in this report will therefore be confined to the following areas:

1. The Relative Responsibilities of the State and its Political Sub-Divisions for the Present and Future Financing of the Public Schools of the State of Maryland.
2. The Minimum Salaries, and Salary Increments, of School Teachers Under the Foundation Program of Public Education.

## APPROACHES TO THE PROBLEM

In determining the proper approach to a consideration of these two specific problems, the Commission was again faced with two alternatives.

It could employ the services of some nationally recognized person or organization, at considerable expense to the State, to do its research for it and to supply it with information upon which its decisions could be based, or it could do the job itself.

The former procedure would require the selection of experts who would be familiar with public school systems and with economic and tax problems involved in financing a public school system, but who would be without specific knowledge of the geographical and economic peculiarities of the State, the industrial and agricultural backgrounds of the various political sub-divisions, and their financial potentialities. Such an approach would probably result in the adoption by the Commission of a report embodying the ideas and opinions of the person or organization employed to make and present it, rather than a report based on the study, experience and knowledge of the members of this Commission, who are representative not only of various businesses, professions, parents and teachers, but of every part of the State itself.

The second alternative — to do the job themselves — would be the more difficult one for the members of the Commission. Obviously, Maryland is not the only state that has been confronted by the problems encompassed by the Resolution creating this Commission. The same economic forces which affect Maryland's problems have been and are at work in other states. The tremendous increase in pupils, as a result of recent rapid population growths, the crying need for better facilities, the frightening increase in the costs involved in the expansion of plant, facilities, personnel and means of transportation, the insistent demand for higher salaries for teachers, the difficulty of obtaining qualified school teachers, and ever-mounting increases in federal, state and local taxes, are only

a few of the problems that must be considered in an attempt to determine what the policy of the State should be on a subject of such prime importance.

This was abundantly clear to the members of the Commission when they began to familiarize themselves with reports of investigations in this and other states that have been written and published heretofore upon the subject.

Where available information and opinion had been previously highly philosophical and general, recent years have produced voluminous factual data on public education and the financial problems involved, together with the results of similar studies that have been made in almost every kind of form and manner and in almost every state.

The Commission soon realized that to do the job themselves meant that the individual members would have to educate themselves, and, with the help of research assistance, digest the voluminous and often conflicting data and opinions, and sift the wheat of solid fact from the chaff of prejudice and opinion. It also meant taking the time to interview public officials and educators of the State having knowledge of the problems peculiar to our public school system. However, the members of the Commission would have the advantage of having personal knowledge of the historical, political, geographical, industrial, agricultural and financial differences between various parts of the State — the differences, for instance, between Somerset County on the Eastern Shore and Garrett County in western Maryland, between Charles County in southern Maryland and the counties adjacent to Washington. This became of increasing importance when the difficulties and dangers of making comparisons with other states became manifest.

This report, therefore, represents the combined and unanimous opinion of the members of this Commission. It represents the philosophy of this Commission, with an outline of the studies made, based on extensive research and sound statistical and financial information properly documented.

## HISTORICAL BACKGROUND OF THE FINANCING OF EDUCATION IN THE UNITED STATES

The Constitution of the United States makes no mention of education. By the Tenth Amendment to the Constitution, ratified in 1791, which provides that "powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people," the control of schools and education passed, as one of the powers thus reserved, to the people of the different states to handle in any manner they saw fit.

Yet the Federal Government from its inception has been concerned with public education, justifying its concern under the General Welfare clause of the Constitution. Early in its history the new Congress, in the Ordinance of 1787 enacted for the government of the Northwest Territory, provided that "Religion, morality, and knowledge being necessary to good government and the happiness of mankind, schools and the means of education shall be forever encouraged" in the states to be formed from this territory.

When the first state from the Northwest Territory was admitted to the Union — Ohio in 1802 — it received from the Federal Government the sixteenth section of land in each township for the maintenance of schools within that township, in return for the state's promise not to tax the public lands of the United States within its borders. A similar plan was followed in the admission of other states, except for Texas, which owned its own land when admitted, and West Virginia and Maine which were carved from original states. In all, the national government has given to the states for common schools over 154,000,000 acres of public lands, nearly equal to the total area of California, Oregon, and Washington.<sup>1</sup>

These land grants were supplemented by federal money grants, the most important of which were a percentage of

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<sup>1</sup> Arvid J. Burke, *Financing Public Schools in the United States*, page 113.

revenues from the sale of federal lands within the state, the United States Deposit Fund of 1833, Surplus Revenue Fund of 1837, the Distributive Fund of 1841, mineral royalty grants, and federal forest-reserve income. Only the last two grants were designated specifically for education; but the others were frequently used as the basis for state permanent school funds. Like land grants, the money grants for schools generally were not accompanied by any federal controls.

As a condition of admittance to statehood, Congress made certain requirements on the new states in regard to education. Beginning with rather general conditions on the admission of Ohio, the requirements gradually became more detailed and specific. When Oklahoma was admitted in 1906, Congress required (1) a public school system free of sectarian control, (2) schools conducted in English, and (3) recognition of separate schools for colored and white populations, as well as the usual provisions regarding school lands. The last enabling act, passed in 1910 and applying to New Mexico and Arizona, required that schools, colleges, and universities provided for in the act should forever remain under the exclusive control of the state.

Aside from these limited provisions, however, public education remained the concern of the states and of the local governmental units. The educational system in existence during the first years after the adoption of the Constitution was in large part that of colonial days. Even in the earliest, pre-Revolution days, there was some provision for education in this country. It was then of a most limited character, generally restricted to learning in the home, or in a very few private schools. Only in New England had the principle of the common taxation of all property for town and colony educational purposes been established.<sup>2</sup> In Massachusetts the laws of 1642 and 1647 had given town officials the responsibility of seeing that children were taught to read and had created an elementary school system for all towns and a secondary school system for the larger towns. These Massachusetts

<sup>2</sup> Ellwood P. Gubberley, *Public Education in the United States*, page 14.

setts laws, which asserted for the first time among English-speaking people the right of the State to require communities to establish and maintain schools, became the basis for school legislation in the other New England colonies.<sup>3</sup>

In the Middle Colonies of Pennsylvania, New Jersey, and New York, a different system prevailed. The number of religious denominations existing there made impossible the close unity between Church and State which existed in most of the New England colonies. The result was dependence upon the various religious denominations and upon private effort for the support and administration of education. As a consequence, the provision for education, aside from certain rudimentary instruction thought necessary for religious purposes, and aside from the apprenticing of orphans and the children of the very poor, was left largely for those who could afford to pay for the privilege.

Still a different system was followed in the Southern Colonies. There, the tutor in the home, education in small private and select pay-schools, or education in the mother country were the prevailing methods adopted among the wealthier people, while the poorer classes were left with only apprenticeship training and that which the few pauper or charity schools of the time might provide. There was no state interest in the problem of education except to see that orphans and children of paupers were properly apprenticed and trained in some useful trade.

As the description of these educational systems indicates, nearly all the early schools were completely local in character. Even where the colonial or state government ordered schools to be established, their support, organization, management, and control were of necessity left to local initiative. In many cases where the local community employed a school teacher, educational support was not on the basis of taxation but by local contributions. Various members of the community helped in building or supplying materials for a

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<sup>3</sup> *Ibid.*, page 19.

crude school building; and the teacher was provided food and clothing by some families and lodging on a rotating basis by others.

There were no compulsory education laws and child labor was in vogue everywhere.

In the first years after the adoption of the Federal Constitution, the states were too concerned with their own political and economic problems to give much attention to education, even though that responsibility was left in their hands. Of the twenty-three states forming the Union in 1820, ten by that time had made no mention of education in any of their constitutions.

The state constitutions which did mention education fall into three classes. The first, represented by Delaware and Georgia, merely directed the establishment of schools, or as in the Alabama and Mississippi constitutions, merely repeated the declaration as to "schools and the means of education" contained in the 1787 Ordinance for the government of the Northwest Territory. The second, represented by Massachusetts, New Hampshire, Connecticut, Vermont, Maine, Ohio, and Indiana, provided for the encouragement of learning and virtue and the protection of school societies. The third, represented by North Carolina and Pennsylvania, directed the establishment of schools wherein tuition should be cheap. In general, it was in the constitutions of the new Western states that the most complete provisions for state systems of public instruction were to be found.

Thus, the lack of central direction from the state government, together with the fact that such state school laws as did exist were permissive in nature, rather than mandatory, led to the thrusting of responsibility for education primarily upon the local units. In New England a system of local school districts was developed, with each district having the right to elect school trustees, levy district school taxes, and select a teacher; and, in time, the district system spread over nearly all of the United States.

Most of the country is still laboring under the old district system, established in the early 1800's and carried on to a large extent to the present. In almost all states, there are more or less autonomous school districts, on the basis originally established, crossing city and county lines. In at least half a dozen states, there are several thousand school districts, each with its own complete school and each with a right to use some form of limited taxing power. Maryland is almost unique in its modern system of twenty-four school districts, corresponding with the twenty-three counties and Baltimore City.

Generally, the various states are now, and have been, attempting to get away from the obsolete, inefficient, expensive and too decentralized system of numerous school districts by consolidating them and reducing their number.<sup>4</sup>

Despite the national land grants for education, the provisions made in the various constitutions, and the early efforts in behalf of public education made in the few cities of the time, we can hardly be said, as a people, to have developed an educational consciousness before about 1820, outside of New England and New York. Indeed, in some of the states, and especially in the South, that did not come not until much later. It was not until the 1830's that the battle to eliminate the pauper-school was won in the North, while the system continued in most of the Southern states down to the Civil War. Growing success was attained in the second quarter of the nineteenth century in the attempt to secure tax-supported, publicly controlled and directed, and non-sectarian common schools. In 1825 such schools were the distant hope of statesmen and reformers; by 1850 they were becoming an actuality in almost every Northern state.

The chief problem which had to be met by those advocating the development of free public schools was the substitution of financial support by taxation for the early non-tax

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<sup>4</sup> *Report of School Problems Commission of Illinois*, March 1951; Harlan Beem, *School District Reorganization in Illinois*, State Government, July, 1951, p. 179; Edward B. Logan, *Pennsylvania's School Building Authority*, 1951.

"1. Permission granted to communities so desiring to organize a school taxing district, and to tax for school

somewhat as follows:

*Public Education in the United States*, that the trend was various states. Ellwood Cubberley has pointed out, in his suddenly, nor was it accomplished in the same way in the Compulsory tax support of schools did not come about

necessary funds available.

of the idea that state-wide taxation was needed to make the sufficient revenue to support the schools led to the acceptance for public education. Failure of such endowments to produce was their use to stimulate and establish local tax support The real contribution of state permanent school funds

which the state pays interest out of current tax funds. in many states. In some it now exists only as a debt upon schools. Unfortunately, the endowment was lost or dissipated which, it was believed, would furnish sufficient support for used to establish permanent endowment funds, the income of Proceeds from both federal and state land grants were

wide policy."

bills; and gradually the states abolished rate bills as a state-of support and secured permissive legislation to abolish rate could afford. Cities and villages soon abandoned this method received only as much instruction annually as the parents-children of farmers and workmen with small incomes regularly in the thirteen original states, with the result that 1800 to 1821. Rate bills or tuition charges were used generally in the thirteen original states, with the result that opinion. Even in Maryland, State aid was by lotteries from gradually outlawed by anti-gambling legislation and public century and the first part of the nineteenth century, but were Lotteries for school support were used in the eighteenth

sources of school revenue. These included land endowments and rents, lotteries, gifts and bequests, fines and penalties, rate bills or tuition charges on parents who sent their children to school, and services in lieu of rate bills or taxes.

- support the property of those consenting and residing therein.
2. Taxation of all property in the taxing district permitted.
  3. State aid to such districts, at first from the income from permanent endowment funds, and later from the proceeds of a small state appropriation or a state or county tax.
  4. Compulsory local taxation to supplement the state or county grant."<sup>6</sup>

In the first years after the formation of the Union, property taxation for schools was made permissive. In Massachusetts and Connecticut permissive laws were carried over from colonial times. Vermont (1782), New Hampshire (1783), and New York (1795) adopted state-wide permissive laws. Other states granted taxing powers to particular cities or school districts. Optional state-wide laws were adopted in other states after 1820 — Ohio, New Jersey, Missouri, Illinois, Rhode Island, Kentucky, Pennsylvania, Iowa, Mississippi, and Indiana.<sup>7</sup>

The Civil War years brought new activity by the Federal Government in support of education. The passage of the Morrill Act in 1862 marked a new departure in federal policy, and the stimulation of specific types of education within states. The Act provided land grants to establish colleges of mechanical and agricultural arts which would also provide military instruction under state control. In later years, the precedent set by the Morrill Act in the federal direction of state educational activities through stimulation grants, was followed by special aids for nautical schools (1874), agricultural experiment stations (1887), and cooperative extension work in agricultural and home economics (1914). In addition to such federal stimulation grants, various bills were introduced into Congress, proposing federal aid to raise educational standards in the South, but such proposals were uniformly defeated.

<sup>6</sup> Cubberley, *op. cit.*, page 180.

<sup>7</sup> Burke, *op. cit.*, page 115.

By 1850 the main lines for future development had been laid down. The people had definitely decided that they intended to establish and maintain a series of state systems of free, publicly controlled, tax-supported, non-sectarian common schools, and that these common school systems should provide whatever educational advantages the needs of the states might demand.

The Civil War checked further progress for a time; and up to about 1880 in the North, and 1890 in the South, educational expansion came slowly. However, during this post-Civil War period, certain trends in school finance became evident, trends which were to continue into the twentieth century and lead to the development of the modern philosophy of financing public education.

After decentralized school systems had been established, the states discovered that there were wide differences in school attendance, qualifications of teachers, length of term, and physical facilities. At first, states generally tried to attain minimum standards through local support, but such an approach resulted in unequal tax burdens. They began to use some state tax revenues to supplement local taxes and to enforce state minimum standards; but the policies adopted did not accomplish the objective of equalizing educational opportunity. Indeed, there is little evidence that most states were very much concerned with inequalities in local tax burdens for educational purposes prior to 1900. Their primary concern was in securing a minimum degree of elementary education for all and the elimination of tuition charges which kept children out of school.

By the end of the nineteenth century certain minimum-standards legislation had been adopted in many of the states. One of the first requirements was that of a minimum term of elementary schooling. By 1889 twenty-five of the states prescribed a minimum term; of these, over half set the minimum at 12 weeks, the highest being 6 months, and the average, 3.7 months.

One of the earliest policies adopted to overcome the fiscal inadequacies of the decentralized state school systems was that of state collected and locally shared taxes for schools. For example, New Jersey in 1828 and 1837 apportioned school revenues to localities in proportion to taxes paid; after 1851 it combined this method with a population measure; from 1881 to 1945 it appropriated ninety per cent of its state school property tax according to source.<sup>8</sup> The objective was impartiality, but equalization was confused with equality in the allotment of available revenues.

As various states found that state minimum demands created unequal tax burdens and failure to comply in the weakest districts, and that per capita apportionments failed to meet the needs, they gradually began to adopt policies seeking to give extra financial assistance to weak districts. District, school and teacher quotas were crude, early attempts to give special aid to sparsely settled districts with high costs, low valuations, and high tax rates.

The aid-to-weak-districts policy was the forerunner of today's equalization programs. In 1872 Massachusetts introduced the policy of distributing available state funds to the poorer rural districts only, a plan which was adopted by Vermont in 1894, New Hampshire in 1899, and New York in 1902. "When Vermont introduced the concept of using aid to equalize local tax rates in 1894, and Connecticut refined it in 1903, by supplementing the yield of a specified local tax rate in order to provide a specified amount of money per child, the key had been found to present-day equalization aid."<sup>9</sup>

Since about 1920, numerous bills have been introduced in Congress at every session proposing substantial financial aids to the states for public elementary and secondary education. The greatest development that has occurred in this direction, however, has stemmed from some of the emergency

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<sup>8</sup> *Ibid.*, page 257.

<sup>9</sup> *Ibid.*, page 259.

legislation passed during the depression and World War II. The Works Progress Administration and the National Youth Administration distributed large sums of money to local school organizations and directly controlled their use; and the Civilian Conservation Corps carried on a variety of federally controlled educational activities within the states. During the Second World War, the Lanham Act brought direct federal aid, with considerable accompanying control, to local school districts which had experienced great increases in enrollment owing to the proximity of military camps or war industries.

At present, the Federal Government's main concern with education is in the programs for vocational education, veterans' rehabilitation, school lunch services, and the distribution of information. In addition, the national government has direct responsibility over public education in many areas such as Indian reservations, outlying territories and possessions, and special areas within the United States not subject to state jurisdiction, such as the District of Columbia and Oak Ridge. The total amount of federal aid to state and local governments for educational purposes, through grants-in-aid and shared taxes, was over three billion dollars in 1951.<sup>10</sup>

In particular, there has been much concern with the equalization of educational opportunity so that each school child in the state, regardless of the wealth or character of the local community, may receive an adequate basic education. It became increasingly evident that the first attempts of states to aid schools through grants based primarily on population measures could not provide even the semblance of an adequate educational program for all children. The early techniques used by the states consisted primarily of apportionment of some additional funds to the poorer school districts, sometimes by a discretionary fund administered by political officials on any basis they might choose, sometimes

<sup>10</sup> Paul R. Mort and Walter C. Reusser, *Public School Finance*, page 576.

by aid to the so-called "weak" or poor districts as determined by the proportionate amount of taxes produced in varying communities. Naturally, both of these forms of aid put a premium on lack of effort in the local district. Even with such aid, there were tremendous variations in the type of educational program offered by large and populous districts and that available in sparsely settled and poorer districts within the same state. Even among the poorer districts, the quality of education varied greatly since there were often wide differences in the amount of effort that local units were willing to make for financing the education of their children.

The period of the past thirty years, since 1920, has brought two important developments in the field of education. In these thirty years there has been more research, more information available, and greater progress made than in the entire previous 150 years. The first of these developments was the appreciation of the fact that every child, in every state, regardless of where he may live, is entitled to an adequate education. The second was the conception and adoption of improved methods of financing education. Costs of education have increased tremendously and taxes on real estate are now completely insufficient for meeting them in full. Consequently, students of school finance have come to advocate the assumption by state governments of more of the burden of school support, and the states have, in fact, been forced to do this.

Problems in school financing led some of the states to experiment with various types of equalization programs. Most states had introduced some equalization features into their state aid laws before 1920. But the equalization laws enacted in the latter part of the nineteenth century and in the early decades of the twentieth century reflected little understanding of what was called for in the way of state support if equalization was to be served and other principles not offended.<sup>11</sup> Many laws required the locality to raise all

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<sup>11</sup> *The Financing of State Departments of Education*, Misc. Release No. 15, U. S. Federal Security Agency, Office of Education.

the money it could reasonably be expected to raise, current practice in taxation considered, or all that it was allowed to raise under constitutional or statutory tax limitations. The state then provided the difference between the amount so raised and the cost of the basic program.

These early equalization schemes attempted to provide a minimum amount of support for each district, school, or teacher on the theory that a minimum amount of money was required to employ a teacher and to operate a school for a minimum term regardless of enrollment. Unless the state provided the minimum support from state or county sources, high local tax rates or failure to meet minimum requirements followed. Some of these schemes failed in their equalization objectives because they depended upon tax sharing or variable grants-in-aid, as in Delaware, Idaho, Nebraska, Nevada, New York, and Pennsylvania. Others, such as the plan followed in New York, failed to adjust the amount of the fixed grants for decades. As a result the grants no longer provided a minimum amount of support and they tended to benefit the wealthy districts most.<sup>12</sup>

The turning point in the development of the modern equalization program came with the Strayer-Haig Report on the financing of New York State's schools in 1923 and the subsequent adoption of its recommendations in the state's Cole-Rice law in 1925. The Strayer-Haig report proposed that, since the basic foundation or minimum educational program was a state concern, the people of the state should bear the burden equally:

"To carry into effect the principle of equalization of educational opportunity and equalization of school support as commonly understood it would be necessary (1) to establish schools or make other arrangements sufficient to furnish the children in every locality within the state with equal educational opportunities up to some prescribed minimum; (2) to raise the funds necessary for this purpose by local or state taxation adjusted in such

manner as to bear upon the people in all localities at the same rate in relation to their tax-paying ability; and (3) to provide adequately either for the supervision and control of all the schools, or for their direct administration, by a state department of education."<sup>13</sup>

Strayer and Haig pointed out that it would be possible for the state alone to bear the cost of the foundation program, but they favored instead a requirement of as much local support as possible for the foundation program so that local control of schools and school finances might be retained. Consequently, they recommended that:

- “1. A local school tax in support of the satisfactory minimum offering would be levied in each district at a rate which would provide the necessary funds for that purpose in the richest district.
2. This richest district then might raise all of its school money by means of the local tax, assuming that a satisfactory tax, capable of being locally administered, could be devised.
3. Every other district could be permitted to levy a local tax at the same rate and apply the proceeds toward the cost of schools, but —
4. Since the rate is uniform, this tax would be sufficient to meet the costs only in the richest districts and the deficiencies would be made up by state subventions.”<sup>14</sup>

Similar conclusions were reached at about the same time in other states. After Maryland inaugurated a program in 1922 based upon a state minimum salary schedule and allowance for other current expenses with the state making up the difference between the costs and the yield of a local tax rate of \$.67, the equalization movement spread rapidly. By 1925-1926 four states were apportioning over fifty per cent of their state school money on an equalization plan — South Carolina (88.3%), North Carolina (78%), Ohio (75%), and New Hampshire (54%).<sup>15</sup> In 1926 Georgia adopted an equalization program based upon the foundation program concept,

<sup>13</sup> Quoted in Mort and Reusser, *op. cit.*, pages 404-405.

<sup>14</sup> *Ibid.*, page 405.

<sup>15</sup> Burke, *op. cit.*, page 342.

objective determination of equalization support, refined methods of apportionment, moderate local tax contributions, and the strengthening of local initiative.<sup>16</sup> The next year Alabama and Oklahoma adopted a similar policy, as did Missouri in 1931. During the depression years other states incorporated many features of this kind of equalization, including Idaho (1933), Kansas (1937), Michigan (1933), Ohio (1935), Rhode Island (1936), Utah (1931), Vermont (1935), and Wyoming (1935).<sup>17</sup> The trend has continued up to the present time.<sup>18</sup>

As a result of these developments, the definition of a state basic, minimum or foundation program gradually became the focal point in attacking the financing problems for all schools in many states. "The foundation program is more than a device for apportioning state aid for schools. In effect it determines the level of education available for children in local units which have so little taxpaying ability that they can supplement it very little from local resources, no matter how great a tax effort they make."<sup>19</sup> The present-day concept of the foundation program has evolved from the 1923 Report of Strayer and Haig. In the quarter of a century since the foundation program concept was brought to the fore by Strayer and Haig, the following approaches to an answer have emerged:

- "1. The establishment of the fiscal implications of state mandatory legislation and state department regulations.
2. The determination of level of expenditure in satisfactorily organized school districts of average wealth.
3. The determination of the level of expenditure at which a reasonable level of adaptability is noted.

<sup>16</sup> A Commission of 1947 found deficiencies in Georgia's school finance program. The revised system recommended by the Commission is very similar to that now used in Maryland. See *A Survey of Public Education of Less Than College Grade in Georgia*, January 1, 1947, p. 317 ff.

<sup>17</sup> Burke, *op. cit.*, page 349.

<sup>18</sup> Burke, *op. cit.*, page 349.

<sup>19</sup> Burke, *op. cit.*, page 302.

4. The determination of the level of expenditure that reasonably assures an educational program acceptable in terms of our social and personal needs as persons and as a people.<sup>20</sup>

The entire problem of financial support for a foundation program is greatly complicated by the structure of the existing local school administrative units in most states. A number of states have so many small, inadequate districts of varying wealth that the development of a finance program that would be adequate and equitable for all districts becomes almost impossible.<sup>21</sup> In fact, the effort to satisfy the demands of all districts has led in some states to so many special and inequitable adjustments in provisions for financial support that the program has become greatly involved and tends to become even more so, as a result of efforts of pressure groups. On the other hand, during recent years a number of states have made substantial progress both in solving problems of district reorganization and in establishing a satisfactory program of school support. In Wisconsin, for example, the number of districts was reduced from 6,391 in 1946-1947 to 5,792 in 1949-1950.<sup>22</sup> Today there are 84,468 school districts in the United States, a reduction of fourteen per cent from 1948.<sup>23</sup>

Along with the newer concepts of the scope and function of public education which have evolved in the past fifty years have appeared changes in the sources of revenue for the financing of an adequate educational program. The period in American education from about 1900 to the present shows a rapid growth in pupil attendance and a consequent increase in educational expenditures. With the exception of the years from 1930 to 1935, costs increased rapidly during every decade. From 1940 to the present time we have experienced a period

<sup>20</sup> Mort and Reusser, *op. cit.*, page 387.

<sup>21</sup> Dr. Ross Pugmire of the University of Oklahoma observes: ". . . small districts have proved everywhere to be wholly inadequate for modern educational purposes. . . . As long as Oklahoma is burdened with such districts, there is dim prospect for suitable education for all children no matter how much money might be provided." See *Oklahoma's Children and Their Schools*, June, 1950, p. 2; also, *Financing Public Education in Mississippi*, 1948.

<sup>22</sup> *Wisconsin Taxpayer*, page 4.

<sup>23</sup> *Book of the States*, page 244.

of inflation which reflected an enormous increase in school expenditures.<sup>24</sup> Total enrollment in public elementary and secondary schools increased from 15.5 million pupils in 1900 to 23.9 million in 1948.

Not only were more pupils enrolled in 1948 than in 1900, but the number of days attended by all pupils also increased. Days of schooling per year rose from 99 in 1900 to 155 in 1948. The incessant demand for improved conditions in the schools was reflected in the increased expenditures per pupil in average daily attendance. This figure rose from about \$20.21 in 1900 to \$108.49 in 1930, and to as much as \$202.81 in 1948.<sup>25</sup>

To meet the increased costs, revenue was increased until some sources could no longer bear the burden. It should be noted that in the past two decades there have been changes in the sources of school income, tending toward a smaller proportion of local support and an increased proportion of state support. Arvid J. Burke, Director of Studies of the New York State Teachers Association, summarizes the long-term trends in public school revenue sources as:

"(1) A gradual abandonment of many early non-tax sources of revenue.

(2) The growth and decline of income from permanent school funds.

(3) The growth and decline of local, county, and state property-tax support for schools.

(4) The decreasing importance of earmarked state school taxes and the spread of state general-fund educational appropriations.

(5) The growing potency of the federal tax structure and the provision of annual revenues for public schools from federal tax sources.

(6) The development of local or county nonproperty-tax to supplement or reduce property taxes."<sup>26</sup>

<sup>24</sup> *The Tax Digest*, California, June 1951.  
<sup>25</sup> Mort and Reusser, *op. cit.*, pp. 5-6.  
<sup>26</sup> Burke, *op. cit.*, pp. 109-110.

The local property tax still provides over half of total school revenues in the United States; but its use as a means of raising revenue and its amount have been decreasing. In 1900 the percentage of public school revenues from property taxation was 83.9; in 1940 it was 69.0; and in 1950, 55.4.<sup>27</sup> The past century has seen an increasing diversification of forms of wealth due to our shift from a rural to an industrial economy. One of the results is that real property holding has become less and less representative of the ability of all the people to pay taxes and taxes based on real property have become an unsatisfactory means of properly financing the increasing cost of government. The breakdown of the local property tax during the depression forced most states to assume a larger share of the tax burden for schools. Between 1930 and 1940 the per cent of school revenues derived from state taxes almost doubled.

Property taxes levied by the state governments have decreased in importance, and the proportion of state revenues obtained from other tax sources has greatly increased. On the other hand, local taxation, except for the larger cities and heavily populated areas, has been almost entirely restricted to property taxes. The nationwide trend has been for some time toward a lessening of the importance of local taxation and an increase in state and federal taxes. This shift has been especially apparent in prosperous times when such prosperity is immediately reflected in the income tax collections of the federal government and in the income and sales tax receipts of the state governments.

Not so quickly, however, are periods of prosperity and inflation reflected in property taxes. There is always resistance to increased property assessments; and at present the federal government is taking so much in taxes that resistance to state and local taxes is constantly increasing. The assessment problem might perhaps be called the greatest single

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<sup>27</sup> *Ibid.*, p. 118.

problem in the field of public education finance.<sup>28</sup> Obviously, since principal reliance is still on the property tax, and since the amount of taxes raised depends even more upon property assessments than tax rates, the educational structure is dependent upon fair and equal evaluation of property. This becomes all the more true when the states undertake to supply every child with an adequate education by supplementing local financing with state subsidies. The situation is further complicated by the limitations that some states place on real estate taxes and on the amount that counties and districts may raise through local taxation. Some states have acted to meet the problem by removing such tax restrictions or by granting local subdivisions the power to levy non-real estate taxes.

The following figures are of value in pointing up the property tax situation. In 1890, property taxes represented 84.7% of all public school revenues in the United States; 67.9% came from the local units, and 16.8% from the state. By 1920, the figure had risen to 87.5% of all tax collections; local collections represented 78.2%, but the state's share had dropped to 9.3%. By 1940, property taxes were 69.0% of total collections, with 65.9% coming from local communities and 3.1% from the states. The reliance upon, and increase in, state income and sales taxes, along with federal income taxes, was the reason for this decline, which is continuing. By 1950, total property taxes were 55.4%, of which only 1.4% was collected on the state level and 54.0% by local units.<sup>29</sup>

Too much stress cannot be laid on the assessment problem. In Maryland, we have assumed that we were peculiar

<sup>28</sup> The Committee on Functions and Resources of the State Government of Kentucky, in a statement typical of recent reports from other states, observes: "The administration of the property tax is the weakest link in the Kentucky tax system. . . . The present provision for measuring local ability is based upon assessed valuations of property subject to school taxes. The result is to penalize the poorer district which makes a stronger than average effort to finance its educational program locally." See *Final Report of Findings & Recommendations of the Committee on Functions & Resources of The State Government of Kentucky*, Dec., 1951. See also E. B. Schmidt, "Categorical Inequities in Assessment in Nebraska, 1930-1950," *National Tax Journal*, June 1952.

<sup>29</sup> Burke, *op. cit.*, p. 118.

in our inequalities and inequities. This is far from true. Improper assessments are the primary sources of the financial difficulties in state-subdivision relationships insofar as education is concerned in Maryland and in every other state.

The growth of equalization programs has intensified the problems of assessment and school finance. Obviously, if two counties each levied a \$1.00 per \$100 tax on property but if the assessed valuation of one county was computed at one hundred per cent of market value and the assessed valuation of the second county was at fifty per cent, one county would be making only one-half the tax effort to support education that the other was making. At the same time there has been no real method under equalization by which any distinction could be made, for assistance purposes, between the two counties. No child in either county has anything to do with the inequity, nor should any child be deprived of an adequate education because of a bad taxing system.

Consequently, during the past ten years practically every state in the country has been faced with the problem of trying to strengthen its property assessment system in such a way as to promote uniformity and equality and to equalize the tax effort of local subdivisions.<sup>30</sup> Assessments have always been made on the local level and are still being made there. Despite attempts at state control and supervision, inequities continue. It has been particularly difficult to get results on a state level since the amount of state property taxes is inconsequential and the only concern of the state is the indirect one of equalization for the purpose of education.

Yet, substantial progress is being made throughout the country. Assessors in many states are no longer mere political appointees, and they are being better educated in methods and manner of property appraisal. Some states, notably Alabama, Florida, Texas and West Virginia, have developed systems of economic indices, based on such things as sales tax payments, auto license receipts, public utility valuations, and

<sup>30</sup> *Taxation, The Over-All Picture*, Kentucky, 1951. E. B. Schmidt, "Categorical Inequalities in Assessment in Nebraska, 1930-1950," *National Tax Journal*, June, 1952.

income tax collections, which are used to measure the taxpayer's ability of the local units for school support.<sup>31</sup> Authorities on school finance point out:

"Where such economic indices are available for the state, it is possible to derive an estimated full valuation of property for individual districts so that they may be used for measuring the relative ability of districts and for correcting tax rates in such a way that they become usable measures of local vigor of support."<sup>32</sup>

In Pennsylvania a State Tax Equalization Board was created in 1947 to determine the market values of taxable real estate in the state's school districts as a basis for computing school subsidy payments.<sup>33</sup>

In addition to these efforts to solve the problems involved in the use of the property tax, many states have permitted local sub-divisions to levy certain non-property taxes. The movement for broadening the tax base through the use of non-property taxes was stimulated by the development of the sales tax, one of the most lucrative of all taxes. Since 1940 the number of cities levying taxes on liquor, tobacco, admissions, occupations, hotel rooms, and restaurant meals, by way of illustration, has been increasing. While such non-property taxes have advantages in the larger communities, they do not lend themselves to an over-all system of broadening the tax base because of the difficulty of administering them in small governmental units. These difficulties have given impetus to state collection of taxes to be shared with localities.

In recent years, however, there has been a renewed interest in the development of local non-property taxes for use in all types of local jurisdictions. In 1947 the Pennsylvania

<sup>31</sup> See the following: Francis G. Cornell & Roe L. Johns, "Alabama's New Index of Local Ability to Pay for Education," *School Executive*, June, 1941; H. B. Woodward, Jr., "ABC's of our Minimum Program," *Alabama Educational Bulletin*, August, 1951; "School Legislation 1949, 1951," *West Virginia Educational Bulletin*, August, 1951; *The School Laws of West Virginia*; Florida State Department of Education, *Factors, and Bases of Information For Factors*, Included in *The Index of Taxpaying Ability* 1952-53.

<sup>32</sup> Mort and Reusser, *op. cit.*, p. 522.

<sup>33</sup> See *Report of the State Tax Equalization Board*, 1951.

legislature authorized school districts to adopt any tax which was not already being used by the state. At about the same time New York State developed a list of local non-property taxes and made it available not only to cities but also to counties. Out of the extended experience of cities having a variety of local non-property taxes, and from attempts to develop forms which are usable in smaller jurisdictions may well come important changes which will simplify taxing problems.

The years since 1933 have seen a decline in the use of ear-marked or dedicated taxes for school support. During the period 1920 to 1933 there was a tendency for states to earmark all or part of new tax sources for school support. In particular, the state income tax in many states was a source of school revenue. In 1928 in over half the states the schools had claims upon certain tax sources other than the general property tax. Since 1933 the trend has been away from earmarked state school taxes. New taxes adopted after that date generally have not been dedicated to schools; and the number of states with ear-marked state school taxes has declined. In 1948 only ten states — Alabama, Illinois, Louisiana, Massachusetts, Michigan, Minnesota, North Dakota, New Mexico, Texas and Utah — continued to get most of their state school revenues from ear-marked tax sources.<sup>34</sup>

This reversal in trend is due primarily to the inflexibility of the ear-marked taxes. In a time of rising costs and expanding school programs, it is difficult to provide allocated sources of revenue that will adequately meet school needs during every school year. Appropriations from the state's general fund make it possible to increase or decrease state aid so as to meet the needs of the schools, especially in a time of rising state collections when relatively large amounts accumulate in the state treasury.

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<sup>34</sup> Burke, *op. cit.*, p. 194. See also Benjamin F. Pittenger, *Local Public School Administration*, p. 402, and The Committee on Tax Education and School Finance of the National Education Association, *The Economic Outlook for Public Education*, p. 13; *The Forty-Eight State School Systems*, Council of 37 State Governments, 1949.

It has previously been indicated that greatly increased school costs and the development of the state-guaranteed foundation program, together with the weaknesses inherent in local real property taxation, have tended to shift a large part of the financial burden of educational support from local units to the state. In 1925 the total state cost of education in the United States was \$1,600,000,000. By 1930 it was \$2,200,000,000. In 1937 the cost had risen to \$4,000,000,000, and in 1940 it reached \$5,000,000,000. The cost remained fairly steady through 1945 and 1946 when the figures were \$5,800,000,000 and \$6,000,000,000 respectively. The increases thereafter have been rapid, from \$9,000,000,000 in 1947 to \$10,000,000,000 in 1948, \$11,700,000,000 in 1949, and \$13,000,000,000 in 1950.<sup>85</sup> These increasing costs have been due to many factors. Primarily these consist of rising living standards and the improved economic status of women; changes in prices and the value of the dollar; increased enrollment, longer terms, and improved attendance; and the establishment of better educational systems on a broadened minimum foundation basis.

State aid has been increasing in response to the new expenses of the educational program. In 1929-1930, 16.9% of all public school revenue receipts came from the states, 82.7% from counties and districts, and 0.4% from the federal government. In 1939-1940, 30.3% came from the states, 68% from counties and districts, and 1.7% from the federal government. In 1945-1946, 34.7% was supplied by the states, 63.9% by local subdivisions, and 1.4% by the national government. In 1949-1950, 42.7% came from State sources, 55.4% from county and district sources, and 1.9% from federal sources.<sup>86</sup>

Statistics always seem to lag several years behind the times. However, the last two years have seen not only tremendous increases in expenses, but a further increase in the percentage of state contributions. When the national average was 42.7% in 1949-1950, the State of Maryland was contributing 40% of all monies expended in that State for edu-

<sup>85</sup> Federal Security Agency, Office of Education, *The Financing of State Departments of Education*.  
<sup>86</sup> *Public School Systems of the Forty-Eight States*, p. 10 and Mort and Reusser, *op. cit.*, p. 10.

cation. Because of the lack of additional state aid and the resulting necessity for further local appropriations, the State's percentage of total school appropriations had decreased last year to 33.8%. At the same time preliminary national figures had shown that the average contribution of the various states had climbed by 1950-1951 to 44.8%.<sup>37</sup>

Such a shift in the locus of school support has raised the question of the proper amount of state control and centralization in educational finance. As of this time, every state contributes toward the support of education yet all retain a decentralized system with some contribution from local sources. It is now a recognized principle that extreme decentralization is bad because of the lack of proper financial support and because of all the inefficiencies and extra expenses arising from numerous independent educational units within the boundaries of one state. Equally recognized is the fact that extreme centralization is also bad because of the fact that good education does not prosper when directed from too far away and unless it is accompanied by local and personally interested support and control. As a matter of fact, the almost exclusive early reliance upon local taxation is explained by the desire to keep the control and operation of education close to the people. Inequalities, inefficiencies, and the shifting of the tax burden caused the change to a cooperative or partnership system.

It is a historical and political fact that central financial aid is always accompanied by some measure of central control. The greater the amount of central aid, the greater the amount of central control. As the burden of financial support is removed, the privileges of control in operation are taken away. This axiom applies not only to federal-state relations but to state-county relations as well. This has been proved true over and over again in all fields of governmental finance, and particularly in such activities as road building. It is equally true in the field of education.

<sup>37</sup> *Report of the New Jersey State School Aid Commission*, March, 1952, p. 23. Beside showing national averages, this report showed a 9% increase in state aid in New Jersey and advocated still greater state support.

At present federal funds are such a small factor that they should not be given any special consideration in the solution of our problems. Moreover, it must be recognized that any

abuses of power could accompany the centralization of educa-

tion in national hands. Tremendous support of education in this country is extremely small, but it may well be that from this modest beginning there may come a substantial increase. In some measure this may necessarily follow the growing proportion of national income taken by federal taxes; but this does not necessarily bode well for the integrity of education in the United States. The United States Government has recently entered into the field of financial support disassociated from any dislocation stemming from federal action, in that it has appropriated millions of dollars for the establishment and support of school lunch programs in the various states. At present, the proportionate contribution of the federal government toward the support of education in this country is extremely small, but it may well be that from this modest beginning there may come a substantial increase. In some measure this may necessarily follow the growing proportion of national income taken by federal taxes; but this does not necessarily bode well for the integrity of education in the United States. Tremendous abuses of power could accompany the centralization of education in national hands.

At the present time, as indicated above, federal financing of education is comparatively inconsequential in nature. There are some signs, however, that the federal government will be forced to take steps to carry more of the financial burden of education. Not only has the United States Government recognized obligations for the support of education in areas distorted by federal encroachment, but fringe responsibilities have been recognized as well. In other words, the federal government has not only provided for education on military and atomic reservations, but it has now begun to offer financial aid to communities that have mushroomed because of contiguity with such federal areas. The financial support extended has been not only in the field of current expenses, but also in construction aid for the erection of new buildings and facilities, and the demand for the help has been great.<sup>88</sup> Obviously, determination of the type and nature of such buildings has been removed from the scope of local discretion and required to conform to nationally-accepted standards. The United States Government has recently entered into the field of financial support disassociated from any dislocation stemming from federal action, in that it has appropriated millions of dollars for the establishment and support of school lunch programs in the various states. At present, the proportionate contribution of the federal government toward the support of education in this country is extremely small, but it may well be that from this modest beginning there may come a substantial increase. In some measure this may necessarily follow the growing proportion of national income taken by federal taxes; but this does not necessarily bode well for the integrity of education in the United States. Tremendous abuses of power could accompany the centralization of education in national hands.

federal contributions in the future would probably parallel state-county aid by helping most those states which are least able to be educationally self-supporting.

The general conclusion that one must reach after a study of the development of School finance in the United States is this: every state has embarked upon the project of making available to each child a minimum foundation program of education, regardless of where the child may live in the state.

A major objective in every state should be to develop a system of school finance which will achieve this goal, and which is based on a system of taxation and administration which assures that the responsibility for, and the burden of, support will be equitably distributed among all citizens and taxing units. Revenue raised in the local unit must be supplemented by state aid so that the minimum foundation program may be realized; and additional monies raised in the locality should be used to extend the program beyond the minimum. Other important objectives are to develop a system that will encourage desirable local initiative and responsibility, promote bona fide economy and efficiency, and facilitate educational progress. In seeking these objectives all states are affected by the decreasing importance of property taxes and the increasing competition for revenue by the federal government.

Because of all these developments, it is now fundamentally true that while the dollar amount of local effort is surging ahead, it is completely unable to keep pace with spiralling costs. The net result is that, percentage-wise, local contributions to education are on the wane. The corollary is that State contributions, both monetarily and as a per cent of the whole, must rise drastically if the integrity of the public school system and an adequate education for all children is to be maintained in the United States.

The experiences of other states are helpful in making an analysis of our problems in Maryland. They offer some yardstick for measuring the effectiveness and efficiency of our own program and point the way to future progress.

## THE HISTORY OF FINANCING MARYLAND EDUCATION

Since many of the problems facing the public schools have been national in scope, the history of Maryland's school finance policy often parallels that of other states. In some cases, however, Maryland has arrived at its own answers to those problems; and because wise decision in future action should involve a knowledge of what has gone before, the outlines of school finance practice as it has evolved in Maryland are presented below.

No real system of public schools can be said to have existed in the State previous to the Civil War. Early thinking considered education to be primarily a concern of the church or of private persons, and held that, at most, government's responsibility was to aid in the schooling of the poor. The first Constitution of the State made no mention of education, and the subject received no recognition in fundamental law until the adoption of the Constitution of 1864.

Previous legislation had been of two kinds, that permitting the local governments to set up tax supported schools and that granting a limited amount of state aid to private schools, to pauper schools, and to the nascent public education systems of the political sub-divisions. In 1825, Baltimore was given the right to organize publicly supported schools, but a measure of 1826 granting similar privileges to the counties brought no active response and was repealed in 1827. Money was appropriated to provide financial encouragement to private academies as early as 1798; later, lotteries were authorized for the same purpose and the income from several funds — an investment of \$278,000 derived from taxes on state bank stock, the federal debt to Maryland incurred during the War of 1812, and the surplus revenue distributed by the federal government to the states in 1837 — was given to local units for education. The lotteries, although having State sanction, were, of course, no actual charge upon its treasury.

With the Constitution of 1867, education was fixed as an interest and a responsibility of public authority in Maryland.<sup>39</sup> Since the adoption of the present Constitution, the history of financial policy in education has shown certain well defined trends. In law, in the reports of official commissions, and in practice, the philosophy of the citizens of Maryland in educational finance has been reasonably clear and constant at least for the past half century. It is not unfair or inaccurate to say that the history of Maryland financial policy in education is the history of this philosophy's gradual implementation in action.

### SHARED RESPONSIBILITY

Certainly one of the basic tenets of previous policy has been that the State and its sub-divisions are jointly responsible for the support and encouragement of education and that Maryland's school system is a cooperative enterprise.

The Constitution contains specific language to this effect; its Declaration of Rights directs

"That the Legislature ought to encourage the diffusion of knowledge and virtue, the extension of a judicious system of general education, the promotion of literature, the arts, sciences, agriculture, commerce and manufactures, and the general amelioration of the people."<sup>40</sup>

Article VIII provides that

"The General Assembly, at its first session after the adoption of this Constitution, shall, by law, establish throughout the State a thorough and efficient system of free Public Schools; and shall provide by taxation or otherwise, for their maintenance."<sup>41</sup>

<sup>39</sup> Our Constitutional provisions are simple and flexible. In many other states, educational finance is operating under the handicaps of archaic and detailed constitutional restrictions, in which limitations are placed on taxation and on division of funds. Therefore, while Maryland may operate directly and without fetters, other states need indirect approaches and must use artifice and device. There, proper educational methods give way to necessity and expediency. This latter handicap has a deterring effect upon educational progress as well as efficiency and economy.

<sup>40</sup> Constitution of Maryland, The Declaration of Rights, Art. 43.

<sup>41</sup> Constitution of Maryland, Article 8, Section 1.

Another section of the document provides that estimates of appropriations for the public schools, as provided for by law, shall be included in the state's budget without revision.<sup>42</sup>

The requirement for State financial assistance would seem to be abundantly clear from the direction to the Legislature to provide for the maintenance of schools "by taxation or otherwise," and that the same shall be included in the budget. Normal construction would make this a mandate, at the very least, for the State to continue to contribute to the support of public schools. Any other construction would be strained and, at best, could only be distorted to a meaning that the State should require local governments to maintain schools. Such a construction has never been seriously asserted. Never has the State laid any direct requirement on localities for school support, although always State support has been offered only on a *quid pro quo* basis. Always, until now, State support has been accepted as axiomatic, the question having been only of extent and degree.

Giving effect to the terms of the Constitution, the Public General Laws of Maryland reiterate in more specific manner the cooperative character of her public school system. Article 77 of the Maryland Code declares that "There shall be throughout the State of Maryland a general system of free public schools . . ."; that "Educational matters affecting the State and the general care and supervision of public education shall be entrusted to a State Department of Education . . ." and that "Educational matters affecting a county shall be under the control of a County Board of Education,"<sup>43</sup> and provides in detail for the operation of the system so conceived.

Previous commissions investigating the public schools of Maryland have described its educational system as a joint state-local endeavor and have recommended the continuance of the system in this form. An early survey of the condition of the public schools was conducted in 1915 by Abraham Flexner and Frank Bachman of the General Education Board

<sup>42</sup> Constitution of Maryland, Article 3, Section 52, clause 11.  
<sup>43</sup> Maryland Code of Public General Laws.

of New York under the direction of a three man commission. In the words of their report:

"Public education in America has developed most satisfactorily in those states in which a judicious combination of state and local authority has been effected. The reason is plain. The influence of the state makes for unity of design and uniformity of standard; local initiative insures the interest, effort, pride, and sacrifice of the community to which the school belongs. The public school system of Maryland is of this prevailing American type."<sup>44</sup>

In 1941, a survey staff headed by Dr. Herbert Bruner of Columbia University studied the State's schools and had this to say:

". . . important changes have occurred in the Maryland State School System since the General Education Board Survey Commission wrote its report in 1915. In the intervening twenty-five years strong leadership in the State Department, combined with active and capable local initiative, has brought to fruition many of the recommendations which the General Education Board Survey Commission made."<sup>45</sup>

The Bruner Commission found that "The present system of State aid in Maryland is one of the most advanced in the country."<sup>46</sup>

Finally, in practice and over a long period of years, the Maryland school system has been a system jointly supported by the State and its sub-divisions. Although the longtime trend has been for the State to assume an increasing share of an increasing total cost of education, Maryland showed an early liberality in its grants to the local units on behalf of public schools. According to the 1915 Commission report, in the period between 1870 and 1915, the State bore on an average about 33% of the total cost of schooling, even reaching

<sup>44</sup> Abraham Flexner and Frank Bachman, *Public Education In Maryland* (New York, 1921), p. 8.

<sup>45</sup> The Maryland State School Survey Commission, *The 1941 Survey of the Maryland Public Schools*, p. 63.

<sup>46</sup> *Ibid.*, p. 421.

something over 40% in 1880.<sup>47</sup> By the 1920's the percentage of total school expenditures represented by state aid disbursements was somewhat less than it had been in the period studied by Flexner and Bachman, although it is extremely difficult to find exactly comparable figures since statisticians have not always taken into account the same expenditures in

FIGURE 148  
PER CENT OF CURRENT EXPENSES FOR MARYLAND PUBLIC SCHOOLS FROM STATE SOURCES

Year Ending July 1	Per Cent of Total Current Expenses from State Sources
1923	23.9
1928	19.9
1933	25.2
1938	30.3
1940	27.8
1941	28.4
1942	29.6
1943	29.6
1944	34.9
1945	31.9
1946	34.8
1947	31.7
1948	42.1
1949	39.9
1950	38.1
1951	38.7
1952 (estimated)	33.8

arriving at their percentage calculations. Figure 1, based on information released by the Maryland State Department of

<sup>47</sup> Abraham Flexner and Frank Bachman, *op. cit.*, pp. 133-134. These figures can be taken only as approximations because of the inadequacy of early records. Also it must be remembered that they are for a period in which the State still took the lion's share of the property tax and in which federal aid had not yet appeared. The 1915 report had this to say about the way in which these percentages were calculated: ". . . it was only with great difficulty that data on the financial support of the schools of Maryland have been brought together. It was impossible to use the reported expenditures as found in the annual reports of the State Board of Education, because these include payments of current loans, and because of differences, especially some years back, between the reported expenditures by the several county boards and their receipts as reported by the State Controller." *Ibid.*, p. 126. This general observation, however, was made: ". . . Maryland is one of the states which make a very large state contribution for local educational purposes." *Idem.*  
<sup>48</sup> "Includes all funds available in each year, excepting appropriations for the State Department of Education and the teachers colleges. Data supplied by the Maryland State Department of Education."

Education, summarizes the extent of State participation in school support since that time.

The gradually rising cost of education to the State treasury revealed in Figure I parallels the nation-wide trend and, although the extent of State support varies widely from state to state, Maryland's contribution has been near, but slightly below, the national average: during the school year 1939-40, according to a Federal Security Agency report, the State of Maryland provided 21.6% of all funds available for schools as compared with a national average of 30.3%; in 1949-1950 the State gave 40% of all school funds while the national average for the states was 42.7%.<sup>49</sup>

During the period from 1946 to 1949, national educational costs increased tremendously. In the nine years from 1937 to 1946, school costs went from \$4,000,000,000 to \$6,000,000,000, an increase of \$2,000,000,000; while in the four years between 1946 and 1950, they rose from \$6,000,000,000 to \$13,000,000,000, an increase of \$7,000,000,000. Maryland, like other states, has been faced with the problem of keeping pace with these increasing costs. The State in 1947, upon the recommendation of the Commission on the Distribution of Tax Revenues, took action by increasing State salary minimums for teachers and the flat grants, and by establishing the Incentive Fund for school building.

Although exact figures are not available for the most recent years, educational costs have continued to go up rapidly. The State, however, has taken no further action. The localities have been forced to bear most of the burden

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<sup>49</sup> Federal Security Agency, *Public School Finance Programs of the Forty-Eight States*, p. 71. Note that these figures differ somewhat from those quoted in Figure I, giving a practical example of the way in which different statisticians may arrive at different answers in such calculations. The same source reports that in the school year 1949-50, 89.2% of the revenue receipts for public schools in Delaware came from state sources while the comparable figure for Nebraska was 5.9%, thus underlining the observation above that the amount of state support varies considerably from state to state. It is noteworthy also that some of the states considered most backward educationally have a high percentage of their disbursements for education provided from the state treasury; the state contribution in Georgia for the year 1949-50 was 67.7% of the total; in Louisiana, 67.4%; in North Carolina, 78.1%; in South Carolina, 64.0%; and in Tennessee, 63.3%. *Idem.*

The latest available information shows the State of Delaware to have a minimum salary scale beginning at \$2,800. Eastern Shore counties, which must compete with the higher paying Delaware school system, have experienced great dif-

Also, whereas three years ago, Maryland stood out among its neighbors, its salary schedules now are lower than those of nearby states.

Consequently, early figures and even the recent ones do not give an accurate picture of the relative shares of the State and its sub-divisions in carrying the educational burden. It is a fair estimate to conclude that Maryland is now contributing on a State basis just about thirty per cent of total educational expenditures. This decrease comes at a time, it should be remembered, when it is relatively difficult for local units to find new sources of revenue.

Whereas, in 1949, eleven counties were paying salaries according to the State minimum and three others of the twenty-three were operating just over it, three years later not one was at or near the minimum.<sup>50</sup> The original purpose of the State in prescribing a minimum salary schedule was to bring the pay of the poorer counties up; now the State's poorest county exceeds the State scale by 10%.

In 1949, Maryland stood very high among the states in average salary paid its school teachers. Despite the increases made by the sub-divisions at their own expense, Maryland has gone behind very quickly. This is because other states have moved their salaries for teachers continually and sharply upward.

Maryland, in the most recent years, has dropped well below the national average in this respect.

of needed expenditures for salaries and other costs (including, but not limited to, increased maintenance on vastly increased facilities) so that the percentage of total school expenditures from State sources has declined. This means that Maryland, in the most recent years, has dropped well below the national average in this respect.

faculty in retaining teachers and in acquiring new ones. Statistics of a year or two ago, showing Maryland ahead of Delaware are thus of no practical aid or significance.

It would be erroneous, therefore, to frame future school finance policy in terms of dated statistics or of unrealistic minimums.

Other states are facing exactly the same problems. For example, the State of New Jersey has neither sales nor income taxes. It has, therefore, assessed property near full value, and has set very high property tax rates. As a consequence, districts were able largely to finance their own educational systems, with the State contributing only about twenty per cent of the total expenses of \$150,000,000 in 1949 (the cost in 1951 rose to \$200,000,000).

Now New Jersey faces a crisis in education. Despite a new increase in minimum salaries from \$2,200 per year to \$2,500, a commission in that state now recommends further substantial increases, an additional State appropriation in excess of \$50,000,000, and other revisions.<sup>51</sup>

New Jersey's experience is typical of the situation everywhere and is indicative of the fact that the fantastically rapid developments of the past two or three years make statistics of historical value only.

### EQUALIZATION

A second principle of long standing in the State's financial policy toward education has been that the quality of schooling received by her children should not be solely dependent upon the wealth or poverty of the county in which they live — that every Maryland child is entitled to at least a reasonably good education.

In practice, this has meant several things. It has meant (1) that there should be a defined minimum educational

<sup>51</sup> See *Report of the New Jersey School Aid Commission* (1952), Parts One, Two and Three.

program available to every child in the State, (2) that the tax burden for the support of this minimum program ought to bear no harder on the citizens of one county than of another, and (3) that all counties should be required to make a comparable effort for the support of this minimum program.

Thus, it will be seen that in equalization, unlike the case of flat grants, the principle rests on *minimums* only. The State establishes a minimum defensible educational program, including minimum salary scales, and then contributes to the local units on the sole basis of the cost of the established minimums. The calculations of cost and contribution are hypothetical whenever the county establishes a program in excess of the State program.

Although this principle first received legal expression in the Equalization Law of 1922, its application was officially recommended at least as early as 1915. The General Education Board Survey Commission found wide differences in both the abilities and the efforts of the several counties to finance education, differences it termed "pregnant with consequences to the individual child."<sup>22</sup> The Commission called upon the State government to use its financial power to ameliorate these differences:

"Education is, we have said, a state function. The state supports it liberally because the state desires that all children should enjoy substantial educational advantages. If the matter were left to the counties and districts, the disparities in educational opportunity would be intolerable. The state's contribution must therefore be employed to equalize conditions. Do what the commonwealth will, this highly desirable object cannot be fully attained; that is, however, only the stronger reason for doing the best possible."<sup>23</sup>

Thus, State aid, the Commission recommended, should be used to bring a greater equality of educational opportunity to the children of counties unequal in economic resources.

<sup>22</sup> Abraham Flexner and Frank Bachman, *op. cit.*, p. 133.  
<sup>23</sup> *Ibid.*, pp. 135-136.

But they also warned that relaxation in the effort of the counties to provide schools for themselves should not be encouraged:

“While there is, therefore, some reason for encouragement in the increasing local support of the schools, the fact cannot be ignored that the three counties receiving from the State from 60 to 70 per cent of all the money locally available for education are the very counties that are doing the least for themselves . . . The moral is plain: the State cannot afford to dispense its school funds without requiring a minimum school levy on the part of the several counties. Even so, the situation will continue to be more or less chaotic, unless and until property is assessed upon an equitable and uniform basis.”<sup>54</sup>

Later commissions have joined that of 1915 in their commendation of the equalization principle. The Maryland State School Survey Commission said, in 1941:

“It is vital to the well-being of the State that adequate educational opportunities be provided for every child regardless of the socio-economic status or the geographical area in which the accident of birth has placed him. The economic configurations within the State, leading to the concentration of wealth in certain areas, preclude the possibility of some of the counties’ offering an adequate program without State aid. But the broader and more inclusive taxing power of the State enables it to reach out and tax wealth wherever it may be located and to extend its benefits to all areas.”<sup>55</sup>

And the *Report of the Maryland Commission on the Distribution Revenues of 1946* observes:

“Without some plan of equitable and variable State aid for schools, it should be obvious that there would be no equality in the quantity or quality of education offered to all the children of Maryland. The Commission subscribes to the theory that public education is a State responsibility and the program of education for every child should be adequate.”<sup>56</sup>

<sup>54</sup> *Ibid.*, p. 154.

<sup>55</sup> The Maryland State Survey Commission, *op. cit.*, p. 61.

<sup>56</sup> *Report of the Maryland Commission on the Distribution of Tax Revenue, 1946*, p. 90.

The major step toward the equalization of educational opportunity in the State came in 1922. The Equalization Fund established in the laws of that year provided that counties unable to support the State minimum salary schedule for teachers and to transport their pupils on a 67¢ tax rate should receive the additional money needed from the State.

Since 1922, there have been many changes in the laws governing the distribution of State aid, but the goal sought — a guaranteed minimum education for every child and an equalized tax burden — has remained the same. In 1933 the minimum program for which equalization support would be given was defined more specifically to include minimum salaries for teachers, an expenditure for current needs other than teachers' salaries of not less than 24% of the total, 100% of the cost of transporting pupils to elementary schools, and 50% of the cost of transporting students to secondary schools.

Minimum salaries for teachers have been changed and, except in the period between 1933 and 1937, in an upward direction: the minimum rates originally set in 1922 for white elementary school teachers ranged from \$950.00 per year to \$1150.00, and for white high school teachers from \$1150.00 to \$1350.00 per year.<sup>57</sup> In 1939 high school and elementary teachers were placed on the same salary schedule. In 1941, Negro and white teachers were given equal pay. A twelve-year public school curriculum was made a part of the State supported minimum program in 1945 and was completely instituted by the school year 1950-51. This factor alone served to increase considerably the cost of education in Maryland during recent years. It added to the number of pupils in attendance, accentuated the need for additional facilities and required the employment of more teachers.

Before 1922, the monies for schools were disbursed from various funds which bore little relation to each other or to the needs of the local school systems; many of these funds

<sup>57</sup> The Maryland State Department of Education, *Report to the Legislative Council*, June 13, 1951, p. 2.

have been abolished and a more rationally integrated system of State grants has taken their place. The tax rate required of the counties in order to participate in equalization has varied from time to time. Established at 67¢ in 1922, it was lowered to 47¢ in 1933, raised again to 51¢ in 1939, to 56¢ in 1945, and finally to 65¢ in 1947.

#### FINANCIAL AIDS

At present, State aid to the local units for education falls into two principal categories: (a) flat grants for general use, including one of \$20 per pupil and one of \$400 per classroom unit, and (b) the Equalization Fund. These, taken together, are set up to insure support of the program defined as the minimum requirement for every Maryland child. In addition, there are State grants designed to promote special aspects of the school program, such as supervision, education for the handicapped, public libraries, teachers' retirement (at a not inconsequential cost of \$5,000,000), junior colleges, adult education, and the improvement of school buildings and facilities. The State also helps the sub-divisions to obtain money at low rates of interest under the terms of the General Public School Construction loan; some \$19,000,000 has been advanced to the various counties to be paid back at State rates and upon the favorable State amortization and interest basis. The State also supports entirely five teachers' colleges and defrays the cost of the State Department of Education.

To insure that every Maryland child receives at least a reasonably adequate education, the law now requires among other things that (1) if available, only qualified teachers may be employed, (2) a school year shall include a minimum of 180 actual school days, (3) twelve years of education be available for all children, (4) transportation shall be provided for pupils not within reasonable walking distance of school, (5) qualified teachers be paid at least as much as that prescribed in the State minimum salary schedule if the local unit is to receive equalization aid, and (6) minimum salaries

paid to teachers shall represent no more than 80% of the total cost of the minimum educational program. The State minimum teachers' salary schedule now allows a beginning salary of \$2200 and automatic increments of \$100 per year, so long as in the judgment of the State Department of Education the teacher remains qualified. As a result, a maximum of \$3800 is reached after sixteen years of experience.

At this point, it should be stated that there is a common complaint that present salary schedules do not permit Maryland to obtain qualified teachers. This has been voiced not only by the State Superintendent, but by local superintendents, county representatives and parents alike. Of all teachers in the counties, the figures of the State Department of Education show that only 62% of the white elementary teachers possess college degrees. Indeed, the percentage of white teachers possessing degrees is smaller than in the case of colored teachers.

Yet, even teachers lacking the desired qualifications are difficult to acquire for the compensation allowed certified, much less uncertified, teachers. Consequently, in order to keep the complement of teachers anywhere near filled, the State Department of Education has been forced to compromise qualification principles in the employment and retention of teachers. While this compromise affects the cost of education, it, even more, does violence to the quality of education, thus completing the vicious circle of underpayment.

It should be emphasized once again that it is not the intention of State law that the minimum salary should be the amount actually received by the teacher; rather it represents the minimum which the State believes can be offered and yet attract qualified teachers. For the past decade, some and often many, of the counties have exceeded the State schedule. At present, they all do. With regard to the requirement that minimum salaries paid teachers shall be no more than 80% of the total cost of the minimum program, it might be remarked that, in this way, Maryland has avoided the danger

that aid for salaries would lead sub-divisions to slight other aspects of the minimum educational program.

Funds to meet the cost implied by the requirements listed above derive from four sources: (1) a grant of \$20 per pupil<sup>58</sup> to each county and Baltimore City, (2) a grant of \$400 per allowed classroom to each county and Baltimore City,<sup>59</sup> (3) the monies that can be raised by a county with a tax rate of 65¢ on its property at the assessed rate; and (4) the Equalization Fund which provides all additional monies needed by county to maintain the State defined minimum standards for its schools.

Obviously, the total sum drawn from the Equalization Fund is not fixed, inasmuch as transportation costs vary, the number of teachers fluctuates, salary costs vary with the experience and required increments of the teaching staff, and because the 20% figure for expenses above teachers' salaries will increase or decrease with the total cost of the teacher payroll. It is interesting that although equalization was intended only to bring the poorest counties to the basic minimum, every sub-division in Maryland has received equalization aid, excepting Baltimore City. Perhaps one of the counties (Baltimore) may show sufficient economic strength so as not continuously to require equalization assistance, but by no stretch of the imagination can it be hoped that more than two or three counties will come out of equalization as it is currently computed. Equalization presently supplies around one-half of all the State aid given in Maryland.

Certain other factors, while not directly a part of the State's system of school aid, must nevertheless be taken into

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<sup>58</sup> Calculations of the number of students for flat grant purposes are made in almost all the states and the methods vary considerably as between them. The method used in Maryland is one designed to produce the highest amount of sub-division aid: In Maryland law, "per pupil enrolled" means the average number of pupils enrolled in the public schools in the month having the highest average pupil enrollment in the school year in which the payments are to be made. Article 77, Sec. 199A of *The Maryland General Code*.

<sup>59</sup> In effect, "per classroom unit" means "per teacher and principal", i.e., the local unit receives \$400 for each member of the instructional staff allowed under the minimum program. Article 77, Sec. 199A, *The Maryland General Code*.

any consideration of State-local relations in educational finance. One of these is federal aid to the sub-divisions in the form of monies paid for school lunches, for vocational aid, to support schools on federally-owned property in the State, and to localities bordering upon federal property. In Maryland, certain counties derive considerable revenue from this source and, while for the State as a whole this aid is still relatively small, it does in total constitute around 2% of school support. Since only a few of the counties in the State receive direct federal aid, this substantial help to them does offset to some extent their complaint that federal encroachment and acquisition of property prevents them from taxing federal property and reduces their total resources.

Further, two major trends in Maryland fiscal policy over the last several decades have been the gradual abandonment of the real property tax as the principal source of State revenue, and the increasing use of taxes collected and distributed by the State for the support of local governments. Whereas, the State formerly depended heavily on property taxes for support, State property taxes now amount to only 1.8% of all tax collections in Maryland. Such taxes as are now collected at the rate of 6¢ per \$100 of assessed valuation are hardly sufficient to meet the purposes for which they are required to be levied — the amortization and interest expense of certain bond issues. Consequently, while counties must rely to a great extent upon property taxation, they have the field practically to themselves, although it cannot be denied that the press of new federal and State taxes, collected from afar, make it difficult for the local units to increase property assessments and tax levies. The recent recommendations for passing limited taxing powers over certain subjects to the counties would mean very little. Counties can derive no appreciable revenue from taxing billiard parlors or hotels, where there may be only one or two of each in a county. Other sources raise competitive difficulties between counties.

In recent years, shared taxes have eased the burden on real property somewhat: in the fiscal year 1951, the gasoline tax yielded \$5,000,000 for the counties and municipalities and \$7,600,000 for Baltimore City; motor vehicle revenues yielded around \$9,000,000 for the local units; \$8,200,000 from income tax receipts were passed on to the local governments by the State. Both of these developments — the abandonment of the State real property tax and the distribution of a share of State taxes to the local units — would seem to make the concentration of county taxation in support of education relatively easier than it has been.<sup>60</sup>

### GENERAL FUND APPROPRIATIONS

A third principle of importance is expressed in a trend toward the exclusive use of general fund appropriations for the financing of State aid to schools. Unlike many other states, Maryland abandoned special funds, endowments, and ear-marked taxes as sources of revenue for her school system relatively early. The theory which dictated that abandonment must be apparent. In ear-marked taxes, the object taxed usually bears no particular relationship to education and the yield is unconnected with educational needs. Whereas the schools need a steady flow of revenue, the amount raised by such taxes is always uncertain and dependent on factors over which school administrators can exert no control. Since the 1920's, in accordance with good practice followed now by most of the states, ear-marked taxes and special endowment funds have played no substantial part in Maryland school finance.

### DECENTRALIZATION

A school system characterized by cooperation between the State and its sub-divisions implies not only State financial support for education, but a reasonable operational de-

<sup>60</sup> In 1949-50, 58.7% of all funds for schools derived from property taxation. Federal Security Agency, *op. cit.*, p. 72.

centralization. Historically, the citizens of Maryland have

subscribed to this principle.

There are compelling reasons why this should be so. Unnecessary stripping away of functions tends to weaken the entire structure of local government. An overcentralized system may become ill-adapted to local needs and conditions, may provide an opportunity for pressure groups to control educational policy, and may lead to a weakening of general public interest in the schools. Maryland has avoided, in the main, the twin evils of over-centralization and extreme decentralization by its county unit organization. Its advantages were early recognized:

"Public education in Maryland is on the whole soundly organized; at the head stands the State Board of Education, acting through the State Superintendent upon the local unit, which is — as it should be — the county, not the district or township as is the case in less well-organized states. American experience stamps this type of state educational organization as the best that can be devised, for it allows at one and the same time for local initiative and for central direction, both of which are indispensable."<sup>61</sup>

As Maryland's school system is presently organized, the functions of the political sub-divisions in education are two: (1) to aid in the support of the minimum educational program to the extent of levying a tax of 65¢ per \$100 on assessable property, and (2) to provide educational opportunities for children above and beyond State minimum standards, and by experimenting with new practices and adapting the general program to local needs and requirements.

Maryland receives greater education returns for each dollar spent as the result of its decentralized system. The advantages that the State enjoys over those other states which are still organized on the district basis are too often unappreciated. Wastes attendant upon duplication of services and unskilled management are to a large extent avoided, and re-

<sup>61</sup> Abraham Flexner and Frank Bachman, *op. cit.*, p. xv.

sistance to consolidation is not nearly so strong as it is in district system states.

Transportation costs are a case in point. Assume that within the borders of Harford County, as an instance, there were fifteen school districts, largely independent of each other and of the county government. Costs would soar simply because children living but a short distance from one school might require transportation to another school miles away. That this is not an unreal consideration is evident from experience elsewhere in the nation.

The county unit organization is, therefore, one of the important factors to be remembered when attempting to compare school costs in Maryland with those in other states. It goes far toward explaining Maryland's high degree of educational value attained at a comparatively low cost per pupil. The Bruner Commission in 1941 observed:

"The money that has been used has been spent most economically. The county unit system by its very nature permits greater economy in the operation of schools than is possible in states which have the district system . . . Through good management Maryland has been able, therefore, to secure better services for the amount expended than is possible in most states."<sup>82</sup>

#### SUMMARY AND DISCUSSION

The citizens of Maryland have imposed upon themselves the task of insuring that every Maryland child, regardless of race, color, or creed, of the wealth of parents or of community, receives a reasonably good education with which to begin his or her adult life. Toward this end, they have evolved a school system based on the principles of shared responsibility between State and sub-division, of equalization of educational opportunity and of tax burdens, of general fund appropriations, and of decentralization.

The Maryland school system is good in basic outline and in concept, and is recognized to be so throughout the country.

<sup>82</sup> The Maryland State Survey Commission, *op. cit.*, p. 341.

Shared responsibility between the State and the local units has brought a reasonable centralization-decentralization balance which, though perhaps subject to improvement in detail, is soundly conceived. State action enables an approach to be made to the problems of equalizing educational opportunity and tax burdens. The State's greater financial strength has enabled it to finance certain aspects of the school program more efficiently and economically than would have been possible for individual localities; and its use of general fund appropriations has allowed it to adapt its financial help to local educational needs. At the same time, the local units' ability to experiment and their capacity to take local differences into account in school planning remain.

The situation has not always been so satisfactory. In 1915 the General Education Survey Board was extremely critical of the condition in which it found the schools:

"A single paragraph may summarize our estimate of teaching in the public schools of Maryland. We have found the State Department ineffective, largely because it lacks the necessary staff; we have found the county or organization ineffective because of politics, the absence of trained officials, and the low standards of teacher training. How could teaching be generally good under these conditions? Maryland gets precisely the kind and quality of teaching which our previous study would lead us to expect. It will improve teaching when it improves the conditions responsible for it — not before, and in no other way."<sup>68</sup>

It is to the credit of the people of Maryland that the conditions have improved. Supervision has been more adequately provided for financially, and qualified administrators were hired, with politics largely disappearing from importance in their selection. The qualifications required of teachers became much higher and, while recent figures are not available, National Education Association statistics indicate that Maryland was third among the states in average salary, given as \$3706, paid its teachers in the year 1949-50. The same source

<sup>68</sup> Abraham Flexner and Frank Bachman, *op. cit.*, p. 124.

estimated that the State would drop to fourth rank in 1950-51.<sup>64</sup> Obviously, during the past two years, however, Maryland's position has declined rapidly and drastically on a comparable basis.

Statistics comparing Maryland's tax "effort" on behalf of schools with that of other states have often been used as a basis for questioning the adequacy of its school finance policy. Such comparisons invite misinterpretation, since the wealthier states, of course, need to exert less effort to support their schools. For instance, Maryland's State and local revenues for public schools during the school year 1949-50 were 2.14% of total income payments to individuals for the preceding calendar year, giving the State a rank of 38th among the states in this respect. But in the same year, Illinois ranked 44th; New York 45th; Rhode Island 47th; and Connecticut, 48th. New Mexico and Arizona, both with extremely high transportation costs, ranked 1st and 2nd, respectively.<sup>65</sup>

Here, again, Maryland's position has become worse, if only because no new state appropriations have been made when all other states have increased school support. The rise of payments resulting from an increased school population has been offset to some extent, by assessment increases. Although this has also been true in other states, they have generally strengthened their financial structures and improved the condition of their teachers, while Maryland has not.

These statistics cannot be used in the absolute — because Maryland can operate more efficiently than other states and get more for less money. Nevertheless, the stigma of these figures cannot be altogether ignored.

While Maryland's educational structure and financial system are excellent and are often used as a model for the country, the State has not provided funds sufficient for its proper functioning. The lag in building forced by World War

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<sup>64</sup> National Education Association of the United States, *Economic Status of Teachers in 1951-52*, pp. 25-26.

<sup>65</sup> Federal Security Agency, *op. cit.*, p. 124.

II left school facilities overloaded. The growth in school population has meant increased expenditures. For example, the total cost of education in Maryland in 1949 was around \$61,000,000,<sup>66</sup> a reasonable estimate for the school year 1953-54 would be near \$100,000,000. It should be noted, however, that assessments have also risen, a matter of particular importance because of their use in the calculation of equalization benefits. In 1919 the total valuation for property in Maryland, for school tax purposes, was \$3,341,830,822; for 1951 this figure was \$3,980,869,700, a sizeable increase.<sup>67</sup> The estimate for 1953-1954, supplied by the State Tax Commission, exceeds \$5,000,000,000.

Current problems do not consist only of those involved in securing funds to meet rising school costs. For the support of the minimum educational program necessary to the equalization principle, the same tax rate ought to place a similar burden upon every tax-paying citizen regardless of the locality in which he lives. Tax levies need not be the same; a rich and populous county, serving a diversified school clientele, unquestionably has different financial problems than a poorer, more sparsely settled, agricultural county. But for equalization purposes, valuations of property must be uniform if comparable effort among the several sub-divisions is to be insured. It would be neither fair nor equitable to allow some counties to place additional burdens upon the others and upon Baltimore City because of deliberate or thoughtless under-assessment of their properties. And it is an unfortunate fact that the Equalization Fund law encourages under-assessment, since the lower a county's property valuations, the more State aid it receives. The fight for a better school finance program must, therefore, be a continuing fight for uniformity in assessments.

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<sup>66</sup>The Maryland State Department of Education, *A Decade of Progress 1939-1949*, p. 22.  
<sup>67</sup>Released by the Maryland State Department of Education. 1949 figures exclude valuation of class A and D motor vehicles; those for 1951 exclude class A through J motor vehicles.

As has been noted above, because property taxes supply most local money for education and because of the general use of some form of equalization, the assessment problem throughout the country looms as the largest single factor in any consideration of school financing.

Every state has been wrestling with two complications — first, that of insuring that assessments are raised high enough to guarantee that proper tax rates will produce reasonable local effort and, second, that of securing uniformity in assessments between counties, to prevent impositions on some citizens and inequities between sub-divisions.

Every Maryland investigatory body considering public finances or education has recognized this situation. Throughout America, state, local and national committees, commissions and organizations have been attempting to find some one, simple way to attain reasonableness and uniformity.

All sorts of recommendations have been made — all the way from setting up a central, dictatorial, and uncontrollable assessing agency to the required use of economic indices, based on such things as county automobile registrations, income tax payments, retail sales, and value of manufactures.

As of now, no single, definite and workable answer has been discovered. Two principles have been uniformly agreed upon, and their validity has been recognized in Maryland.

First, it has been generally agreed that responsibility for control of valuations should be centered in a competent agency and that this agency should *not* be permitted to judicially review its own procedures and decisions. Recommendations in accordance with this principle have been made in Maryland, although they have not yet been completely adopted. They should be.

Second, assessment techniques and the training of personnel need to be improved. Maryland has done much along these lines in recent years. Under able career leadership in the State Tax Commission, techniques have vastly improved.

New sources of information, maps, charts, and tests of value have been and are being introduced. Objective standards, designed to insure that all assessors viewing the same size and type of structure, wherever located, will arrive at about the same value, are being used.

Training classes bring assessors together so that they learn the same things at the same time. They have been encouraged to view their jobs as professional rather than as political. As a result, the quality of personnel has vastly improved. There is now an association of Maryland assessors, proof that there is pride in the work and an attempt at improvement. Further advances can be expected.

Unfortunately, the full effect of these new methods and techniques will not be realized for several years.

First, it takes three years to review completely the valuations of a sub-division. Next, assessments, fair when made, appear picaresque within a year or two, at a time when certain localities are mushrooming in building and population growth. This Commission believes that with the continued improvement in assessments, at the end of two years, more or less, reasonable progress will have been made, sufficient at least, upon which to ground an equalization program with less inequities than at any time in history.

In this connection, if the State minimum salary schedule is to be raised, it is our feeling that the 65¢ rate required for county participation in equalization benefits is unreasonably low. Although it was raised somewhat in relatively recent years, it is today two cents lower than it was when equalization was initiated in 1922. In fairness it must be noted again that assessments have also increased, but it would seem to us that the even more rapid increase in the costs of the minimum program must be accompanied by an increased tax rate if the responsibility for the support of that program is to remain shared. In point of fact, every county now has a rate for current school expenses in excess of 65¢ and most counties have a rate greatly in excess of that amount.

Further, the City of Baltimore presents special problems in the administration of State aid to education in Maryland. It lies in no county, a situation comparable to that of only one other big city in the United States. Like all other big cities, however, despite the fact that it contributes more to State revenue than any other local unit, it receives in return the least. This apparently is the inscrutable and inescapable political penalty levied on cities and their citizens for bigness and prosperity, particularly in states where there is only one large city. It must not be forgotten, of course, that these same cities depend upon their hinterlands to supply the raw materials which permit industrial greatness. Baltimore spends annually about \$47,000,000 for education, and this may be expected to increase. In return, it receives only about \$6,000,000 from the State. The counties receive from State sources a much greater proportion of their total school funds while remaining free of the special difficulties which beset the City in financing, on a restricted tax base, the extensive services required in urban centers. While some proposals for fairer treatment of Baltimore City, though philosophically correct, would be politically unrealistic, one feature does stand out. If the Equalization Fund in which Baltimore City does not share is to be enlarged, then the flat grants, of which Baltimore City is almost the sole actual beneficiary (since flat grants are part of equalization in the counties) must be reviewed and readjusted.

In summary, it may be said that developments of the post-war years have been such as to disalign both practice and thinking on the subject of educational finance. Primarily this means that spending has not kept up with minimum requirements. We feel, however, that the basic outlines of our system, as it has developed historically, are correct, and that practical adjustments can be made to take care of present practical needs. It is proper at this point, thereto, to examine more specifically present problems and some of the means which have been proposed for their solution.

**THE RECENT TEACHER SALARY LEGISLATION:  
AN ANALYSIS**

Maryland enacted a minimum salary schedule for public school teachers as early as 1904. This schedule was revised in 1916 and 1922; and in 1933, it was made definite that the State, as a part of the equalization program, would share the cost of maintaining salaries for teachers at the State prescribed level.

Other changes in salary law have been noted in preceding pages. Differentials originally established between Negro and white and between high school and elementary school teachers have been abolished, and pay differences between teachers in the State schedule are now based on differences in qualifications and experience. The dollar amounts of State minimum salaries have varied, the last increase having been made in 1947.

Since any new scales could not become effective until the school year 1953-1954, and even then only by the voluntary and affirmative act of the Governor in making provision therefor in the present budget, a minimum of six inflationary years from 1947 to 1953-4 will have elapsed before an increase can be accomplished.

In accordance with the 1947 statute, the present range for teachers holding the Bachelor of Science or a comparable certificate is from \$2,200 to \$3,800 annually, depending upon the experience of the teacher; the range for other regularly employed teachers is from \$2,000 to \$3,600. No local unit paying less than these amounts can legally receive aid from the Equalization Fund.

As Maryland's system of State aid now operates, minimum salaries are one of the most important allowed expenditures in computing the cost of the foundation program of education and thus determine to a large extent what the contribution from the State treasury to the public school system will be. It is fair to say that the State minimum salary schedule, im-

proved over a period of years, is a most powerful instrument for making greater equality of educational opportunity for all the children of Maryland a practical reality, so long as it is adjusted to changing economic conditions.

Three recent bills designed to revise State minimum salaries for teachers have been at the center of the public and legislative controversy over the teacher salary problem. House Bill No. 610 was passed by the General Assembly at its 1951 session and was vetoed by the Governor. While the 1952 General Assembly sustained this veto, it enacted two more salary measures, Senate Bills No. 7 and No. 48, both of which again received the Governor's veto and are pending reconsideration in 1953.

This Commission feels that both pending and future teacher-salary bills should be evaluated in the light of the following requirements. First of all, they should not unnecessarily violate the principles of school finance which Maryland experience has shown to be sound and workable. Secondly, they should be drafted in such a way that salary money is distributed among teachers in an equitable manner. Thirdly, and other things being equal, preference should be given to legislation which guarantees the greatest amount of actual salary increases for teachers. Fourthly, changes in the distribution of the financial burden for schools, attendant in varying ways upon each piece of legislation, should be taken into account.

In order to facilitate the comparison of the three recent bills with each other and to provide a basis for a critical examination of them, the Commission, with the cooperation of the State Department of Education, has prepared tables showing (a) the increased amount to be paid to teachers and (b) the increased cost to the State which would result from each of the bills *if it should become effective for the school year 1953-54*. It should be noted here that none of the proposed bills would legally place one penny of additional cost upon any locality, but that each of them requires the State to pay the localities a sum in excess of the amounts to be received

by the school teachers. This data is summarized in Figures II, IV, and V.

Turning to the bills themselves, it is proper that they be approached in chronological sequence.

### HOUSE BILL NO. 610

House Bill No. 610 appears in full in the appendix. Introduced toward the latter part of the 1951 session, it was presented to the House of Delegates on March 14, 1951, amended there, and finally passed by that body on March 29. During the last days of the session, it received Senate approval. In its original form, House Bill No. 610 provided for \$500 increase in the minimum salary scale, changing the salary for starting teachers on the State minimum salary schedule from \$2,200 to \$2,700. As amended, the salary for starting teachers became \$2,500.<sup>68</sup>

Because House Bill No. 610 was widely publicized and popularly known as the "Teachers' Raise Bill" or the "Three Hundred Dollar Compromise Raise Bill", it should be emphasized that this legislation did not necessarily provide a \$300 increase for any given teacher, or even any increase at all. It is true that no starting teacher with the requisite qualifications could have received a salary of less than \$2,500 if House Bill No. 610 had become law. However, at the time that this measure was passed, two counties and Baltimore City were already paying starting teachers as much or more than the starting salary provided by the proposed new State minimum. Teachers in these sub-divisions, and they comprised about one-half of all the teachers in the state, would not have been legally entitled to any increase under the terms

<sup>68</sup> These figures are for teachers with the Bachelor of Science, Academic, Special, Vocational, or higher certificates. Teachers with this kind of certificate were to receive \$100 above the starting salary for each year of experience up to sixteen years, making the pay range on the proposed minimum schedule from \$2500 to \$4100 in House Bill No. 610 as amended. The minimum salary provided for regularly employed teachers without degrees was to be \$2500 in the bill as originally introduced, and \$2300 in the bill as amended. Hereafter, all salary figures quoted will be those provided for teachers with degrees, with the understanding that the others will be \$200 less in all instances.

of House Bill 610. Only eleven counties were at that time paying their teachers salaries as low as those fixed in the State minimum scale, and only in those counties would the \$300 increase for teachers have been automatic. In the remaining eight counties the salary increases required by House Bill No. 610 would have varied: school teachers employed in counties with a \$2,400 starting salary would have received a \$100 increase; those employed in counties with a \$2,300 starting salary would have received a \$200 increase. It should be remembered, then, that the pay raises for school teachers resulting directly from the passage of this bill would have been unequal, uneven, and, in a great number of cases, non-existent. It is believed that these facts were not made sufficiently clear either to the public or to the school teachers themselves.

How were the new minimum salaries to be financed? Under the terms of section 196 of Article 77 of the General Code of Maryland (Equalization Fund Act), as heretofore interpreted, the cost of the legally required minimum educational program includes (1) the amount needed to pay the salaries fixed by the State minimum schedule to an allowed number of teachers, (2) an amount equal to 25% of the teacher payroll as computed on the basis of the State minimum schedule, which sum must be expended for purposes other than teachers salaries, and (3) the cost of transportation for all pupils not within a reasonable walking distance of school. To defray the cost of the minimum program, the State is required, also under the terms of section 196, to supply to the counties all funds necessary to support the minimum program which are needed beyond the monies which derive from the State per pupil and per classroom grants and from a county levy of 65¢ per \$100 of assessable property, together with federal monies. As originally introduced, since House Bill No. 610 would have increased the cost of the minimum educational program, it would have resulted in automatically increased grants to the counties from the State's Equalization Fund.

However, when opposition to the bill developed and the Governor refused to make any budgetary allowance for the projected change, the supporters of House Bill No. 610 attempted to meet the additional teacher salary costs by levying a tax of one per cent on the net income of every corporation subject to State taxes. Revenues raised in this way were to be used to pay the salaries provided by the bill, and any excess not needed for this purpose was to remain in the general funds of the State until subsequently re-appropriated.

What the legal effect of this provision would have been is not entirely clear, if the language of the bill is to be taken at face value, is that the Equalization Fund was to be abandoned and that the total cost of the payment of minimum salaries was to be defrayed by the tax on corporate net income. In the words of House Bill No. 610, "The monies from the tax hereby imposed shall be used to the extent necessary to pay the salaries provided in section 93 of Article 77 of the Annotated Code as amended by this Act".<sup>68</sup> Such an interpretation would have resulted in the imposition of a greatly increased financial burden on the State for the support of the schools: if it can be assumed that the average salary set up for teachers under the new minimum schedule would have been around \$3,200, then the State would have obligated itself to support a teachers' payroll of some \$45,000,000 from the one per cent corporate tax. This would have been in addition, of course, to its other financial responsibilities on behalf of the schools under already existing law and would have pushed the total educational allotment in the State's budget to nearly \$65,000,000 from the then \$27,000,000. If the one per cent tax on corporate income had not yielded the amount needed to finance a teachers' payroll of \$45,000,000, and it is clear that it would not have done so,<sup>70</sup> then the

<sup>68</sup> See appendix.

<sup>70</sup> It was estimated that the corporate income tax imposed by House Bill No. 610 would have yielded \$3,887,500. The Maryland Legislative Council, *Report to the General Assembly of 1952 Proposed Bills*, Volume I.

resulting problems can be foreseen. Neither the locus of responsibility for payment of amounts needed beyond the yield of the corporate income tax, nor the method by which State funds would be distributed in the case that the yield was insufficient, are specified in House Bill No. 610. It would seem, however, that equalization was being abandoned.

It may have been the intention of the authors of this legislation to continue Equalization in effect, since there is no direct mention in it of section 196 (which establishes equalization). If this was the intent, there is nowhere a clue as to how equalization payments would then be calculated, or as to what part of the minimum program would be supported by the Equalization Fund and the other basic aid grants and what part would be supported by the new tax. The computation of equalization benefits is already an extremely complicated one, based on a number of factors for which only estimated figures can be obtained and necessarily subject to readjustment in each subdivision, at the end of every year. The amount due any county from the Equalization Fund will vary with changes in the number of school teachers, the average experience of school teachers, the certification status of school teachers, the cost of transportation, the number of pupils, the number of allowed classrooms, the amount of federal aid, and the amount of the assessments.

If the new tax had become law, it would have been impossible to determine its yield during the course of the school year, since such a tax is not assessable or collectible until the end of the year; and the fiscal year would not have coincided with that of some of the local units. A sound school finance program allows the school administrator to budget expenditures with a reasonably accurate estimate of revenues in mind. House Bill No. 610 would have made an already too complicated equalization calculation almost incalculable.<sup>71</sup>

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<sup>71</sup> Simplified forms of the equalization calculation appear in the appendix. This Commission found that few, if any, state officials outside the State Department of Education understood the way equalization benefits are computed.

The legal and administrative problems involved in House Bill No. 610 are not the only, or perhaps even the most important, reason for objection to the use of a dedicated corporate income tax for the financing of education. If Maryland children are entitled to a good education, it would seem completely unjustifiable to make the quality of the schooling they receive dependent upon the ups and downs of business conditions. The yield of a dedicated tax reflects the prosperity of the activity taxed; it bears no relation to the needs of the schools. Experience, both in Maryland and in the other states, has shown that the use of ear-marked taxes is not in accord with the principles of sound school finance. House Bill No. 610 would have meant a return to practices found unproductive of good schools.

The drafting and the financing of salary minimums are, however, at least partially independent problems. A new State minimum salary schedule should be drafted with a view to its results: how great the increase in salary for teachers will be, how equitably the salary fund will be distributed between teachers, and, as nearly as is possible to determine, what the effect on the teacher's attitude toward his work will be. If we assume a continuation of the State's present method of supporting the foundation program, we can also determine how a proposed schedule will affect the present balance of State-local financial responsibility. It should be useful to analyze the salary provisions of House Bill No. 610 in this way, thus providing a basis for comparison with pending or proposed legislation.

A study of Figure II reveals that if House Bill No. 610 were re-passed at the forthcoming session of the General Assembly, the actual increases in teachers' pay in the State of Maryland resulting directly from its re-enactment — would be \$131,700. This assumes, of course, that the subdivisions would maintain their salary schedules at their present levels. It should be noted that teachers in only seven of the State's twenty-four sub-divisions would be legally

entitled to any salary increases; the remaining teachers, constituting by far the majority, would have no legal claims to greater pay. Further, \$35,200, or nearly one-third of the total increase in salary, would go to the teachers of St. Mary's

FIGURE II

COMPILED BY THE STATE DEPARTMENT OF EDUCATION  
COST OF HOUSE BILL No. 610\*

	<i>Total Additional Teacher Payroll</i>	<i>Cost to State to Raise State Schedule with Required Tax Rate of 65¢ (5,566,500) **</i>
State of Maryland.....	\$131,700	\$3,974,363
Baltimore City .....	—	403,761
		(3,941,625) **
Total Counties .....	<u>131,700</u>	<u>3,570,602</u>
Allegany .....	—	229,125
Anne Arundel .....	—	292,875
		( 699,750) **
Baltimore .....	—	328,727
Calvert .....	11,300	42,375
Caroline .....	16,000	60,000
Carroll .....	—	124,875
Cecil .....	—	96,375
Charles .....	13,100	88,875
Dorchester .....	—	77,250
Frederick .....	—	154,875
Garrett .....	18,300	68,625
Harford .....	—	147,750
Howard .....	4,000	81,375
Kent .....	—	44,250
Montgomery .....	—	547,500
Prince George's .....	—	586,875
Queen Anne's .....	—	51,375
St. Mary's .....	35,200	51,375
Somerset .....	15,700	58,875
Talbot .....	—	56,625
Washington .....	—	219,375
Wicomico .....	—	93,375
Worcester .....	18,100	67,875

\* Salary schedule \$300 above present minimum schedule.

\*\* Additional cost of the minimum program.

county; and this one county would obtain this advantage by reason of the fact that it has had, until now, an extremely low locally determined pay scale.

How would the costs of House Bill No. 610 be distributed? If the present formula for the calculation of equalization benefits were not changed, no additional costs would accrue to the counties or Baltimore City. Figure II shows that the salary schedule provided in that bill, although guaranteeing an actual increase in pay to teachers of only \$131,700, would nevertheless cost the State of Maryland, under the terms of section 196 of Article 77, a total of \$3,974,363, even using the high 1953-1954 estimates of assessments. While only about four hundred teachers are now receiving salaries less than those prescribed in House Bill No. 610, the State would obligate itself to pay the difference between the present and the proposed minimum, that is, \$300, for every teacher in a county now receiving equalization benefits. An additional \$75 per teacher would be needed to fulfill the requirement of section 196 that the teacher payroll represent no more than 80% of the total cost of the minimum program, and the total amount due the counties would thus be \$3,570,602.

Further, Baltimore City would qualify for equalization grants under the proposed salary minimum although it does not under the one now in effect, since, at present, a tax rate of 65¢ per \$100 of assessable property coupled with the State per pupil and per classroom grants provides revenues sufficient to meet the cost of the minimum program in the City. If the minimum salary schedule proposed in House Bill No. 610 were established, this would no longer be true and Baltimore City would receive \$403,761 in equalization aid, despite the fact that Baltimore City teachers would receive directly no pay increase at all. Even this is deceptive because the \$400,000 would accrue to Baltimore City for one year only. At the present rate of increase in assessments in Baltimore City, the second year Baltimore would no longer qualify for equalization and would lose the entire \$400,000. Therefore,

the State would be saddled permanently with an additional cost, as high as \$4,000,000, from which Baltimore City, source of a substantial amount of State revenue and an even larger proportion of the corporate income tax, would receive nothing.

The Legislative Council submitted a report to the 1952 General Assembly on House Bill No. 610 and the teacher salary problem in general. The increased costs resulting from the schedules in that bill, as amended, were estimated at \$3,463,814. It was also estimated that the one per cent increase in corporate income taxes would produce a sum sufficient to meet this added cost; and it was shown that the increases in local property taxes necessary to finance \$300 and \$500 "across the board" raises for school teachers would be considerable. The group recommended that the Governor's veto of the bill be overridden.

Some comments on these findings of the Legislative Council are in order. First of all, it should be borne in mind that the cost of any new salary schedule will not be static. It will in all probability continue to rise, since the number of teachers employed will almost certainly become greater and, in addition, the average experience of teachers may increase, particularly if salaries go up and give greater incentive to stay in the profession. This latter is as it should be. Secondly, no information was given to the Council as to the language of the bill which would seem to make the State responsible for the entire cost of the school teachers' minimum salaries and not just the increased cost of the new minimums. Nor was there any discussion of the way in which the cost of supporting the minimum program would be divided, if that was the intent, between the Equalization Fund and the tax on corporate income.

Finally, there seems to have been confusion as to whether the bill was designed simply to raise salary minimums or to give an actual \$300 increase to all school teachers. House Bill No. 610 would have given no equal, "across the board" increase; at the time of its reconsideration, all counties were

paying at varying rates above the minimum. No school teacher would have been guaranteed a \$300 increase at that time, and in only ten counties would they have received any increase at all under the terms of the bill. Yet it is only if one assumes (contrary to fact) that teachers were to get *actual* pay raises of a given number of dollars, that the figures supplied by the State Department of Education showing the effect on the local tax rates of various increases are valid.

For instance, the Legislative Council, citing statistics supplied by the State Superintendent of Education, indicated in its report that Baltimore City would have to increase its tax rate 6.4¢ per \$100 for a \$300 salary increase and 10.7¢ per \$100 for a \$500 increase. House Bill No. 610, however, would not have given any Baltimore City teacher a salary raise and no tax increase of any kind would have been necessary for Baltimore City independently to meet the standards set in that bill. If the counties had had to meet the entire cost of the new \$2500 minimum without the State contributing at all, only eleven of the twenty-three counties would have found it necessary to raise taxes, and the amount of the tax increase in most counties would have been exceedingly small.<sup>72</sup>

It need hardly be said, of course, that the above considerations are meant in no way as a criticism of the Legislative Council. That group recognized that it did not have the time or facilities to canvass the situation thoroughly. It appreciated the difficulty of the questions involved in the teachers' salary problem and recommended careful further study of them by this Commission.

#### SENATE BILLS NO. 7 AND NO. 48

The provisions of House Bill No. 610 are now of interest largely as a matter of recent history. Pending consideration by the 1953 General Assembly, however, are two bills which

<sup>72</sup>The figures referred to above appear in the Report to the Legislative Council of the State Department of Education, June 13, 1951, p. 17, and are reprinted in the Report to the General Assembly of 1952 Proposed Bills of the Legislative Council.

received Legislative approval in 1952 but were subsequently vetoed by the Governor. Whether either or both of these bills should now be abandoned in favor of new legislation is, therefore, of immediate concern. This Commission undertook a careful analysis of these bills, considering the philosophy of educational finance which they embody, as well as their specific provisions and probable results.

It should be stated plainly and categorically, that these bills reincorporate most of the defects of House Bill No. 610 and include features which depart from the fundamentals of the proper financing of education in Maryland. Therefore, it is the opinion of this Commission that the Governor's veto should be sustained.

The problem of analysis was simplified somewhat since the two bills are obviously written as substitutes for one another. They were not created out of different philosophies nor are different methods of financing teachers' pay increases involved. Senate Bill No. 7 is, in reality, only a smaller edition of Senate Bill No. 48; it was designed for approval only if final passage and adoption of the larger bill could not be consummated. Apparently both bills grew out of the study of the Legislative Council. The major bill, Senate Bill No. 48, was introduced by the President of the Senate, who is the chairman of the Council, and by other members of that body. The minor bill, Senate Bill No. 7, was introduced directly by the President of the Senate as a stated part of the legislative program of the Council. Both bills assume the continuance of a minimum or foundation program of education, and both invoke the equalization principle of section 196 for the financing of new minimum salaries. Senate Bill No. 48 and Senate Bill No. 7 are attached in full in the appendix. It is proper that the major bill be considered first.

Senate Bill No. 48 was originally introduced for the purpose of "increasing by \$400 annually the minimum salaries" for school teachers. The meaning of the word "annually" in the title of the bill is obscure. Certainly it does not appear

to have been the intention of the bill's authors either to provide for annual increases of \$400 in the minimum salaries or for \$400 increases in the annual minimum salary increments. As subsequently amended, the bill provides for an increase of \$300 in the "annual minimum salaries" of the teachers and for \$150 annual increments in the minimum salary schedule established by this act.<sup>78</sup>

In the form in which it received final Assembly approval, Senate Bill No. 48 provides the following schedule for the minimum salaries for teachers with degrees:

Year of Teaching	Minimum Salary
First	\$2500.00
Second	2650.00
Third	2800.00
Fourth	2950.00
Fifth	3100.00
Sixth	3250.00
Seventh	3400.00
Eighth	3550.00
Ninth	3700.00
Tenth	3850.00
Eleventh	4000.00
Twelfth	4150.00
Thirteenth and after	4300.00

The effect of the bill, if it should become law, would be to make ineligible for equalization benefits any county which did not pay its teachers as least as much as their experience and qualifications entitle them on this minimum schedule. The schedule proposed by Senate Bill No. 48 differs from the one now in force by (1) increasing the minimum salary for beginning teachers by \$300, (2) changing the salary pattern for experienced teachers, including an increase of \$50 in the annual increments, and (3) lowering the number of years

<sup>78</sup> See appendix. The meaning of the term "annual minimum salaries" in the bill as amended is still unclear. "Annual" as used in "annual increments" is correctly used, since the text of the bill does provide for increments of \$150 per year over and above the starting base minimums as adjusted.

required for a teacher to reach the maximum salary from seventeen to thirteen.

Like the earlier House Bill No. 610 and the parallel Senate Bill No. 7, Senate Bill No. 48 would guarantee no "across the board" increases in teacher pay. The schedule it proposes is lower than those now in effect in Baltimore City and in Baltimore, Montgomery, Prince George's, Washington, and Wicomico counties, so that the majority of the State's teachers would not benefit by the terms of the bill. In addition, many teachers in other counties would not receive any significant salary increases.

This is not to say that these teachers might not receive pay increases as the indirect result of its adoption, just as they might have if House Bill No. 610 had become law. The extent of such increases is not predictable; they would depend on economic conditions, political pressures, and the interest in education in each of the affected sub-divisions. Baltimore City with its high cost of living or Montgomery and Prince George's counties, faced with the competition of the District of Columbia and neighboring Virginia counties, have quite different salary problems than do other parts of the State; and the final pay scale set depends at least as much on such special conditions as on the action taken by the State. Nevertheless it is true, for school teachers as well as for employees of private business, that increases at the bottom of the wage structure often result in higher pay for those at the top. It is likely, then, that increases in the State minimum salary schedule would result in some adjustments in the schedules of those counties legally unaffected. However, the bill does not provide for any of this, directly or indirectly.

The distribution of salary increases among the various classes of teachers as provided in Senate Bill No. 48 is worthy of careful attention. In Figure III, the lines lead from the salary that a teacher with a given level of experience would receive according to the present minimums to that which he or she would receive the following year on the proposed mini-

mums. A study of Figure III should make apparent the fact that there would be a great deal of variation in the size of the increases that individual teachers would receive. While a teacher with one year's experience at the time of the change would receive \$450 more than he had the previous year, a

FIGURE III  
 EFFECT OF SENATE BILL NO. 48: \$2500 MINIMUM STARTING SALARY WITH \$150 INCREMENTS TO A MINIMUM SALARY FOR MAXIMUM EXPERIENCE OF \$4800

Years of Experience	Salary, Year Before Change	Salary, Year After Change
START	\$2200	2650
1	2300	2800
2	2400	2950
3	2500	3100
4	2600	3250
5	2700	3400
6	2800	3550
7	2900	3700
8	3000	3850
9	3100	4000
10	3200	4150
11	3300	} 4300
12	3400	
13	3500	
14	3600	
15	3700	
16	3800	

teacher with twelve years' experience would receive a \$1,000 increase, and one with seventeen years' experience would receive \$500. Since no sub-division now pays as low as the present State minimum, Figure III represents a hypothetical situation. In actual practice, however, the differences in

salary increases among teachers would be at least as varied: In Worcester County, for example, a teacher of one year's experience would receive a \$250 increase under the terms of Senate Bill No. 48; a teacher of twelve years' experience would receive an \$800 increase.

How best to attract new teachers to the public school system, to encourage long service by teachers, and to promote the morale of the instructional staff are all questions that should be considered in the drafting of a new salary schedule. It is difficult to justify the extreme dollar differences in the amount of pay raise granted to the different classes of teachers by Senate Bill No. 48. It would seem highly questionable that the bill provides for the distribution of the limited amount of money available for salaries in the manner best calculated to further the purposes of the minimum program of education.

Unlike House Bill No. 610, the Senate bill would finance the new minimum schedule in accordance with the equalization principle of section 196. The total additional cost to the State of the program it proposes would be, if it became effective in the school year 1953-54, \$8,282,613.<sup>74</sup> The counties would be required to contribute no more toward education than they now do.

Figure IV also shows that the total actual salary increase guaranteed the State's teachers by the bill would be \$1,055,450. As noted before, the bill would not entitle the teachers of Baltimore City and of Baltimore and Montgomery counties to raises. In addition, only a very few teachers in some of the other counties would get anything. Further, the variations in present salary scales as between counties could result in some striking variations in the amounts of money their teachers would receive in additional pay; Caroline county teachers would receive only \$20,600, while those of Calvert county would get \$37,500; Wicomico county teachers would get increases of \$15,100, Talbot county teachers would get

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<sup>74</sup> See Figure IV.

increases of \$39,800, Somerset county teachers would get \$59,900, Worcester county teachers would get \$60,500, and those in populous Prince George's county would get \$24,800.

FIGURE IV

COST OF RAISING TEACHERS' SALARIES TO SCHEDULE LISTED BELOW FOR 1953-1954†

County	Total Additional Teacher Payroll*	Total Cost to State to Raise State Schedule with Rate of 65¢
State of Maryland.....	\$1,055,450	\$8,282,613.00
Baltimore City.....	—	1,763,823.50
Total Counties.....	1,055,450	6,518,789.50
Alleghany.....	125,050	400,812.50
Anne Arundel.....	120,650	533,250.00
Baltimore.....	—	821,789.50
Calvert.....	37,500	75,125.00
Caroline.....	20,600	104,250.00
Carroll.....	46,800	222,375.00
Cecil.....	34,050	168,562.50
Charles.....	69,650	159,562.50
Dorchester.....	51,600	141,750.00
Fredrick.....	55,350	271,000.00
Garrett.....	65,200	127,250.00
Harford.....	35,050	249,437.50
Howard.....	50,400	145,750.00
Kent.....	18,050	80,562.50
Montgomery.....	—	945,187.50
Prince George's.....	24,800	995,312.50
Queen Anne's.....	32,200	91,625.00
St. Mary's.....	62,200	85,125.00
Somerset.....	54,900	107,875.00
Talbot.....	39,800	106,375.00
Washington.....	36,000	399,375.00
Wicomico.....	15,100	165,562.50
Worcester.....	60,500	120,875.00

\* Extra money teachers will receive.

\*\* Additional cost of minimum program.

† Scale (Senate Bill 48 Schedule): 2500, 2650, 2800, 2950, 3100, 3250, 3400, 3550, 3700, 3850, 4000, 4150, 4300.

The reason for the discrepancy between the amount of money guaranteed teachers and the additional cost to the State was explained above: regardless of the size of increase, if any, which Senate Bill No. 48 requires the sub-divisions to give to its teachers, the State must pay the difference between the cost of the present minimum program in that sub-division and the projected new one. Thus, Baltimore county will receive \$821,789.50 from the Equalization Fund although its teachers need be given no salary increase, and Prince George's county will receive \$995,312.50 to pay a total additional required teacher payroll of \$24,800. Furthermore, Baltimore City would become eligible for equalization benefits under the terms of the bill and, although not legally compelled to make any additional teacher salary expenditures, would receive \$1,763,823.50. Again this advantage for the City, since assessments can be expected to increase, is illusory and soon Baltimore would be receiving, little, if anything. The same is true in lesser degree for Baltimore county.

Senate Bill No. 7 requires only brief comment. Leaving starting minimums at their present \$2200 level, this bill (1) increases the annual increments from \$100 to \$150, (2) sets the pay for maximum experience on the minimum schedule at \$4,000, and (3) decreases the amount of time required for a teacher to reach the maximum from seventeen to thirteen years. Like Senate Bill No. 48, it involves the questionable policy of giving increases most unequal in amount to the different classes of teachers.

The financial results of Senate Bill No. 7 are summarized in Figure V. The total additional amount paid to Maryland teachers as a direct result of the bill would be \$177,560; the total additional cost to the State of Maryland would be \$2,850,618.50. Baltimore and the three most populous counties would divide about 50% of these additional State grants between them, as under Senate Bill No. 48, although their teachers would be entitled to no salary increase. Baltimore City, since it would become eligible for equalization to the extent of \$220,000 only, would receive comparatively little

benefit from the bill, even at first; while Montgomery county would receive \$397,687.50, Prince George's county would receive \$408,437.50, and Baltimore county would receive \$174,-

FIGURE V

COST OF SENATE BILL NO. 7\*

Total Additional Teacher Payroll	\$177,560
State of Maryland.....	\$177,560
Baltimore City .....	—
(1,360,062.50) **	220,724.00
(2,948,187.50) **	177,560
Total Counties .....	177,560
Allcany .....	16,050
Anne Arundel .....	16,800
Baltimore .....	—
Calvert .....	6,700
Caroline .....	2,900
Carroll .....	5,100
Cecil .....	3,900
Charles .....	16,300
Dorchester .....	8,500
Frederick .....	5,300
Garrett .....	13,650
Harford .....	4,550
Howard .....	10,250
Kent .....	2,250
Montgomery .....	—
Prince George's .....	—
Queen Anne's .....	5,450
St. Mary's .....	24,850
Somerset .....	12,700
Talbot .....	7,600
Washington .....	2,160
Wicomico .....	650
Worcester .....	11,900

\* Salary Schedule: 2200, 2350, 2500, 2650, 2800, 2950, 3100, 3250, 3400, 3550, 3700, 3850, 4000.  
\*\* Additional cost of the minimum program.

Baltimore City, although providing a much larger share of the tax revenues of the State than any other sub-

division, now receives only about 13% of the funds given by the State to the sub-divisions for aid to schools. Senate Bill No. 7, giving it only about 5% of the total additional funds to be made available by the State, does not correct this situation, especially since Baltimore City, in the second year, would probably receive nothing.

#### SUMMARY AND DISCUSSION

Without further burdening the point and supplying all the calculations and comparisons which this Commission made, the analysis of the recent teacher salary bills reveals certain deficiencies and problems. The provision of House Bill No. 610 for a corporate income tax involved, in the opinion of this Commission, an unnecessary departure from the principles of sound school finance. Senate Bills No. 48 and No. 7 would result in greatly unequal raises to individual teachers, a practice difficult to justify. All of the recent bills shift much of the present cost of education from the political sub-divisions to the State; in a real sense they are sub-division benefit bills more than they are teachers' pay raise bills. This latter point has been little recognized and should now be apparent to all.

## CONCLUSIONS

Maryland's Method of Financing Education Through a State and Local Partnership is Satisfactory. The Minimum Program Must Have Reasonable Standards and Adequate Monetary Support if it is to be Effective

Careful study has convinced this Commission that the basic principles which govern school finance policy in Maryland are enlightened and progressive. As indicated above, an examination of Maryland's educational experiences — particularly in the light of the experiences of other states, the opinion of leading educational authorities, and the findings of similar state commissions — leads to this conclusion.

The State, through basic aid grants and intelligent cooperation with local communities, has undertaken the task of insuring for every Maryland child access to a reasonably good education, has used methods designed to equalize the burden of public school support, has improved the quality of supervision and of the curriculum, and has lessened the tax pressure which otherwise would have fallen upon property owners. Furthermore, it has helped materially in furthering certain special needs and purposes in education. Provision has been made for the schooling of the handicapped, for extension of education to adults, for the support of junior colleges, for the adequate training of teachers, for the improvement of school facilities, and for the planning and construction of school buildings.

At the same time, reasonable decentralization of administration, with the counties and Baltimore City as the local units rather than a large number of small districts, has tended toward both efficiency and economy while encouraging a large degree of local control and initiative.

The methods established for carrying out these principles are, in the main, solidly planned and well-conceived. The minimum salary schedule provides both a reasonable and an

understandable basis for arriving at the cost of the foundation program.<sup>75</sup> The State deals at all times only in minimums, leaving to the sub-divisions the initiation and support of programs above those minimums.

The requirement of tax effort on the part of the sub-divisions, given some uniformity of assessment practices, is insurance of continuing local effort and a guarantee of State-local partnership in school support.

This Commission, then, has determined that the method and basic structure of Maryland school finance policy are commendable. It must necessarily look elsewhere for the causes of the present controversy and for the cures of any defects. The defects it finds are financial ones, and the remedies it proposes are to be made within the framework of the present financial structure.

#### I. THE PRESENT STATE MINIMUMS FOR SCHOOL TEACHERS' SALARIES ARE TOO LOW

The present State minimums for teachers' salaries do not represent adequate pay for persons possessing the qualifications required of public school teachers in Maryland. We require of them college training; but we set their minimum salary at \$2,200 per year, the equivalent of about \$40 per week.

The interest and welfare of children, of parents, and of the State itself, as well as fair treatment for teachers, require an upward revision of the State minimum salary schedule. Teachers have dedicated themselves to training and developing the potentialities of Maryland's children. The citizens of the State should not turn to their own financial advantage, a teacher's devotion to his task.

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<sup>75</sup> Avrid J. Burke, a leader in the field of school finance, finds that Maryland "has one of the best minimum salary laws". See *The American School Board Journal*, February, 1948, "New State Minimum Salary Schedules and Their Financing."

All this is meaningless if the profession does not offer some degree of security to the potential teacher. Historically, compensation for teaching has never been high. No teacher can expect riches for his efforts; and remuneration has to be

Any program which does not succeed in attracting capable young men and women into the teaching profession is inadequate. The training and education now being offered to school teachers by the State teachers' colleges seeks to develop competence and skill in the next generation of teachers. Little or no tuition is required of the student, and scholarships are available for the worthy.

To supply present needs for teachers, to take care of future needs arising from an expanded school population, and to replace those leaving the schools, there are two groups from which new teachers may be drawn. The first, and most important, is composed of those graduates of teachers' colleges entering the profession for the first time. A group of lesser importance includes teachers now working elsewhere and those who have left the profession.

Aside from economic difficulties and the inadequacy of the pay scale, there is a normal turnover of teachers, according to the best available statistics, of from five to ten per cent each year. The causes are many, including, but not limited to, death, retirement, marriage, birth of children, and removal from the community.

The number of school teachers required in Maryland has been continually increasing with the growth of the school population. Maryland has set as a goal the employment of one teacher for every thirty elementary school pupils. For some time, such a ratio has not been obtainable because of the shortage of teachers. There are at present many classes of forty and fifty pupils, despite all efforts to avoid such overcrowding.

#### A. *The Present Minimums Discourage Entry Into the Teaching Profession*

secondary to the very real satisfactions which are derived from the work. But remuneration cannot be ignored. It will profit the State little to provide good teachers' colleges if it does not also provide teaching positions with salaries attractive to their graduates. Today there are few other forms of employment which do not offer higher pay to a beginner; and some of them require very little training or education.

An adequate State minimum salary schedule, based on a reasonable estimate of future conditions, is fundamental to the integrity of education in Maryland. The young man or woman discouraged from entering a teachers' college now cannot be replaced in four years. The State minimum wage must be raised, if for no other reason than that it is now so low as to deter students from preparing for the profession.

*B. The Present Minimums Place Maryland Under A Handicap in the Race for Competent Teachers*

Maryland, if it is to acquire the additional teachers who are needed, must attract them from outside the State. A recent study made by the State Department of Education revealed that 36% of new teachers in the secondary schools of this State came from West Virginia, Pennsylvania, Delaware and Virginia. It must be remembered, however, that the methods which have brought teachers to Maryland, may also serve, when used by other states, to draw our teachers away.

For a number of years, the competitive advantage was in our favor. Maryland's standing was high in average salary paid teachers, fifth in the nation, while the salaries paid in our neighbor states were lower. In more recent years, Maryland's position has declined, and that of bordering states has moved forward. Virginia, Pennsylvania, Delaware and West Virginia have increased their minimum salaries considerably; the District of Columbia has an even higher rate.

Far from being able to secure teachers from other states, we are now, and will continue to be, at a serious disadvantage if immediate steps are not taken. This is not to say, of course,

that the teacher shortage will be relieved only by raising salaries. Even the highest paying school systems sometimes have trouble in securing teachers. It would be difficult to argue, however, that adequate salaries are not of the greatest importance in bringing teachers into the public school system.

C. *Increases in Teachers' Salaries Have Not Kept Pace With the Cost of Living and With Pay Increases in Other Occupations*

Maryland's minimum schedule is now lower, in relation to the cost of living, than it has been since the reform of the system in 1922. Forty dollars a week now, before income taxes and other charges are deducted, is hardly equivalent to twenty dollars then. Furthermore, since that time the pay of employees in other occupations has risen faster, the qualifications required of teachers have become greater, their work year has been lengthened, their duties have been enlarged, and their competence has been subjected to increased demands.

A report of the National Educational Association on the economic status of teachers in 1951-1952, points out that in 1944, teachers' salaries (not minimums alone) were 24.3% above 1939. The average pay of all employed persons was 67.1% higher, farm employee wages were up 157.1%, and manufacturing employees were getting 84.7% more.

In 1950, the year of last available figures, the United States Department of Commerce reported teachers' salaries at 112.7% of 1939, while the pay of all employed persons was at 138.3%, that of farm employees was 244.4%, and that of manufacturing employees was 142.3%.

If the pay of teachers has declined in relation to that of other occupations, so has it failed to keep pace with a rising cost of living. Since 1947, the date when the present salary minimums were set, the United States Bureau of Labor Statistics' Consumer Price Index has risen from 159.6 to 191.1. The consumers price index, as used by the Bureau, is based

on prices in thirty-four large cities. The figure 100.0 represents the average of consumers' prices in the period between 1935 and 1939.

To the individual teacher, these conditions mean greater difficulty in maintaining a decent standard of living and the greater attractiveness of alternative occupations. To the state's school system, they mean a danger that the state may not be able to maintain the quality of its minimum educational program. Recent salary legislation in Maryland shows a realization that the present minimum salary schedule is inadequate. There has been little disagreement among both friends and opponents of recent bills that the pay of teachers was too low — the controversy has rather concerned the relative responsibility of the State and its sub-divisions for the financing of increased salaries.

Since the State's minimum program was above that which they would have been able to support without a much greater effort than that required in the wealthier sub-divisions, the State undertook to supply the additional funds to the poorer counties in 1922. Today, the intent of the equalization program is not being realized. The poorest of the counties, in order to secure a sufficient number of teachers, regardless of qualifications, must offer salaries at least ten per cent higher than those provided in the State minimum schedule. The cost of these above-minimum salaries have been paid from their own funds, and, in many instances, they now find themselves unable to satisfy the need for teachers without raising them still higher. Such increases in local pay scales are not voluntary nor are they due solely to pressure groups. They are dictated primarily by economic necessity in much the same way as are industrial salaries.

If Maryland is to achieve the purposes implicit in an equalization program, the State minimum salary schedule must be adjusted realistically to present-day costs of education.

E. The Sub-Standard State Minimum Schedule has not Equalized Educational Opportunity. Wide Difference in the Quality of Education Being Offered by the Various Local Units has Been Allowed to Develop

Children in the southern Maryland counties are entitled to the same basic education as those living near the city of Washington. Where formerly the State minimum salary schedule was high enough to bring the average salaries paid teachers in such counties as Calvert and St. Mary's reasonably close to the averages in Montgomery and Prince George's counties, the differences are now from five to six hundred dollars. This reflects a general condition in the State. With-out adequate aid, the poorer counties cannot hope to compete with the wealthier subdivisions for the services of qualified teachers. Differences in quality of education in the subdivisions, theoretically narrowed by the equalization program, have actually widened. The mere statement of the principles of equalization, if we are not willing to give them financial implementation, is of no benefit to Maryland's children.

## II. THE PRESENT STATE MINIMUM SCHEDULE PROVIDES ANNUAL INCREMENTS WHICH ARE TOO SMALL. IN ADDITION, THE PERIOD REQUIRED FOR ATTAINING THE MAXIMUM SALARY UNDER THE PRESENT SCHEDULE IS TOO LONG

Educators today are agreed that a salary schedule must provide for increments according to a definite pattern contained within the schedule itself, applying to all teachers in the system, and not subject to arbitrary change in individual cases. Earlier methods of providing salary increases on an individual or merit basis were found to lead to inequities, favoritism, and dissension.

This Commission believes that a system of automatic annual increments for qualified teachers must be continued. We feel, however, that certain changes must be made from the increment plan now in effect.

A. *The Annual Increment of \$100 is too Small*

Little argument should be required for this proposition. Under a system that provides annual increments of only \$100, a teacher with five years of experience receives only about \$10 a week more than he did as a beginning teacher, with no experience whatsoever. This does not constitute a fair recognition of the increased value to the school and the community, which his additional teaching experience gives him.

B. *Sixteen Years is too Long a Period Over Which to Spread the Increments*

Under the present schedule a teacher reaches his top salary after sixteen years of experience. We do not believe that it is a wise policy to defer the payment of the maximum salary for this long a time. A teacher should be able to attain a professional standard of living at a point reasonably early in his career and should receive his highest salary at a period in life when his family costs are likely to be at their highest point. If higher compensation is received at an earlier point in the teaching career, teachers should be able to develop their teaching ability and capacity through advanced study at institutions of higher learning. In this way teacher growth would be encouraged and the training of our teachers improved.

C. *Larger Annual Increments Should Go to Those With Greater Length of Service*

In its studies of the state's educational problems, this Commission has found that teacher turnover in Maryland is particularly high among first and second year teachers. We believe that the adoption of a probationary period, during which increments would be somewhat smaller than in later years, would have the double advantage of encouraging continuous service and of reserving the benefits of higher pay for those teachers who have served the school system well and

Therefore, the recommendations of this Commission for transitional finance are made with the hope of cooperation from Governor McKeldin. By his concurrence in, and accep-

There is no possibility of putting any part of the program into effect for the school year 1953-54 unless the provision to support it is voluntarily incorporated into the State budget now being prepared by the State Director of the Budget.<sup>76</sup> No action by the General Assembly or by anyone else, can change this situation. A possible exception would be adoption by the Legislature of a new tax in support of the suggestions herein made. Such a special tax would violate good practice in school finance, and a program supported by such a tax would be subject to the same limitations and uncertainties as was that proposed by House Bill 610. Moreover, a gubernatorial veto would effectively block any such legislation.

#### *A. Practical Considerations are Involved*

The program recommended by this Commission will require substantial changes in the form of the state minimum salary schedule and considerable financial readjustment. Urgency requires that parts of it, particularly salary changes, be effected at once. Recommended changes in the equalization formula, however, require further improvements in assessment valuation techniques, and thus cannot be accomplished except over a period of time. Therefore, the Commission has concluded that the immediate changes proposed should be financed on a temporary basis.

### III. A PERIOD OF TRANSITION IS REQUIRED FOR THE INSTITUTION OF THE ENTIRE RECOMMENDED PROGRAM

have demonstrated their worth. A period of probation might serve as a deterrent to those who regard the teaching profession merely as a stepping-stone to another career or to marriage. Then, too, this change is in accordance with the internship policies which have been adopted by business concerns and by the professions.

tance of the budgetary responsibility, he would permit the partial institution of our program for the year 1953-1954, assuming that the General Assembly passes the necessary confirmatory legislation.

Similar considerations apply to the program for the budgetary and school year 1954-1955. Aside from the possibility that the Governor's vetoes of the 1952 legislation would be sustained in any event, as in the case of House Bill No. 610, we must independently urge that these vetoes be upheld. As indicated above, this Commission believes Senate Bill No. 7 and Senate Bill No. 48 to be bad legislation, highly discriminatory, of questionable legality in certain respects, and involving a shifting of millions of dollars of the educational burden from the sub-divisions to the State. The bills would compensate only some of the teachers, and then to a comparatively minor extent, in the light of the staggering sums involved. The school teachers themselves must remember that if the State is immediately saddled with more than \$8,000,000 in additional cost, of which they would receive only \$1,000,000, it may be a long time before they will be able successfully to secure further salary increases from the State.

Assuming that the Governor's veto will be sustained, there is only one possibility for any change in the financing of State education for the school year 1954-1955. This would be through the passage of adequate, transitional legislation by the General Assembly of 1953 and approval of that legislation by the Governor. Such action would insure the inclusion of appropriations necessary to implement such legislation in the State Budget for 1954-1955. Either the Legislature or the Governor could block the program, but the agreement of both is required for its adoption.

The ultimate recommendations of this Commission should be realized by the third year, 1955-1956. While there are numerous other reasons necessitating the transitional period, the practical considerations here stated are of the most vital importance.

The quality of education in Maryland has been endangered by the State's failure to insure adequate financial support during the past few years. While other states have been taking the necessary action to support their educational systems, Maryland has failed to adjust its own State program. Further inaction will have very serious consequences. The financial structure of the foundation program must be strengthened immediately.

The cost of making the necessary changes under equalization would be tremendous, and perhaps even prohibitive. Political considerations might make them difficult to achieve at once. Moreover, under present conditions, the shifting to the State of the major part of the cost of the schools, required if the present equalization formula were used, is a highly questionable action.

The State's minimum salary schedule, including the annual increments, are at present funded under the equalization procedure. Any increases in the present salary schedule would greatly increase the amount paid from the Equalization Fund. Thus, under equalization, it would cost the State in excess of \$8,000,000 to give the teachers \$1,000,000 in actual salary increases.

Although it is essential that the minimum salaries established in the State's schedule be increased, the use of the Equalization Fund to pay for these increases is not an absolute necessity.

The use of ordinary logic, therefore, produces the following result: Institute increases, and pay for them directly from the State's General Fund. Let full support from equalization await the final adoption of the complete program recommended by this Commission.

*B. There is Dire Need for Partial Action Now*

### *C. The State Must Bear the Entire Transitional Cost*

Since the use of the equalization formula with the transitional program would cost the State an amount far out of proportion to the actual salary increases that teachers would receive, the expense must be defrayed in some other way.

The concept of a partnership between the State and the sub-divisions in paying for schools has been fundamental to the Maryland educational system. In recent years, however, one partner — the State — has offered little help to the other partner — the sub-divisions — in meeting the financial crisis in education. For that reason, the cost of all needed salary increases above the State minimums has been paid solely by the local units. The counties, therefore, cannot be asked to carry the expenses of the transitional program, particularly since the greatest share of the new costs would fall upon those sub-divisions which are financially weakest.

As a matter of fact, by reason of increases in local assessments, the amount presently estimated in the State's Budget for 1953-1954 for the cost of equalization, instead of rising, is less than the Budget figure for the same item in 1952-1953.

Thus, the demands of both reason and justice require that the State bear the temporary burden in its entirety. Assumption of these expenses by the State means also that some financial consideration should be given to Baltimore City and Baltimore County. Neither receives equalization benefits, because of their comparatively highly assessed wealth; but both recently have had to pay additional educational costs without State aid.

### *D. A Transition is Required to Give Time for Budgetary Adjustment and Financial Implementation*

The recommendations of this Commission for a permanent school finance program will require substantial increases in appropriations for education and some changes in present methods of financing school costs. The exact additional cost

Even if practical uniformity in valuations is assumed, a minimum of three years is still required for the complete re-assessment of a county.

While substantial progress has been made, assessments have not yet completely approached reality, uniformity, or equality. New aids to valuation and new techniques continue to be adopted. The suggested administrative changes in the State Tax Commission have not yet been accomplished.

Almost all of local support for schools, and a part of State support, is dependent upon property taxes. The amount of revenue produced by property taxes is determined by the assessed valuation of the property, if the tax rate remains constant. Problems in valuation, as they relate to education in Maryland, have been discussed in detail above.

*E. Present Assessment Problems Make A Transition Program Necessary*

In any event, the State should be able to bear all transitional costs without additional taxes.

It is hoped that the total State income, together with increased property assessments, will make any new State taxes unnecessary, but there can be no long-range assurance of this. However, if State revenues continue to rise at the present annual rate, and if present assessment increases are maintained, it is reasonable to hope that the permanent program may be instituted without new taxes.

The larger percentage of the cost of the permanent program will fall upon the State. Not only is time required for adjusting State and local budgets to new salary minimums, but provision must also be made for raising sufficient State funds so that the budget will be balanced.

cannot be predicted, but it can be approximately determined. The number of pupils, the number of teachers, the lengthened service of teachers, and the assessed property valuations are all variables that will affect the expense of the program.

Implicit in the recommendations of this Commission is the assumption that valuations for property tax assessment purposes in Maryland will more nearly approach uniformity and equality. If and when this is true, no citizen will have an unfair property tax burden, and no locality will be unduly penalized because of lack of effort by another.

The recent activities and improvements on the part of assessing authorities give promise of a substantial realization of these assumptions.

However, time — at least several years — will be required, and this constitutes the principal reason for the transition program.

#### IV. THE ULTIMATE GOAL OF THIS COMMISSION IS A LONG RANGE PROGRAM OF GOOD EDUCATION AT A PRICE GOVERNMENT CAN AFFORD, THE COST OF WHICH IS SHARED BY THE STATE AND ITS SUB-DIVISIONS

The foregoing constitutes the basis upon which the following recommendations are made. The Commission lays no claim to infallibility in approach, in reasoning, in research and statistics (which it has found to be confusing and conflicting), or in its presentation of the subject matter. It has, however, labored long and hard; it has striven to be honest, unbiased and impartial; it has studied the subject carefully and as completely as time would permit; and it has used all the intelligence at its command, all with the prayer and the hope that the desired goal might be achieved for the good of the State of Maryland and its children.

Here, then, is the considered and unanimous opinion and recommendations of the Commission. They are set forth in two parts, the Program — Transitional and Permanent — and the Proposals for Financing the Estimated Costs.

<sup>17</sup> See Appendix for calculations of estimated costs. The calculations were supplied by the Maryland State Department of Education and were checked by the Department of Budget and Procurement and the Office of the State Auditor.

I. For 1953-1954, the teachers would receive actual increases totalling \$739,825. The entire cost would be borne by the State in the following manner. Equalization benefits would be calculated on the old schedule (\$2200), and the State would reimburse the localities for all additional salaries they are required to pay to comply with the new scales, over and beyond the salary rates now in effect in each sub-division.

### Financing<sup>17</sup>

III. For the fiscal and school year 1955-1956, the minimum salary under the State schedule should be \$2800 per year, with the annual increments set forth in II, making the schedule range from \$2800 to \$4600 per annum, with the maximum reached in ten years. No teacher should receive an increase in salary of more than \$300 in any one year by reason of this action.

II. The annual minimum increments in teachers' salaries should consist of two \$100 increases for teachers with one and two years experience, together with eight \$200 increments thereafter. For the years 1953-54 and 1954-1955, the State minimum salary scale for teachers with degrees should begin at \$2500, and, range to a maximum of \$4300, with a limitation of \$300 as the highest increase to be paid hereunder to any teacher, any additional increase needed to reach the salary schedule to be carried over to the next year.

I. For the fiscal and school years 1953-54 and 1954-55, the basic minimum salary for accredited teachers under the foundation program should be \$2500 (an increase of \$300). Corresponding increases for non-accredited teachers should be made throughout, under these proposals.

### Program

## RECOMMENDATIONS

In addition, the State flat grant per classroom, which is in reality calculated per teacher (chosen in preference to the aid per pupil in order to encourage the employment of more teachers for a smaller number of pupils) should be increased from \$400 to \$440. Of this increase \$20 should not be included in equalization calculations, so that each locality would receive \$20 per teacher more than it is now receiving. The remaining \$20 should be included in the equalization calculations, the net result of which is that only Baltimore City and Baltimore County, excluded as they are from receipt of any equalization funds, would benefit thereby.

Thus, the estimated total additional cost to the State would be \$1,172,305.

II. For the year 1954-1955, the procedure would be exactly the same, except that the flat grant per teacher should rise to \$480, \$40 of which should be included in the calculations for equalization purposes, and \$40 of which should be excluded from such calculations.

Thus, the teachers would receive \$1,139,065 more than they are now entitled to receive during the year 1954-55. By reason of the increased reimbursement cost and the increase in the flat grant, the cost to the State would be \$1,992,965.

III. For the year 1955-56 and succeeding years, the calculations and financing used during the two previous transitional years should be entirely discarded.

The new salary schedules should be incorporated into the equalization program. The required county tax rate, for calculation purposes, should be raised from 65 cents per \$100 of assessed valuation to 75 cents. All of the counties except two or three are now taxing at or above that figure and those few below are within a few cents of the new 75 cent requirement. Although county expenditures will normally increase, this program will not involve any additional cost to the counties.

In order partially to compensate Baltimore City and Baltimore County for the additional expenditure of State

JOHN L. BERRY  
 ROY TASCIO DAVIS  
 MRS. RICHMOND FARRING  
 OMER T. KAYLOR, SR.  
 HARRY NUTTLE  
 DUANE L. PETERSON  
 ALBANUS PHILLIPS, JR.  
 DR. WILLIAM F. PEIRCE  
 WALTER L. PRICE  
 MISS GRACE RAWLINGS  
 SENATOR LAYMAN J. REDDEN  
 JOHN E. WEYER  
 HON. PERRY O. WILKINSON  
 MISS HELEN WOOLTON  
 HARRY J. GREEN, *Chairman.*

Respectfully submitted,

Thus, the school teachers would benefit to the extent of somewhere between \$3,500,000 and \$4,500,000. While the total cost of the program under the equalization formula would be about \$12,000,000, the net cost to the State is figured at \$5,673,908, the increase in required tax rate for calculation purposes and the estimated increase in assessments serving to cause the reduction from the gross cost to the anticipated net actual cost. The \$5,673,908 figure does not take into account the additional teachers which will be needed in 1955-56, since this cannot be predicted with complete accuracy. The amount set up for Baltimore City and Baltimore County under the flat grants, and the percentage of total State expenditures to be received by them, will increase with an increase in the number of teachers. The estimated assessment increase which has been used in the computations is, furthermore, extremely conservative.

funds under equalization, for which they probably will not qualify, the flat grant per school teacher should be increased to \$600 which figure would, of course, be used for equalization calculations.

**APPENDIX**

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Introduced by the President (Legislative Council)

**RESOLUTION 2****SENATE JOINT RESOLUTION 1**

Joint Resolution requesting the appointment of a Commission to study and re-evaluate the public school system of this State.

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By the SENATE, February 6, 1952.

Introduced, read the first time and referred to the Committee on Rules.

By order, C. ANDREW SHAAB, Secretary.

**REPORT OF COMMITTEE**

Approved by Rules Committee for referral to appropriate Committee.

GEORGE W. DELLA, Chairman.

By the SENATE, February 7, 1952.

Referred to the Committee on Education.

By order, C. ANDREW SHAAB, Secretary.

**REPORT OF COMMITTEE**

Favorable, with amendment.

LAYMAN J. REDDEN, Chairman.

By the SENATE, February 15, 1952.

Reported favorably by the Committee on Education, with proposed amendment; amendment adopted; read second time and ordered printed for third reading.

By order, C. ANDREW SHAAB, Secretary.

1 WHEREAS, problems concerning the public school system have required the close consideration of the people of this State during the past several years, as new and unprecedented difficulties have been encountered; and

2 WHEREAS, these difficulties have included a rapidly expanding school population, requiring additional teachers and new buildings, and also a series of readjustments in salary levels in order to assure teachers a decent standard of living, and to meet salary competition from the Federal Government and from private industry; and

3 WHEREAS, to assist in meeting these pressing problems, the State has increased its expenditures for operating the public schools and also for the first time has inaugurated a policy of assisting the political sub-divisions in the construction and enlargement of school buildings; and

4 WHEREAS, the passage of H. B. 610 of 1951, known generally as the "Teachers' Salary Bill", its veto by the Governor, and its subsequent reconsideration by the General Assembly have raised sharp questions of public policy as to the future administration and financing of the public school system; and

5 WHEREAS, independently of the matters raised in H. B. 610 of 1951, other questions of equal importance are being discussed throughout the State, concerning the purposes and functions of public schools, their curriculum and physical facilities, and related matters; and

6 WHEREAS, there is need for a fresh study and reconsideration of the entire structure and operation of the public school system of this State, to cover all phases of the curriculum, physical plant, workings and administration of the public schools; and to determine in particular the proper division of responsibility as to the administration and financing of the public schools, between the State and the several political sub-divisions; now therefore be it

7 Resolved by the General Assembly of Maryland, That the Governor of Maryland, the President of the Senate and the Speaker of the House of Delegates be requested jointly to appoint a commission to study and re-evaluate the public

EXPLANATION: Italicize indicate new matter added to existing law. [Brackets] indicate matter stricken from existing law. CAPITALS indicate amendments to bill. ~~Strike out~~ indicates matter stricken out of bill.

39 school system of this State, this commission to include in  
40 its study and re-evaluation such topics as curriculum, phys-  
40a ical facilities, administration, salaries, THE PROPER  
40b DIVISION OF RESPONSIBILITY AS TO THE AD-  
40c MINISTRATION AND FINANCING OF THE PUBLIC  
41 SCHOOLS, BETWEEN THE STATE AND THE  
41a SEVERAL POLITICAL SUBDIVISIONS and others; and  
42 be it further

43 *Resolved*, That said commission shall have the use in its  
44 work of such funds as may be provided therefor in the  
45 Budget or as may be allocated thereto by the Governor  
46 from contingent funds at his disposal; and be it further

47 *Resolved*, That all departments and agencies of the State  
48 government be directed to extend such cooperation and  
49 assistance to the said commission as may be in their power;  
50 and be it further

51 *Resolved*, That said commission be requested at the con-  
52 clusion of its studies to make its report and recommenda-  
53 tions to the Governor, the General Assembly and the Legis-  
54 lative Council.

SALARY SCHEDULES FOR TEACHERS  
WITH BACHELORS' DEGREES

	Minimum	1949-50	Maximum	Additional for Master's Degree
Baltimore City .....	\$2600	\$4600	\$200	
Total Counties .....	2400	3900		
Allgany .....	2400	4000	200	
Baltimore .....	2600	4600	200	
Calvert .....	2300	3900	100	
Caroline .....	2200	3800	100	
Carroll .....	2300	3900	200	
Cecil .....	2300	3900	200	
Charles .....	2200	3800	100	
Dorchester .....	2200	3800	—	
Frederick .....	2400	4000	200	
Garrett .....	2200	3800	—	
Harford .....	2400	4000	—	
Howard .....	2200	3800	—	
Kent .....	2400	4000	100	
Montgomery .....	2500	4800	200	
Prince George's .....	2400	4000	200	
Queen Anne's .....	2200	3800	—	
St. Mary's .....	2200	3800	—	
Somerset .....	2200	3800	—	
Talbot .....	2200	3800	—	
Washington .....	2400	4300	200	
Wicomico .....	2200	3800	100	
Worcester .....	2200	3800	—	

SALARY SCHEDULES FOR TEACHERS  
WITH BACHELORS' DEGREES

	<i>1950-51</i>		<i>Additional for Master's Degree</i>
	<i>Minimum</i>	<i>Maximum</i>	
Baltimore City .....	\$2600	\$4600	\$200
Total Counties .....			
Allegany .....	2400	3900	200
Anne Arundel .....	2400	4000	200
Baltimore .....	2600	4600	200
Calvert .....	2300	3900	100
Caroline .....	2200	3800	100
Carroll .....	2300	3900	200
Cecil .....	2300	3900	100
Charles .....	2200	3800	100
Dorchester .....	2200	3800	—
Frederick .....	2400	4000	200
Garrett .....	2200	3800	—
Harford .....	2400	4000	—
Howard .....	2200	3800	—
Kent .....	2400	4000	100
Montgomery .....	2500	4800	200
Prince George's .....	2400	4000	200
Queen Anne's .....	2200	3800	—
St. Mary's .....	2200	3800	—
Somerset .....	2200	3800	—
Talbot .....	2200	3800	—
Washington .....	2400	4300	200
Wicomico .....	2200	3800	100
Worcester .....	2200	3800	—

SALARY SCHEDULES FOR TEACHERS  
WITH BACHELORS' DEGREES

1951-52		Minimum	Maximum	Additional for Master's Degree
Baltimore City	\$3000	\$5400	\$200	
Total Counties	2500	3900	200	
Alliegany	2800	4200	200	
Anne Arundel	2800	4200	200	
Baltimore	3000	5400	200	
Calvert	2400	4000	100	
Caroline	2400	4000	100	
Carroll	2800	4200	100	
Cecil	2450	4050	100	
Charles	2560	3800	100	
Dorchester	2300	3800	—	
Frederick	2600	4200	200	
Garrett	2400	4000	—	
Hartford	2800	4200	—	
Howard	2800	4000	—	
Kent	2600	4200	100	
Montgomery	2800	5000	200	
Prince Georges	2600	4200	200	
Queen Anne's	2200	3800	—	
St. Mary's	2400	3800	—	
Somerset	2400	4000	—	
Talbot	2400	3800	100	
Washington	2700	4400	200	
Wicomico	2400	3800	100	
Worcester	2400	4000	—	

**SALARY SCHEDULES FOR TEACHERS  
WITH BACHELORS' DEGREES**

	<i>Minimum</i>	<i>1952-53</i>	<i>Maximum</i>
Baltimore City .....	\$3000*		\$5400
Total Counties .....			
Allegany .....	2700		4100
Anne Arundel .....	2600*		4200
Baltimore .....	3000*		5400
Calvert .....	2400*		4000
Caroline .....	2600		4200
Carroll .....	2600*		4200
Cecil .....	2600		4200
Charles .....	2500		4000
Dorchester .....	2500		4100
Frederick .....	2600*		4200
Garrett .....	2400*		4000
Harford .....	2800*		4200
Howard .....	2600*		4000
Kent .....	2600*		4200
Montgomery .....	2940		5250
Prince George's .....	2900		4500
Queen Anne's .....	2500		4100
St. Mary's .....	2400*		3800
Somerset .....	2400*		4000
Talbot .....	2500		4100
Washington .....	2700*		4400
Wicomico .....	2700		4300
Worcester .....	2400*		4000

\* Stars indicate counties who keep their 1951-52 salary schedule in effect.

House Calendar No..... Senate Calendar No.....

Introduced by Messrs. Johnson, Cannon, Hanna, Edwards,  
Lucas, Reed, See and J. T. Adams.

V E T O E D  
CHAPTER .....  
4-13-51

HOUSE BILL 610

AN ACT to repeal and re-enact, with amendments, Section 98, of Article 77 of the Annotated Code of Maryland (1947 Supplement), title "Public Education", sub-title "Chapter 8. Teachers' Certificates, Salaries and Pensions", relating to the compensation of teachers; AND TO ADD A NEW SUBSECTION TO SECTION 230 OF ARTICLE 81 OF THE ANNOTATED CODE OF MARYLAND (1947 SUPPLEMENT), TITLE "REVENUE AND TAXES", SUB-TITLE "INCOME TAX", SAID NEW SECTION TO BE KNOWN AS SUB-SECTION (D-1) AND TO FOLLOW IMMEDIATELY AFTER SUB-SECTION (D) OF SAID SECTION 230, INCREASING THE RATE OF STATE TAX ON THE INCOME OF CORPORATIONS IN THIS STATE IN ORDER TO PROVIDE FUNDS FOR THE ADDITIONAL COMPENSATION FOR TEACHERS HEREIN PROVIDED.

By the HOUSE OF DELEGATES, March 14, 1951.  
Introduced, read the first time and referred to the Committee on Ways and Means.

By order, ELIZABETH M. REESE, Asst. Chief Clerk.  
Favorable, with amendments.

REPORT OF COMMITTEE

A. GORDON BOONE, Chairman.  
By the HOUSE OF DELEGATES, March 29, 1951.

Reported favorably by the Committee on Ways and Means, with proposed amendments, amendments adopted, read second time and ordered printed for third reading.  
By order, RAYMOND H. MILLER, Chief Clerk.

## A BILL ENTITLED

AN ACT to repeal and re-enact, with amendments, Section 93, of Article 77 of the Annotated Code of Maryland (1947 Supplement), title "Public Education", sub-title "Chapter 8. Teachers' Certificates, Salaries and Pensions", relating to the compensation of teachers; AND TO ADD A NEW SUB-SECTION TO SECTION 230 OF ARTICLE 81 OF THE ANNOTATED CODE OF MARYLAND (1947 SUPPLEMENT), TITLE "REVENUE AND TAXES", SUB-TITLE "INCOME TAX", SAID NEW SECTION TO BE KNOWN AS SUB-SECTION (D-1) AND TO FOLLOW IMMEDIATELY AFTER SUB-SECTION (D) OF SAID SECTION 230, INCREASING THE RATE OF TAX ON THE INCOME OF CORPORATIONS IN THIS STATE IN ORDER TO PROVIDE FUNDS FOR THE ADDITIONAL COMPENSATION FOR TEACHERS HEREIN PROVIDED.

1 SECTION 1. *Be it enacted by the General Assembly of*  
 2 *Maryland,* That Section 93 of Article 77 of the Annotated  
 3 Code of Maryland (1947 Supplement), title "Public Edu-  
 4 cation", sub-title "Chapter 8. Teachers' Certificates, Sal-  
 5 aries and Pensions", be and the same is hereby repealed  
 6 and re-enacted, with amendments, ~~so as~~ AND THAT A  
 7 NEW SUB-SECTION BE AND THE SAME IS HERE-  
 8 BY ADDED TO SECTION 230 OF ARTICLE 81 OF  
 9 THE ANNOTATED CODE OF MARYLAND (1947  
 10 SUPPLEMENT), TITLE "REVENUE AND TAXES",  
 11 SUB-TITLE "INCOME TAX", SAID NEW SUB-SEC-  
 12 TION TO BE KNOWN AS SUB-SECTION (D-1) AND  
 13 TO FOLLOW IMMEDIATELY AFTER SUB-SECTION  
 14 (D) OF SAID SECTION 230, ALL to read as follows:

1 93. No teachers or principals regularly employed in  
 2 public schools in the counties and in Baltimore City of the  
 3 State of Maryland shall receive salaries less than the  
 4 amounts provided for in the following schedules for vary-  
 5 ing amounts of training and successful experience; pro-  
 6 vided that teachers and principals having ~~[twelve]~~ *fifteen*  
 7 years' or less experience prior to September 1, ~~[1947]~~  
 8 *1951* shall receive the salary in the new schedule corre-  
 9 sponding with their years of experience, and teachers and

EXPLANATION: *Italics indicate new matter added to existing law.*

**[Brackets]** indicate matter stricken from existing law.

**CAPITALS** indicate amendments to bill.

~~Strike out~~ indicates matter stricken out of bill.



58 eighth year of service; ~~[\$3,000] \$2,500~~ \$3,300 per school  
 59 year for the ninth year of service; ~~[\$3,100] \$2,600~~ \$3,400  
 60 per school year for the tenth year of service; ~~[\$3,200]~~  
 61 ~~\$2,700~~ \$3,500 per school year for the eleventh year of  
 62 service; ~~[\$3,300] \$2,800~~ \$3,600 per school year for the  
 63 twelfth year of service; ~~[\$3,400] \$2,900~~ \$3,700 per school  
 64 year for the thirteenth year of service; ~~[\$3,500] \$3,000~~  
 65 \$3,800 per school year for the fourteenth year of service;  
 66 ~~[\$3,600] \$3,100~~ \$3,900 per school year for the fifteenth  
 67 year of service; ~~[\$3,700] \$3,200~~ \$4,000 per school year for  
 68 the sixteenth year of service; ~~[\$3,800] \$3,300~~ \$4,100 per  
 69 school year for the seventeenth year and each succeeding  
 70 year of service thereafter.

1 (3) Any such teacher having charge of a two-teacher  
 2 school, shall receive \$200 per school year more than the  
 3 appropriate foregoing schedule requires. A principal of a  
 4 school, holding a regular principal's certificate, shall receive  
 5 the following amount in excess of the appropriate schedule  
 6 required for teachers as provided in Sub-section (1) or  
 7 Sub-section (2) of Section 93 for schools with the follow-  
 8 ing number of assistant teachers:

9	Two to five assistants.....	\$300
10	Six to nine assistants.....	400
11	Ten or more assistants.....	600

12 (4) The principal of a school, holding a regular prin-  
 13 cipal's certificate, who has completed at least one year of  
 14 required work beyond the bachelor's degree shall receive  
 15 the following amounts in excess of the schedule provided  
 16 for teachers with degrees in Sub-section (2) for schools  
 17 with the following number of assistant teachers:

18	One assistant .....	\$400
19	Two to five assistants.....	500
20	Six to nine assistants.....	700
21	Ten to fourteen assistants.....	900
22	Fifteen to nineteen assistants.....	1000
23	Twenty to twenty-nine assistants.....	1100
24	Thirty or more assistants.....	1200

25 (5) The salary of a teacher holding a regular second  
 26 grade certificate shall be ~~[\$1,300] \$1,200~~ \$1,600; and the  
 27 salary of a teacher holding a regular third grade certificate  
 28 shall be ~~[\$1,100] \$1,000~~ \$1,400.

29 (6) The salary of a teacher or principal holding a pro-  
 30 visional certificate shall be \$200 less per school year than  
 31 that required for a teacher or principal holding a regular  
 32 certificate for the same grade.

38 (7) The County Board of Education of any county and  
 34 the Board of School Commissioners of Baltimore City, may,  
 35 in its discretion, pay to teachers and principals annual  
 36 salaries in excess of the salaries provided for in this  
 37 section.

38 (8) The County Commissioners of each county and the  
 39 Mayor and City Council of Baltimore shall levy sufficient  
 40 funds to meet the schedule of salaries herein established.

230.

1 (D-1) THERE IS HEREBY ANNUALLY LEVIED  
 2 AND IMPOSED FOR EACH TAXABLE YEAR BEGIN-  
 3 NING AFTER DECEMBER 31, 1950, IN ADDITION TO  
 4 THE TAX IMPOSED BY SUB-SECTION (D) OF THIS  
 5 SECTION, A TAX ON THE NET INCOME OF EVERY  
 6 CORPORATION (DOMESTIC OR FOREIGN), AT THE  
 7 RATE OF 1% OF SUCH PORTION THEREOF AS IS  
 8 ALLOCABLE TO THE STATE UNDER THE PROVI-  
 9 SIONS OF SECTION 253 HEREOF. THE MONIES  
 10 FROM THE TAX HEREBY IMPOSED SHALL BE  
 11 USED TO THE EXTENT NECESSARY TO PAY THE  
 12 SALARIES PROVIDED IN SECTION 93 OF ARTICLE  
 13 77 OF THE ANNOTATED CODE AS AMENDED BY  
 14 THIS ACT AND TO THE EXTENT NOT SO NECES-  
 15 SARY SHALL REMAIN IN THE GENERAL FUNDS  
 16 OF THE STATE UNTIL SUBSEQUENTLY REAPPRO-  
 17 PRIATED.

1 Sec. 2. And be it further enacted, That this Act shall  
 2 take effect on July 1, 1951.

## SAMPLE: EQUALIZATION CALCULATION

MARYLAND STATE DEPARTMENT OF EDUCATION  
DIVISION OF FINANCE AND RESEARCH

BUDGET DATA FOR 1953-54

Present Salary Scale

County — Frederick

Date — 8/19/52

## I. Equalization 1953-54

## A. Minimum program

1. Minimum salaries 1952-53.....	\$1,227,284.13	
2. Salary increases allowed $209.34 \times \$100$	20,934.00	
3. Salaries-additional teachers allowed $23.4 \times \$2300$ .....	53,820.00	
4. Total (1 plus 2 plus 3) $\$1,302,038.13$ divided by .8 .....	1,627,547.66	
5. Transportation .....	245,000.00	
6. Total cost of minimum program (4 plus 5).....	\$1,872,547.66	

## B. Funds available for minimum program

7. Federal vocational aid (day school)	1,105.00	
8. Aid per allowed classrooms $416 \times \$400$	166,400.00	
9. Aid per pupil $11,468 \times \$20$ .....	229,360.00	
10. Assessed valuation $\$115,855,502 \times$ $\$.0065$ .....	753,060.76	
11. Total funds available for minimum program.....	\$1,149,925.76	

C. Amount estimated for Equalization 1953-54 (6—11).... \$ 722,621.90

## SAMPLE: EQUALIZATION CALCULATION

MARYLAND STATE DEPARTMENT OF EDUCATION  
DIVISION OF FINANCE AND RESEARCH

BUDGET DATA FOR 1953-54

Present Salary Scale

County — Calvert

Date — 8/19/52

## I. Equalization 1953-54

## A. Minimum program

1. Minimum salaries 1952-53.....	\$321,801.75	
2. Salary increases allowed $68 \times \$100$ .....	6,800.00	
3. Salaries — additional teachers allowed $5 \times \$2,300$ .....	11,500.00	
4. Total 1+2+3) $\$340,101.75 \div .8$ .....	425,127.19	
5. Transportation .....	126,400.00	
6. Total cost of minimum program (4+5).....	\$551,527.19	

## B. Funds available for minimum program

7. Federal vocational aid (day school).....	406.00	
8. Aid per allowed classrooms $113 \times \$400$ ..	45,200.00	
9. Aid per pupil $3,159 \times \$20$ .....	63,180.00	
10. Assessed valuation $\$15,369,351 \times \$.0065$ ..	99,900.78	
11. Total funds available for minimum program.....	\$208,686.78	

C. Amount estimated for Equalization 1953-54 (6—11).... \$342,840.41

SAMPLE: EQUALIZATION CALCULATION

MARYLAND STATE DEPARTMENT OF EDUCATION

DIVISION OF FINANCE AND RESEARCH

BUDGET DATA FOR 1953-54 Present Salary Scale

County — Wicomico

Date — 8/19/52

I. Equalization 1953-54

A. Minimum program

1. Minimum salaries 1952-53.....	\$724,908.64
2. Salary increases allowed 124.2 x \$100.....	12,420.00
3. Salaries-additional teachers allowed 22 x \$2,300.....	50,600.00
4. Total (1+2+3) \$787,928.64 + .8.....	984,904.55
5. Transportation.....	183,800.00
6. Total cost of minimum program (4+5).....	\$1,168,704.55
B. Funds available for minimum program	
7. Federal vocation aid (day school).....	628.50
8. Aid per allowed classrooms 249 x \$400.....	99,600.00
9. Aid per pupil 7,501 x \$20.....	150,020.00
10. Assessed valuation \$86,948,166 x \$.0065.....	565,103.01
11. Total funds available for minimum program.....	\$815,408.51

C. Amount estimated for Equalization 1953-54 (6-11).....

\$353,298.04

Introduced by Senators Della, Crothers and Malkus.

SENATE BILL 48

V E T O  
3-27-52

CHAPTER No.....

AN ACT to repeal and re-enact, with amendments, Section 102 of Article 77 of the Annotated Code of Maryland (1951 Edition—being Section 93 in the 1947 Supplement), title "Public Education," sub-title "Chapter 8. Teachers' Certificates, Salaries, and Pensions," increasing by ~~\$400.~~ \$300. ~~annually~~ the ANNUAL minimum salaries payable to certain public school teachers IN THE COUNTIES AND BALTIMORE CITY in this State, AND PROVIDING FURTHER FOR \$150 ANNUAL INCREMENTS IN THE MINIMUM SALARY SCHEDULE ESTABLISHED BY THIS ACT.

1 SECTION 1. *Be it enacted by the General Assembly of*  
2 *Maryland,* That Section 102 of Article 77 of the Annotated  
3 Code of Maryland (1951 Edition—being Section 93 in the  
4 1947 Supplement), title "Public Education," sub-title  
5 "Chapter 8. Teachers' Certificates, Salaries and Pen-  
6 sions," be and it is hereby repealed and re-enacted, with  
7 amendments, to read as follows:

1 102. (a) No teachers or principals regularly employed  
2 in public schools in the counties and in Baltimore City  
3 [~~of the State of Maryland~~] shall receive salaries less than  
4 the amounts provided for in the following schedules for  
5 varying amounts of training and successful experience;  
6 PROVIDED THAT EACH TEACHER OR PRINCIPAL  
7 REGULARLY EMPLOYED IN PUBLIC SCHOOLS IN  
8 THE COUNTIES AND IN BALTIMORE CITY DURING  
9 THE YEAR ENDING JUNE 30, 1953, SHALL RECEIVE  
10 AN INCREMENT OF \$150 DURING THE FOLLOWING  
11 YEAR; EACH SUBSEQUENT YEAR THEREAFTER  
12 HE SHALL RECEIVE ONE INCREMENT OF \$150  
13 UNTIL THE MAXIMUM SALARY PERMITTED BY  
14 THE SALARY SCHEDULE IS REACHED; PROVIDED  
15 THAT THE LAST INCREMENT SHALL NOT EXCEED  
16 THE MAXIMUM SALARY PERMITTED BY THE

**EXPLANATION:** *Italics indicate new matter added to existing law.*  
[Brackets] indicate matter stricken from existing law.  
CAPITALS indicate amendments to bill.  
~~Strike out~~ indicates matter stricken out of bill.

17	SCHEDULE: PROVIDED FURTHER THAT EACH	
18	TEACHER OR PRINCIPAL WHO ENTERS THE PUB-	
19	LIC SCHOOL SYSTEM OF MARYLAND AFTER JUNE	
20	30, 1963, SHALL RECEIVE A SALARY EQUAL TO	
21	THAT WHICH IS PAID TO A TEACHER OR PRIN-	
22	CIPAL HAVING EQUIVALENT EXPERIENCE AND	
23	GRADE OF CERTIFICATE WHO IS ALREADY IN	
24	THE MARYLAND PUBLIC SCHOOL SYSTEM; pro-	
25	vided that teachers and principals having two years	
26	or less experience prior to September 1, [1947] 1952 shall	
27	receive the salary in the new schedule corresponding with	
28	their years of experience, and teachers and principals hav-	
29	ing more than two years' experience prior to September	
30	1 [1947] 1952 shall be placed on the new schedule corre-	
31	sponding with the twelfth year of experience; each subse-	
32	quent year thereafter they shall receive one increment on	
33	the salary schedule; but no teacher or principal whose	
34	certificate is rated by the county superintendent as second	
35	class, as provided in Section 100 of Article 77, shall receive	
36	any salary increment based on experience.	
37	[(1)] (b) No teacher, without a degree, holding a	
38	regular first grade or higher certificate shall receive a	
39	salary of less than \$2,000 per school year during the first	
40	year of service, \$2,100 per school year for the second year of	
41	service; \$2,200 per school year for the third year of	
42	service; \$2,300 per school year for the fourth year of	
43	service; \$2,400 per school year for the fifth year of service;	
44	\$2,500 per school year for the sixth year of service; \$2,600	
45	per school year for the seventh year of service; \$2,700 per	
46	school year for the eighth year of service; \$2,800 per school	
47	year for the ninth year of service; \$2,900 per school year	
48	for the tenth year of service; \$3,000 per school year for	
49	the eleventh year of service; \$3,100 per school year for	
50	the twelfth year of service; \$3,200 per school year for the	
51	thirteenth year of service; \$3,300 per school year for the	
52	fourteenth year of service; \$3,400 per school year for the	
53	fifteenth year of service; \$3,600 per school year for the	
54	sixteenth year and each succeeding year of service there-	
55	after. ] the amount specified in the following table, for the	
56	school year applicable to him or her:	
57	Year of Teaching	Minimum Salary
58	First	\$2,400.00
59	Second	2,500.00
60	Third	2,600.00
61	Fourth	2,700.00
62	Fifth	2,800.00
63	Sixth	2,900.00
64	Seventh	2,900.00
65	Eighth	2,900.00

46	<i>Eighth</i>	2,100.00
47	<i>Ninth</i>	2,200.00
48	<i>Tenth</i>	2,300.00
49	<i>Eleventh</i>	2,400.00
50	<i>Twelfth</i>	2,500.00
51	<i>Thirteenth</i>	2,600.00
52	<i>Fourteenth</i>	2,700.00
53	<i>Fifteenth</i>	2,800.00
54	<i>Sixteenth</i>	2,900.00
55	<i>Seventeenth and after</i>	3,000.00

58	FIRST	\$2,300.00
59	SECOND	2450.00
60	THIRD	2600.00
61	FOURTH	2750.00
62	FIFTH	2900.00
63	SIXTH	3050.00
64	SEVENTH	3200.00
65	EIGHTH	3350.00
66	NINTH	3500.00
67	TENTH	3650.00
68	ELEVENTH	3800.00
69	TWELFTH	3950.00
70	THIRTEENTH AND AFTER	4100.00

71 **[(2)]** (c) No teacher, with degree, holding a regular  
72 Bachelor of Science, Academic, Special, Vocational, or  
73 higher certificate, shall receive a salary less than the  
74 amount provided for in the following schedule for varying  
75 amounts of successful experience; no teacher, with degree,  
76 holding a regular certificate shall receive a salary less  
77 than **[\$2,200** per school year during the first year of  
78 service; **\$2,300** per school year for the second year of  
79 service; **\$2,400** per school year for the third year of  
80 service; **\$2,500** per school year for the fourth year of  
81 service; **\$2,600** per school year for the fifth year of service;  
82 **\$2,700** per school year for the sixth year of service; **\$2,800**  
83 per school year for the seventh year of service; **\$2,900** per  
84 school year for the eighth year of service; **\$3,000** per  
85 school year for the ninth year of service; **\$3,100** per school  
86 year for the tenth year of service; **\$3,200** per school year  
87 for the eleventh year of service; **\$3,300** per school year for  
88 the twelfth year of service; **\$3,400** per school year for the  
89 thirteenth year of service; **\$3,500** per school year for the  
90 fourteenth year of service; **\$3,600** per school year for the  
91 fifteenth year of service; **\$3,700** per school year for the  
92 sixteenth year of service; **\$3,800** per school year for the  
93 seventeenth year and each succeeding year of service there-  
94 after.] *the amount specified in the following table, for the*  
95 *school year applicable to him or her:*

Minimum Salary

\$2,600.00

\$2,700.00

\$2,800.00

\$2,900.00

\$3,000.00

\$3,100.00

\$3,200.00

\$3,300.00

\$3,400.00

\$3,500.00

\$3,600.00

\$3,700.00

\$3,800.00

\$3,900.00

\$4,000.00

\$4,100.00

\$4,200.00

First

Second

Third

Fourth

Fifth

Sixth

Seventh

Eighth

Ninth

Tenth

Eleventh

Twelfth

Thirteenth

Fourteenth

Fifteenth

Sixteenth

Seventeenth and after

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110 [(3)] (d) Any such teacher having charge of a two-

111 teacher school, shall receive \$200 per school year more

112 than the appropriate foregoing schedule requires. A prin-

113 cipal of a school holding a regular principal's certificate,

114 shall receive the following amount in excess of the appro-

115 priate schedule required for teachers as provided in Sub-

116 section [(1)] (b) or Sub-section [(2)] (c) of this Section

117 [(98)] for schools with the following number of assistant

118 teachers:

119

Two to five assistants

\$300

120

Six to nine assistants

400

121

Ten or more assistants

600

122 [(4)] (e) The principal of a school, holding a regular

123 principal's certificate, who has completed at least one year

124 of required work beyond the bachelor's degree shall receive

125 the following amounts in excess of the schedule provided

126 for teachers with degrees in Sub-section [(2)] (c) for  
127 schools with the following number of assistant teachers:

128	One assistant	\$ 400
129	Two to five assistants	500
130	Six to nine assistants	700
131	Ten to fourteen assistants	900
132	Fifteen to nineteen assistants	1000
133	Twenty to twenty-nine assistants	1100
134	Thirty or more assistants	1200

135 [(5)] (f) The salary of a teacher holding a regular  
136 second grade certificate shall be ~~\$1,600~~; ~~[\$1,300]~~ \$1700  
137 and the salary of a teacher holding a regular third grade  
138 certificate shall be ~~\$1,400~~. ~~[\$1,100]~~ \$1500.

139 [(6)] (g) The salary of a teacher or principal holding  
140 a provisional certificate shall be \$200 less per school year  
141 than that required for teacher or principal holding a  
142 regular certificate for the same grade.

143 [(7)] (h) The County Board of Education of any  
144 county and the Board of School Commissioners of Balti-  
145 more City may, in its discretion, pay to teachers and prin-  
146 cipals annual salaries in excess of the salaries provided for  
147 in this section.

148 [(8)] (i) The County Commissioners of each county  
149 and the Mayor and City Council of Baltimore shall levy  
150 sufficient funds WHICH WHEN ADDED TO THE STATE  
151 AID TO WHICH THEY ARE ENTITLED SHALL BE  
152 ADEQUATE to meet the schedule of salaries herein  
153 established.

1 SEC. 1A. AND BE IT FURTHER ENACTED, THAT  
2 THE MINIMUM SALARY SCALE HEREIN PROVIDED  
3 SHALL BECOME EFFECTIVE FOR THE SCHOOL  
4 YEAR BEGINNING AFTER JULY 1, 1953.

1 SEC. 2. And be it further enacted, That this Act shall  
2 take effect June 1, 1952.

Senate Calendar No. ....  
House Calendar No. ....  
Introduced by the President (Legislative Council)

V E T O E D  
CHAPTER .....  
3-27-52

SENATE BILL 7

AN ACT to repeal and re-enact, with amendments, Section 102 of Article 77 of the Annotated Code of Maryland (1951 Edition—being Section 93 in the 1947 Supplement, and having been amended by House Bill 610 of 1951, which was passed over the Governor's veto to become Chapter ..... of the Acts of 1952), title "Public Education", sub title "Chapter 8, Teachers' Certificates, Salaries and Pensions", providing for \$200 annual increments in the salaries of certain public school teachers; to repeal and re-enact, with amendments, Sub-section 283 of Article 81 of the Annotated Code of Maryland 1951 Edition — being Section 230(d-1) as added to the 1947 Supplement by House Bill 610 of 1951, which became Chapter ..... of the Acts of 1952), title "Revenue and Taxes", sub title "Income Tax", relating to the disposition of the funds collected from the additional income tax on corporations. TITLE "PUBLIC EDUCATION", SUB-TITLE "CHAPTER 8, TEACHERS' CERTIFICATES, SALARIES AND PENSIONS", PROVIDED FOR THE AMOUNT OF THE ANNUAL INCREMENTS IN THE SALARIES OF CERTAIN PUBLIC SCHOOL TEACHERS.

By the SENATE, February 6, 1952.  
Introduced, read the first time and referred to the Committee on Rules.  
By order, C. ANDREW SHAAB, Secretary.

REPORT OF COMMITTEE

Approved by Rules Committee for referral to appropriate Committee.

GEORGE W. DELLA, Chairman.  
By the SENATE, February 7, 1952.

Referred to the Committee on Finance.

By order, C. ANDREW SHAAB, Secretary.

REPORT OF COMMITTEE

Favorable with amendments.

LOUIS L. GOLDBSTEIN, Chairman.

By the SENATE, February 22, 1952.

Reported favorably, with amendments, by the Committee on Finance, and laid over under the Rule.

By order, C. ANDREW SHAAB, Secretary.

By the SENATE, February 25, 1952.

Reported favorably by the Committee on Finance, with proposed amendments, amendments adopted, read second time and ordered printed for third reading.

By order, C. ANDREW SHAAB, Secretary.

#### A BILL ENTITLED

AN ACT to repeal and re-enact, with amendments, Section 102 of Article 77 of the Annotated Code of Maryland (1951 Edition—being Section 93 in the 1947 Supplement, and having been amended by House Bill 610 of 1951, which was passed over the Governor's veto to become Chapter ..... of the Acts of 1952), title "Public Education", sub-title "Chapter 8. Teachers' Certificates, Salaries and Pensions", providing for \$200 annual increments in the salaries of certain public school teachers; to repeal and re-enact, with amendments, Sub-section 233 of Article 81 of the Annotated Code of Maryland 1951 Edition — being Section 230(d-1) as added to the 1947 Supplement by House Bill 610 of 1951, which became Chapter ..... of the Acts of 1952), title "Revenue and Taxes", sub-title "Income Tax", relating to the disposition of the funds collected from the additional income tax on corporations. TITLE "PUBLIC EDUCATION", SUB-TITLE "CHAPTER 8. TEACHERS' CERTIFICATES, SALARIES AND PENSIONS", PROVIDING FOR THE AMOUNT OF THE ANNUAL INCREMENTS IN THE SALARIES OF CERTAIN PUBLIC SCHOOL TEACHERS.

- 1 SECTION 1. *Be it enacted by the General Assembly of*
- 2 *Maryland*, That Section 102 of Article 77 of the Annotated

EXPLANATION: *Italics indicate new matter added to existing law.*  
**[Brackets]** indicate matter stricken from existing law.  
**CAPITALS** indicate amendments to bill.  
~~Strike out~~ indicates matter stricken out of bill.

3 Code of Maryland (1951 Edition—being Section 93 in the  
 4 1947 Supplement and having been amended by House Bill  
 5 610 of 1951, which was passed over the Governor's veto  
 6 to become Chapter ..... of the Acts of 1952), title "Public  
 7 Education", sub-title "Chapter 8, Teachers' Certificates,  
 8 Salaries and Pensions", be and it is hereby repealed and  
 9 re-enacted, with amendments, and that Section 283(d-1)  
 10 of said Code (as added to the 1947 Supplement by House  
 11 Bill 610 of 1951, which became Chapter ..... of the Acts  
 12 of 1952, title "Revenue and Taxes", sub-title "Income  
 13 Tax", be and it is hereby repealed and re-enacted, with  
 14 amendments, both to read as follows: 1947 SUPPLE-  
 15 MENT), TITLE "PUBLIC EDUCATION", SUB-TITLE  
 16 "CHAPTER 8, TEACHERS' CERTIFICATES, SAL-  
 17 ARIES AND PENSIONS", BE AND IT IS HEREBY RE-  
 18 PEALD AND RE-ENACTED, WITH AMENDMENTS,  
 19 TO READ AS FOLLOWS:

1 102. (a) No teachers or principals regularly employed  
 2 in public schools in the counties and in Baltimore City [of  
 3 the State of Maryland] shall receive salaries less than the  
 4 amounts provided for in the following schedules for vary-  
 5 ing amounts of training and successful experience; [pro-  
 6 vided that teachers and principals having fifteen TWELVE  
 7 years' or less experience prior to September 1, 1951 1947  
 8 shall receive the salary in the new schedule corresponding  
 9 with their years of experience, and teachers and principals  
 10 having more than fifteen TWELVE years' experience prior  
 11 to September 1, 1951, 1947 shall be placed on the new  
 12 schedule corresponding with the sixteenth TWELFTH  
 13 year of experience; each subsequent year thereafter they  
 14 shall receive one increment on the salary schedule; ] pro-  
 15 vided that each teacher or principal regularly employed  
 16 in public schools in the counties and in Baltimore City  
 17 during the year ending June 30, 1952, shall receive an  
 18 movement of \$200 during the following year; each subse-  
 19 quent year thereafter he shall receive one movement of \$200  
 20 until the maximum salary permitted by the BALTIMORE  
 21 CITY DURING THE YEAR ENDING JUNE 30, 1953,  
 22 SHALL RECEIVE AN INCREMENT OF \$150 DURING  
 23 THE FOLLOWING YEAR; EACH SUBSEQUENT YEAR  
 24 THEREAFTER HE SHALL RECEIVE ONE INCRE-  
 25 MENT OF \$150 UNTIL THE MAXIMUM SALARY PER-  
 26 Mitted BY THE salary schedule is reached; provided  
 27 that the last increment shall not exceed the maximum salary  
 28 permitted by the schedule; provided further that each  
 29 teacher or principal who enters the public school system  
 30 of Maryland after June 30, 1953, shall receive a salary equal  
 31 to that which is paid to a teacher or principal having equiva-

32 *lent experience and grade of certificate who is already in*  
 33 *the Maryland Public School System; but no teacher or*  
 34 *principal whose certificate is rated by the county superin-*  
 35 *tendent as second class, as provided in Section 36 100 of*  
 36 *Article 77, shall receive any salary increment based on*  
 37 *experience.*

1     **[(1)]** *(b) No teacher, without a degree, holding a regu-*  
 2 *lar first grade or higher certificate shall receive a salary of*  
 3 *less than [***\$2,300 per school year during the first year of**  
 4 *service; \$2,400 per school year for the second year of*  
 5 *service; \$2,500 per school year for the third year of*  
 6 *service; \$2,600 per school year for the fourth year of*  
 7 *service; \$2,700 per school year for the fifth year of service;*  
 8 *\$2,800 per school year for the sixth year of service; \$2,900*  
 9 *per school year for the seventh year of service; \$3,000*  
 10 *per school year for the eighth year of service; \$3,100 per*  
 11 *school year for the ninth year of service; \$3,200 per school*  
 12 *year for the tenth year of service; \$3,300 per school year*  
 13 *for the eleventh year of service; \$3,400 per school year*  
 14 *for the twelfth year of service; \$3,500 per school year for*  
 15 *the thirteenth year of service; \$3,600 per school year for*  
 16 *the fourteenth year of service; \$3,700 per school year for*  
 17 *the fifteenth year of service; \$3,800 per school year for*  
 18 *the sixteenth year of service; \$3,900 per school year for*  
 19 *the seventeenth year and each succeeding year of service*  
 20 *thereafter.]* **[\$2,000 PER SCHOOL YEAR DURING THE**  
 21 **FIRST YEAR OF SERVICE; \$2,100 PER SCHOOL YEAR**  
 22 **FOR THE SECOND YEAR OF SERVICE; \$2,200 PER**  
 23 **SCHOOL YEAR FOR THE THIRD YEAR OF SERVICE;**  
 24 **\$2,300 PER SCHOOL YEAR FOR THE FOURTH YEAR**  
 25 **OF SERVICE; \$2,400 PER SCHOOL YEAR FOR THE**  
 26 **FIFTH YEAR OF SERVICE; \$2,500 PER SCHOOL**  
 27 **YEAR FOR THE SIXTH YEAR OF SERVICE; \$2,600**  
 28 **PER SCHOOL YEAR FOR THE SEVENTH YEAR OF**  
 29 **SERVICE; \$2,700 PER SCHOOL YEAR FOR THE**  
 30 **EIGHTH YEAR OF SERVICE; \$2,800 PER SCHOOL**  
 31 **YEAR FOR THE NINTH YEAR OF SERVICE; \$2,900**  
 32 **PER SCHOOL YEAR FOR THE TENTH YEAR OF**  
 33 **SERVICE; \$3,000 PER SCHOOL YEAR FOR THE**  
 34 **ELEVENTH YEAR OF SERVICE; \$3,100 PER SCHOOL**  
 35 **YEAR FOR THE TWELFTH YEAR OF SERVICE;**  
 36 **\$3,200 PER SCHOOL YEAR FOR THE THIRTEENTH**  
 37 **YEAR OF SERVICE; \$3,300 PER SCHOOL YEAR FOR**  
 38 **THE FOURTEENTH YEAR OF SERVICE; \$3,400 PER**  
 39 **SCHOOL YEAR FOR THE FIFTEENTH YEAR OF**  
 40 **SERVICE; \$3,600 PER SCHOOL YEAR FOR THE SIX-**  
 41 **TEENTH YEAR AND EACH SUCCEEDING YEAR OF**  
 42 **SERVICE THEREAFTER.]** *the amount specified in the*  
 43 *folowing table, for the school year applicable to him or her:*

Year of Teaching	Minimum Salary
44	\$2,300.00
45	\$2,500.00
46	\$2,700.00
47	\$2,900.00
48	\$3,100.00
49	\$3,300.00
50	\$3,500.00
51	\$3,700.00
52	\$3,900.00
53	\$4,100.00
54	\$4,300.00
55	\$4,500.00
56	\$4,700.00
57	\$4,900.00
58	\$5,100.00
59	\$5,300.00
60	\$5,500.00
61	\$5,700.00
62	\$5,900.00
63	\$6,100.00
64	\$6,300.00
65	\$6,500.00
66	\$6,700.00

1 (2) (c) No teacher, with degree, holding a regular Bachelor of Science, Academic, Special, Vocational, or higher certificate, shall receive a salary less than the amount provided for in the following schedule for varying amounts of successful experience; no teacher, with degree, holding a regular certificate shall receive a salary less than \$2,500 per school year during the first year of service; \$2,700 per school year for the second year of service; \$2,900 per school year for the third year of service; \$3,100 per school year for the fourth year of service; \$3,300 per school year for the fifth year of service; \$3,500 per school year for the sixth year of service; \$3,700 per school year for the seventh year of service; \$3,900 per school year for the eighth year of service; \$4,100 per school year for the ninth year of service; \$4,300 per school year for the tenth year of service; \$4,500 per school year for the eleventh year of service; \$4,700 per school year for the twelfth year of service; \$4,900 per school year for the thirteenth year of service; \$5,100 per school year for the fourteenth year of service; \$5,300 per school year for the fifteenth year of service; \$5,500 per school year for the sixteenth year of service; \$5,700 per school year for the seventeenth year and each succeeding year of service thereafter. ] \$2,200 PER SCHOOL YEAR DURING THE FIRST YEAR OF SERV-

26 ICE; \$2,300 PER SCHOOL YEAR FOR THE SECOND  
 27 YEAR OF SERVICE; \$2,400 PER SCHOOL YEAR FOR  
 28 THE THIRD YEAR OF SERVICE; \$2,500 PER SCHOOL  
 29 YEAR FOR THE FOURTH YEAR OF SERVICE;  
 30 \$2,600 PER SCHOOL YEAR FOR THE FIFTH YEAR  
 31 OF SERVICE; \$2,700 PER SCHOOL YEAR FOR THE  
 32 SIXTH YEAR OF SERVICE; \$2,800 PER SCHOOL  
 33 YEAR FOR THE SEVENTH YEAR OF SERVICE; \$2,900  
 34 PER SCHOOL YEAR FOR THE EIGHTH YEAR OF  
 35 SERVICE; \$3,000 PER SCHOOL YEAR FOR THE  
 36 NINTH YEAR OF SERVICE; \$3,100 PER SCHOOL  
 37 YEAR FOR THE TENTH YEAR OF SERVICE; \$3,200  
 38 PER SCHOOL YEAR FOR THE ELEVENTH YEAR OF  
 39 SERVICE; \$3,300 PER SCHOOL YEAR FOR THE  
 40 TWELFTH YEAR OF SERVICE; \$3,400 PER SCHOOL  
 41 YEAR FOR THE THIRTEENTH YEAR OF SERVICE;  
 42 \$3,500 PER SCHOOL YEAR FOR THE FOURTEENTH  
 43 YEAR OF SERVICE; \$3,600 PER SCHOOL YEAR FOR  
 44 THE FIFTEENTH YEAR OF SERVICE; \$3,700 PER  
 45 SCHOOL YEAR FOR THE SIXTEENTH YEAR OF  
 46 SERVICE; \$3,800 PER SCHOOL YEAR FOR THE  
 47 SEVENTEENTH YEAR AND EACH SUCCEEDING  
 48 YEAR OF SERVICE THEREAFTER.] *the amount speci-*  
 49 *fied in the following table, for the school year applicable*  
 50 *to him or her:*

51	<i>Year of Teaching</i>	<i>Minimum Salary</i>
52	<i>First</i>	<i>\$2,500.00</i>
53	<i>Second</i>	<i>2,700.00</i>
54	<i>Third</i>	<i>2,900.00</i>
55	<i>Fourth</i>	<i>3,100.00</i>
56	<i>Fifth</i>	<i>3,300.00</i>
57	<i>Sixth</i>	<i>3,500.00</i>
58	<i>Seventh</i>	<i>3,700.00</i>
59	<i>Eighth</i>	<i>3,900.00</i>
60	<i>Ninth and after</i>	<i>4,100.00</i>
61	FIRST	\$2,200
62	SECOND	2,350
63	THIRD	2,500
64	FOURTH	2,650
65	FIFTH	2,800
66	SIXTH	2,950
67	SEVENTH	3,100
68	EIGHTH	3,250
69	NINTH	3,400
70	TENTH	3,550
71	ELEVENTH	3,700
72	TWELFTH	3,850
73	THIRTEENTH	4,000

1 [(3)] (d) Any such teacher having charge of a two-  
 2 teacher school, shall receive \$200 per school year more  
 3 than the appropriate foregoing schedule requires. A prin-  
 4 cipal of a school holding a regular principal's certificate,  
 5 shall receive the following amount in excess of the appro-  
 6 priate schedule required for teachers as provided in Sub-  
 7 section [(1)] (b) or Sub-section [(2)] (c) of this Section  
 8 for schools with the following number of assistant  
 8a teachers:

9	Two to five assistants.....	\$300
10	Six to nine assistants.....	400
11	Ten or more assistants.....	600

1 [(4)] (e) The principal of a school, holding a regular  
 2 principal's certificate, who has completed at least one year  
 3 of required work beyond the bachelor's degree shall re-  
 4 ceive the following amounts in excess of the schedule pro-  
 5 vided for teachers with degrees in Sub-section [(2)] (c)  
 6 for schools with the following number of assistant teachers:

7	One assistant.....	\$400
8	Two to five assistants.....	500
9	Six to nine assistants.....	700
10	Ten to fourteen assistants.....	900
11	Fifteen to nineteen assistants.....	1000
12	Twenty to twenty-nine assistants.....	1100
13	Thirty or more assistants.....	1200

1 [(5)] (f) The salary of a teacher holding a regular  
 2 second grade certificate shall be \$1,600; and the salary  
 3 of a teacher holding a regular third grade certificate shall  
 4 be \$1,400.

1 [(6)] (g) The salary of a teacher or principal holding  
 2 a provisional certificate shall be \$200 less per school year  
 3 than that required for teacher or principal holding a regu-  
 4 lar certificate for the same grade.

1 [(7)] (h) The County Board of Education of any county  
 2 and the Board of School Commissioners of Baltimore City  
 3 may, in its discretion, pay to teachers and principals annual  
 4 salaries in excess of the salaries provided for in this section.

1 [(8)] (i) The County Commissioners of each county  
 2 and the Mayor and City Council of Baltimore shall levy  
 3 sufficient funds to meet the schedule of salaries herein  
 4 established.

1 283.  
 2 (d-1) There is hereby annually levied and imposed for  
 3 each taxable year beginning after December 31, 1950, in

4 addition to the tax imposed by sub-section (d) of this sec-  
5 tion, a tax on the net income of every corporation (domes-  
6 tic or foreign), at the rate of 1% of such portion thereof  
7 as is allocable to the State under the provisions of Section  
8 312 hereof. The monies from the tax hereby imposed shall  
9 be used to the extent necessary to pay the salaries pro-  
10 vided in Section 102 of Article 77 of the Annotated Code,  
11 as amended [by this act] and to the extent not so neces-  
12 sary shall remain in the General Funds of the State until  
13 subsequently reappropriated.

1     SEC. 2. *And be it further enacted*, That this Act shall  
2 take effect June 1, 1952.

ESTIMATED COST OF STATE TEACHERS' SALARY SCHEDULE  
RECOMMENDED FOR 1953-54\*

Additional For	Additional For	Total	State of Maryland	Baltimore City	Total Counties	Allegany	Anne Arundel	Baltimore	Calvert	Caroline	Carroll	Cecil	Charles	Dorchester	Frederick	Garrett	Hartford	Howard	Kent	Montgomery	Prince Georges	Queen Anne's	St. Mary's	Somerset	Talbot	Washington	Wicomico	Worcester
For	Teachers	\$1,172,305	\$739,825	—	181,240	991,065	110,320	101,100	82,880	20,080	17,420	41,200	30,740	46,540	37,820	50,400	21,460	32,330	15,280	37,155	80,200	23,840	30,860	35,140	27,620	42,600	19,280	42,020
Basic	Salaries	\$432,480	181,240	—	181,240	251,240	12,320	16,700	75,080	2,260	3,220	6,800	5,240	4,740	4,120	8,400	7,960	4,880	2,380	30,180	31,300	2,740	2,760	3,140	3,020	11,800	5,380	3,620
Additional	For	181,240	—	—	181,240	251,240	12,320	16,700	75,080	2,260	3,220	6,800	5,240	4,740	4,120	8,400	7,960	4,880	2,380	30,180	31,300	2,740	2,760	3,140	3,020	11,800	5,380	3,620
		181,240	739,825	—	181,240	991,065	110,320	101,100	82,880	20,080	17,420	41,200	30,740	46,540	37,820	50,400	21,460	32,330	15,280	37,155	80,200	23,840	30,860	35,140	27,620	42,600	19,280	42,020
		181,240	739,825	—	181,240	991,065	110,320	101,100	82,880	20,080	17,420	41,200	30,740	46,540	37,820	50,400	21,460	32,330	15,280	37,155	80,200	23,840	30,860	35,140	27,620	42,600	19,280	42,020

\* Figures compiled by the Maryland State Department of Education.

ESTIMATED COST OF STATE TEACHERS' SALARY SCHEDULE  
RECOMMENDED FOR 1954-55\*

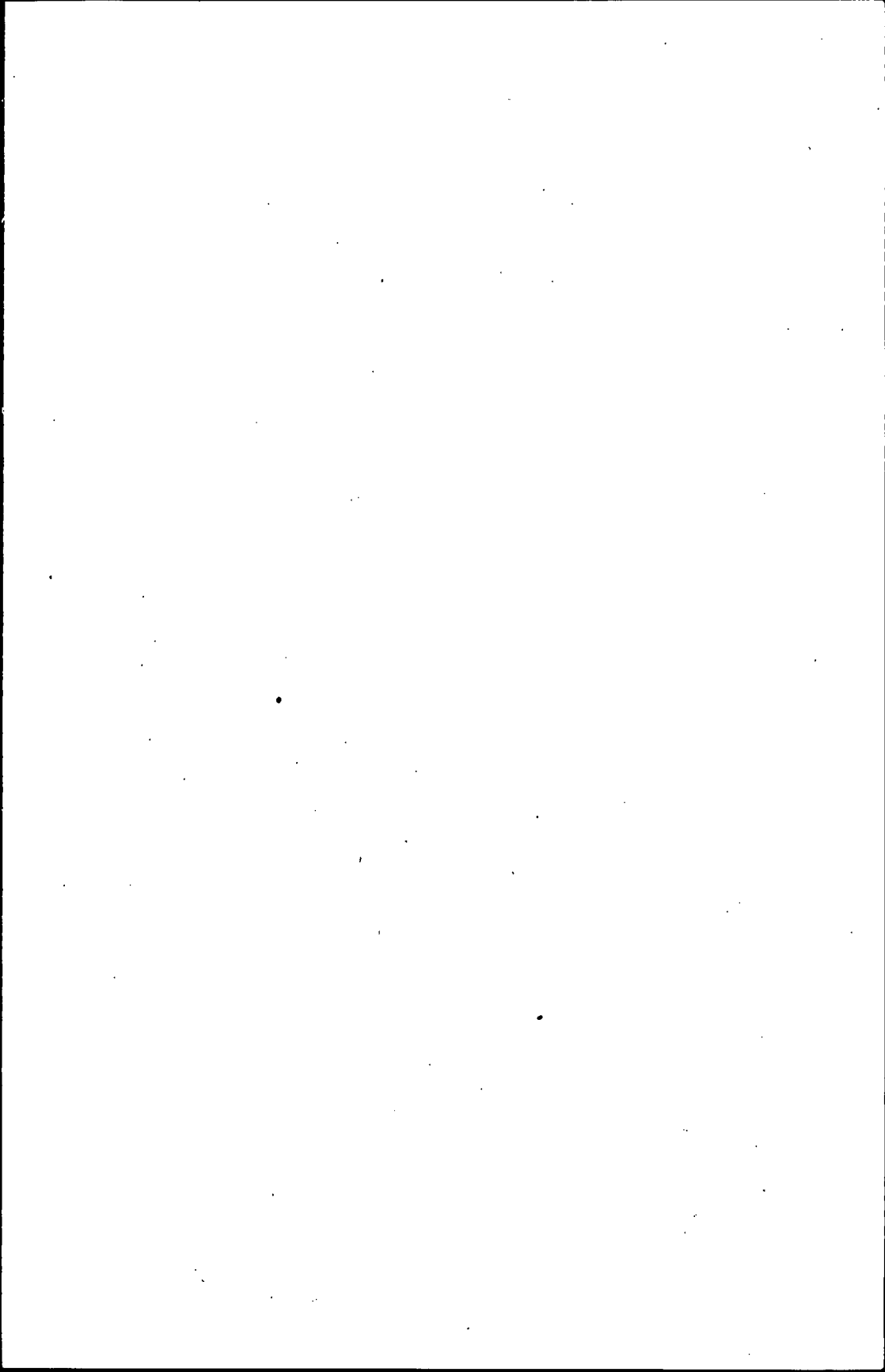
	<i>Total</i>	<i>Additional For Teachers' Salaries</i>	<i>Additional For Basic Aid</i>
State of Maryland.....	\$1,992,965	\$1,139,065	\$853,900
Baltimore City .....	378,480	—	378,480
Total Counties .....	<u>1,614,485</u>	<u>1,139,065</u>	<u>475,420</u>
Allegany .....	150,740	125,300	25,440
Anne Arundel .....	174,800	139,200	35,600
Baltimore .....	175,240	9,800	165,440
Calvert .....	33,060	28,300	4,760
Caroline .....	30,400	23,600	6,800
Carroll .....	69,700	55,500	14,200
Cecil .....	45,140	39,600	5,540
Charles .....	79,580	69,300	10,280
Dorchester .....	59,240	50,800	8,440
Frederick .....	82,820	65,100	17,720
Garrett .....	66,780	59,300	7,480
Harford .....	39,860	22,900	16,960
Howard .....	54,930	45,450	9,480
Kent .....	25,360	20,400	4,960
Montgomery .....	78,475	10,715	67,760
Prince George's .....	76,020	69,100	6,920
Queen Anne's .....	37,860	32,100	5,760
St. Mary's .....	58,600	52,800	5,800
Somerset .....	56,420	49,900	6,520
Talbot .....	44,680	38,400	6,280
Washington .....	75,160	50,600	24,560
Wicomico .....	35,300	24,100	11,200
Worcester .....	64,320	56,800	7,520

\* Figures compiled by the Maryland State Department of Education.

ESTIMATED COST OF STATE TEACHERS' SALARY SCHEDULE  
RECOMMENDED FOR 1955-56\*

Total Additional Salary Program	Total Additional Salary in Minimum Program	Salaries	ment Estimated for 1955-56	Total Additional Cost to State
State of Maryland...	\$9,895,200	\$12,369,000	\$6,310,008	\$5,673,908
Baltimore City .....	2,985,200	3,731,500	2,479,869	906,200**
Total Counties .....	6,910,000†	8,637,500	3,830,139	4,767,708
Allegheny .....	430,500	538,125	162,781	375,344
Anne Arundel.....	538,200	672,750	235,721	437,029
Baltimore .....	1,171,200	1,464,000	1,048,947	375,400**
Calvert .....	72,900	91,125	17,269	73,856
Caroline .....	105,900	132,375	29,094	103,281
Carroll .....	220,500	275,625	98,118	177,507
Cecil .....	175,000	218,750	76,123	142,627
Charles .....	150,500	188,125	28,137	159,988
Dorchester .....	139,500	174,125	67,639	106,436
Frederick .....	279,700	349,625	123,855	225,770
Garrett .....	123,600	154,500	30,734	123,766
Harford .....	263,800	329,750	136,567	193,183
Howard .....	138,500	173,125	41,127	131,996
Kent .....	78,600	98,250	27,766	70,434
Montgomery .....	984,800	1,168,500	739,689	428,811
Prince Georges.....	1,000,300	1,250,375	510,762	739,618
Queen Anne's.....	91,600	114,500	32,948	81,552
St. Mary's.....	89,900	112,375	27,261	85,114
Somerset .....	101,900	127,375	22,400	104,975
Talbot .....	100,200	125,250	46,350	78,900
Washington .....	404,100	505,125	170,733	334,392
Wicomico .....	179,500	224,375	96,948	127,427
Worcester .....	119,500	149,375	59,170	90,205

\* Figures compiled by the Maryland State Department of Education. Does not consider additional teachers need for 1955-56.  
\*\* Out of equalization — these figures are \$200 x total teachers in the unit, and are not based on preceding columns.  
† This column represents calculation of equalization—not amount of teachers' salary increases.



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