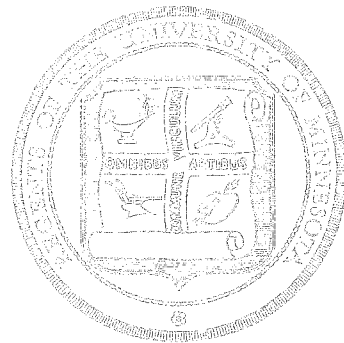


*Administrative  
Leadership*



Financing  
Special Education  
in Minnesota

DIVISION OF EDUCATIONAL ADMINISTRATION  
COLLEGE OF EDUCATION  
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*ADMINISTRATIVE LEADERSHIP* provides a forum for the consideration of educational topics that are of particular concern to those interested in school administration in Minnesota. It is published several times a year by the Division of Educational Administration. This issue focuses on problems relating to the financing of special education programs and presents a summary of the speeches and discussions on this subject that were presented at a workshop held in April, 1972.

# Financing Special Education in Minnesota

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# Introduction

This issue of *Administrative Leadership* contains proceedings from a workshop on financial special education programs in Minnesota held April 27-29, attended by most special education administrators in the state. Issues related to financing programs for exceptional children are especially timely, due both to the rising concern for extending equality of educational opportunity to handicapped children and to the omnibus tax law and special education legislation passed by the 1971 Minnesota legislature. The purposes of this conference were to provide information on costs and support for special education, and to relate this information to current trends and issues in education finance. The papers presented here consider a number of aspects of the topic and propose alternative plans for financing special education programs in the future.

The first section of this conference looked at special education finance from a national perspective. Fredrick J. Weintraub is Assistant Executive Secretary for Intergovernmental Relations of the Council for Exceptional Children (CEC) in Washington, D.C. and has been active in promoting appropriate special education legislation. His presentation includes philosophical premises on education's responsibility to handicapped children, followed by a list of criteria and a plan for support of special education, including federal funding of 50 percent of the excess cost of these programs.

Following Mr. Weintraub's presentation at the conference, a panel of Minnesota special education administrators commented on the application of his proposals to Minnesota. Since many panel members expressed similar concerns, they are presented here in somewhat abridged form.

In the second section, Dr. Richard Rossmiller, Professor of Educational Administration at the University of Wisconsin and senior author of *Educational Programs for Exceptional Children: Resource Configurations and Costs*, presented major findings of this study, which is, perhaps, the only recent comprehensive attempt to determine special education costs relative to those of educating non-exceptional children. A slightly abridged edition of this presentation is given, along with the discussion of the conference participants in regard to the purposes of the study and its implications.

Background on Minnesota's special education programs constitutes the third section of this issue. Gary Dodge, from

the Minnesota State Planning Agency, presents a quantitative review of special education costs over a 20-year period, showing the growth in enrollment in special education programs, number of staff, state categorical aid, and cost per pupil. Costs for the fastest growing services and those which represent the greatest proportion of special education costs and enrollments are shown individually. His data show effects of legislation, such as the 1957 mandatory law, and of availability of funding, such as state aids or Title I and Title VI of the ESEA.

Roy J. Anderson, Administrator, Federal Programs for Handicapped Children in the Minnesota Department of Education, draws from material presented to the 1971 legislature to discuss current special education funding and effects of the current state tax structure on special education. He also discusses the effects of Rossmiller's "weighting" concept if used as a formula for determining state aid.

Fourth is a survey of the status of financing education in general, without explicit reference to special education. Dr. Van D. Mueller, Professor and Chairman of the Division of Educational Administration, University of Minnesota, reviews the current fiscal disparities among Minnesota school districts, causes of such disparities, and recent court decisions affecting states' taxing patterns. Dr. Mueller then discusses issues raised by these judicial actions, possible plans and approaches to deal with them, and enumerates a number of philosophical assumptions and dilemmas which must be considered in resolving these issues.

In the next section, Gerald W. Christenson, Director of the Minnesota State Planning Agency, reviews the Governor's considerations in preparing his proposal for state support, and broadens the topic from financing education to financing education and other human resource services.

Conference participants were given an opportunity to evaluate and utilize the information being presented by formulating a list of assumptions governing education in the future and criteria for an adequate financial support system for special education, and then evaluating three plans for state support — percentage categorical, weighted per pupil, and full state funding. The final section contains the results of this exercise.

This conference was sponsored by and supported with the resources of a number of agencies and organizations:

*The West Metropolitan Special Education Council*  
*The Nevin Huestad Foundation*

*The Minnesota Administrators of Special Education  
The Minnesota Department of Education, Special Educa-  
tion Section (under provisions of P.L. 91-230, Title  
VI, Parts D and G)  
The University of Minnesota*

The efforts of these groups and their representatives are much appreciated.

A number of persons besides the workshop co-directors and co-editors of this volume contributed to the planning and conduct of the workshop and to the preparation of the papers for this issue of *Administrative Leadership*. Special acknowledgement is given to Dr. John B. Davis, Dr. James Gavenda, Mr. James Geary, Dr. Richard Johnson, Mr. Ellsworth Stenswick, and Dr. Michael Trepanier, Mr. John Groos, Janet Marker, and Mr. Wayne Erickson for providing help in both the planning and conduct of the workshop. Special appreciation is expressed to Jean McGee, Karen Swenson, and Helen Warhol for their help in preparing the manuscripts for this volume. Finally, appreciation is expressed to all of the workshop participants for their professional approach in dealing with the workshop issues.

Van D. Mueller  
Richard F. Weatherman  
*Workshop Directors*

# Special Education Finance — Premises, Policies, Roles

*Fredrick J. Weintraub  
Assistant Executive Secretary  
Council for Exceptional Children  
Washington, D.C.*

David Selden, president of the American Federation of Teachers, in a November, 1971 editorial noted the following:

“In economics, the marginal product is that which is barely worth producing. The marginal child is that child who, in the judgment of our society, is just barely worth the cost of educating. Those who fall below that line — the submarginal ones — are rejected or discarded in exactly the same way submarginal products are thrust out of the marketplace — except that humans, unlike submarginal automobiles, soap, or breakfast foods, do not just disappear, they become a part of our employment, welfare, crime and riot statistics . . . the liberal Benthamite principle of the greatest good for the greatest number becomes a cruel engine of destruction when applied to a school system with less than half enough money to do the job assigned to it. Under present conditions, a kid who needs twice as much attention as another will be pushed aside, because if we educate him we are denying an education to two other, easier-to-educate children.”

The history of special education finance in this country has been consonant with a philosophy of charity or in more simple terms — when enough money is available, then we will deal with the “submarginal” child. If we are going to obtain a new type of finance for the future, then it must be built upon some basic premises of American education’s responsibility to the exceptional child. Thus, I would like to raise with you today four basic premises upon which a finance system for special education can be built.

The first premise is that all handicapped children are entitled to a free education. Down deep in our hearts we have long believed in this tenet and yet today there are approximately 1,000,000 children for whom there is no opportunity for a free public education. Since 1911 the states have increasingly passed laws updating that handicapped children receive an education and yet there is no state in the country that is presently meeting that mandate despite the fact that over half the states have such legislation. In January, 1971, the Pennsylvania Association for Retarded Children brought suit against the state of Pennsylvania, its agencies, and its school districts for failure to provide for the education of all retarded children. The suit brought in federal court charged that their children were denied free access to public education opportunities in violation of the Fourteenth Amendment of the Constitution of the United States which guarantees them equal protection under the laws. Based on a consent agreement, the Court ordered the state of Pennsylvania to remedy the situation and by October of 1972 provide full educational opportunity to all retarded children. While the final ruling has not yet been rendered, it is expected that the U.S. District Court in the District of Columbia will issue a similar ruling expanding the class of children to all handicapped children who have been excluded from school. An important point in these cases is that all children are educable and that there is no line which separates some children from educational responsibility. Thus, the child of the backwards of the institution is as entitled to an education as the "normal child" who attends school on a regular basis and that the responsibility for assuring that such child receives an education belongs to the state educational agency.

The second premise is that all handicapped children are entitled to an educational program appropriate to their needs. Education has historically been one of the most paternalistic systems within our society. The concept of *in loco parentis* has long been ingrained within the educational community. However, to quote Bob Dylan, "the times they are a'changin'." In the Pennsylvania Association for Retarded Children case, which I mentioned earlier, the court became very interested in the process by which the schools made decisions about the placement or nonplacement of children. Basically, what they found was something that we have all known for years and that is that the schools make decisions about what they will provide for children based upon what resources they perceive they have to offer. Thus, it was never



a question of providing what the child needed, but rather did the child fit in to what the school had to provide. If the child did not so fit in then he or she was excluded or placed in an inappropriate program and the parents of the child were powerless to influence such decision-making. Thus, the courts ordered that, any time that the school intends to alter the educational status of a child, the school is responsible to provide the parents with prior notice of such change and the opportunity for a due process hearing. I won't go into the details of such a hearing, but I recommend strongly that special educators take a very close look at this process. At its essence are the concepts that decision-making must be on the basis of the child's needs and that the schools are only one element of society concerned about those needs. Thus, the schools must make available to the parent all information related to the decision, provide a forum for the parent and others concerned to provide input on the decision and most importantly, that the decision of appropriateness is not to be determined solely by the system but rather by an independent hearing officer. Services to children can be conceived as a continuum ranging from the normal to the most abnormal or in educational terms from regular classes to institutionalization. We cannot compel a person to receive a type of service that deprives him of his freedom more than another service unless it can be substantiated that such harsh treatment is minimally necessary. Thus, if a child needs a resource room type program but all that is available is a special class, then you cannot justify your support nor can the law tolerate the placement of children in institutions just because a special class program is not available in the community.

The third premise is that education is a state responsibility which, to varying degrees, is delegated to local school districts. Education is not mentioned in the Constitution of the United States, but the Tenth Amendment gives to the states the opportunity to carry out these things not specifically delegated to the states nor prohibited to the states by the Constitution. Thus, all states in their constitutions provide for the establishment of an education system. School districts are creatures of the state. They gain their authority from power granted to them by the state and are responsible to the state. Thus, the failure of local school districts to provide for the education of handicapped children in no way absolves state government from its responsibility to assure, under the concept of equal protection, that all handicapped children receive the education they require.

Premise number 4 — The major policy determination of how resources will be raised and allocated for the purposes of providing free appropriate public education for the handicapped lies with state government. If we assume our first three premises to be true — that is, that all children are entitled to an education, that they are entitled to an appropriate education, and that education is a responsibility of the state — then it seems clear that the state must establish policies on how it will raise and allocate resources to guarantee that handicapped children receive an appropriate education, and to provide appropriate accounting and enforcement mechanisms to see that the state mandate is enforced.

Based upon these premises, let's now look at some major policy principles regarding the finance of special education. These principles are heavily based on the policy statements adopted by the Council for Exceptional Children at its annual convention in 1971.

First, the state should assume all excess costs for the education of handicapped children. Excess costs are very simply defined as these costs necessary to provide appropriate education beyond the cost necessary to provide such education for non-handicapped children.

Second, local school districts should provide toward the education of handicapped children a sum equal to that which is provided to all children. Very simply, if a local school provides \$400 toward the education of each child within that school district then to obtain equity, handicapped children should be entitled to that same \$400.

Third, that excess cost should be regulated in a very broad manner. Many states now have ridiculous excess cost formulas that say, for example, "The state shall assume all excess cost up to \$150," or "The state shall assume all excess costs to be computed on the basis of books, teacher salaries, and transportation." Excess costs should be computed on the basis of those costs necessary to provide an appropriate education for the child. It should be applicable to any setting where such education is to be provided whether it is a local public school, a public institution, a private school or institution, or in some cases, the child's home, as long as such services are provided as the result of a public policy decision as to where the child is to receive the education.

Fourth, school districts should be required by the state to develop a plan of how they intend to educate exceptional children. The state's function should be approval of the plan on its educational merit and the assumption of the excess

cost of that plan. The state should also be responsible for guaranteeing that expenditures are consistent with the plan and that the behavioral objectives to be achieved within the plan are, in fact, met.

Fifth, as long as education resources are limited and as long as handicapped children are competing with other children for the resources necessary to obtain an education it is imperative that funds be earmarked and clearly identifiable in state and local budgets so that public visibility can be maintained.

Sixth, there must be penalties for failure to comply. One major reason for the general failure of mandatory legislation is the failure of states to establish realistic penalties when school districts do not provide needed services. It is not a penalty to be denied funds for that which you do not want to do to begin with. So our traditional logic of saying "you are not going to receive assistance for educating handicapped children unless you educate them" is folly in terms of effecting change. The penalty has got to cause serious discomfort. The only thing that will cause such discomfort to a school district is to attack the general state aid to the school district. Thus, I would propose that school districts must demonstrate that all handicapped children residing within that district are receiving an appropriate education. Unless the school district can demonstrate such, it should not be accredited by the state and, thus, not eligible to receive any state school financial assistance. This is not new behavior for the state. It has been used in many states to bring about school consolidation, driver education, health standards, teacher certification, etc.

Seventh and last, let's be careful not to reward inappropriate behavior. We must maintain strong guarantees that programs for the handicapped, in fact, do appropriately serve handicapped children. One need only look at the growing base of court actions on behalf of minority groups to know that in many cases special education has been used in a discriminatory manner. If the states move to a full excess cost type of assistance, then I believe we are going to find that local school districts will have a tendency to want to make many more children handicapped than really are. While on the one hand, this approach may bring special services to some children who may desperately need it, we must be cautious about allowing special education to be the vehicle to provide the service, but rather turn our attentions to aiding school districts to develop those types of services within the

general education program. An excess cost formula approach should be helpful as well if used properly to facilitate moving children from "special classes" into more normalized settings, since the money follows the child rather than the program. So, the child in the regular classroom who receives part time assistance or even whose teacher might receive assistance, could be supported through the excess cost approach.

Finally, I would like to present to you today what I think should be a new federal role in education of the handicapped. The federal government's investment in education of the handicapped has grown steadily in the last two decades. In 1950 the federal government spent about \$1,000,000 on education of the handicapped. In 1973 it is estimated that the federal government will spend over a quarter of a billion dollars. The present federal role is stimulatory and primary. It is stimulatory by providing states with a minor investment of money to try new things and to get programs underway. The federal government has also played a very significant, important primary role in the education of handicapped children. It has been the prime support for the training of personnel, for research and for the establishment of models from which effective state programming can be built. While I support maintenance of these models, I think that it is time the federal government assumed a much stronger sharing of responsibility with the states. Therefore, I propose that the federal government assume at least 50% of the excess cost of educating handicapped children. Let me point out that this is a purely fiscal support role. The federal government would be, in fact, reimbursing the states at least 50% of the excess costs of handicapped children, but not assuming in any way the states' responsibility to assure that such children receive an appropriate education. However, I would require certain basic criteria:

First of all a date by which all states would be required to provide full education opportunities for all handicapped children or not be entitled to any federal assistance under this act.

Second, that in the area of identification and placement that children and their parents be guaranteed all due process procedures.

Third, that using the child benefit concept that such reimbursement include children in private schools when such schools are utilized as a matter of public policy.

Fourth, that the state guarantee an equitable distribution of its funds, among the school districts of the state.

Fifth, that the funds be used to supplement but not supplant present state efforts. I estimate that if such a federal role was implemented there would be many states that could provide full educational services to handicapped children without investing any greater state or local revenue.

Sixth, that the states through a plan set forth criteria for programs and children within those programs and that on a regular basis they demonstrate to the federal government that these criteria are being met.

And seventh and finally, that the renovation of facilities to eliminate architectural barriers would be justifiable excess cost for federal support; however, general school construction would not be.

Due to court decisions and a wide variety of political activity, the political role of the special educator is changing dynamically in this country. For years we were the ones who went door-to-door begging for a dollar here and a dollar there to educate the children under our care. We became the fund raisers for the system and if we were able to scrounge up a few dollars, then the system was willing to spend it for our children. Today is a new day and requires a new politics. Our responsibility must be to the children. Our responsibility must be to see that they receive the education they require, and our responsibility must be to see that government spends the resources necessary to provide such education. But the responsibility for raising the money, the responsibility for finding the resources necessary, must lie with federal, state and local governments. Certainly we have a responsibility to aid them, and advise them in this effort, but they must be held responsible for doing the job.

Note: On May 16, 1971, Senators Williams of New Jersey, Randolph of West Virginia, and Magnuson of Washington introduced legislation in the Senate similar in content to that which is described above. The bill may be found in the Congressional Record — Senate, May 16, 1972, Page S7583.

# Resource Configurations and Costs in Educational Programs for Exceptional Children \*

*Richard A. Rossmiller*  
*Professor of Educational Administration*  
*University of Wisconsin*

Expansion of educational programs for exceptional children has been accompanied by growing concern for the financing of such programs, especially since they tend to be more expensive than programs for normal children. To date, however, relatively little is known concerning either the relative cost of educating an exceptional child in comparison with the cost of educating a normal child or the program components which contribute to cost differentials.

This research was undertaken in an attempt to help fill the existing information gap regarding the relative cost of programs for various categories of exceptional children and the resource inputs which contribute most importantly to the cost of such programs. The research was designed to answer the following questions:

1. What criteria are employed in identifying the various categories of exceptional children and what is the estimated incidence of each category of exceptionality in the total population of school-age children?
2. What is the nature of programs for exceptional children which are reputed to be of high quality, particularly with regard to the configuration of human and material resources being applied to such programs?
3. What cost differentials are associated with educational programs for the various categories of exceptional children relative to the costs of the regular school program provided for normal children?

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\*This paper summarizes some of the research reported in *Educational Programs for Exceptional Children: Resource Configurations and Costs*, Richard A. Rossmiller, James A. Hale, and Lloyd E. Frohreich. (Madison, Wis.: Department of Educational Administration, University of Wisconsin, 1970.)

## The Exceptional Child

The term "exceptional child" needs clarification, for it has been applied in varying contexts and has been used in reference to such a diverse array of children that it does not convey a precise meaning. For the purpose of this research, Kirk's definition of the exceptional child was employed:

The exceptional child is . . . that child who deviates from the average or normal child in mental, physical, or social characteristics to such an extent that he requires a modification of school practices, or special educational services, in order to develop to his maximum capacity.<sup>1</sup>

This basic definition was further restricted by excluding the child who deviates from the average child solely or primarily because of environmentally related disadvantages. Thus, the so-called "compensatory" educational programs for socially, economically, and/or culturally disadvantaged children did not fall within the scope of this study.

A review of the literature in the field of special education revealed general agreement concerning the categories (or taxonomy) within which programs for educating exceptional children may be placed.<sup>2</sup> The categories identified by most authorities include: (1) intellectually gifted, (2) intellectually handicapped — sometimes further subdivided into slow learner, educable mentally retarded, (3) auditorily handicapped, (4) visually handicapped, (5) handicaps arising from neurological disorders, (6) handicaps related to physical disabilities, (7) speech handicaps, (8) handicaps associated with deviant behavior, and (9) handicaps arising from learning disorders. In addition, many writers suggest that a tenth category, multiple handicaps, should be included in a taxonomy of exceptional children.

### Design

Conceptually, the research reported herein may most appropriately be regarded as a series of case studies. It became apparent very early in the study that no agreement existed in the literature concerning the nature of exemplary

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<sup>1</sup> Samuel A. Kirk, *Educating Exceptional Children* (Boston: Houghton-Mifflin, 1962), pp. 4-5.

<sup>2</sup> Richard A. Rossmiller, "Dimensions of Need for Educational Programs for Exceptional Children," *Dimensions of Educational Need*, ed. R.L. Johns, Kern Alexander, and Richard A. Rossmiller (Gainesville, Fla.: National Educational Finance Project, 1969), pp. 70-85.

educational programs for exceptional children. Yet, it seemed clear that any attempt to forecast the demand for educational programs for exceptional children in 1980 should be based on what is thought to be the best current practice in this field. Consequently, the first major design task was to develop a procedure that would yield a sample of school districts which were regarded by persons knowledgeable in the field of exceptional child education as providing exemplary (i.e., high quality) programs for exceptional children. A second major design task was to develop instruments and procedures which would yield accurate and reliable data concerning both the costs associated with educational programs for each of the various categories of exceptionality and the configuration of resources being applied in each program.

### **Selection of the Sample**

A two-step procedure was employed in obtaining a sample of school districts in which data for the study would be gathered.

First, a representative sample of states which were regarded by authorities in special education as being leaders in the provision of educational programs for exceptional children were identified.

Second, within each of these states a sample of school districts (or other educational agencies) which would be broadly representative of districts within the state which provide high-quality, comprehensive educational programs for exceptional children was identified.

To obtain the sample of states, personnel in the U.S. Office of Education's Bureau of Education for the Handicapped, members of the staff of the Council for Exceptional Children, and colleagues in the Department of Behavioral Disabilities at the University of Wisconsin were asked to name persons they believed to have a broad knowledge of the educational programs for exceptional children which are found across the United States. From the 18 persons suggested, a panel of nine persons, chosen to secure adequate geographic representation and to secure representation from various professional affiliations (e.g., state department of education personnel, university professors, and program administrators at the school level), was then contacted by letter and asked to identify "the five states that, on the basis of your knowledge and judgment, are doing the most outstanding job of providing high quality educational programs for exceptional children." Six of the nine persons asked to



serve on the panel agreed to participate and provided us with the information requested.<sup>3</sup>

The primary criterion for selecting the five states in which the study would be conducted was the number of nominations each state received from the members of the panel. However, it was deemed important that, insofar as possible, the sample should be structured to include states which reflected varying social, economic, and demographic conditions as well as being dispersed geographically. Table 2-1 lists the states nominated by one or more members of the panel and a summary of data on selected characteristics of each state.

After exploring several combinations of states chosen from among the 13 states identified by one or more members of the panel, a tentative sample consisting of California, Florida, New York, Texas, and Wisconsin was selected. Each state included in the sample was nominated by at least two of the six panel members and the five states are geographically dispersed. All are quite heavily populated (ranking between 1 and 16) with correspondingly large school enrollments. They vary considerably, however, in population per square mile (from 42 persons to 378 persons), in per cent of population that is urban (from 64 per cent to 86 per cent), and in per capita personal income (from \$2,744 to \$3,759). After selection of the tentative sample, the chief state school officer or his designated representative and the head of the state school agency's bureau or department of special education were contacted and their agreement to participate in the project was requested. The state education agency in each of the five states agreed to participate in the study.

Personnel in the five state departments of education assisted us in identifying the sample of school districts to be studied in their state. The project director met with the head of the state education department's division of special education and with any other staff member the department head

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<sup>3</sup> The six persons who provided recommendations for the sample of states were John W. Kidd, Assistant Superintendent, Department of the Mentally Retarded, Special School District of St. Louis County, Missouri; Hans A. Mayr, Superintendent, El Dorado County Office of Education, Placerville, California; John W. Melcher, Assistant Superintendent, Wisconsin Department of Public Instruction and President, Council for Exceptional Children; Maynard C. Reynolds, Chairman, Department of Special Education, University of Minnesota; Harvey A. Stevens, Superintendent, Central Wisconsin Colony and Training School, Madison, Wisconsin; and Frederick J. Weintraub, Assistant Executive Secretary, Council for Exceptional Children, Washington, D.C.

TABLE 2-1  
DATA EMPLOYED IN SELECTING THE SAMPLE OF STATES  
(Rank of state in parentheses)

State	Nominations as Exemplary	Type of State Support for Special Education <sup>a</sup>	Estimated Total Population, 7-1-68 <sup>b</sup> (in Thousands)	Estimated Population Age 5-17, 7-1-68 <sup>b</sup> (in Thousands)	Population per Square Mile, 1968 <sup>b</sup>	Percent of Population That is Urban, 12-31-67 <sup>b</sup>	Number of Basic Operating Administrative Units, 1967-68 <sup>c</sup>	Public School Enrollment, Fall, 1968 <sup>b</sup> (in Thousands)	Per Capita Personal Income, 1967 <sup>b</sup>	Years of School Completed by Population Age 25 and Older, 1960 <sup>b</sup>	State and Local Revenues as a Per Cent of Total Income, 1967-68 <sup>d</sup>	Geographic Region
California	6	Cat.	(1) 19,221	(1) 4,930	(13) 123	(2) 86.0	(46) 1,101	(1) 4,570	(6) 3,665	(2) 12.1	(23) 4.7	Pac. Coast
Wisconsin	5	Cat.	(16) 4,213	(16) 1,175	(24) 77	(27) 64.2	(36) 487	(16) 955	(18) 3,156	(31) 10.4	(23) 4.7	Mid-West
Illinois	4	Cat.	(4) 10,974	(6) 2,800	(10) 196	(6) 81.4	(49) 1,310	(6) 2,245	(3) 3,750	(30) 10.5	(43) 3.9	Mid-West
Florida	3	Comb.	(9) 6,160	(9) 1,550	(16) 114	(12) 74.0	(10) 67	(9) 1,355	(28) 2,853	(21) 10.9	(30) 4.5	South
Iowa	2	Cat.	(25) 2,748	(26) 739	(29) 49	(36) 55.5	(35) 445	(24) 657	(21) 3,109	(14) 11.3	(23) 4.7	Mid-West
Michigan	2	Comb.	(7) 8,740	(7) 2,454	(11) 153	(13) 73.3	(42) 708	(7) 2,124	(12) 3,396	(25) 10.8	(12) 5.1	Mid West
New York	2	Uncl.	(2) 18,113	(2) 4,368	(6) 378	(4) 83.8	(43) 761	(2) 3,411	(2) 3,759	(28) 10.7	(12) 5.1	East

State	Nominations as Exemplary	Type of State Support for Special Education <sup>a</sup>	Estimated Total Population, 7-1-68 <sup>b</sup> (in Thousands)	Estimated Population Age 5-17, 7-1-68 <sup>b</sup> (in Thousands)	Population per Square Mile, 1968 <sup>b</sup>	Percent of Population That is Urban, 12-31-67 <sup>b</sup>	Number of Basic Operating Administrative Units, 1967-68 <sup>c</sup>	Public School Enrollment, Fall, 1968 <sup>b</sup> (in Thousands)	Per Capita Personal Income, 1967 <sup>b</sup>	Years of School Completed by Population Age 25 and Older, 1960 <sup>b</sup>	State and Local Revenues as a Per Cent of Total Income, 1967-68 <sup>d</sup>	Geographic Region
Ohio	2	Comb.	(6) 10,591	(5) 2,834	(9) 259	(14) 73.2	(41) 691	(4) 2,389	(15) 3,213	(21) 10.9	(38) 4.2	Mid-West
Texas	2	Gen.	(5) 10,972	(4) 2,882	(33) 42	(8) 77.4	(48) 1,260	(3) 2,613	(32) 2,744	(31) 10.4	(34) 4.3	South West
Colorado	1	Cat.	(30) 2,048	(30) 554	(39) 20	(11) 75.3	(22) 181	(29) 524	(19) 3,135	(2) 12.1	(2) 5.1	Mountain
Connecticut	1	Comb.	(24) 2,959	(24) 748	(4) 604	(9) 76.9	(21) 178	(26) 629	(1) 3,969	(19) 11.0	(30) 4.5	East
Louisiana	1	Comb.	(19) 3,732	(17) 1,085	(20) 83	(24) 64.5	(9) 66	(20) 864	(42) 2,456	(46) 8.8	(7) 5.5	South
Minnesota	1	Cat.	(20) 3,646	(18) 1,030	(31) 46	(26) 64.3	(45) 1,095	(17) 890	(20) 3,116	(25) 10.8	(9) 5.3	Mid-West

<sup>a</sup>Based on state support program description in Thomas L. Johns (ed.) *Public School Finance Program, 1968-69*. Washington, D.C.: GPO, 1969.

<sup>b</sup>Research Division, National Education Association, *Rankings of the States, 1968*, Washington, D.C.: NEA, 1969.

<sup>c</sup>Research Division, National Education Association, *Rankings of the States, 1968*. Washington, D.C.: NEA, 1968.

<sup>d</sup>Committee on Educational Finance, National Education Association, *Financial Status of the Public Schools, 1969*. Washington, D.C.: NEA, 1969.

wished to involve, outlined the objectives and design of the project, and requested the department head and his staff to recommend six to ten school districts (or intermediate agencies) in the state that would be representative of school districts providing what, in their judgment, were high quality, comprehensive educational programs for exceptional children.

From the list of school districts suggested by the state department of education's special education staff, a sample consisting of five or six school districts or intermediate agencies was selected for each of the five states. In selecting each sample, an attempt was made to include districts of varying size and varying social, economic, and demographic characteristics.

The superintendent of each school district included in the sample was contacted by letter and requested to commit his school district to participation in the study. In the letter the objectives and design of the research were outlined, the criteria and procedure employed in selecting school districts for inclusion in the sample were described, and the data which would be sought and the procedures which would be followed in collecting the data were summarized. Of the 27 school districts contacted, only one (San Diego, California) declined to participate in the study. However, during the course of the study it became apparent that, within our time constraints, the Highlands County and Hillsborough County, Florida, school systems would not be able to provide us with the necessary data concerning expenditures for and personnel employed in their exceptional child programs; so they also were dropped from the sample.

In the case of Rochester, New York, the school district had undertaken a thorough analysis of the cost of its special programs in 1967-68 in conjunction with a New York State Education Department study and was reluctant to undertake the task of providing similar data for 1968-69. However, the data available for 1967-68 were sufficiently comprehensive that they could be used to establish cost ratios for each program, and no material changes had been made in the programs themselves. Consequently, cost ratios for the Rochester program were based on fiscal data for the 1967-68 school year rather than for the 1968-69 school year.

### **Data Collection**

Several considerations basic to the objectives of the study were of paramount importance in approaching the task of

data collection. First, it was necessary to gather data concerning a specific educational program for a given category of exceptionality. Data concerning the total expenditures for and number of personnel involved in special education programs as a whole would not suffice; it was essential to obtain such data on a program-by-program basis. Second, it was important that programs and program elements be defined with sufficient clarity so that the data obtained from each district would be comparable. Third, it was necessary that programs for each exceptionality be described in terms of the configuration of resources being applied, preferably on the basis of direct observation by members of the research team, in order properly to interpret any cost differentials which might be identified. Finally, from our knowledge of the “real world” we knew that few, if any, school districts in the United States maintain either financial or personnel records on a program basis — despite all the admonitions and testimonials regarding the wonders of planning-programming-budgeting systems which appear in the educational literature. Thus, it was apparent from the outset that the data collection process was likely to be tedious and time-consuming.

The difficulties experienced by previous researchers who attempted to secure comparable data regarding expenditures for special educational programs from the accounting records maintained by school districts were legion. Consequently, it was decided at the outset to develop data forms which would delineate clearly the programs and program elements with which this project was concerned and to require that the data be cast in this format. This approach required, of course, that the participating school districts provide the data in our format, not their own. This, in turn, meant that the districts’ records regarding their programs for exceptional children would need to be searched, and in some cases reconstructed, in order to provide the data that were needed. Recognizing the amount of work entailed in providing us with the data, arrangements were made to reimburse either the school district or the person designated by the district to perform the task as an additional assignment for the time required to secure the needed data.

It was necessary to establish a tentative a priori categorization of program elements before data collection forms could be designed. On the basis of our knowledge of school programs generally and special education programs specifically, it was decided that information should be acquired concerning the broad categories of pupils, professional per-

sonnel, and supplies and equipment. This decision provided a rationale for the nature of the data forms which would be required. Within each of these three broad areas, additional program elements were identified and provided for in various data forms.

In addition to securing data regarding educational programs for the various categories of exceptional children, it also was necessary to secure data regarding the costs associated with programs for normal children if cost ratios were to be computed. To supply the data required to accomplish the objectives of the project, six data forms and an interview/observation protocol were developed, field tested, and modified before data collection was initiated.

The categories of exceptionality were identified and defined so as to be compatible with those employed by the U.S. Office of Education in its recent data collection projects.<sup>4</sup>

Visits to the state department of education in each of the sample states were completed during September and October, 1969. Selection of the sample of school districts in each state was completed by December 1, 1969. Visits to each of the school districts included in the final sample were scheduled as follows: Wisconsin — October and November, 1969; New York — October and November, 1969; Texas — December, 1969; California — January and February, 1970; Florida — January and February, 1970. One or more members of the research staff visited each school system included in the sample, discussed with the person(s) who would be completing the data forms the information needed and answered questions concerning them, interviewed the person(s) responsible for administration of the special education program(s), and visited at least one typical classroom for each category of exceptional child program operated by the sample district.

### **Analysis of the Data**

The fact that this study involved careful and intensive case studies of programs for exceptional children in twenty-four school systems necessitated that the analysis of the data consist essentially of descriptions of the programs — both narrative and statistical. The nature of the sample precluded the application of any type of inferential statistical treatment. Descriptive statistical analyses were performed, how-

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<sup>4</sup> See, for example, *School Staffing Survey Instructions and Definitions, Form A*, OE No. 2313, Washington, D.C.: U.S. Office of Education, National Center for Educational Statistics, Spring, 1969.

ever, and such items of information as mean and median expenditures for various program elements were reported. The major task involved in data analysis was reduction of the data to programs and program elements. Computation of the per pupil cost of regular programs provided base line data. The costs associated with each special program were then computed and compared with the cost of the regular program to obtain cost differentials for each program in each district.

An essential step in the data reduction process was to select certain expenditure components which would best reflect the inputs necessary to support regular educational programs and educational programs for exceptional children. The expenditure components selected as being representative of both types of programs, as well as satisfying the necessary criterion of being amenable to comparison, were: (1) administration, (2) teachers, (3) teacher aides, (4) clerical and secretarial, (5) guidance and counseling, (6) health services, (7) food services, (8) transportation, (9) other supportive services, (10) fringe benefits, (11) instructional supplies and equipment, (12) operation and maintenance, (13) other costs of current operation, (14) debt service and (15) capital outlay.

To provide concise descriptions of the sources of cost differentials in educational programs for exceptional children, the expenditure components discussed above were grouped in accordance with the Expenditure Index suggested by Buchmiller<sup>5</sup> based on his principal components analysis of line-item expenditures reported by 371 Wisconsin K-12 school districts for the 1967-68 school year. Buchmiller's recommended broad expenditure categories were Management, Instruction, Instructional Support, Institutional Operation, Acquisition of Facilities, and Equipment and Services.

#### **Costs Associated with Education Programs for Exceptional Children**

It should be emphasized that the school districts which comprised the sample for this study were not randomly chosen. Rather, they were chosen on the basis of their reputation for providing high quality educational programs for exceptional children. No claim can be made that the sample is representative of all school districts for obviously it is not!

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<sup>5</sup> Archie A. Buchmiller, "Analysis of Expenditures in Wisconsin School Districts for the Development of an Expenditure Index" (unpublished Ph.D. dissertation, University of Wisconsin, 1970), pp. 180-90.

Likewise, we do not claim that the programs we observed represent average current practice in educational programs for exceptional children. To the contrary, we believe that the school systems we observed were indeed providing high quality programs for exceptional children. We observed several programs which we would recommend that any district desiring to provide a high quality program for exceptional children seek to emulate. Thus, we believe that the data we obtained afford a defensible basis for fiscal and program planning to meet the educational needs of exceptional children in 1980.

In addition to the limitations imposed by our sampling procedure, it must be recognized that data regarding the configuration of resources being applied in special educational programs for exceptional children are very difficult to obtain. The school districts which comprised our sample did not maintain fiscal, personnel, and pupil records on a programmatic basis. It often was necessary to virtually reconstruct existing school district records in order to obtain these data on a program-by-program basis. Obviously, arbitrary decisions were necessary in this process. Nevertheless, we are confident that we maintained the essential integrity of our data and that the program costs and cost indices which we will report approximate very closely the true cost of providing high quality educational programs for exceptional children.

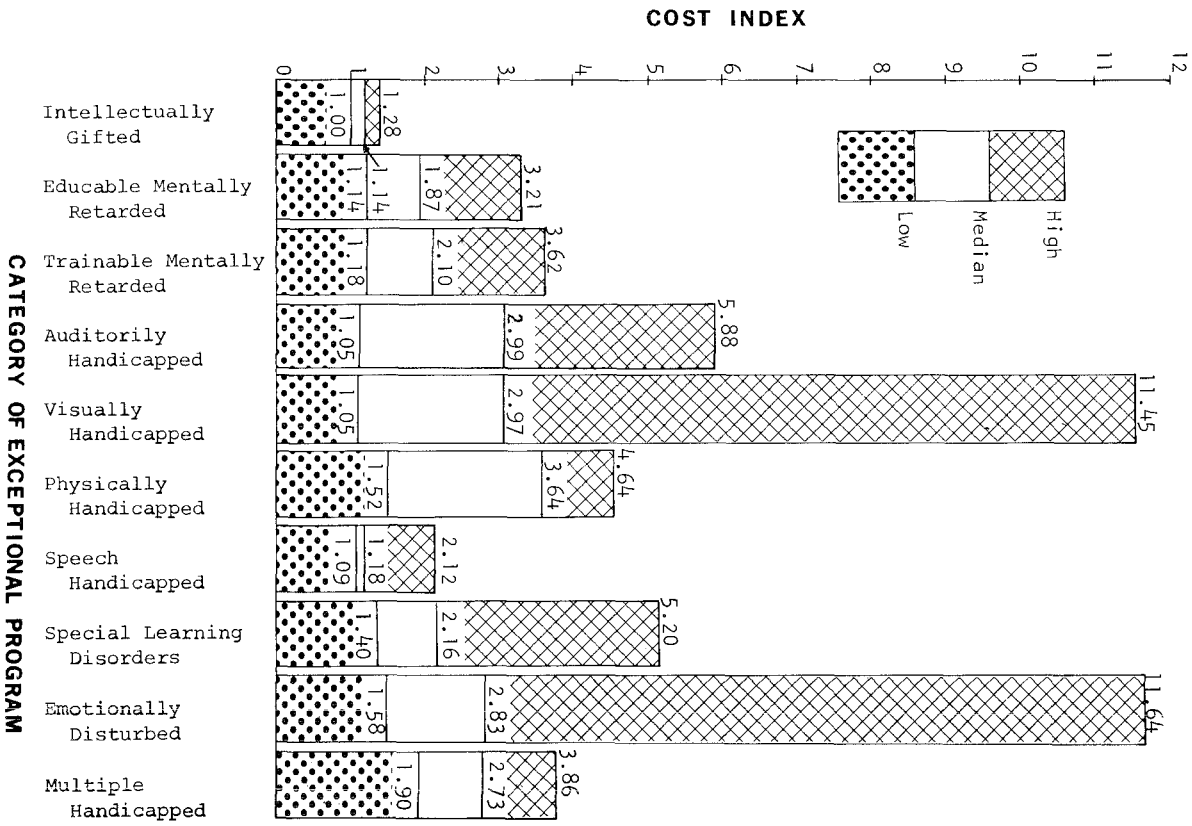
Figure 2-1 illustrates the low, median, and high cost indices identified for each of ten categories of educational programs for exceptional children. The cost index represents the relationship between the expenditure per pupil in a school district's regular educational program and the expenditure per pupil in each of its special educational programs. For example, a cost index of 2.0 indicates that a district is spending twice as much per pupil in a special program as it spends per pupil in its regular program. Unlike a per-pupil expenditure, which tends to be both time-bound and place-bound, a cost index has the advantage of permitting gross comparisons to be made among and between districts, and within a district over time.

In no instance did the district which had the lowest cost index for a given special program category spend more than twice as much per pupil in that category as it spent per pupil in its regular program. The cost index for the lowest district in each program category varied from a low of 1.0 (intellectually gifted) to a high of 1.90 (multiple handicapped). Thus, the school district which had the lowest cost index for



PLANNING TO FINANCE EDUCATION

**FIGURE 2-1**  
 COST INDICES BY PROGRAM FOR SCHOOL DISTRICTS HAVING THE HIGHEST,  
 MEDIAN, AND LOWEST COST INDEX FOR EACH CATEGORY OF  
 EXCEPTIONAL PROGRAM



programs for intellectually gifted pupils was spending the same amount per pupil in this program as it was spending per pupil in its regular program. It must be remembered, however, that in the case of both programs for the intellectually gifted and programs for the multiple handicapped, the sample included only a few districts which provided such programs.

We do not recommend that either fiscal or program planning be based on the lowest cost indices reported for each program. Based upon the knowledge and insights gained from our interviews with personnel and from our observation in one or more classrooms in each program category in each of the school districts included in the sample, we do not believe that the lowest cost index programs provide appropriate models for program and fiscal planning over the next decade. Certainly, they were not exemplary programs.

The high cost indices ranged from a low of 1.28 in the intellectually gifted category to a high of 11.64 in the emotionally disturbed category. In a majority of the special programs, especially those which are relatively well-established, the range between the lowest and highest cost index district was not extreme — generally in the range of two or three to one. Closer examination of the extremely high cost index programs revealed that either the program was relatively new and still being developed, or that it served a small number of pupils with a consequent high cost per pupil, or that it emphasized very intensive work with pupils as reflected in a very low pupil-professional staff ratio. Thus, we believe that the high cost index programs also do not provide an appropriate base for fiscal planning, although some of them may represent programs which are indeed on the “cutting edge.”

We believe that the median cost index programs afford the soundest basis for fiscal planning and forecasting. These programs reflect what might be termed average practice in a set of school districts chosen because they were recognized as providing high quality programs for exceptional children. The median cost indices ranged from 1.14 in the program for intellectual gifted pupils to 3.64 in the program for physically handicapped pupils.

#### **Cost by Program Category**

Table 2-2 summarizes cost data for each category of exceptionality. Included are the number of districts reporting costs, the highest and lowest reported expenditures, and the mean and median expenditures. The largest single component of expenditure for almost all categories was instruction; how-

TABLE 2-2  
COST DATA BY CATEGORY OF EXCEPTIONALITY

	Intell. Gifted	EMR	TMR	Hi	Vis.	P.H.	Speech	SLD/ ND	ED	MH
No. of School Dists.	5	22	22	18	17	15	21	20	14	4
High	872	2358	2657	4671	9105	4210	1027	2874	6982	2380
Low	548	708	562	533	852	713	541	850	804	1339
Mean	759	1316	1532	2067	2448	2197	794	1703	2510	2013
Median	809	1316	1627	2103	2197	2113	799	1757	1683	1941
Largest Component of Expenditure	not given	Instr.	Instr.	Instr.	Instr.	Instr.	not given	Instr.	Instr.	Instr.
Functions Accounting for Greatest Variance from Regular Programs	<i>Management</i> <i>Instruction</i>	<i>Management</i> <i>Instr.</i> <i>Sup.</i> <i>(incl.</i> <i>sp.</i> <i>per-</i> <i>sonnel)</i> <i>Transp.</i>	<i>Instr.</i> <i>Sup.</i> <i>Inst.</i> <i>Ops.</i> <i>Transp.</i>	<i>Instr.</i> <i>Sup.</i> <i>Inst.</i> <i>Ops.</i> <i>Transp.</i>	<i>All</i> <i>except</i> <i>health</i> <i>and</i> <i>Food</i> <i>Service</i>	<i>Instr.</i> <i>Sup.</i> <i>(esp.</i> <i>sp.</i> <i>pers.)</i> <i>Inst.</i> <i>Ops.</i> <i>Transp.</i>	<i>Instr.</i> <i>Sup.</i>	<i>Instr.</i> <i>Instr.</i> <i>Sup.</i>	<i>Management</i> <i>Inst.</i> <i>Inst.</i> <i>Sup.</i> <i>Inst.</i> <i>Ops.</i> <i>Transp.</i>	<i>Instr.</i> <i>Inst.</i> <i>Ops.</i> <i>Transp.</i>

26

[*Inst.* - *Instruction*      *Inst. Ops.* - *Institutional operations*  
*Sup.* - *Support*        *Transp.* - *Transportation*]

ever, a number of different functions accounted for the variance in expenditure per pupil of each program from the regular program.

### Costs by Function

The expenditure for the function of instruction (salaries of teachers and teacher aides) represented the largest single component of expenditure for special education programs for exceptional children just as it did in programs for regular pupils. The data also revealed that the cost of transporting some types of handicapped pupils was very high. This was especially true in the case of crippled children, where specially equipped buses frequently were required. In those districts which reported a minimal expenditure per pupil for transportation, we noted that in nearly all cases the district did not make special transportation arrangements for handicapped pupils, leaving this as a parental responsibility.

Expenditure for the function of instructional support included the expenditure for guidance and counseling personnel and for other specialized personnel such as therapists, doctors, nurses, and the like. Instructional support was an important component of expenditure in several programs where extensive use was made of such personnel.

The expenditure for institutional operations was directly related to class size. In most instances the classrooms we observed were regular classrooms which had been converted to use for special education programs. The lower pupil-teacher ratio which typically prevails in special education programs resulted in a larger square footage per pupil and thus increased the cost of operation and maintenance on a per pupil basis.

### Consistency of Cost Indices

Bentley<sup>6</sup> utilized data obtained from the 16 school districts included in the sample for which complete information on expenditure for various components of the regular educational program were available to examine the nature and consistency of the cost differentials which existed between educational programs for exceptional children and regular educational programs. With regard to the expenditure components which contributed to cost differentials in programs for

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<sup>6</sup> Ronald W. Bentley, "An Exploration of Relationships Between Expenditures for Educational Programs for Exceptional Children and Expenditures for Regular Educational Programs" (unpublished Ph.D. dissertation, University of Wisconsin, 1970).

exceptional children, Bentley found that only expenditure for clerical and secretarial services and expenditure for food services did not contribute significantly to the cost differentials which existed between regular educational programs and special educational programs. All of the other expenditure components (administration, fringe benefits, instructional supplies and equipment, operation and maintenance, supportive services, teachers, teacher aides, and transportation) were found to contribute significantly to the cost differentials. However, the degree to which the various expenditure components contributed to the cost differentials varied considerably from district to district and from program to program.

Regarding the consistency and stability of the cost indices between regular and exceptional programs, Bentley found that only in the programs serving educable and trainable mentally retarded children were the cost indices consistent and stable between districts. With the exception of these two program categories, no consistent relationship was found between the level of spending by a district for its regular program and the level of spending by a district for the various categories of educational programs for exceptional children.

Bentley also found reason to suspect that a relationship exists between expenditure per pupil in special education programs and the type of support provided by the state for special education (i.e., categorical aid vs. general aid for special education). Districts located in states which provided general aid were spending at a lower level than those located in states which provided categorical aid. However, the small sample size and the selective nature of the sample precluded a definitive statement regarding the relationship between type of state support for special education programs and the expenditure per pupil in such programs.

#### **Marginal Cost of Special Education Programs**

Table 2-3 illustrates how the special educational program cost indices identified in this study may be employed to determine the marginal cost of each special education program in a district in which the expenditure per pupil for the regular program is \$655 (the median regular program cost in the districts in our sample). Column C (the product of Column A and Column B) represents the expected per pupil expenditure for each special program in a school district which is spending \$655 per pupil in the regular program.

Column D may be interpreted as representing the marginal per pupil cost of enrolling each additional pupil in a given program. For example, each additional pupil who is placed into a program for auditorily handicapped pupils can be expected to increase the fiscal burden of the school district in the amount of \$1,303. If a new auditorily handicapped pupil were to move into the school district, then the additional cost would be \$1,958. Thus, Column C may be interpreted as representing the marginal cost to the district of new pupils who require placement in the special program.

TABLE 2-3  
 ANTICIPATED PER PUPIL EXPENDITURE AND  
 MARGINAL COST PER PUPIL IN SPECIAL  
 EDUCATIONAL PROGRAMS FOR  
 EXCEPTIONAL CHILDREN BASED UPON THE  
 MEDIAN REGULAR PROGRAM COST OF  
 DISTRICTS IN THE SAMPLE

Category of Exceptionality	A Cost Index	B Median Regular Program Cost	C Special Program Expendi- ture (A x B)	D Marginal Cost of Special Program (C - B)
Gifted	1.14	\$655	\$ 747	\$ 92
Educable Mentally Retarded	1.87	655	1225	570
Trainable Mentally Retarded	2.10	655	1376	721
Auditorily Handicapped	2.99	655	1958	1303
Visually Handicapped	2.97	655	1945	1290
Speech Handicapped	1.18	655	773	118
Physically Handicapped	3.64	655	2384	1729
Special Learning Disorders	2.16	655	1415	760
Emotionally Disturbed	2.83	655	1854	1199
Multiple Handicapped	2.73	655	1788	1133
Homebound/Hospital	1.42	655	930	275

# Special Education Historical Trend Analysis Minnesota Programs From 1951 to 1971

*Gary G. Dodge*  
*Minnesota State Planning Agency*

This introduction documents data sources and computational assumptions. Comments are on each page above the plotted data.

The general design is to present 20 years of trend data in graphic form. The composition of the graphs is limited only by ease of interpretation, e.g., a rule used was to present three to four curves per graph. Two other points of data abstraction should be mentioned: (1) context — the organizational setting was calculated to give reference points, e.g., SLBP compared to total special education and also compared to total state data; (2) normalization — by computing per unit expenditures and by deflating expenditures to current 1970 dollars, two sources of variance can be taken out of regular historical data, e.g., population served and inflation. All expenditure curves are on a constant 1970 dollar basis. To find the inflation rate see Table 4. Graph interpretation is on Table 1.

The computer routine used to obtain graphic output was a dynamic modeling compiler. It is an intention to extend the data another 10 years by testing various policy assumptions. Special help was provided by Grace Dougherty (State Department of Education, Statistics Section) in obtaining state reports, and Roy Anderson and Wayne Erickson (Special Education Section) in graph construction.

## Documents

- Special Education Summary by Disability
- Statistics Section, Department of Education, Reports Code XVIII-B-4A and XVIII-B-4 (total state), Report #2302 (State Title I)
- Bureau of Field Studies and Surveys, College of Education, University of Minnesota "Minnesota Planning Regions," 1970. (Population Predictions)
- Economic Report of the President, 1971 (Price deflation)

## Data Calculations and Assumptions

- Pupils — actual data
- Teachers — (FTE) full and part time (Codes 1 and 15 from the Special Education Summary)
- Part time FTE = .5 (Homebound = .25)
  - OEP, Director/Supervisor (FTE) (Codes 10 and 14) (Other Essential Personnel)
  - State, includes all professional in building, e.g., principal, teachers, consultants, supervisors
  - Special Education Teachers = Total — OEP (FTE)
- Expenditures — Adjusted Maintenance Cost = Current Expense — Transportation
- Instruction Salary = .85 x total (to remove that portion paid to clerical and instructional aides) (only on the salary/staff calculation)
  - OEP Burden/pupil = 10% distributed across all Special Education pupils, 90% distributed across SLBP, EMR, TMR on a per pupil basis.
- Rate of Growth —  $R \text{ of } G = \frac{Y^2 - Y^1}{Y^1} \times 100$
- Pupil Forecast — .96 x forecast, to match forecast for years 69-70 and 70-71 to actual T.N.E.
- Cost Deflation —  $C_1 \times IPD_{70} / IPD_1$  — change base to constant 1970 dollars
- Date of Calculations — April 10, 1972

## LABELS

SLBP	Special Learning and Behavior Problems
EMR	Educable Mentally Retarded
TMR	Trainable Mentally Retarded
SPEECH	Speech Handicapped
OEP	Other Essential Personnel (Directors, Psychologists, Social Workers)
TNE	Total Net Enrollment
AMC	Adjusted Maintenance Cost
TITLE I, VI	1965 P.L. 89-10 and 91-230
IPD	Implicit Price Deflator
S.E.	Special Education



<u>First Time Funded (Fiscal Year)</u>	
OEP	1957
SLBP	1958
TMR	1961
TITLE I	1966
TITLE VI	1968

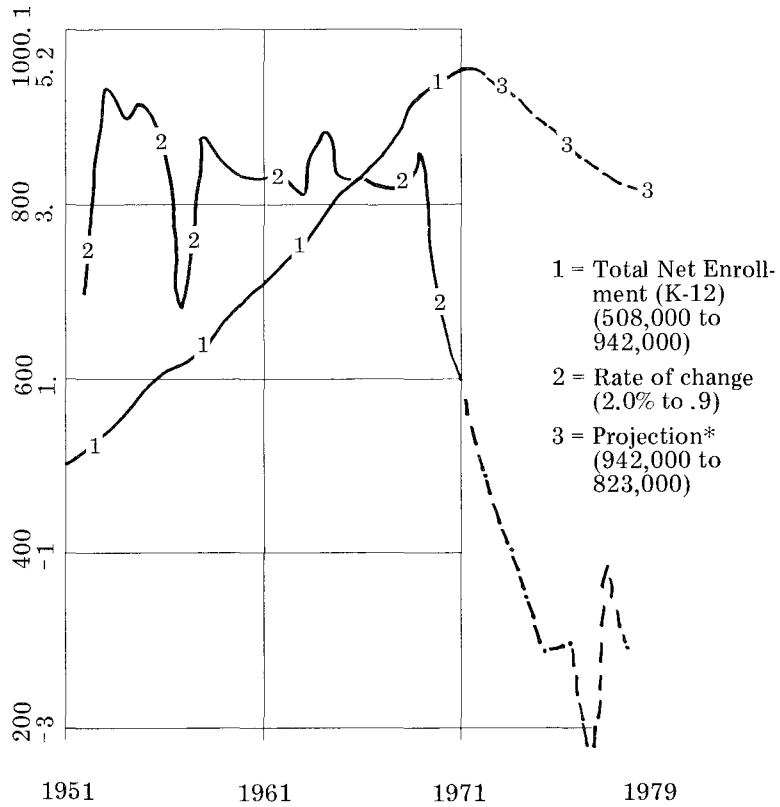
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**TABLE 1**  
**TOTAL NET ENROLLMENT (K-12) (PUBLIC SCHOOLS)**

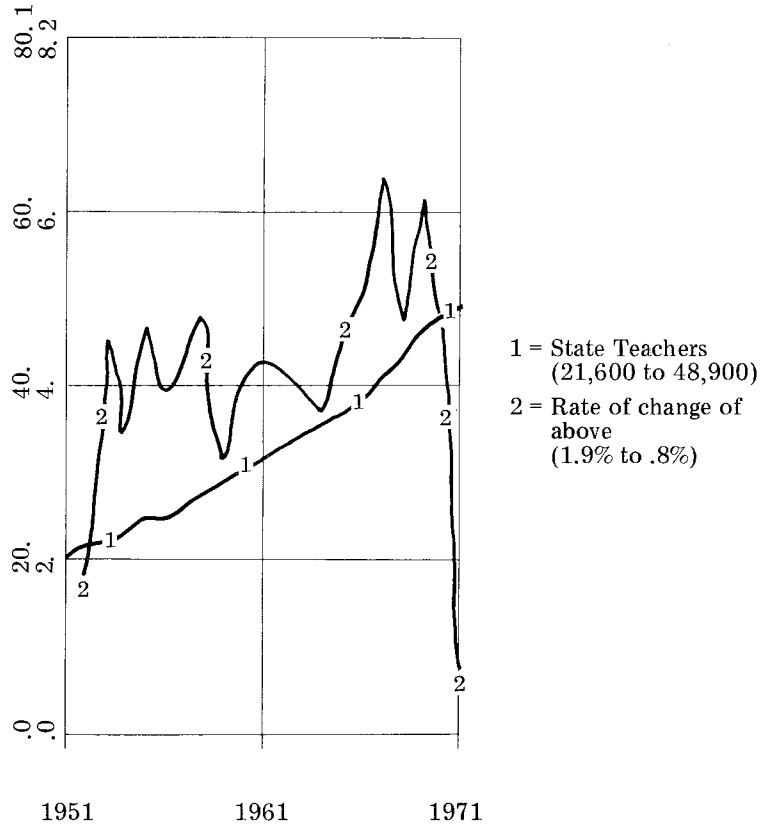
The number '1' identifies the curve 'Total Net Enrollment'. '2' is the rate of change of curve '1'. The scales for 1 and 2 are printed on the left side with the respective number identified. The numbers in parentheses under 'Total Net Enrollment' are the 1951 and 1971 values of curve 1.

Curve 1 has been growing at an average rate of 3% per year until 1970. It is on a declining rate of change to an average of a -2% for the rest of the 1970's. Public school TNE will drop 100,000 pupils between 1972 and 1979.



**TABLE 2**  
**TOTAL STATE TEACHERS**

The teacher cadre grew by 4% annually until 1966 when the rate increased, indicating the influence at P.L. 89-10, Title I. From 1966 to 1970 pupil growth was at 3% and teacher growth at 5%. It appears that the teacher cadre will drop by 5 to 6,000 positions by 1979, by relating to the previous TNE curve.



**TABLE 3**  
**SALARY CHANGE (in 1970 Dollars)**

This is an approximation of average salary per teacher, after inflation has been removed. Two items must be mentioned. Clerical and instructional aide salaries were removed from total salaries by assuming they equal 15% of the total salaries (a better estimate would be 5% to 10%). Also, all certified people in the building are included in the Instructional Staff category (principals, supervisors, consultants, but not central office staff).

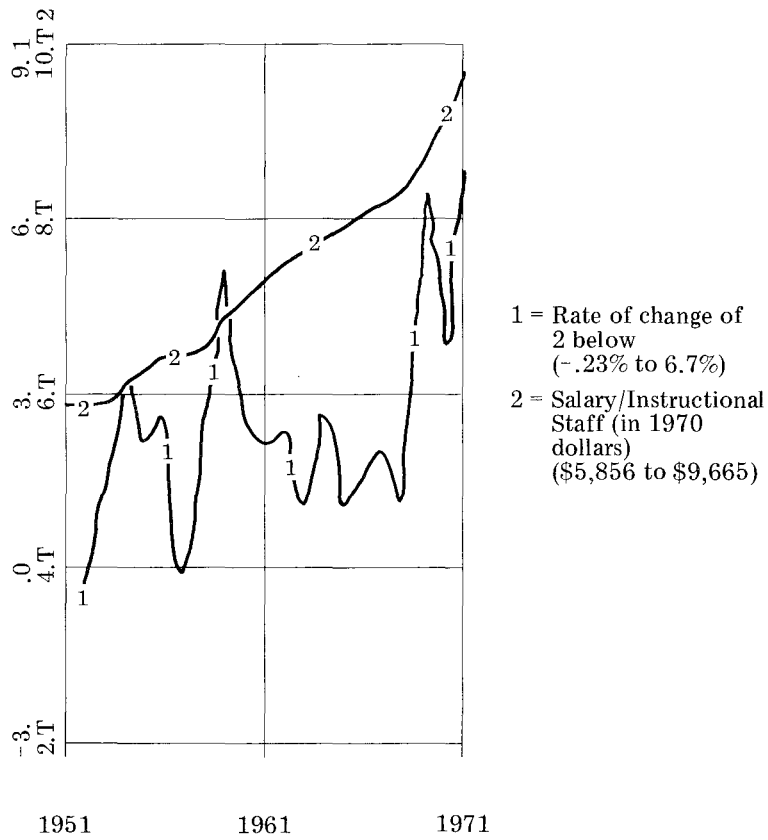
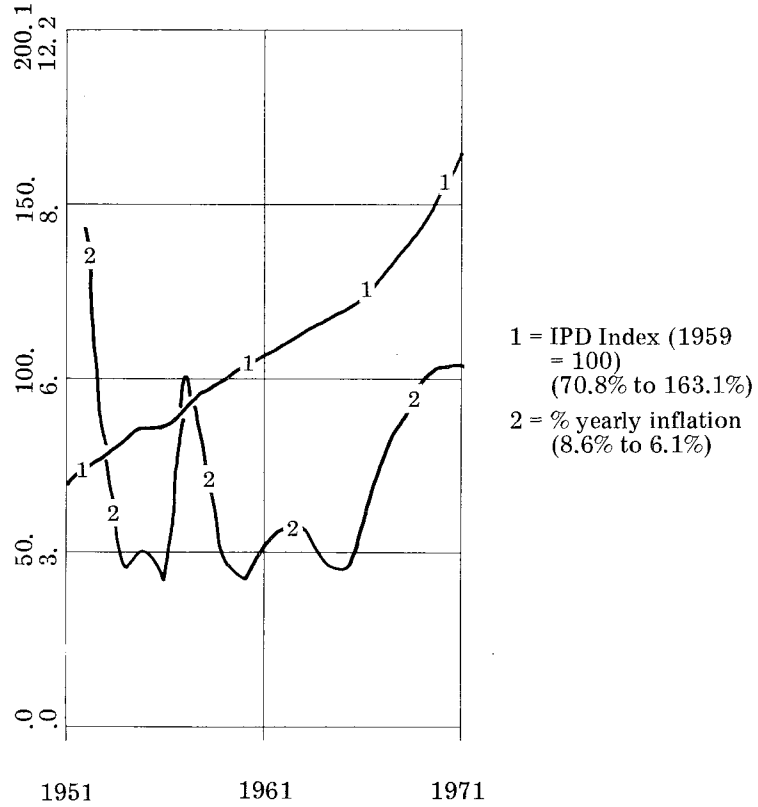


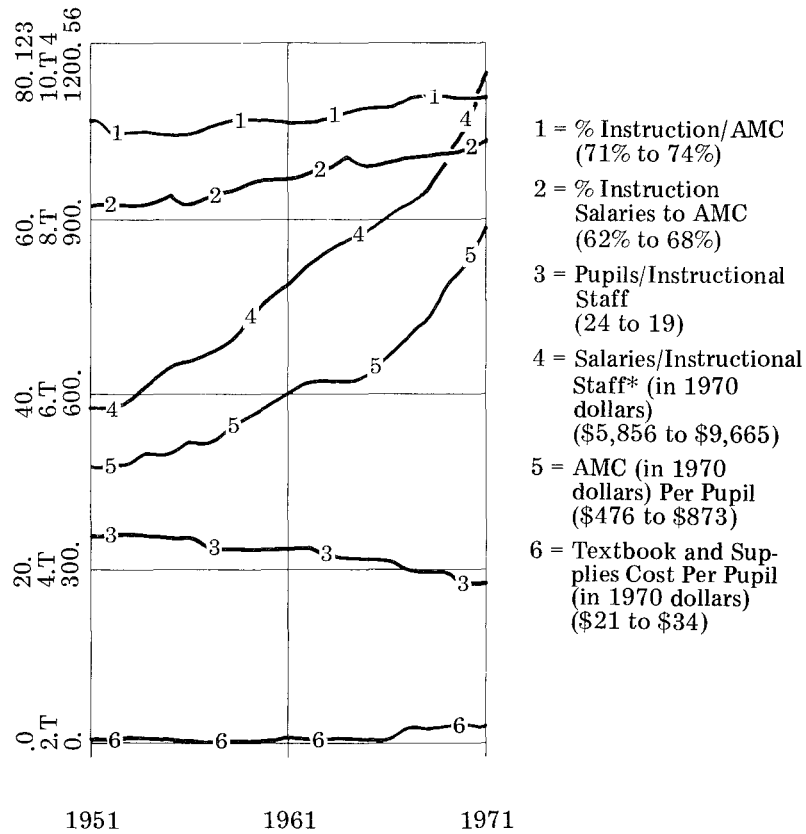
TABLE 4  
 IMPLICIT PRICE DEFLATOR\*

This index was used to calculate expenditures on a constant dollar basis, using a 1970 base. This means that all curves have inflation removed and are on a comparable dollar relationship. This index is more sensitive to government costs than the better known Consumer Price Index. Curve 2 is a Rate of Inflation.



**TABLE 5**  
**TOTAL STATE INSTRUCTIONAL PROGRAM**

These curves are related to total adjusted maintenance cost, which is operations cost minus transportation. Instruction as a percent of total cost is going up, probably due to the increased percentage for salaries. An interesting question is what will happen to curriculum monies as salaries continue to rise, inflation continues, and available money per pupil begins to stabilize.



\*Adjusted to remove clerical and instructional aides from total salary cost.

**TABLE 6**  
**SPECIAL EDUCATION PUPILS**

Curve 2 is numbers of pupils in special education programs. There appears to be a relation to P.L. 89-10, and Title I, as observed in the rate of change, curve 1. Also, see 1958 where growth increased following passage of the 1957 Special Education Law.

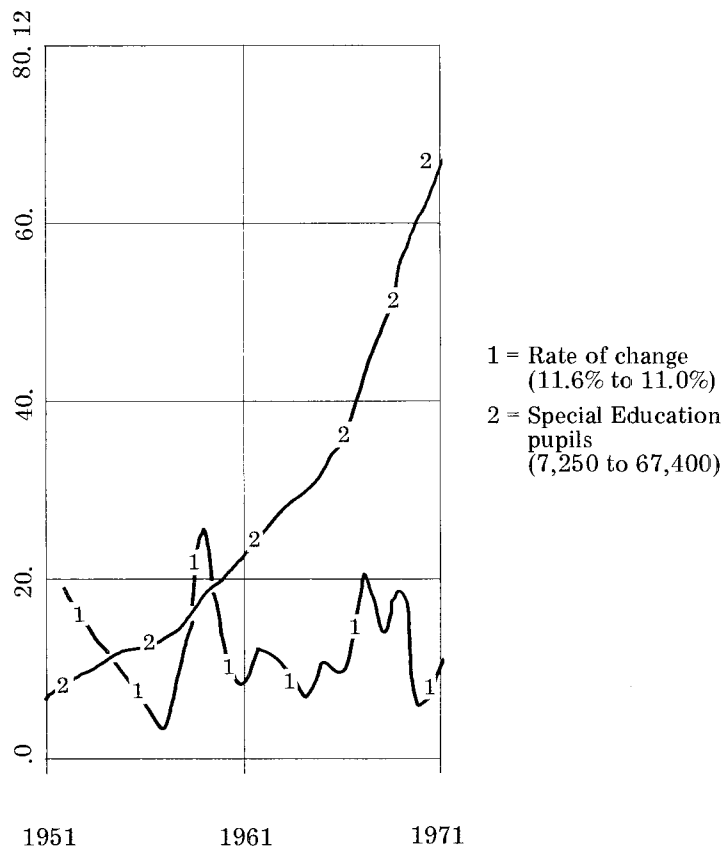
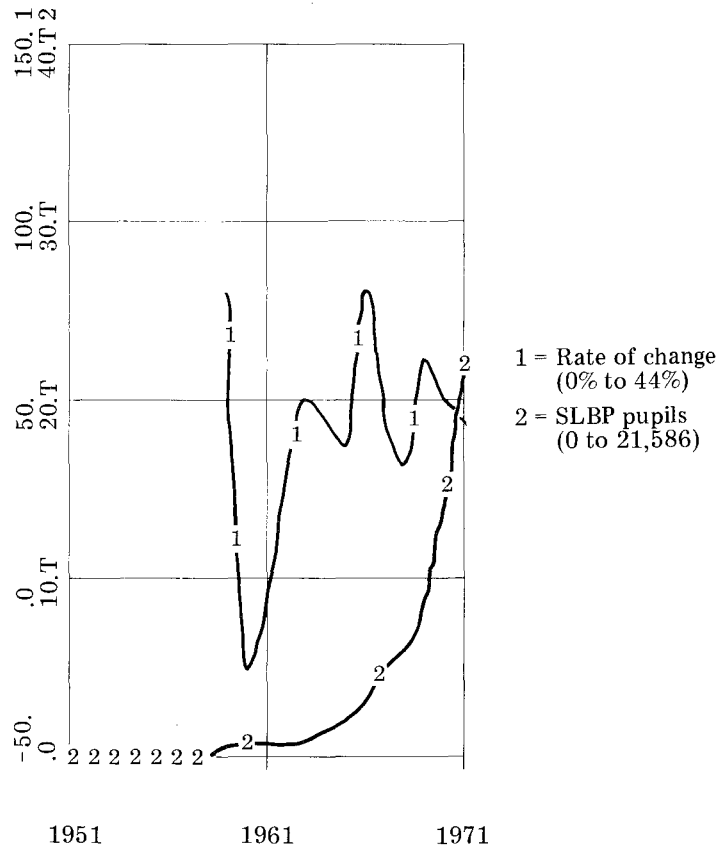


TABLE 7  
SLBP PUPILS

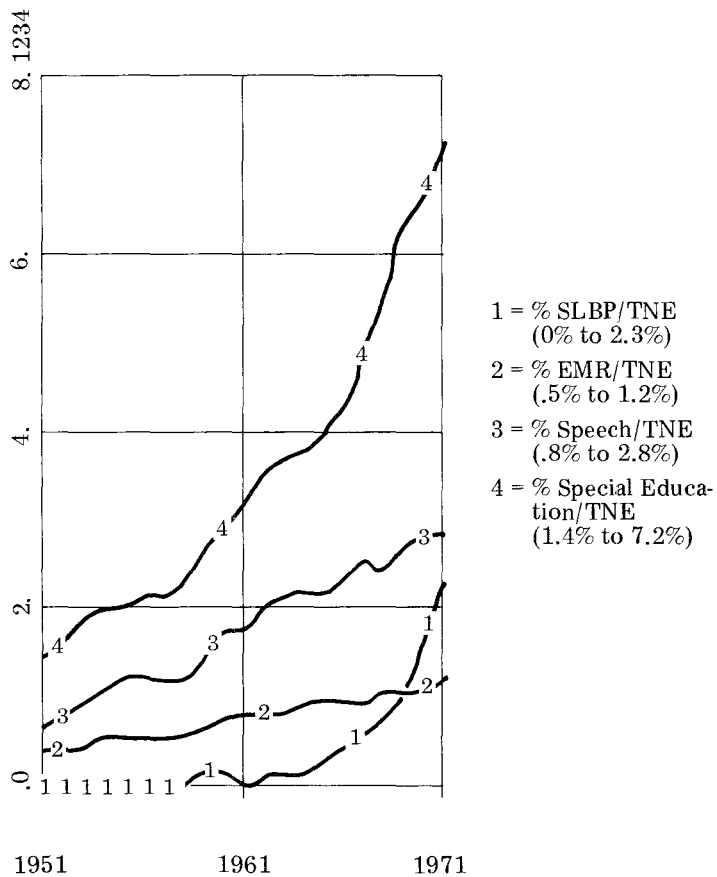
The average growth rate since 1963 has been 50%.





**TABLE 8**  
**SLBP, EMR, SPEECH, AND TOTAL SPECIAL EDUCATION PUPILS**  
**AS PERCENTAGE OF TOTAL NET ENROLLMENT**

These curves compare pupils enrolled in special education programs to the total school population (TNE). Curve 4 has a slope change in 1966, again possibly related to Title I. Only SLBP, Curve 1, shows a similar shift. At the current 10% rate of Special Education pupil growth, the % Special Education/TNE ratio will be 12% in 1975.



**TABLE 9**  
**SLBP, EMR, AND SPEECH PUPILS**  
**AS PERCENTAGE OF TOTAL SPECIAL EDUCATION**

These curves show the relative percentage shift in program size within special education. These three programs include 88% of all special education pupils.

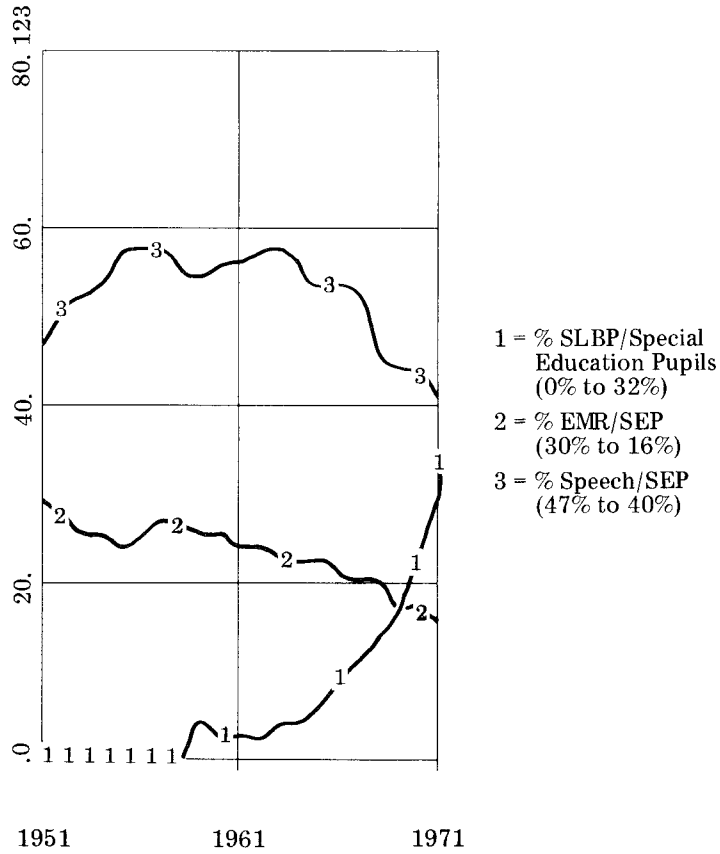


TABLE 10  
SPECIAL EDUCATION TEACHERS

Special Education full time equivalent (FTE) was calculated by assuming a .5 FTE for a part-time teacher, and a .25 FTE for a home bound teacher. Average teacher growth rate is around 15%.

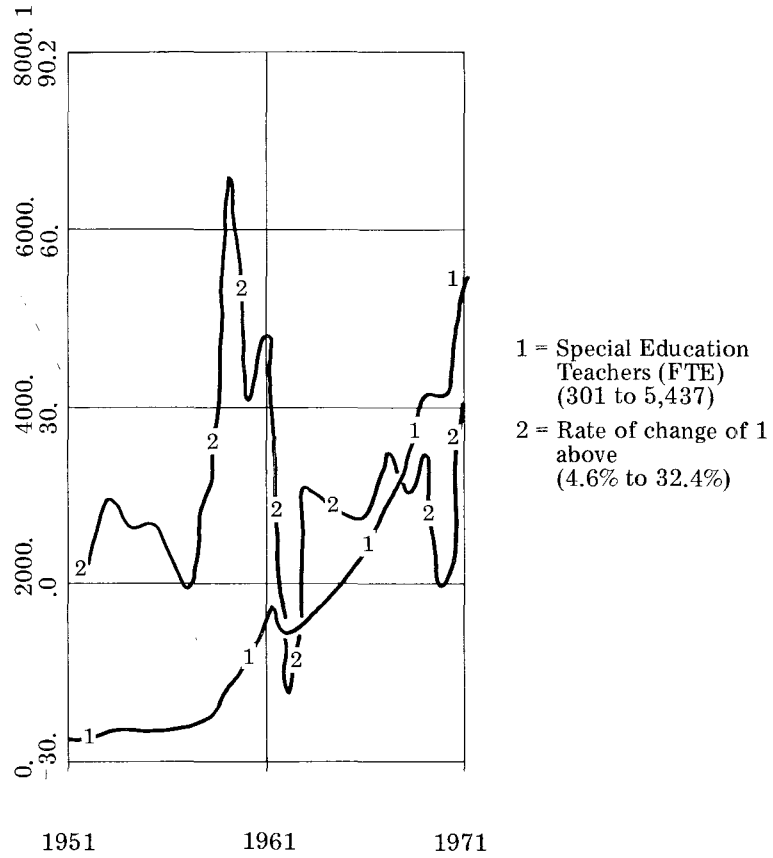
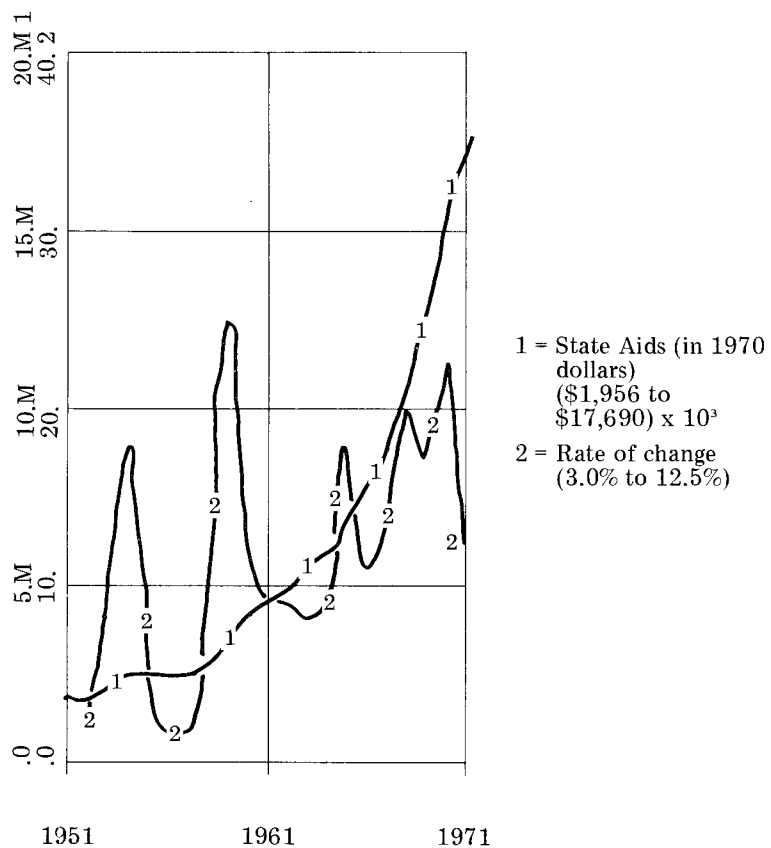


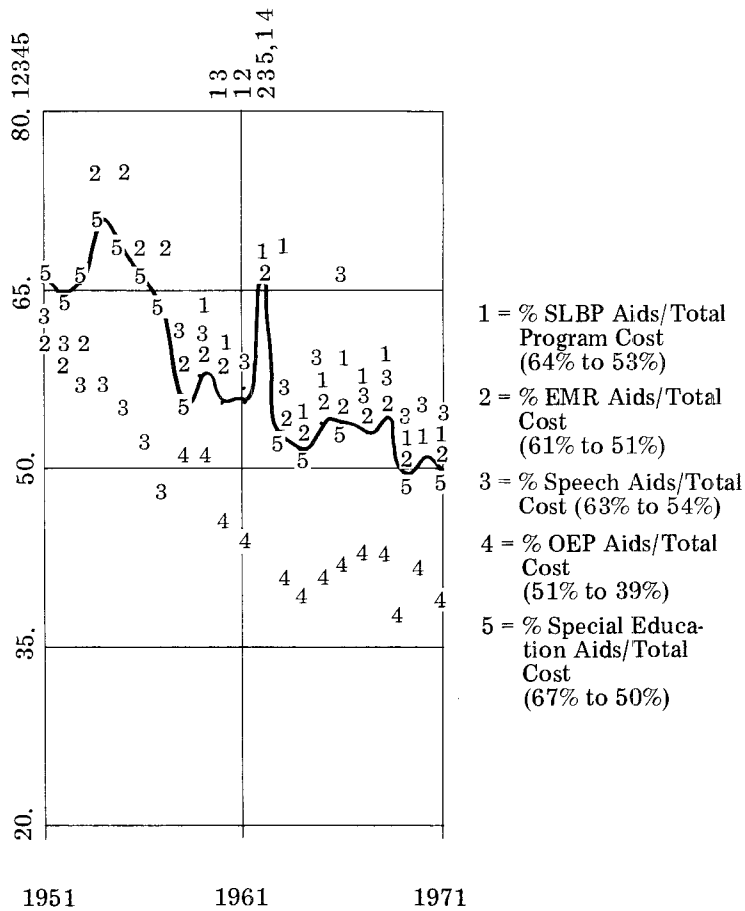
TABLE 11  
SPECIAL EDUCATION STATE AIDS

These are 1970 constant dollars. State aid growth reflects both more pupils and higher salaries.



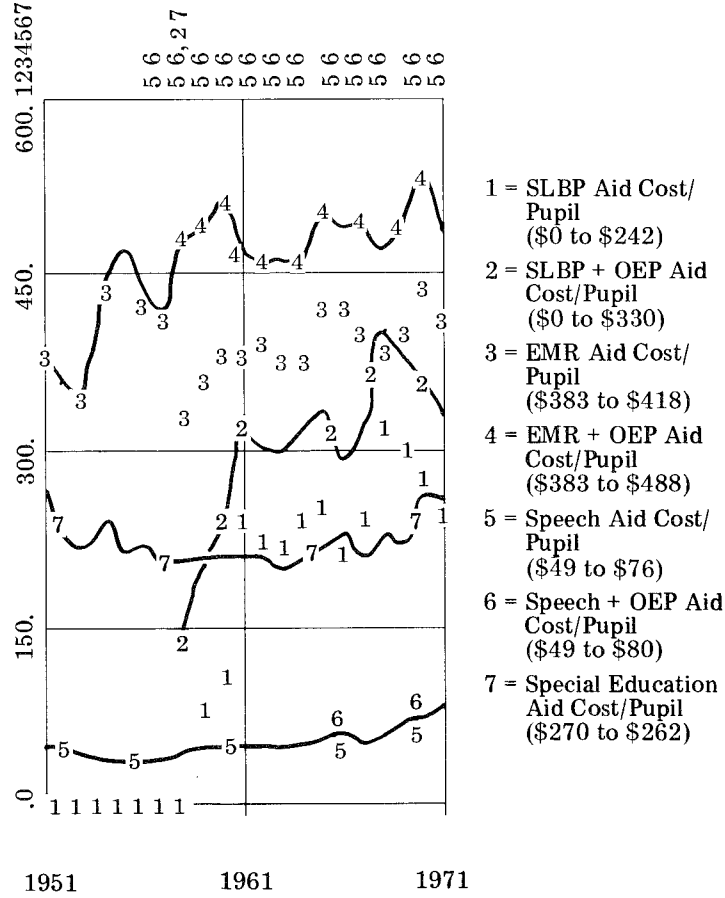
**TABLE 12**  
**STATE AIDS AS PERCENTAGE OF TOTAL PROGRAM COST**  
**SLBP, EMR, SPEECH, OEP, SPECIAL EDUCATION**

Data in this table reflects the lower state aid contribution to total special education costs. Current categorical state aids are contributing 50% of total costs at the same time that foundation aids to regular education are contributing 70% of costs.



**TABLE 13**  
**STATE AID COST PER PUPIL (in 1970 Dollars)**  
**WITH OTHER ESSENTIAL PERSONNEL ADDED**

These curves suggest that the state's share of cost per pupil has remained relatively constant and the school districts have been absorbing the increase in salary costs per pupil. The curves which have no lines connecting the points are per costs excluding the overhead other essential personnel cost.



**TABLE 14**  
**TOTAL PROGRAM COST/PUPIL (in 1970 Dollars)**

These are full cost curves and show the increasing cost per pupil, as opposed to the stable state aid cost per pupil. (Table 13) Curve 5 is the overall adjusted maintenance cost per pupil and shows the general rise in costs.

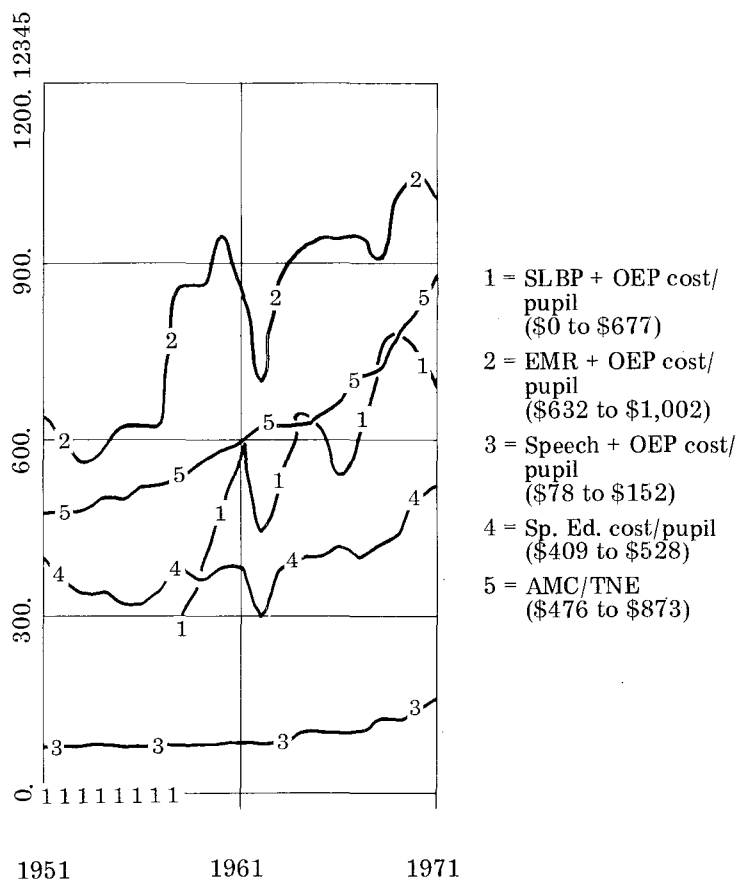


TABLE 15  
SUMMARY SLBP PROGRAM

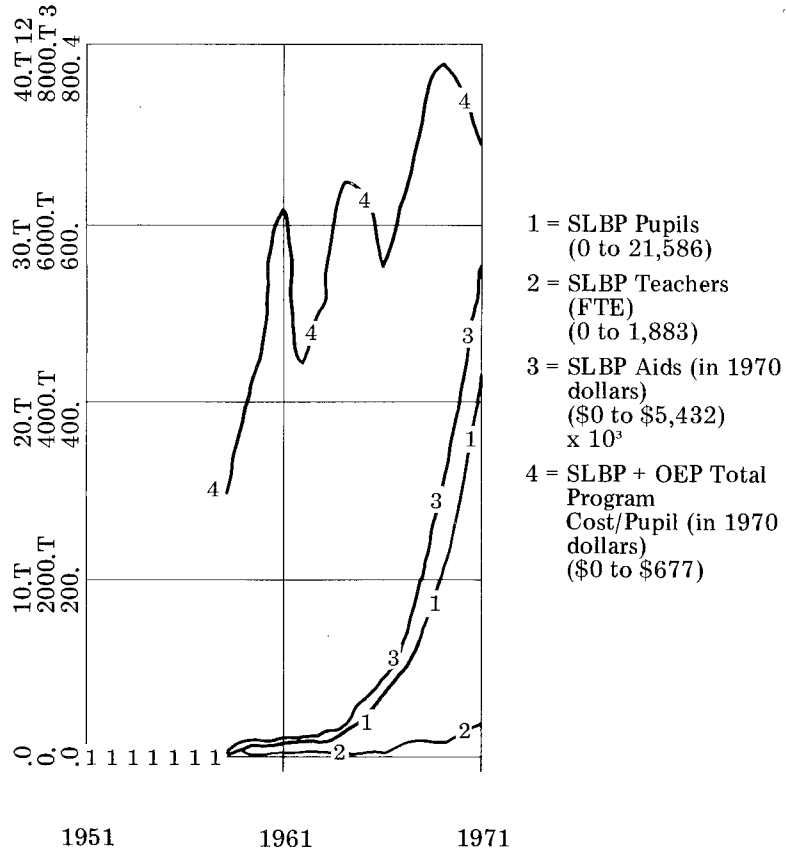




TABLE 16  
SUMMARY EMR PROGRAM

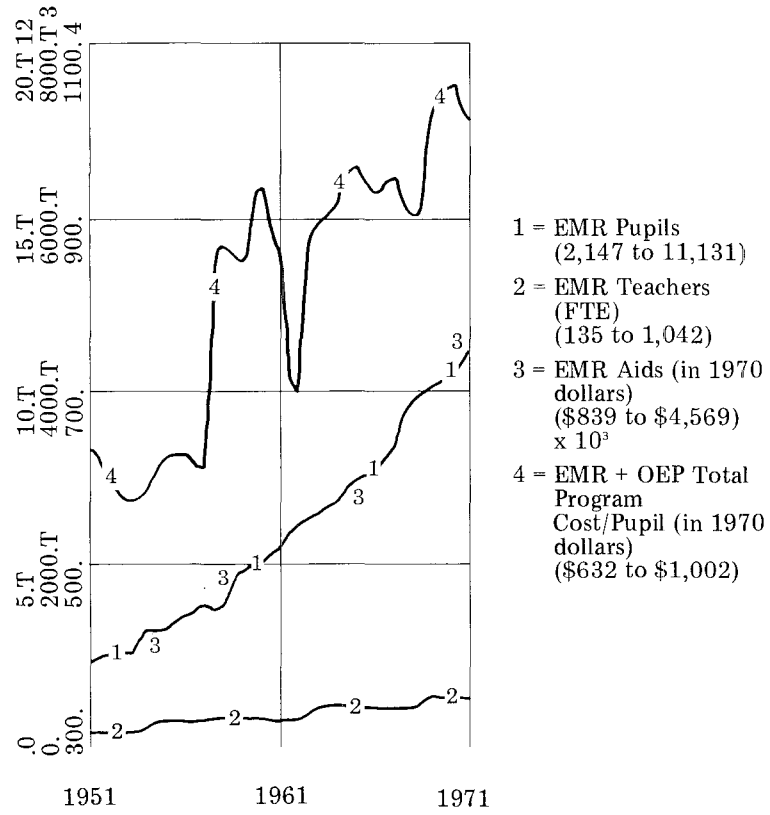


TABLE 17  
SUMMARY SPEECH PROGRAM

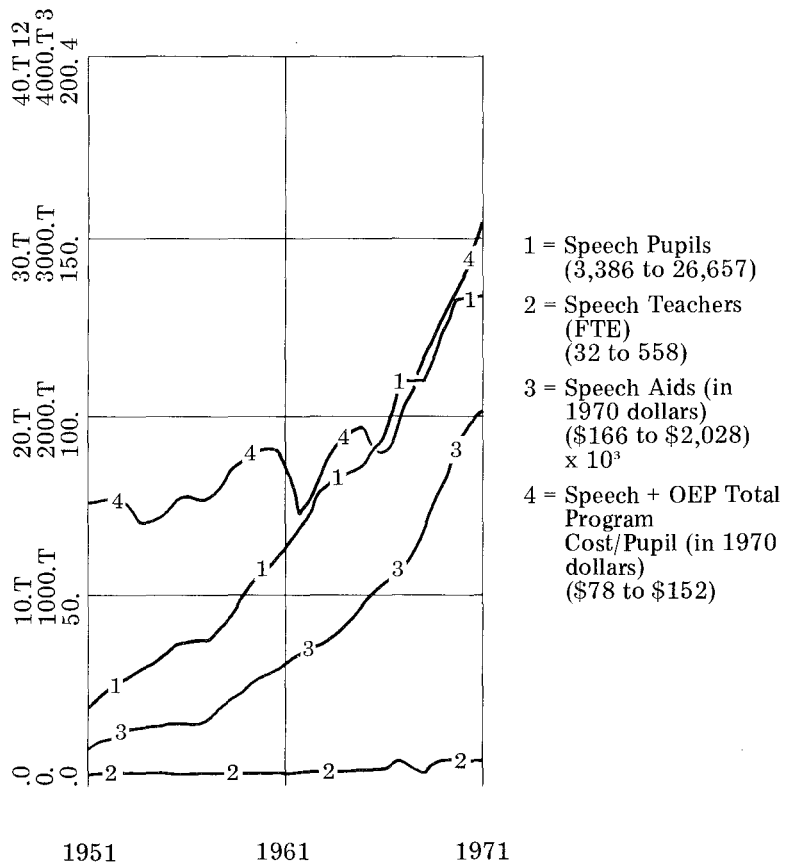


TABLE 18  
SUMMARY TMR PROGRAM

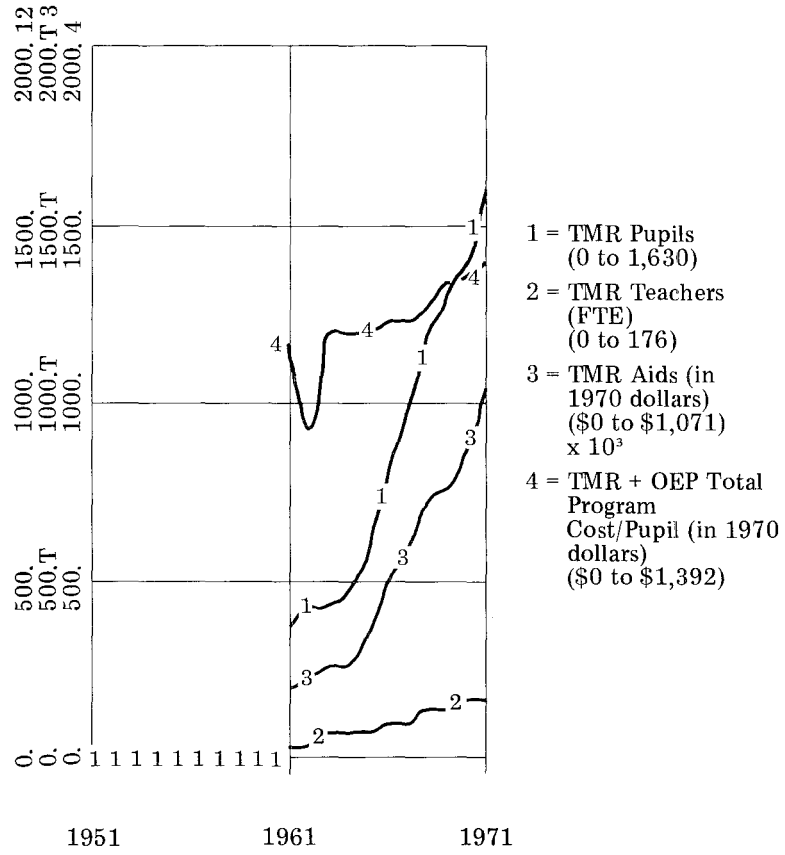
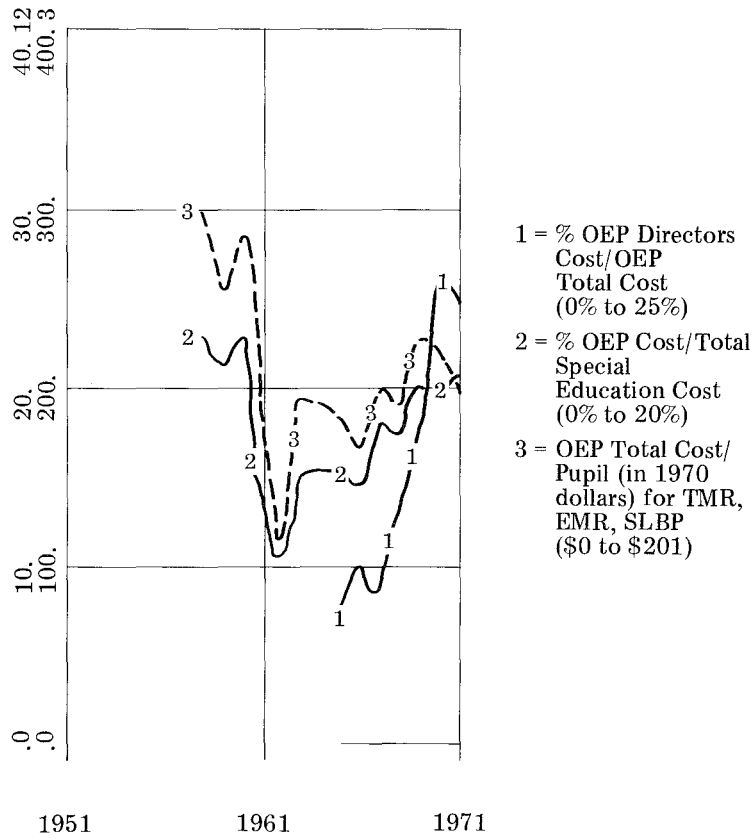


TABLE 19  
SUMMARY OTHER ESSENTIAL PERSONNEL



# Current Problems in Financing Special Education in Minnesota

*Roy J. Anderson*  
*Administrator, Federal Programs*  
*for Handicapped Children*  
*Minnesota Department of Education*

Basically I would like to cover three areas: (1) a review of the current funding of special education programs and how this support seems to affect programs for handicapped children in the state; (2) my thoughts on the application of the weighting concept presented earlier; (3) the omnibus tax bill as it applied to special education or probably more directly as it applies to school districts and the results it may have on special education programming.

I'll start out with a general review of the current system of funding educational program, using as a base for this questions that were asked of us for the Commissioner of Education's task force on school finance that is dealing with the problem of financing all education programs, including special education programs. Hopefully, I can share the information with you that this task force is getting and relate some of the feelings about the current method of funding programs.

The first question I responded to from the task force was, "How does the current method of funding special education really work in the State of Minnesota?" The response was, in part:

"The current method of funding programs for handicapped children is based on special program costs rather than the number of handicapped children being served in the program. This method of support permits local school districts to plan programs based on the needs of the children to be served. A program for severely handicapped children is supported at a higher level per student dollar wise than a program for the mildly handicapped. The 1970-71 school year reported expenditures and special education aids per pupil are listed below by disability.

	Reported Expenditure Per Pupil	Special Education Aid Per Pupil	Percent Aid of Expenditure
Speech Therapy	\$ 141.15	\$ 76.06	54%
Educable Mentally Retarded	801.08	410.51	51%
Trainable Mentally Retarded	1190.98	656.92	55%
Physically Handicapped	1992.13	1010.01	51%
Hearing Impaired	1170.30	585.05	50%
Visually Impaired	874.02	421.67	48%
Special Learning and Behavior Problems	475.56	251.62	53%
Homebound	276.39	152.05	55%
Other Essential Personnel	107.82	41.72	38%

In our opinion the application of foundation aids to the support of the special education program varies with the severity of the handicapping conditions and the cost of the program. For example, a program for the physically impaired, the most expensive program, is in most cases a self-contained program where foundation aids should probably be credited in full to state support of the program. An example of the distribution of the costs of this program follows:

Reported Expenditure per Child	\$1,992.00
Estimates of Other Essential Personnel	\$ 107.00
Estimate of Non-Reported Expenditure	<u>\$ 899.00</u>
Estimate total cost per pupil	<u>\$2,998.00</u>
Special Education Aids	\$1,010.00
Foundation Aids (Average)	<u>\$ 239.00</u>
State Aid	<u>\$1,249.00</u>
Local Cost	\$1,749.00

On the other hand the usual speech correction program would be planned above the regular school program for the child and, therefore, no credit for foundation aids need be considered for this program.

Basically, we believe the system of support for programs for handicapped in our state is a good system because it provides for local control, flexibility in meeting the needs of each child, and to a degree uses the state resources as a whole to provide this support, i.e. the level of support is not based on the wealth of the district providing the services."

We were asked a second question: "Do we believe that the level of support for special education programs is adequate today and I'll just give you a little bit of history going back to 1950-51 and bringing you right up to date in five year intervals.

"The level of state support to special education programs has declined over the past 20 years as follows:

1950-51	66%
1955-56	65%
1960-61	56%
1965-66	54%
1970-71	50%

It is our judgment that special education programs should be state supported at a much higher level, possibly an immediate goal should be 75% state support."

You can see we've lost 16 percent support, and there were two types of adjustments in the law during this period. One was the 1957 law that changed the whole aid formula and the second, increases in the maximum level of reimbursement. These two changes haven't been great enough to maintain the level of support that has been previously determined.

We were also asked a third question, "Does the current method of payment of special education aid discriminate against any particular kind of school district?" and responded:

The aid usually does not discriminate by type of district. However, the larger cities of the state usually operate the special education programs for the low incidence handicapped children but the costs are billed back to the resident districts of the children in the program.

The residency law may result in hardship to a school district that must program for private or public residential center population. Quite often these districts are held responsible for the education of children whose residence cannot legally be placed in any other district.

There have been instances where a small school district has had an unusual number of severely handicapped children where the cost of serving these children has represented a real hardship to the district."

The fourth question was: "How effective is the present special education aid system on providing services for handicapped children?"

"The system for financing special education programs in the state through categorical aids serves as a meaningful incentive for school districts to fulfill their mandate of providing special services for all handicapped children. The aid is especially effective for the low cost programs — less effective for the high cost programs. Also, the aid is a more effective incentive for providing minimum quality programs than high quality programs. Perhaps we should explore systems of financing that would not lose the excellent features of the current system but would do more in encouraging local districts to improve the quality of their programs and also assure that programs are provided for all children even if the cost of the programs are quite expensive.

This sums up how I feel about our special education law. I am sure we could have said many other things, but this indicates how I see it working and the general effect of it. I do believe that schools should be commended for their rate of instituting programs for handicapped children in recent years. I believe educators are finally becoming conscious of the rights of handicapped children. They are adding new programs, and in my judgement, they're not adding the programs because the aid is there, even if I did call the aid an incentive. School districts commit themselves to a big local expenditure when they start a program for handicapped children. I think we're moving in the right direction.

My next topic deals with the weighting of aid, which was mentioned in earlier presentations. The paper quoted below was presented to the legislative interim committee in the middle of April:

There has been some interest expressed by educators and legislators in recent years in changing the method of payment of categorical aids from the present system to a system which would establish a ratio of the costs of the special program related to the costs of the educational program for normal children. After a ratio of these costs has been established, the special aids could then be paid to local school districts on a single formula similar to the present method of differentiating between kindergarten, elementary and



secondary pupils in the foundation aid formula. Such a system would simplify the administrative procedures for payment of state aids and would very likely be easier for legislators to deal with in determining appropriations for state aids.

From a quick review of such a system it seems that there is merit in studying such an approach to see if we could possibly implement a system of weighting our categorical aids in our state. Some of the benefits from such a system may be:

1. A simplified administrative procedure for the payment of state aid.
2. The legislative procedure for determining the appropriations needed for state aid would be simplified.
3. The accounting procedure for local school districts would be simplified.

Some of the problems in dealing with this weighting system are:

1. The present accounting and reporting systems at the local and state level do not give accurate cost information.
2. The cost of special education programs varies first among the categories of handicapped and second, according to the severity of the handicap. A mildly handicapped speech impaired child may require very little special service while a severely handicapped speech impaired child may require a great deal of special service.
3. The cost of the programs varies greatly from school district to school district. The reasons for the cost differential is often related to the quality of the program. Indications of quality may be level of training of staff, support services such as psychologists, social workers, program supervisors, etc. instructional materials, equipment and facilities.
4. Determining the amount of state aid on an average cost rather than an individual cost may result in services being rendered to the mildly handicapped children but could impede the delivery of necessary services to severely handicapped which are often very costly. An average

aid for a handicapped child would tend to hamper the flexibility local school districts currently have in programming for handicapped children.

5. In our state where the foundation aid is based on the property value of the school district, a weighted special education aid would result in special education aids being paid on the value of the property of the district rather than on the cost of the special education program. Using the 1970-71 special education aids and the average foundation aid rate (239.31 per pupil unit) for the same year we would come up with the following ratio for weighting the special education aids on the foundation aid formula for the 1970-71 school year:

<u>Category</u>	<u>Ratio</u>
Speech Impaired	1.43
Educable Mentally Retarded	2.66
Trainable Mentally Retarded	3.16
Physically Handicapped	4.87
Hearing Impaired	3.31
Visually Impaired	2.70
Special Learning and Behavior Problems	2.08
Home and Hospital	1.71

Applying these ratios to a sample of school districts for the 1970-71 school term we would see the following results:

<u>Sample District</u>	<u>1970-71 F.A. Rate</u>	<u>Spec. Ed. Aid Paid</u>	<u>Weighted Aid</u>	<u>Difference</u>
#1	\$243	\$ 541,658	\$ 482,282	\$ - 59,376
#2	301	107,321	155,469	+ 48,148
#3	141	2,881,059	1,775,884	- 1,105,884
#4	141	1,849,723	932,898	- 916,925
#5	354	56,199	90,454	+34,255
#6	309	80,010	65,477	- 14,533

“There is some rationale for the concept that the state as a whole should be the tax base for the support of handicapped education. Currently we are supporting handicapped education at the rate of about 50% with special education aids, probably 25% with foundation aids, and 25% with local funds. Implementation of the weighting concept would cause many school districts to rely more on local property taxes for support of these programs and would be a move away from the state as a whole as the tax base for handicapped programs.”

This is based on the assumption that foundation aids will be continued to be weighted on the basis of property values in the district. There is a move to look at some other wealth factors other than property value; income tax distribution is being considered right now as an indicator of district wealth. But if we continue to use property tax values as a base for determining the amount of foundation aids the school district is going to get, then the above problems will occur.

Finally, I want to comment on the basic operations of the omnibus tax bill. The law was based on the average maintenance cost per pupil unit during the 1970-1971 school year, which was \$664 per pupil unit. The law permitted a growth factor of about 6% a year or \$87 for two years. It set maximum limits on the levy all school districts could place on local property for support of their education programs, and substantially increased state foundation aids from an average of about 50 percent maintenance cost in 1970-71 to about 70 percent for the 1972-73 school year. To attempt to equalize per pupil expenditures in all schools, the law permitted greater growth for school districts in the state.

We have talked from time to time about the use of special education aids in the formula and the restrictions on program growth, which probably singles out programs such as special education, which need continued growth. Rather than facing program growth, many local special education administrators are even facing cuts. How can you cut your programs? It's an untenable position, because you know you can't cut programs and still fulfill the mandate you have to serve these kids. I will try to illustrate just how the omnibus tax bill works for both low cost districts and high cost districts, using hypothetical districts and calculating on a per pupil unit basis rather than a total school basis.

The difference between a high expenditure district and a low expenditure district is whether, in 1970-71, its adjusted maintenance cost was over or under \$664, the state average per pupil expenditure. The formula works differently for each. If the per pupil unit cost is \$800, the special education aid received by the district in October of 1971 amounts to \$20 per pupil unit, and the valuation of that district is about \$10,000 per pupil unit, then for 1972-73 the foundation aid would be calculated this way: \$750 minus 30 mills times the EARC (\$300) or \$450 in state aid. In addition to the \$450 in state aid, the school district would be able to raise the following from local funds:

$$\begin{array}{r}
+ \quad \$800 \text{ (cost per pupil unit 1970-71)} \\
\quad \underline{\$ 87 \text{ (two year growth factor)}} \\
\quad \$887 \text{ (total)} \\
- \quad \underline{\$450 \text{ (foundation aid)}} \\
\quad \$437 \\
- \quad \underline{\$ 20 \text{ (special education aid per pupil unit)}} \\
\quad \$417 \text{ (maximum levy permitted per pupil unit)}
\end{array}$$

The total revenue (aids and local taxes) permitted per pupil unit would be \$867 plus the special education aids received by the district.

For a low cost district with an average maintenance cost of \$650 per pupil unit and all other factors, the same as the previous example, the foundation aid is computed as follows: \$750 minus 30 mills on the EARC (\$300) times 737/750 or \$443. The maximum levy per pupil unit is:

$$\begin{array}{r}
+ \quad \$650 \text{ (cost per pupil unit 1970-71)} \\
\quad \underline{\$ 87 \text{ (two year growth factor)}} \\
- \quad \underline{\$737 \text{ (total)}} \\
\quad \underline{\$443 \text{ (foundation aid)}} \\
\quad \$294 \text{ (maximum levy per pupil unit)}
\end{array}$$

The total revenue permitted per pupil unit would be \$747, plus the special education aids received by the district. Note that the low expenditure district is permitted additional growth in the amount of the special education aids received.

# Perspectives on the Relationship of Foundation Aid Programs to Special Education Financing

*Van D. Mueller  
Professor and Chairman,  
Division of Educational Administration  
University of Minnesota*

## **Minnesota Disparities and Causes**

The information I wish to share with you will hopefully suggest the need for considerable caution in generalizing the impact of any particular set of school finance laws on the school districts of Minnesota. Earlier Roy Anderson was faced with a very difficult problem in attempting to interpret the impact of our current state program for financing elementary and secondary schools. Since this legislation was adopted only last October we do not yet have sound and complete data with which to analyze its impact. A factor which compounds this difficulty in developing good information on the impact of our new school finance program is the highly decentralized structure of the elementary and secondary schools of Minnesota. The approximately 437 school districts of Minnesota represent great diversity on every conceivable variable which might be compared.

The financing and conduct of special education programs will necessarily take place within this diverse pattern and the planning for new financial programs must recognize this condition.

To illustrate the diversity just described some selected financial data from the 1970-71 school year have been developed. The information shown on Tables I, II and III was taken from the State Department of Education summary of local district finances for the fiscal year ending June 30, 1971.

Table I shows the trends in wealth per pupil unit of Minnesota school districts, which is the currently used measure of school district ability to finance education. Considerable disparity is present in this measure of the ability of local

school districts to raise the revenue to support educational programs. Admittedly the \$26/pupil unit adjusted assessed valuation figure represents a unique situation since the Red Lake School District contains very little privately held property. However the point to remember is that all Minnesota school districts do not have equal ability to support educational programs, mainstream or special. The ratio of high wealth to low wealth districts has remained remarkably stable over the past four years.

**TABLE I**  
**TRENDS IN ADJUSTED ASSESSED VALUATION (EARC)**  
**FOR MINNESOTA SCHOOL DISTRICTS**

	<u>1966-67</u>	<u>1967-68</u>	<u>1969-70</u>	<u>1970-71</u>
High	\$18,552	\$19,698	\$22,873	\$22,822
Low	28	28	26	26
Median	7,157	7,167	8,309	8,160
Ratio	1:663	1:704	1:880	1:880

Table II presents the pattern of pupil unit expenditures for current operating expenses from state and local sources. The provision of special education programs and services to Minnesota is taking place in a financial structure which continues to allow great disparities in the education dollars available to local districts, and the difference between high and low expenditure districts has increased since 1966-67.

**TABLE II**  
**TRENDS IN ADJUSTED MAINTENANCE COST PER PUPIL**  
**UNIT FROM STATE/LOCAL SOURCES**

	<u>1966-67</u>	<u>1967-68</u>	<u>1969-70</u>	<u>1970-71</u>
High	\$ 763	\$ 747	\$ 903	\$ 1,072
Low	278	300	370	280
Median	429	451	584	664
Ratio	1:2.74	1:2.49	1:2.44	1:3.83

In Table III I purposely selected data on the ten highest expenditure school districts and the ten lowest expenditure districts for the 1970-71 school year. The numbers in brackets following the district name are the size of the district in resident pupil units. It should be noted that the ten highest expenditure school districts each spend over \$900 per pupil unit while the ten lowest expenditure districts are buying from \$379 to \$523 of educational services. It seems fairly

**TABLE 3**  
**SELECTED DATA ON HIGH AND LOW EXPENDITURES**  
**MINNESOTA SECONDARY SCHOOL DISTRICTS 1970-71**

District/Res. Pupil Units	State/Local \$ Adj. Main Cost/Pd.	\$ 1970 Adj. Assessed Value/Pd.	\$ State Founda- tion Aid/PU	1971 Tax Rate-Main. + Transp. (Non-Ag) Mills	*EARC Mills to Spend \$664
<i>10 High Expenditure Dists.:</i>					
Humboldt (190)	1072	32385	141	131.30	16.1
Borup (202)	998	24177	141	131.20	21.6
St. Louis Park (11174)	983	15529	168	144.91	31.9
Golden Valley (1862)	980	17942	141	134.64	29.1
Mt. Iron (1071)	980	4972	290	218.95	75.2
Hopkins (11559)	967	13724	198	140.07	34.0
Tintah (262)	967	14666	152	155.49	34.9
Storden (253)	957	39685	141	134.50	13.2
Cyrus (229)	954	12695	144	193.00	41.0
Okabena (263)	947	21968	141	109.60	23.8

*(continued on following page)*

TABLE 3 (continued)

<i>10 Lowest Expenditure Dists.:</i>					
Foley (2095)	523	4189	323	N/A	81.4
Walker (927)	421	11839	206	85.15	38.7
Pine City (1737)	520	5869	291	94.89	63.6
Cold Spring (2215)	519	4877	315	64.60	71.6
Grey Eagle (468)	518	4019	323	N/A	84.8
Osakis (878)	518	6790	264	83.15	58.9
Pierz (1174)	509	5650	296	N/A	65.1
Randolph (575)	506	10821	244	96.75	38.8
Brandon (525)	495	5459	282	86.88	62.6
Red Lake (807)	379	54	400	101.70	4888.9
<i>Summary:</i>					
Satte Median District (819)	664	—	242	—	—
Median High District (262)	973	16735	142	137.36	30.0
Median Low Districts (903)	518	5604	294	86.88	64.3
Ratio	1:188	1:2.98	2:07:1	1:1.58	2.14:1

\*State Median Expenditure (State/Local) 1970-71 = \$664



clear from these data that our old foundation aid formula did not provide any substantial degree of equalization based upon local ability (property value). No school district regardless of local ability received less than \$141 of foundation aid per pupil unit. You can easily note that most of the high expenditure districts are also high wealth districts and received the minimum level of state support. Even though the low expenditure districts (also typically the low wealth districts) receive considerably greater amounts of state foundation aid than differences in dollars available for the purchase of educational services remained at about 3:1 in favor of the wealthier districts.

The column on the far right of the table shows the tax rate on each district's adjusted assessed valuation which would be required, in addition to the state foundation aids, for the district to have available \$664 per pupil unit (the state average) for the purchase of educational services. The poorer districts would have to make approximately twice the effort of the wealthier districts to have the same level of per pupil expenditure.

The point I wish to emphasize here is that any discussion and consideration of financing special education in Minnesota cannot assume that every school district in the state is starting from the same place, financially or programmatically. This would be a very erroneous assumption.

You have seen information which documents the diversity of the current wealth and expenditure patterns of Minnesota school districts. I wish now to discuss briefly some causes of these patterns of disparity and responses by the courts. The previous data provided the basis for the refusal by Judge Miles Lord last October to dismiss the suit (*Van Dusartz v. Hatfield*) that challenged the financing of education in Minnesota. These conditions of differences in ability of local districts to support education are substantially the same as those presented in California in the case of *Serrano v. Priest*. In Minnesota as in California and most other states the primary source of local school district revenue is a tax on real property. As a result there exist tremendous differences in the abilities of local districts to finance education. Some school districts with substantial wealth are able to provide large sums for school expenditures while poorer districts with lower ability are only able to provide much smaller sums for education even though they tax themselves at higher rates. These substantial variations from district to district are caused by:

1. Differences in ability to raise revenue, depending on the tax base in relation to the number of pupils served. School districts with great natural resources, business and industrial property or high value residential property have a large tax revenue base.
2. The amount of effort the local school district puts forth to support education as evidenced by the tax rate. A school district with a low tax base can raise substantial amounts only if it taxes its citizens at an extraordinarily high tax rate.
3. Tax overburden which results in certain school districts, such as large cities and sparsely populated rural areas having unusually high costs to provide public services. The municipal overburden that Minneapolis experiences takes the form of increased demands for welfare, police and fire protection, and higher costs for wages, services and facilities. The percentage of local resources available for education becomes smaller in Minneapolis, some of the Iron Range communities, and other older, mature communities that offer a full range of public services and where schools must compete with other public agencies for a share of the tax on property. Likewise, sparsely populated areas suffer from the need to provide public services which are often uneconomical due to geographical limitations.
4. Parental and societal expectations for education vary substantially from region to region in our state. The perceived needs of families in urban areas are often different from those of suburban or rural families. These needs relate to services such as compensatory education, vocational programs, transportation, lunch programs, special education, and many other variables.

While per pupil expenditures do not tell the whole story about quality and equality of education most school financial experts consider the dollar expenditure per pupil a reasonable and substantial index of the differences among school districts. The courts, as in the Serrano case, hold that the burden of proof lies with those who contend that dollars available do not necessarily produce a difference in the quality of education or as reasoned by Judge Lord that to hold otherwise would be to suggest that those boards of education in high expenditure districts are simply wasting the tax dollars.

Minnesota, along with many other states, has had an “equalization formula” for years. These state minimum foundation programs have not been successful in reducing the disparities between low and high expenditure school districts. Inequalities in educational services and programs from district to district in Minnesota would seem to be wholly inconsistent with our beliefs in equality and equal educational opportunity. The courts are beginning to hold that these inequalities violate the equal protection clause of the 14th Amendment to the U.S. Constitution.

### **Court Actions**

Next I wish to review the major court cases which have recently addressed these concerns:

1. *Serrano v. Priest* (California). In August 1971 the California Supreme Court handed down a landmark opinion on school finance. It held that the level of spending for a child’s publicly financed elementary or secondary education should not depend upon the wealth of the child’s school district or family. This case has been widely interpreted and misinterpreted in the professional journals and news media. Since *Serrano* provides the basis for most of the other cases which have now been heard and another thirty or so cases which are before courts in various states it seems important to understand the principal features of the decision. The California Supreme Court held that:
  - a. The quality of a child’s education cannot be the function of the wealth of the child’s parents and neighbors or school district.
  - b. Education in our public schools is a “fundamental interest” of the states which cannot be conditioned on wealth.
  - c. To allot more educational dollars to children in one district than those of another merely because of the presence of business or industrial property is not appropriate.
  - d. A funding system for education which depends so heavily upon the local property tax and therefore on differences of local wealth discriminates against the poor because it makes the quality of a child’s education a function of the wealth of his parents and neighbors and such discrimination

violates the 14th Amendment of the U.S. Constitution.

- e. Inequality is created when people who are relatively less affluent are required to pay higher taxes than the more affluent in order to generate the dollars needed for an equal or even lesser quality education.

It is also important to note that there were several positions which the Court did not take in the Serrano decision. The court did not say or suggest:

- a. That the property tax is unconstitutional or an improper tax source.
  - b. That the same amount of money should be spent on each child for education.
  - c. That the California legislature must adopt any specific method or plan for school financing to remove constitutional inequalities.
2. Van Dusartz v. Hatfield (Minnesota). This suit is one of three which were filed in Federal District Court in St. Paul. The other two actions were brought by the Minnesota Federation of Teachers and the Minnesota Real Estate Property Tax Payers Association. The Van Dusartz and M.F.T. actions were withdrawn without prejudice after the Minnesota Legislature adopted its new education finance package; the third case is still under Judge Miles Lord's jurisdiction. No trial has been held on any of the three cases mentioned. This is the subject of some misinterpretation in the current literature and in discussions around the country. The actual conditions are as follows: The attorneys representing the State of Minnesota asked Judge Lord to dismiss the cases on the basis that those inequalities that exist in Minnesota are not unconstitutional. Judge Lord took testimony, reviewed briefs and affidavits from both plaintiffs and the defendant State officials, and in a lengthy memorandum ruled that there was sufficient cause to carry the cases over to trial. He refused to dismiss the cases but didn't make any final rulings on the facts. The refusal to dismiss came during the special session of the legislature last October and undoubtedly had, along with Serrano, some substantial impact on the adoption of a new school aid plan. Judge Lord in his order said that the conditions in Minnesota were very

similar to those in California and the findings in the Serrano case were applicable in Minnesota. He said "that the system of public school financing, which makes, spending per pupil a function of the school districts wealth; violates the equal protection guarantee of the 14th Amendment to the Constitution." He went on to say that the State of Minnesota had so arranged the structure of local school districts as to guarantee that some districts will spend low amounts per child (with high taxes) while others will spend high amounts per child (with low taxes) and commented that "to promote such an erratic dispersal of privilege and burden on a theory of local control of spending would be quite impossible."

3. Rodriguez v. San Antonio Independent School District (Texas). This action has received considerable attention because it is being appealed to the U.S. Supreme Court. The plaintiffs claimed that the Texas school finance system discriminated against students living in poor districts. The Western United States District Court of Texas declared in December 1971 that the Texas Minimum Foundation Program for financing public education was in violation of both the U.S. and Texas Constitutions.

The State of Texas provides about 49% of the cost of education with local districts making up the rest. The facts in this case are similar to those presented in Minnesota and California. To work equitably the system assumes that the value of local property within the various districts will be comparable and obviously this is not the case. The Texas Court declared "for poor school districts, education financing in Texas is a tax more, spend less system." The court ordered the legislature to revise the system within two years. The Rodriguez case presumably will be the first "Serrano-type" case considered by the U.S. Supreme Court. Governor Anderson has readied a brief to be filed with the U.S. Supreme Court supporting the case of the plaintiffs and the action of the court.

4. Robinson v. Cahill (New Jersey). The conditions in this action are somewhat different than those discussed previously. This case was tried in the state court system of New Jersey rather than in federal court, as were the Texas and Minnesota cases. The

- New Jersey case was not based on the U.S. Constitution but on the New Jersey state constitution which requires "a thorough and efficient" free public school system be operated in the state. The group of plaintiffs included an infant and his parents, the Jersey City mayor, members of the city council, the Board of Education, a student, his parents, and several other tax payers. It was not a lay person or parent against the establishment; in fact the establishment at the local level joined this case on the side of the plaintiff. The charges were similar to Serrano in most respects: the quality of education depended upon the wealth of each district and not on the total wealth of the state and these conditions placed an unequal tax burden on property owners living in low property value school districts. The New Jersey Superior Court in January 1972 declared that the state educational finance system created inequalities that violated the state constitution's educational provisions as well as the equal protection clause. The court not only ordered a revision in the tax structure to remove inequities, but also urged that effective means for measuring the progress of the various school districts in New Jersey be adopted. This seemed to represent a new first — a judicial call for accountability to add to the demand for greater equity in taxes and expenditures.
5. *Spano v. Board of Education (New York)*. Also in January 1972 the New York Supreme Court considered a challenge to that state's provisions for levying and distributing school taxes. The arguments of the Serrano Case were the primary basis for the challenge. The Court held that two previous U.S. Supreme Court cases, *McInnes v. Ogilvie* (Illinois 1969) and *Burruss v. Wilkerson* (Virginia, 1970) were controlling. In both cases the U.S. Supreme Court had refrained from declaring state school financing systems unconstitutional. The New York Court did acknowledge that the existing systems for financing education may well be "vestigial, inadequate and unfair" but suggested change should be made by legislatures or the U.S. Supreme Court.
  6. *Pennsylvania Association for Retarded Children v. Commonwealth of Pennsylvania*. This case, well known by special educators, needs only to be con-

sidered in the context with the other cases reviewed in this discussion. The U.S. District Court for Eastern Pennsylvania in September 1971 decreed that every retarded person between the entrance age of school and 21 years must have access to a free public program of education and training appropriate to his learning capacities, since the Commonwealth had undertaken to provide free public education to all children. The court was concerned with the equity of educational opportunity for all children irregardless of additional costs of special educational programs for the handicapped.

7. *Bradley v. School Board* (Virginia). This is a desegregation case heard by the U.S. District Court for Eastern Virginia in January 1972. The plaintiffs claimed that segregation was largely a creation of local school attendance districts in three political units, the City of Richmond, and two adjoining county school districts. The court noted that "school district lines within a state are matters of political convenience." If courts can order these political subdivisions to consolidate (as they did in this case) to achieve racial desegregation, it might be reasonable to assume that the state may have some obligation to cause redistricting to achieve greater levels of equity in school financial resources.

#### Issues Created by the Courts

Although the courts have decreed that existing programs for financing elementary and secondary schools do not meet equal protection guarantees or state constitutional requirements they generally have not established or suggested specific guidelines for state legislatures to follow. A number of critical issues are being raised which affect the future of state educational finance systems as well as governance and district structures. Some of the most complex of these concerns are:

1. Educational Equality. What is an equal education? In school finance terms are equity and educational equality synonymous? The courts have suggested that educational equality generally means that the quality in education offered to all children by the state is essentially comparable. The courts have said that equity does not necessarily mean equal expenditures

per child. This is particularly relevant when it generally costs more to provide special programs than for typical or mainstream curricula. The differing needs of pupils suggest that some will require high cost programs such as vocational education, compensatory education, and other programs requiring special services. Equality in education is not achieved by treating different individuals as if they were identical.

2. Dollar Equality. Court decisions have indicated that the dollar expenditure per pupil does have a bearing on the quality of education offered. As previously mentioned, Judge Lord stated that to argue that expenditure level doesn't make any difference is to jeopardize school board members in all of those districts now spending at a level considerably higher than the state average. If they are not getting quality for their extra dollars they are in fact wasting the taxpayer's money. You might think through the logic of that statement carefully — if money doesn't make a difference then the citizens of Hopkins, St. Louis Park, Golden Valley and other high expenditure districts listed in Table III ought to be called upon to defend their expenditure policies. If educational expenditures are not buying quantity and quality of education how can they be defended? The proposition which I offer you is that all children deserve at least equal dollar expenditures, weighted by cost differentials, for the education provided by the state. Right now in Minnesota the direction is moving the other way — we have kids needing the most services residing in districts with the least ability to support education and the lowest expenditure levels.
3. Upward and Downward Leveling. The policy decision on whether to lower high expenditure levels or raise low expenditure patterns in seeking a more equal expenditure per pupil from district to district is a difficult one. Some people in analyzing the effects of the omnibus tax bill in Minnesota suggest that some downward leveling is present rather than bringing all districts up to an acceptable level of program and expenditure. Governor Anderson's original state aid for schools plan, in his 1971 Budget Message, contained provisions for some upward leveling over a six-year period. That plan is similar to the recommenda-



tions contained in the Fleischman Commission report in New York State. The New York recommendations allowed for a leveling up to the 90th percentile level of expenditure over a five-year period. Leveling up in Minnesota will undoubtedly require a much greater expenditure or a reallocation of priorities.

4. Local Control. Can local control continue in the face of increased state financial involvement in the support of education? There is some evidence that where states have assumed rather substantial financial support of education there has been no major reduction in the level of local decision making authority. Could greater state fiscal involvement in education in Minnesota eliminate the inefficient local districts and duplication which is maintained in the name of local administration and control?
5. Collective Bargaining Activity. Closely related to the question of local control is the question of how collective bargaining and salary negotiations could be handled locally if the primary responsibility for school finance were shifted to the state. It is speculated by many that the process would eventually lead to statewide teacher salary schedules and to teachers bargaining directly with the state legislature. Now that state support of maintenance costs in Minnesota is over 70% such an issue is due for considerable attention.
6. School District Organization. We heard from Dick Rossmiller and Roy Anderson about some of the difficulties in developing sound financial and educational programs when school district size varies from a few children to 65,000 within the same state. Each district cannot be an equally operating unit. The appropriate governing and service area structure for schools is even more important when considering the provision of programs for low incidence needs — such as special education.
7. Impact on Post-secondary Education. The Serrano-type decision may well have a major impact upon junior colleges and other post-secondary educational institutions. Public higher education, however, has been operated over the years on the basis of statewide funding.
8. Property Tax Relief. The major accomplishment of the omnibus tax bill passed in Minnesota last October

may have been to shift the emphasis on resources to finance education from property to sales and income sources. While Minnesota a few years ago eliminated the statewide levy of the property tax it is at least conceivable to think once again of a statewide property tax as a response to the Serrano-type decisions.

9. Capital Outlay, Construction and Bonding. Most of the Serrano-type decisions have not dealt with the question of expenditures for school construction or capital outlay. They have dealt almost exclusively with unequal expenditure patterns for current operating costs. Since undoubtably the variations in wealth among school districts also affect the financing of buildings and equipment there must also exist the same discrimination. Minnesota might think about a statewide capital outlay plan administered like the present program in Maryland and five other states.
10. Impact on Big City Schools. The Serrano, Van Dusartz, Rodriguez and other cases had an underlying purpose to assist minorities, the poor, and those caught in big city neighborhoods with declining property values. It is ironic that these cases may result in a reduction of the needed aid for inner city and remote rural schools. Since the wealth as measured by property value in Minnesota and St. Paul is higher than the state average for all districts and since their current expenditure levels are also above state averages (due in large part to higher salaries, higher costs of compensatory and special educational services) the big cities may be losers particularly if "power equalizing" school finance plans are adopted.
11. Private Educational Resources. The impact of the new pressure for equity in educational finance plans on private education is uncertain at present. It could be hypothesized that parents in wealthy school districts might choose to support voucher or tax relief plans rather than support leveling-up programs for all districts.

### **Possible Solutions**

There are a number of possible solutions to the school finance issues illuminated by recent court cases. A rather full range of alternatives has been developed by R.L. Johns and

his associates in the published works of the National Educational Finance Project. Professor John E. Coons of the University of California School of Law has also developed some comprehensive suggestions as to possible solutions to current educational finance dilemmas. The particular classification scheme listed below is drawn from the National Educational Finance Project.

1. Complete Local Support Model
2. Flat Grant Model
3. Equalization Model — With Minimal Local Leeway
4. Equalization Model — With No Local Leeway
5. Full State Support
6. Incentive Grant Model
7. Family Choice School Finance Systems
  - a. Voucher Systems
  - b. School Stamp Supplement
8. Equal Assessment Districts

While a full local support system (1) is conceivable, I find it difficult to conceptualize ways that this model can be made compatible with directions taken in the Serrano-type court cases. What are the alternatives to full local support models? The alternatives listed above are appropriate for financing general education and for financing special education. Our current plan for financing special education (and education and transportation) in Minnesota is basically the flat grant model (2). Every school district is reimbursed at the same rate for a portion of the cost of services provided regardless of their ability to match state funds or to supplement the state share. Again, it is questionable whether this plan meets the criteria of equity to any degree.

The equalization model with local leeway (3) is descriptive of our past foundation aid efforts in Minnesota. Another look at the data in Table 3 will provide an all too clear revelation of the effects of this model. The Fleischman Commission Report in New York State rejected this model because their research suggested that equalization with local leeway (even at the 10 percent level recommended by the President's Commission on School Finance) would perpetuate the inequalities which currently exist. The next model, equalization with no local leeway (4), might be descriptive of Minnesota's new educational finance program. The tax levy or expenditure limitation currently in effect destroys most local leeway (except through referendum).

The full state funding and incentive grant models (5 and 6) are receiving a great deal of attention nationally as alternative solutions to our problems. The concept of full state funding is not really new, Hawaii has operated under this system since receiving statehood and Alaska and several other states have been moving in this direction for several years. The variations of incentive grant models such as power equalizing present a number of unresolved questions. Their proponents are usually from high wealth and high expenditure districts who are worried about "leveling-down". The most pressing problem with incentive grant systems is the difficulty in meeting the goals of reducing disparities and making equal dollars available to meet the needs of similar types of educational needs. To date incentive systems have not met these two criteria very well. They do however meet criteria regarding maintenance of some local control and discretion in financial decision-making.

The seventh model listed provides for a variety of plans, voucher systems, school stamp supplements, etc. These systems could be used to supplement or supplant any of the other models by utilizing the family unit as an agent in dispensing the publicly financed educational expenditures. Coons feels that these plans could be designed to satisfy the requirements of Serrano.

The final alternative listed would require Minnesota to be redistricted into geographical areas with substantially equal property value per pupil unit. The problem of inequality in local ability would be eliminated through a complete reshuffling of existing school districts.

### **Funding and Taxing Approaches**

The financial problems under discussion include concerns about both the need to provide a funding system to assure equal educational opportunity as well as a new process for revenue generation. I disagree strongly with Fred Weintraub's statement suggesting that it is not your responsibility to assist in raising the funds to support education. We in Minnesota education are just now beginning to accept responsibility for raising the revenue as well as for spending it. Many of you have heard Governor Anderson deliver a charge to educators on this point — educators have a responsibility to plan needed educational programs, to help develop means of equitable distribution of resources and to assist in developing and supporting plans to provide the required tax dollars.

Alternative revenue systems which seem to be consistent with the court decisions include:

1. Abandoning the local property tax base as a source of educational revenue and/or a statewide property tax. In Minnesota we now in effect have substituted higher income and sales taxes for a piece of property tax supporting education. A statewide property tax assumes a more effective and fair method of property assessment.
2. Removal of industrial and commercial property for the local school district tax base. A partial move in this direction was taken in the 1971 Minnesota legislative session for the Twin Cities Metropolitan area. The Weaver Bill provides for a percentage of taxes on all new industrial growth to be collected on a metropolitan basis and redistributed on a need basis.
3. Full State Funding. This revenue system presupposes that the state will secure revenue from such sources as state income or sales taxes, statewide property taxes and other state taxing bases; local tax sources would not provide school support. Equitable treatment to taxpayers and equity in educational opportunity are very appealing benefits of full state funding.
4. Shifting the Funding Burden from Local to State Sources in an Equalization Formula. It is possible to design fiscal systems that approach the ideal of complete "equalization" in educational expenditures and opportunity. The present financial plan in Minnesota is basically an attempt to achieve equity through this means.
5. Increased State Support from New State Sources. The omnibus tax bill increases Minnesota's average level of state support from 43 percent to 70 percent over a two year period by increasing markedly the state sales and income tax levels.
6. Increased Federal Support of Education. It is generally agreed that increased federal support of education will not solve the states' primary problem of establishing educational equity or of meeting new court equality standards. However, if the federal government did provide as much as 30 percent to 40 percent of school revenue, the state costs of "leveling-up" to a quality level program would be reduced greatly. Fred Weintraub is much more optimistic than I concerning this possibility within a decade.

## Assumptions and Dilemmas

The Education Commission of the States in "Understanding Education's Financial Dilemma" pointed out most succinctly some assumptions, philosophical positions, and political realities which must be faced if solutions to the problems identified earlier are to be found.

Some of the basic assumptions about the nature of the educational enterprise today are:

1. Education is a responsibility of the states. (It may be delegated to districts, but the state cannot abdicate its obligation to provide equal access to education for all.
2. Educational opportunity has become a "right" of all citizens. The Pennsylvania case should underscore this point sufficiently.
3. Educational policymaking should primarily be a legislative process. The system of checks and balances between executive, legislative, and judicial activities has been thwarted in part due to inactivity by administrators and legislatures. The courts have entered this vacuum and the result has been judicially determined educational policy decisions.
4. Equal educational opportunity must be available to all. From a moral, as well as legal standpoint, a democratic society cannot permit any child to have less than a full and equal opportunity in the public schools to develop his talents.
5. States must not be by-passed in federal involvement in education.
6. Interstate educational differences must be a federal concern. Studies show wide variations in educational expenditures from state to state. Our neighbors in South Dakota migrate to Minnesota each year in large numbers. Their educational expenditure levels are among the lowest in the nation. Can we tolerate this type of intra-state disparity?

Students of educational finance as well as policy makers will find numerous philosophical conflicts in the dilemmas briefly enumerated below:

1. The dilemma of local vs. centralized control. If full or substantial state funding comes to pass will the philosophy of local control be destroyed, replaced or materially altered?

2. The dilemma of fiscal egalitarianism vs. individual initiative. Can incentives to seek excellence be built into systems which are designed to provide each local district equal access to the total educational resources of the state?
3. The dilemma of funding "basic" educational programs vs. total educational services. What programs are essential to assure that youngsters have access to equal educational opportunity?
4. The dilemma of increased expenditures vs. increased school achievement. The questions of accountability of output rather than input, of concerns with educational productivity are raised here.
5. The dilemma of centralization of expenditures vs. local supervision of school costs. Serious attention must be given to the complicated question of providing appropriate safeguards in the escalating expenditure of and accountability for tax money.
6. The dilemma of education as a "social need" vs. an individual opportunity. The recent court decisions have decreed that education is a "fundamental interest" of the state. This, in effect, implies that the purpose of the educational system is for the well-being of the state, a point of view not universally held in the past.

### Summary

The financing of elementary and secondary education in Minnesota and in the nation has become a most complex issue. Simple and clear-cut answers are not readily available. Financing special education will be conditioned very significantly by developments in the financing of general education. The emphasis of the court cases in the early 1970's provides a new impetus for resolving the long-standing problems of equity and equality in educational opportunity. The results of research provided through the National Educational Finance Project, President's Commission on Educational Finance, Education Commission of the States, Fleischman Commission Report, and other major developments provide a very sound base for resolving the above issues and dilemmas. I am confident that the discussions and deliberations of a group of special educational administrators can contribute to the resolution of the problems we face in Minnesota with the end result of improved education for all Minnesotans.

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# Planning for Human Resources Development for Minnesota in the 1970's

*Gerald W. Christenson  
Director  
State Planning Agency*

My topic today deals with problems in financing education and other human services in Minnesota in the period ahead. I will first review how we got where we are today, because I think there is a great deal of misunderstanding on the part of many people. You will recall the question of financing elementary and secondary education became a campaign issue in the 1970 gubernatorial race. I asked Governor Anderson how he became committed to the idea that the state ought to provide almost all or all of the finances for elementary and secondary schools. He said that he had read an article regarding Governor Milliken's efforts in Michigan to get the state to take over a far greater portion of the educational load of that state, and was impressed with the arguments. He began to study the situation in Minnesota and saw the tremendous disparities that existed, and, indeed, still exist around the state, from the standpoints both of fairness to the taxpayer and of fairness to the child seeking an education.

In the 1969-70 school year there were pupils in this state being educated in schools where the average pupil expenditure from state and local sources was under \$400, and others where the expenditure was over \$900. For the school year ending in June, 1971, the range was from \$280 in the low district to \$1072 in the high district. The Minnesota Constitution requires the legislature to provide a uniform system of education in the state. Presence of such great fiscal disparities suggested that this was not the case.

From the taxpayers' standpoint there are also great inequities, even though they have been reduced by the most recent legislation. Until that time a few school districts in the state had low tax levies for school maintenance purposes. The typical levy was about 160 mills, but the range was from about 90 up to 350 mills and even higher. It's hard to justify

to the taxpayer who is paying his property tax that he ought to pay three times as much for education in his district compared to another school district. It would seem to justify a mill rate in White Bear school district of 249 mills while in Golden Valley the mill rate is something like 160 mills.

How did we get into that situation? The same way that almost every other state did, as the result of an inadequate school aid formula. We tried in the past to help equalize educational opportunity in the state by having the state pick up a good part of the burden through income taxes, sales taxes, and so on, but the aid formula in Minnesota in 1970-71 was completely inadequate. It provided for a per pupil expenditure of \$404 minus what 20 EARC mills would raise or the equivalent 60 auditors' mills. There were very few districts in the state below the \$404 figure, and there were none who were taxing at a rate of 20 EARC mills. In other words, it was an unrealistic formula.

What the Governor tried to do, with the help of many of the people in the legislature, was to come up with a real formula, using the State Department of Education's actual average per pupil cost minus what was regarded both as a realistic property tax levy and, frankly, what was needed to finance the program. The Governor's original formula called for \$740 per pupil unit in average daily membership minus 52 EARC mills the first year, because of the need to go through a transition period. Then it provided for increasing the per pupil allowance to \$780 and reducing the EARC mill levy to  $33\frac{1}{3}$  in the second year. The compromise figure finally arrived at was \$600 per pupil unit the first year, and \$750 per pupil unit the second year; in both years, minus 30 EARC mills. A 90 mill auditor's levy was found only in a very few districts such as Sleepy Eye and Monticello, so the net effect was to lower the property tax levy for current operation of the schools to the lowest level found anywhere in the State. \$750 is approximately the average cost figure projected by the State Department of Education on an average daily membership basis. The Governor favored a higher figure than that, but the compromise formula is an approximation of the real per pupil cost and an approximation of what might be considered a fair load on the property tax for school aid purposes.

It could be argued that there should not be any burden on the local property tax for schools. There is some justification for the position taken by taxpayer's groups, calling for complete abolition of the property tax as a source of funding

for schools or welfare, but can we afford that? It is almost frightening to see that the total property tax levied currently in Minnesota brings in about a billion dollars a year for local units of government — townships, counties, municipalities, and school districts. A 30 mill levy raises \$300-350 million currently.

Some people look at the new legislation and say we were better off under the old system. There are individual school districts with high wealth and high property valuation for which that may be true. But statewide, as the Governor and legislature viewed it, we were approaching the crisis situation other states have reached. You are familiar with articles in the journals about the fiscal crisis in Youngstown, Ohio; about closing schools in Independence, Missouri; about emergency cuts in education services in California, New Jersey, and New York districts, largely because of the over-reliance on property taxes as a source of support for our public schools. Figures from the Minnesota Council of Economic Advisors indicate that the property tax is much more regressive than most people suspect. If you have an annual income of \$5,000 a year, it's very difficult to buy a home anywhere for less than \$15,000, particularly in the metropolitan area. The ratio of yearly income to home value is 1:3. A person making \$50,000 annually can get along rather well in a home valued at \$50,000; his ratio is 1:1. When you rely heavily on the property tax, low income people get hit very hard.

This is what candidates like George Wallace represent. Property taxes become one of the critical issues in the Wisconsin primary, because the people in the low and moderate income areas know that there is something unfair about the property tax. They don't have facts and figures, but it just doesn't seem quite right to them. We didn't really have the choice in Minnesota of going along on the old track. We couldn't have continued on as we were — there would have been an explosion in Minnesota, a backlash which I think would have greatly damaged education in this state. You could see it coming: in Bloomington there were over 1,000 irate taxpayers who showed up at a school board meeting to insist that the school costs be cut; in western Minnesota serious efforts took place to organize a taxpayers' revolt. Had reform not come, the Governor's conviction is that education would have been badly damaged, and I agree with that assessment. Furthermore, for those who think we should have gone along with the old system, I would argue that the legislature simply would not have provided the kind of funds that were

needed. The best way to get proper support for education in 1971 was to tie it in with property tax relief. The Governor's program called for that. And so a good deal of the financial support under the legislation was shifted from the local property tax to the state. The state was providing 43 percent of current school operating costs in 1970-71. Under the new legislation, by next year, the second year of the biennium, that support level will be 65 percent.

There remains, of course, some problems with the current legislation. If looked at from a taxpayer's standpoint, a good job was done of moving toward equalization of tax effort for support of schools; perhaps as much as one could expect to get from the state legislature in any given year. From the standpoint of equalizing educational opportunities for children, we really haven't gone too far. The Governor's original proposal called for equalizing educational expenditures per pupil over a six year period. Those districts spending below the state average would go up 1/6th of the difference between their level and the state average the first year, 1/3 of the difference the second year, 1/2 the third year, and so on. In five or six years there could have been equal expenditures. That provision was taken out in the compromise. A partial attempt was made to hold down the expenditures of the higher districts and to bring about a small measure of equalization by providing that districts above average in expenditures subtract the amount they received for special education. That provision is harmful, I think, to the best interest of special education. It was not part of the Governor's original proposal. It came out in the final bill and should be looked at in assessing the legislation and trying to change it for next time.

There is merit in trying to equalize educational expenditures in the state. To do that, you have to be realistic and put some squeeze, very frankly, on the high expenditure districts. There's not enough money available in the state to bring every school district up to the level of the highest, so you have to try to hold high districts to modest increases over the next few years — 4, 5, or 6 percent and bring up the lower districts at an accelerated rate. The provision regarding special education cannot do it; hopefully, that will be changed, so as to remove the inordinate pressure on special education.

Another problem with the current legislation is the failure to adequately protect summer school and community service programs. As the legislation is now working, many

schools are simply going to cut in those areas, and it seems to me to be terribly important not to cut either one. There are simply not enough summer jobs. It seems to be a terrible waste, not just of the school facilities lying idle during the summer, but the tremendous resources we have in our teachers, not to utilize them during that three month period. It seems to me that summer represents a great opportunity to experiment in education and I would hate to see that hurt by the provision in the current legislation.

I think also that we're going to have to wrestle with the question of how to provide disadvantaged pupils with adequate assistance. One of the great virtues of the current legislation is the provision that for each AFDC child in your school district, you can claim an extra half pupil unit. I think that's quite a breakthrough in recognition that disadvantaged children do have special needs. Whether the half unit is the right measure or whether we ought to be using AFDC as the measure of the disadvantaged is not clear. The legislature attempted to assure that the funds would be used for the disadvantaged pupils by requiring Minneapolis, St. Paul, and Duluth to report on per pupil expenditure by school. There were some, and I include myself, who would have favored reporting per pupil by school throughout the state. I know that presents a problem, but I think we really have to start looking at it. You can't talk about equal education opportunities among school districts without quickly getting to the question of equal educational opportunity within school districts, and this reporting, I'm sure, will be looked at very carefully.

We have additional problems with Minneapolis and St. Paul from the tax standpoint. The mill levy per school was about 120-130 mills for both cities, which, when compared to other districts with levies as high as 300 and over, was not a very heavy load for school purposes. The load in Minneapolis and St. Paul comes from other factors. Look at the total percentage of the population attending public schools. In Anoka in 1968, 40 percent of the total population was in school; in Burnsville, 37 percent; in Minneapolis, 15 percent; and in St. Paul, 16 percent. The Twin Cities have older populations and a greater reliance on parochial schools, particularly in St. Paul. But that smaller percentage is deceptive. From the poverty standpoint, in 1970 Minneapolis had 10.7 percent of all the families in the state, but 38 percent of the families on AFDC. They had 83 percent of all AFDC families in Hennepin County. St. Paul had about 8 percent of

the total families in Minnesota, and 19 percent of the AFDC families. Minneapolis had 15 percent of its population aged 65 or over; St. Paul had 13.3 percent, the rest of the state, 7.95 percent. Let me give you just one more example. Households under \$3,000 income: Edina 4 percent, Richfield 3.8 percent, Minneapolis 16.2 percent, and St. Paul 13 percent. The problem of Minneapolis and St. Paul is not the heavy tax load they are carrying for school maintenance purposes, rather it is the problem carried by every major city — a high minority population, a high percentage of older people, and a high number of disadvantaged in a variety of ways. The big cities have special problems, and the governor wants very much to try to include in the next legislative session some additional help for them. There have been complaints that they didn't get much property tax relief: 4 or 5 percent compared to 15 or 20 percent and higher in many areas of the state. That's true, because property tax relief was keyed to current operating expenses for schools, and that isn't where cities heavy loads are.

The current act doesn't provide help in the area of capital outlay and debt service, nor does it deal with the question of power equalization, which provides flexibility to those school districts who want to spend above the average. What's the outlook for the future? Probably you have seen statistics showing pupil enrollment projections in Minnesota. Enrollment hit a peak in 1971-72, and from now on will go down. In some regions of the state, particularly the northwest area, enrollments are going to be down as much as 20-30 percent. I think that raises some serious questions about school district reorganization.

How about public attitude? That becomes an important factor for education. Chancellor Mitau of the State College System has said that today there is not a very well developed constituency for support of higher education in the state, and I think he's probably right. Unfortunately, with the job market what it is, many thousands of college graduates are unable to find work. To what extent then are taxpayers willing to support the University of Minnesota, our state colleges, our junior colleges, if the graduates of these institutions can't find employment? It's a very difficult situation. My own thinking is that because of the way the school legislation and funding for elementary and secondary education are tied to property tax relief, we moved at a propitious time in Minnesota. I think had we not moved we would have the same problems here that they are encountering in a number of other states.

A number of other factors are involved. I mentioned that the current bill provides a per pupil expenditure in the first year of \$600 and in the second year of \$750. Now, the reason for that is we were already in that first year and most school districts had already levied taxes before the bill was passed. They could get by with \$600 since most districts weren't anticipating that much aid. But for the next biennium we have to have \$750 per pupil unit for both years; in fact, we have to be able to increase that. It might be reasonable to suggest that we go from \$750 per pupil to \$800 the first year, and to perhaps \$840 the second year. The additional expenditure to the State of Minnesota would be well over \$250 million dollars, using a rough figure of one million pupil units. (For every dollar of per pupil unit cost you increase the state's share, it costs you roughly a million dollars more.) I don't see any way to turn back from that basic course. The state is committed to an increase in expenditures for elementary-secondary education next biennium of perhaps \$250 million dollars without making any substantial change, but just providing, in effect, a cost of living increase.

The question is where the money is to come from to support this and other improvements needed in education. The Governor's top priority in the next legislative session is a combination of property tax relief and financing elementary-secondary education. He feels that this is a major thrust of his administration and he's going to stick with it and see it through. The first thing he's going to do is provide the above financing. But we have to be realistic, knowing the kind of sentiments expressed about the \$582 million dollar tax increase the Governor and legislature approved. I don't think it's reasonable to think that the Governor is going to go back into the next legislative session and ask for another massive tax increase. I don't think he would succeed and I don't think that he would succeed himself for a second term as Governor. We need over \$250 million dollars, and then we want to improve the situation and provide more special education, better summer schools, community services and the like. Where are we going to get the money?

There are two possibilities; one is possible revenue increase, but Tax Commissioner Roemer doesn't presently have good estimates, so nobody really knows what is projected for the next biennium. The Governor's Council of Economic Advisors is somewhat optimistic at this point about the economic climate in Minnesota. Now, if that optimism holds



and if in August the tax commissioner comes out with a favorable projection, there may be a little money there. But there are competing demands for this money. Even if there is an increase in revenue due to a better economy, there are other people seeking those same dollars. For example, the Welfare Department is going to have a difficult time avoiding a major deficit this biennium. Commissioner Fogel of Corrections is talking about revamping our corrections system, and community based corrections facilities might cost a lot of money. We have a Pollution Control Agency very concerned about the environment in this state, saying we've got to spend more money to clean up those lakes and streams and the aid. We just can't assume that everyone else is going to stand still while educators get those additional dollars. It's a competitive situation, even if the Governor is committed to this area as a top priority.

A possibility for additional funding is federal revenue sharing recently with Congressman Karth of St. Paul, a member of the House Ways and Means Committee. This very powerful House of Representatives committee decides the fate of so many of our revenue matters. At that time the Ways and Means Committee had reached tentative agreement on revenue sharing, and he was optimistic that the revenue sharing bill will pass this year. It passed out of the Ways and Means recently by a vote of 17 to 7, and I never saw Wilbur Mills, Chairman of the Ways and Means Committee, bring a bill onto the House floor and lose it. Right now they are fighting to get a cloture rule, so that it can't be amended, but must be voted up or down in the form that came out of the committee. However, some liberal Democrats in the House are angry because the bill has not provided for the funding, only for sharing of the revenue. They say — yes, we're going to share our debts! We're going into the red \$38 billion dollars and now we're going to give the state and local units another \$5.3 billion. Some say, all right, we're for revenue sharing, but let's close those tax loopholes, take off some of the capital gains features, and use the tax money so obtained to finance it. A coalition of some liberal Democrats, some conservative Democrats, and some conservative Republicans may jeopardize passage of the bill for a variety of reasons. But at this point it looks like the bill will be on the House floor within the next few weeks and it should pass in the House. Then it will have to go over to the Senate Finance Committee where Senator Long indicated some time ago he would support it. If it gets through the Finance Committee and the Senate, the President is expected to sign it.

Passage of that legislation would provide to the State of Minnesota \$51.6 million dollars and to local units in the state an additional \$62.4 million. The money for local units goes to what they call "general purpose governments," which excludes school districts because schools have a single purpose, education. It includes municipalities, counties, and townships based on a complicated formula which adjusts for metropolitan overburden and other factors. But roughly in most communities it might amount to about \$10 per person. A community of 10,000 people would get about \$100,000. Again, I'll stress that school districts would not share in this. The State's share could be spent for any purpose and I'm sure that, given the Governor's priorities, he would first look at financing education. If the current revenue sharing bill should pass, \$51.6 million would be available for the fiscal year of 1973. The current version of the bill provides that payment shall be retroactive to January 1, 1972, or roughly an additional one half of \$51.6 million.

If we don't get that revenue sharing bill, then I think we have problems. I am not optimistic about the fate of welfare reform bills. The President has asked the Advisory Commission on Intergovernmental Relations to look at a possible value-added tax as a way to increase federal support for schools, hoping to gain maybe \$13 billion dollars annually that way. I predict vigorous opposition from state governors to the President's value-added tax. Governors will be for more money for education, but not from a value-added tax. At any rate, because of the conflicting currents there I wouldn't expect any other major legislation providing substantial new federal aid to education next year.

Commissioner Casmey has set up a 30 member education task force to look at the current school aid formula and to come up with recommendations for changes for the next biennium. I understand that the task force is going to take a look at long-range plans for financing elementary and secondary education or at least the framework for it, and at the same time try to develop changes for the next legislative session which would fit that total overall framework. They have a very difficult job, and I'm sure the committee, of which Van Mueller is chairman, would be delighted at any suggestions you might have for improving the formula.

But I propose that the real story in financing education will be through a combination of forces that are more difficult to control. The revenue projections, the revenue sharing possibilities, the legislative races this fall, there is no question

— I think you can see coming battle after battle across the state over how much the state ought to provide in the financing of education. A lot will depend on the way those legislative races turn out. I think education is in a very difficult fight, but that it can develop and prosper in the years ahead with your support and the support of others committed to better education in the state.

QUESTION: Do you know anything about where that \$100 million dollars to come to Minnesota in revenue sharing would come from, or is it just a reorganization of money we now have?

ANSWER: No, it would be additional money. Actually they are talking about additional revenue to state and local units of \$5.3 million dollars. There is a little confusion as President Nixon proposed both “general revenue sharing” and “special revenue sharing” but this is new money.

With Joe Karth on the Ways and Means Committee, we do fairly well on the allocation formula. The state portion is \$51.6 million dollars, which puts us eighth among the states in the amount we receive and we’re 19th in population. Part of that is due to the efforts we’re making because we’ve got a relatively high income and sales tax combination. Because we tax higher at the state level, we get more in the revenue sharing bill.

QUESTION: I have a question relating to the additional levy permitted for AFDC families. I agree with your comments that it is a recognition of overburden of some kind as far as costs are concerned. I’ve also heard that there is really no accountability for that money. That you really don’t know where it’s going — whether to AFDC kids or to the general population. Yet there has to be a report back to the legislature. Everything is up in the air on this right now, and I’ve heard some of the senators express concern about this same type of thing. Is that one of the pieces of the bill that we should really look at?

ANSWER: I think so. It isn’t entirely a clean situation, because when you try to do two things with the same legislation, to provide property tax relief and at the same time finance schools — you get a mixed situation.

QUESTION: It was a compromise, wasn’t it?

ANSWER: In the first place, it was a recognition that Minneapolis and St. Paul particularly have special problems. In the Governor’s original proposal, the formula provided was subtraction of 33-1/3 mills for most school districts, but only

28-1/3 mills for Minneapolis and St. Paul or 100 auditors mills for most districts and 85 auditors mills for Minneapolis and St. Paul. When the Governor's people testified on the proposal, one of the first questions was why Minneapolis and St. Paul should get that kind of a break. It was admitted to be an effort to recognize the special problems that they have and to recognize the fact that they wouldn't get much property tax relief if they were at 100 mills. Someone, and I think it was Van Mueller, got recognition of the AFDC factor inserted in a school aid bill a couple of years ago as an opening wedge, and this became the vehicle then for a compromise. In part, some of the legislators were voting for that AFDC provision because they wanted more property tax relief for Minneapolis and St. Paul.

QUESTION: Were there data collected for the previous two years on what happened to the AFDC funds?

ANSWER: Those funds were very limited, only about \$400,000 for the biennium. Such a small amount didn't really have much impact, but I think it demonstrated a good strategy. I think Van worked very hard to get that provision inserted, which then became the vehicle for a much more standardized formula and an appropriation of \$37 million dollars for this biennium. Now, had the 1970 census data information been ready, I think there would have been more sentiment for using an income factor rather than the AFDC factor. We now have those data, and I think there will be some sentiment next time for using a different measure.

QUESTION: In the early discussions about revenue sharing, they did talk primarily about old money coming back in terms of special and general sharing. Would there remain any discussion of special revenue sharing with some existing monies being packaged in a more expeditious manner, coming to education as a bloc grant? Would there be any reason to tie the use of the AFDC allocation the state made at the time to some of the federal funds being utilized primarily for disadvantaged? This would tie federal and state together and build more directed funds and accounting for the use of those monies.

ANSWER: I agree with the direction, but from what I hear, I don't think there's much chance for a special revenue sharing package. But, even if we didn't get that, I still think we ought to follow the course you're talking about and take a hard look at how we're spending federal dollars. There is a very strong need in this state to rationalize the federal aid process.

We've gone a long way, further than perhaps any other state, in tying together our state and local finances, but we really can't do a thorough job until we also tie in that federal share.

QUESTION: Regarding the subtraction of special education aids in the foundation formula, was the reimbursement just a useful amount to be used against the high cost districts, or were the writers of the tax bill deliberately pointing to rising costs of special education in some of these districts?

ANSWER: No, I don't think so. I think it was a vehicle that was available for starting the Governor's attempts to equalize. If there was no provision for differentiating the districts, if everybody got exactly the same aid, you would never equalize. This was a small attempt to provide some equalization and that just happened to be a handy vehicle.

QUESTION: In some sense though, wasn't that a rather dangerous thing to do? Couldn't the concerned parents of handicapped children actually bring a case against that tax bill?

ANSWER: I wouldn't think so, because in fact they're going to continue to get special education aid. What it relates to, of course, is the amount of state aid a district gets.

# Summary Small Group Discussions

Participants in this conference on financing special education programs included most of the practicing special education administrators in Minnesota, along with a few general administrators, other agency representatives, and college and university personnel. After hearing the presentations which are reproduced in sections 1-4 of this document, participants divided into small discussion groups to evaluate possible plans and policies for financing special education. This exercise was conducted in three steps: first, to consider the assumptions and parameters influencing education in Minnesota in the immediate future (1972-75); second, to develop criteria by which any method of financing special education could be evaluated; and third, to consider some proposed financing plans according to those criteria.

The following assumptions, organized by category of activity, were identified by the small groups.

## *A. Program and Service Levels*

1. All children will be educated (zero rejection).
2. There will be definitions of education.
3. Full and comprehensive services will be instituted.
4. There will be a decrease in the number of children not served or underserved.
5. Mainstream education will serve minimally handicapped children.
6. Pressure will increase for more involvement with institutional populations.
7. Self-contained classrooms will decline and resource models will increase.
8. Programs for low-incidence handicapped will increase.
9. Special education will take a greater role in chemical dependency and delinquency programs.
10. Staff will be more highly trained.
11. Both pre and post school programs will be developed.
12. Courts and state legislatures will require districts to provide services.
13. Early intervention activities will increase.
14. There will always be some children who have needs beyond what the regular program can meet.
15. There will be a judicially based softening of categories.

## B. *Resource Allocation*

1. The state will move toward a higher level of funding for handicapped children.
2. The state will move to a higher level of general education support.
3. State and federal funding, mostly state, will increase substantially, with no increase in local.
4. State agencies other than education will withdraw support for educational services.
5. Use of special education personnel to change the mainstream program will increase.
6. Use of differentiated staffing in special education will increase.
7. Teacher organizations will have greater impact on staff utilization.
8. There will be analysis and review of the foundation aid program.
9. There will be more cooperative and joint funding with public and private agencies.
10. Priorities for use of resources will be established.
11. Greater accountability for program output prior to additional funding will be required.
12. New sources will be found for earmarked funds for education (lottery, pari-mutual betting, etc.).

## C. *Organizational and Governance Patterns*

1. Organizational structures to coordinate funding sources will improve.
2. The state will mandate special education leadership positions at local levels.
3. The present pilot program approval system will be adopted and implemented.
4. The secondary role of special education in voc-tech districts will diminish, the "reaction role" will be eliminated, and special education will determine its own destiny.
5. There will be greater state monitoring of programs but with increased local decision making.
6. There will be further school district reorganization in Minnesota.
7. State directives and guidelines on intermediate districts will be written.
8. MESA's will be established.
9. Formal cooperation among school districts will increase.

10. There will be greater involvement of area voc-tech schools in special education.
11. Special education section visibility within the State Education Agency will increase.

Given the six general categories listed (A-F), the small groups developed the following 27 criteria which any plan for financing special education programs in Minnesota should meet.

A. *Educational Objectives*

1. To substantially equalize educational opportunity throughout the state.
2. To develop a system of rewards for program comprehensiveness, early intervention, and normalization.
3. To allow for a *process* evaluation system.
4. To allow for personnel with differential competencies.
5. To recognize unequal expenditures for equal opportunity.

B. *The Scope, Content, and Quality of the Program to Accomplish the Objectives*

1. Any reimbursement plan should be based on level of service, rather than categories of students.
2. Any funding program must include
3. It should provide funding which will increase holding power of regular education.
4. It should encourage early identification.
5. It should allow for local innovation and experimentation.
6. It should maximize pre-school program implementation.
7. It should allow for funds to be used for development and use of technology in approaching children.

C. *The Organizational Arrangements for Providing Public Schooling*

1. Children should be provided services as close to normal and home environment as possible.
2. The state should provide 100% of support for children with no legal residence.
3. State support should not exclude support from other agencies.



4. The plan should reward comprehensive programming.
  5. Basic responsibility for special education programming must remain local.
  6. The plan should allow for financing of quality control personnel.
  7. The plan should encourage differential use of staff.
- D. *The Level of Financing that is Required to Provide the Program Desired*
1. Maximum reimbursement on salaries should be eliminated.
  2. State support should be 90 percent of excess costs.
  3. The plan should provide for differential funding for other essential needs.
  4. The plan should include all current expenditures, as well as capital outlay and debt retirement in state aid plan.
- E. *The Extent to Which Education Opportunity Within the State Will Be Equalized*
1. The plan should recognize differences in educational cost due to factors such as sparsity, density, and severity of handicap.
- F. *The Degree of Progressivity/Regressivity of the Tax Structure Used to Finance Schools*
1. Plan should minimize emphasis on property tax.
  2. It should not use special education reimbursements to limit levy of high expenditure districts.
  3. Plan should level up, rather than level down.

Conference participants met again in small groups to evaluate alternative plans for financing special education services, according to the criteria they had established earlier. Participants decided whether each plan did or did not meet each criterion. The criteria themselves were not ranked in order of importance. The results from the groups indicate a clear preference for full state funding, with a percentage categorical plan (similar to the type now in effect in Minnesota) as second choice. Support of special education through the foundation aid program by weighting pupil units met far fewer criteria than either of the other two plans. Some of the strengths and weaknesses of each plan are summarized below.

### **Percentage Categorical**

This plan tends to meet criteria set up in the categories of educational objectives and organizational arrangements. Participants were agreed that this plan allows services to be provided as close to home as possible and retains local responsibility. Also, it allows financing of quality control personnel and local innovation and experimentation, permits process evaluation, and does not exclude the possibility of funding from other agencies.

However, participants felt that a percentage categorical formula tends not to provide the level of financing required; it does not appear to affect progressivity/regressivity of tax structure, nor does it tend to recognize cost differentials within the state which influence equality of educational opportunity. There was unanimous agreement that it did not include capital outlay and debt retirement; that it did not provide full state support for children with no legal residence; and that it did not de-emphasize the property tax and did limit high-expenditure districts' levies through special education aids.

Comments indicated that many of the disadvantages could be overcome and thus more criteria met through a plan with a high percentage of support and other modifications.

### **Foundation Formula with Weighted Pupil Units**

Participants were able to unanimously agree on only one criterion met by this plan: that of maintaining local responsibility for providing special education. However, there was some feeling that this plan meets some of the criteria under the scope, content, and quality and organizational arrangements categories.

There was agreement that a weighted formula does *not* meet the following criteria: equalizing educational opportunity throughout the state; providing rewards for comprehensive programming, early intervention, and normalization; state support for children without legal residences, financing quality control personnel, and de-emphasizing the property tax. Nor was this plan seen as providing an adequate level of support; it does not limit reimbursement maximums, does not provide 90 percent of excess costs, provide differential funding for other essential needs, nor include capital outlay and debt retirement.

## Full State Funding

According to participants "criteria", this plan was clearly preferred. There were no criteria which participants unanimously agreed were not met by this plan (i.e., no cases of "no" votes from all groups). The plan appeared strongest in meeting criteria in the educational objectives and equalizing educational opportunities categories. Unanimity among groups was found for the following criteria from other categories: plan based on level of service rather than categories of children, allowing for local innovation and experimentation, encouraging preschool programs and use of technology, allowing rewards for comprehensive programming, quality control personnel, and encouraging normalization, providing differential funding for other essential needs, and tending to affect the tax structure by leveling up, rather than leveling down.

## General

Each of the three plans tended to meet criteria in the educational objectives, scope, content and quality, and organizational arrangement categories to a greater extent than each met criteria in the other categories. The sharpest divisions among plans — and clearest expressions of preference for full state funding or second, a percentage categorical plan — occurred in the level of financing and equalization of educational opportunity categories. All three plans were weakest in affecting the degree of progressivity/regressivity in the tax structure.

# List of Workshop Participants

Workshop on Financing Special Education in Minnesota

NAME	POSITION
Eric G. Allen	Director — Special Education Thief River Falls Public Schools
Phyllis Amacher	Coordinator — Special Education Robbinsdale Public Schools
Larry L. Anderson	Director — Special Education Detroit Lakes Public Schools
Roy J. Anderson	Administrator — Federal Programs for Handicapped Children State Department of Education
Al Baas	Special Education Regional Consultant Region D
Donald Benschoter	Director — Pupil Personnel Services Alexandria Public Schools
Arthur E. Bilyeu	Student University of Minnesota
Judith Brown	Coordinator — Physically Handicapped Programs Minneapolis Public Schools
Roger Buettner	Director — Special Services South St. Paul Public Schools
Richard A. Burkhardt	Director — Special Education Jordan Public Schools
Harriet T. Burns	Coordinator — Special Learning and Behavior Problems Minneapolis Public Schools
George W. Cassell	Director — Special Education Grand Rapids Public Schools
Duane J. Christianson	Director — Special Education Bemidji Public Schools
Gerald Christenson	Director State Planning Agency
Norman Cole	Special Education Regional Consultant Region A
David Conover	Director — Special Education Mounds View Public Schools
Gary Dodge	Planner State Planning Agency

Barbara Drolet	Coordinator — Interdistrict Special Education Wayzata Public Schools
Mary Louise Durkot	Principal Creekside Elementary School
John M. Eisbrenner	Elementary Director Inver Grove-Pine Bend Public Schools
Carolyn Elliott	Consultant — Special Learning and Behavior Problems State Department of Education
Wayne Erickson	Assistant Director — Special Education State Department of Education
Jack Fithian	Program Director — East Cooperative School Rehabilitation Center District #287
John Freeman	Coordinator — Special Education Duluth Public Schools
Jo Gascoigne	Director — Special Education Waconia Public Schools
James Gavenda	Director — Special Education St. Louis Park Public Schools
James J. Geary	Coordinator — Special Services Roseville Public Schools
Rita Grismer	Coordinator — University Training Program Minneapolis Public Schools
John Groos	Director — Special Education Section State Department of Education
Jerry Gross	Assistant Director for Special Education Programs Minneapolis Public Schools
Robert Guarino	Project Administrator — Prescriptive Instruction Center Minneapolis Public Schools
Gretchen Halfaker	Director — Special Education Eveleth Public Schools
Robert Halvorson	Director — Special Education Willmar Public Schools
Richard Henze	Director — Cooperative School Rehabilitation Centers District #287
Sarah F. Holbrook	Assistant Director for Psychological Services Minneapolis Public Schools
Larry Holmquist	Consultant — Mentally Retarded State Department of Education

Richard Holt	Director — Special Education Special Education Cooperative — St. Cloud
Betty Hubbard	Consultant — Regional Services Office St. Paul Public Schools
Richard Jensen	Special Education Regional Consultant Region F
Norma T. Johansen	Principal — Crippled Children's School Worthington Public Schools
Lee Johnson	Assistant Superintendent Osseo Public Schools
Richard Johnson	Director — Special Education Minneapolis Public Schools
Wayne Jones	Student University of Minnesota
Richard Kauffman	Director — Special Education Richfield Public Schools
W.H. Knickerbocker	Director — Elementary Education Austin Public Schools
Keith Kromer	Coordinator — Mentally Retarded Programs Minneapolis Public Schools
Dennis J. Laroque	Director — Special Education Duluth Public Schools
Robert L. Larson	Special Education Regional Consultant Region B
Orris Leabo	Director — Special Education Fergus Falls Public Schools
Donald Loe	Director — Special Education Cokato Public Schools
Thomas Mangan	Director — Special Education Anoka Public Schools
Robert Manning	Director — Special Education Little Falls Public Schools
W.J. Mattke	Superintendent Centennial Public Schools
Eunice McClurg	Program Supervisor — Special Needs District #916
Malcom McDonald	Director — Special Services Austin Public Schools
Lyle McFarland	Director — Special Education Mankato Public Schools
Nathaniel McNiel	Student University of Minnesota

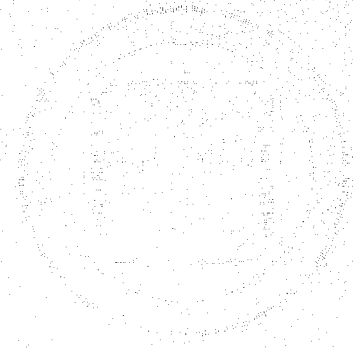
Edward F. Moore	Director — Special Education St. Peter Public Schools
Van D. Mueller	Associate Professor — Educational Administration University of Minnesota
Milan Nelson	Director — Special Education Granite Falls Public Schools
Judy Nielsen	SEIMC Director Montevideo Public Schools
Wallace N. Pierce	Special Education Regional Consultant Region C
George Prazich	Director — Special Education White Bear Lake Public Schools
Richard A. Rossmiller	Professor — Educational Administration University of Wisconsin
Rick Sands	Assistant Senate Counsel State Legislature
Nancy J. Short	Materials and Methods Specialist Prescriptive Instruction Center Minneapolis Public Schools
Terry Sjoberg	Director — Special Education Cloquet Public Schools
Carlo Sooger	Director — Special Services Centennial Public Schools
Marilyn Sorensen	Consultant — Visually Impaired and Physically Handicapped State Department of Education
Christopher G. Stapleton	Director — Special Education Rochester Public Schools
Ellsworth Stenswick	Director — Special Education Bloomington Public Schools
Alan K. Swedberg	Director — Special Services Moorhead Public Schools
Karen Swenson	Student University of Minnesota
James Szarke	Director — Special Education Morris Public Schools
Michael F. Trepanier	Consultant — Professions Development State Department of Education
Alice Tuseth	Director — Special Education Osseo Public Schools
Helen Tyler	Assistant Director for School Social Work Minneapolis Public Schools

Donald S. Waffler	Director — Special Education Faribault Public Schools
Donald Waldoch	Director — Special Education North St. Paul-Maplewood Public Schools
Richard F. Weatherman	Associate Professor — Special Education and Educational Administration University of Minnesota
Fred Weintraub	Assistant Executive Secretary for Inter- governmental Relations Council for Exceptional Children
Richard Welch	Director — Special Education Wadena Public Schools
Charles Wrobel	Manager for Special Needs District #916
Grace Young	Student University of Minnesota
Kay Zwernik	Director Roseville Day Activity Center



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*Administrative  
Leadership*



THE SUPPLY and DEMAND  
of  
PUBLIC SCHOOL ADMINISTRATORS  
by  
CLIFFORD P. HOOKER, *PROFESSOR*  
UNIVERSITY OF MINNESOTA

DIVISION OF EDUCATIONAL ADMINISTRATION  
COLLEGE OF EDUCATION  
UNIVERSITY OF MINNESOTA

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This issue of *Administrative Leadership* presents a research monograph of a supply-and-demand study by Clifford P. Hooker, professor in the Division of Educational Administration, University of Minnesota. After helping to launch the training department of the University for educational administrators by serving as its chairman for eight years, Dr. Hooker is now devoting his efforts to teaching and writing in the specialized fields of educational law and school district organization. Professor Hooker has functioned as an expert witness in court cases involving school district reorganization and has conducted intricate surveys for metropolitan and state school systems. He has assisted numerous school districts in the selection of administrators. The data for this particular study were accumulated in the academic year of 1971-72. This is indeed a much needed and unique examination of a problem confronting our American educational establishment.

**THE SUPPLY and DEMAND  
of  
PUBLIC SCHOOL ADMINISTRATORS  
IN MINNESOTA**

by

**CLIFFORD P. HOOKER, *PROFESSOR*  
UNIVERSITY OF MINNESOTA**

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Clifford P. Hooker

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## CHAPTER ONE

# INTRODUCTION

Nothing is more indicative of the uncertainty that afflicts educational administration than the supply of and demand for trained talent. Both supply and demand are nebulous, elastic concepts, having many of the properties of an invisible gas which expands, contracts and takes different shapes as the result of external forces. Scientific investigation of these concepts without the assistance of sophisticated controls and techniques is therefore hazardous to say the least, all of which may explain why investigators have reported few studies of this nature. Moreover, those who venture into state investigations, rather than national ones, are further encumbered with all of the nuisances of micro studies to the extent that the accuracy of results is inversely correlated with the scope of the study. However, the utility of a study of this nature in setting state policy may warrant the acceptance of the errors which are inherent in this type of investigation.

The supply of individuals to meet replacement needs and to fill new positions in educational administration in Minnesota can be identified with three basic sources. First, there is the certified group now holding administrative positions in the state. While these people clearly are not a part of a trained reserve, they will likely continue to fill most of the administrator positions for many years. Therefore, a detailed look at these people—their age, sex, tenure in present position, level of preparation, and administrative certification—provides a rather accurate mosaic of Minnesota school administrators for the next several years. The results of a questionnaire study of these administrators is reported in the next chapter of this monograph.



A second source of supply is the “ready reserve” in educational administration. These educators are fully trained and waiting their turn to become administrators. Most of them are presently teaching in the public schools, while others hold a variety of interim positions both within and outside educational institutions. Unlike the contemporary group of administrators, however, this amorphous group is difficult to identify. It expands or contracts, depending on the attractiveness of teaching *vis à vis* managing in schools. Also, many of these potential administrators must be described as “place bound” in that they will not move to accept administrative positions. Another complicating element is found in the record keeping and credentialing procedures in the state. Files in the State Department of Education simply fail to reveal in an uncontaminated fashion the content of graduate programs pursued by teachers. Moreover, generally candidates for administrative credentials do not apply for appropriate certificates until they are actively seeking a position. Finally, some educators complete graduate degrees in educational administration with no intention of becoming administrators. The availability of such programs at nearby institutions and the willingness of many school districts to offer salary increments to teachers for graduate study, regardless of field, seem to explain this somewhat irrational practice.

Given these constraints, two data collecting options seemed to be available. The first choice was to ask the school superintendents to identify all teachers on their staff who now hold administrator certificates or who are eligible to receive them. The research design called for the mailing of a questionnaire to these teachers. Unfortunately, there was good reason to not trust the results of this part of the study. Apparently, the superintendents, especially in large districts, do not have this information.

An alternate system was designed to collect the necessary data for this part of the study. The administrator training institu-

tions were contacted and asked to provide information about their outputs during the past five years. Again, unadulterated data were difficult to obtain. For example, many students completed Specialist and Doctor degrees while holding administrative posts. For these people, the work toward an advanced degree was a form of in-service education. Obviously, they should not be counted as both practicing administrators and future administrators. The research procedure and results of the contact with the administrator preparation institutions is reported in Chapter Three.

A third source of supply of administrators for Minnesota schools is even more nebulous than the groups described above. This is the horde of administrators from around the nation who are attracted by the pay scales and working conditions in Minnesota schools. Dozens of out-of-state school administrators apply for every vacancy in major districts in this state, whereas Minnesota administrators seldom aspire to administrative posts in other states. While a number of factors, such as a continuing contract for administrators, may contribute to this situation, higher salaries in this state must be viewed as a major attraction. For example, the 1971-72 median salary for school superintendents in the 40 districts in the Twin Cities metropolitan area was \$30,000. No superintendent in North Dakota or South Dakota was paid more than \$27,000 for the same year, and only two districts in Iowa exceeded the Twin Cities median. Similarly, school principals in Minnesota were paid considerably more than their counterparts in neighboring states in 1971-72. The median for high school principals in the Twin Cities area was \$23,250; \$18,270 in the five largest districts in North Dakota; and \$18,600 in the five largest districts in South Dakota. These salary differences favoring Minnesota positions explain why so many school administrators in neighboring states have ignored the advice of Horace Greeley and have gone east and north to maximize their opportunities.

Since there is no way to measure the potential supply of administrators for Minnesota schools who are now employed outside the state, this source of supply is not treated further in this report. However, the data in Table 7, page 23, substantiates the observation that Minnesota imports many trained school administrators. As shown in Table 7, more than one-third of the incumbent administrators received their highest degree from institutions outside Minnesota.

Reference was made earlier to the hazards involved in measuring the supply of trained talent for administrative assignments in public school systems. Contrary to popular belief, predicting future needs is also complex. While it is true that some of the important variables, such as the number of pupils to be educated, can be estimated with a high level of confidence, there is a host of more elusive and elastic factors which influence the demand for school administrators. For example, school district reorganization has had an impact on the need for school superintendents in Minnesota, reducing their ranks in districts maintaining grades 1-12 from 452 in 1967 to 436 in 1972. However, school district enlargement has also generated a need for more central office specialists, such as business managers, personnel directors, and instructional supervisors. Therefore, the process of school district reorganization may result in an increase, rather than diminution in the demand for school administrators.

Similarly, changes at the school building level have contributed to a reduction in the number of principals. Fewer and larger school buildings are now operated in many districts and, of course, some former districts operate no schools at all. However, again there is a demand for assistance to the administrator with the added responsibility. One or more assistant principals are now employed in all of the large secondary schools. Also, as shown in tables in this report, there are at least 47 assistant elementary school principals in the state.

The availability of funds to support school operations also

affects the demand for school administrators. In many situations it appears that an administrator is the "marginal man" who will be employed or not depending on the state of the school treasury, which, of course, is influenced by still another set of variables. Also, a generous supply of dollars may permit school boards to offer salaries which will protect their administrator corps from being proselyted by industry, business, or other public employers. Likewise, very attractive salaries persuade incumbents to delay retirement and thus reduce the demand for replacements.

Finally, changes in the scope of public education affects the demand for school administrators. Just as adding kindergartens increased the number of teachers to be employed, the expansion of offerings in pre-school, adult, vocational, and junior college education will continue to absorb a large portion of the newly trained talent in school administration. Again, the complexity of the demand equation is apparent, because program expansion is dependent upon the money supply, which, as noted, is further dependent upon other variables, and so it goes.

Regardless of these many disclaimers, an effort was made in this study to ascertain the future need for school administrators in Minnesota. The superintendents were asked to predict changes in their districts during the next five years which would affect the demand for administrators. The results are reported in Chapter Four. While these predictions of future needs have a great deal of utility, their limitations must also be recognized. They are subject to all of the uncertainties discussed earlier. Also, since no superintendent was willing to predict his own demise or that of any of his administrators before retirement age, in this sense these projections of replacement needs must be viewed as minimal.

Some observations about the present supply and comments about future needs appear in Chapter Five of this manuscript. Also, some strategies for reallocating training resources are sug-

gested. There is a tendency in this final chapter to go beyond the data, even to the point of conjecture in some instances, to report what is hopefully informed opinion, which may be of assistance to policy makers in the state of Minnesota.

## **CHAPTER TWO**

# **A 1972 PROFILE OF MINNESOTA SCHOOL ADMINISTRATORS**

As indicated in Chapter One, an assessment of the supply of school administrators logically begins with a somewhat detailed look at the incumbents. Many of these administrators will continue in their present positions for many years and others will apply for more attractive positions in Minnesota as they become vacant. Therefore, in one sense at least, the future supply of administrators is largely a reflection of the current scene.

The personal and professional characteristics of Minnesota school administrators are described in this chapter. The data were obtained from questionnaires which were returned by administrators in 406 of the 436 independent school districts providing educational services to students in both elementary and secondary schools. However, incomplete returns from some of the 406 districts further reduced the total number of usable responses. Nevertheless, the 30 districts failing to respond were among the smallest in population, enrolling no more than five percent of the students in the state.

### **PERSONAL CHARACTERISTICS**

Administrators were asked to provide the rather usual and mundane information about themselves, their positions and the school districts which employ them. Items of interest included age, sex, tenure in present position, and the number of students in the school districts. The results are reported below.

## AGE

The age of the school administrators in Minnesota is reported in Table 1. While the data in this table may hold few surprises for laymen or educators, some patterns are apparent. For example, school superintendents and other central office administrators are generally older than building principals. The one exception is the administrative assistant who is somewhat younger than either superintendents or principals. Also, assistant elementary school principals, as a group, are the youngest school administrators in the state. The newness of this position, like that of the administrative assistant, may explain the relative tenderness of their years.

This report on ages of incumbent administrators should not end without the general observation that Minnesota school administrators are a mature lot. The median age is between 41 and 45 with more of them above 60 than under 30. Again, the most senior members of the profession can be found in the front office, where one superintendent out of six is over 60 years of age.

**TABLE 1**  
**AGE OF MINNESOTA SCHOOL ADMINISTRATORS**

Position	Under							Over		No Re- sponse	Total
	25	26-30	31-35	36-40	41-45	46-50	51-55	56-60	60		
SUPT.	0	7	16	49	57	82	73	55	67	0	406
ASST. SUPT.	0	0	6	10	7	16	7	7	6	14	73
ADM. ASST.	0	6	9	12	6	5	2	5	3	12	60
DIRECTOR	0	5	14	17	30	24	18	9	18	4	139
SEC. PRIN.	1	50	90	112	122	102	61	43	33	3	617
ASST. SEC. PRIN.	0	21	52	64	49	45	15	5	8	58	317
ELEM. PRIN.	3	61	166	157	145	103	66	60	89	12	862
ASST. ELEM. PRIN.	2	10	8	8	4	4	1	3	0	7	47
OTHER	0	17	13	25	23	14	7	4	7	1	111
<b>TOTAL</b>	<b>6</b>	<b>177</b>	<b>384</b>	<b>454</b>	<b>443</b>	<b>395</b>	<b>250</b>	<b>191</b>	<b>221</b>	<b>113</b>	<b>2632</b>

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## SEX

Possibly no table in this report reveals a more consistent pattern than Table 2. Its message is clear, unequivocal and consistent. Men predominate at all ranks of school administration in Minnesota. The single category where women are represented in appreciable numbers is the elementary school principalship. However, considering that 85 percent of the elementary teachers are women, and about 60 percent of all teachers in Minnesota are women, discrimination on account of sex is equally obvious throughout. While the data displayed here represent conditions as of one point in time, the few trends noticed can be in but one direction. The extinction of the female species among administrators is so nearly complete that only increases in the number of women in school administration would be worthy of note by future investigators.

**TABLE 2**  
**SEX OF MINNESOTA SCHOOL ADMINISTRATORS**

Position	Male	Female	Total
SUPT.	406	0	406
ASST. SUPT.	73	0	73
ADM. ASST.	57	3	60
DIRECTOR	130	9	139
SEC. PRIN.	614	3	617
ASST. SEC. PRIN.	306	11	317
ELEM. PRIN.	705	157	862
ASST. ELEM. PRIN.	37	10	47
OTHER	102	9	111
<b>TOTAL</b>	<b>2430</b>	<b>202</b>	<b>2632</b>

## TENURE

The data in Table 3 reveal a nomadic quality about Minnesota school administrators which is greater than one might suspect. Most school administrators in this state have held their present position for five years or less, and among superintendents three out of four are in their first decade of service in their present position. This is in sharp contrast to the popular stereotype of a school administrator with permanent tenure and long term in office.

The elementary school principals seem to persist the longest in a single position. This is in part a factor of their relative youth at the time of their appointment (see Table 1) and possibly a suggestion that mobility from that position is rather limited. Also, it just could be that elementary school principals find more satisfactions in their positions.

Some caution should be exercised in interpreting Table 3. The administrators were asked to report the number of years they have held their present position. Since promotions within school systems are rather common, many of the administrators have tenure in their school district which far exceeds the duration of their present appointment. This condition would be especially true among central office administrators.

**TABLE 3**  
**TENURE IN PRESENT POSITION**

Position	Y E A R S							No Re- sponse	Total
	0-5	6-10	11-15	16-20	21-25	26-30	31+		
SUPT.	204*	95	51	24	20	4	2	6	406
ASST. SUPT.	40*	20	7	3	0	0	0	3	73
ADM. ASST.	37*	15	5	1	0	1	1	0	60
DIRECTOR	75*	34	11	5	4	2	1	7	139
SEC. PRIN.	388*	111	54	30	18	10	1	5	617
ASST. SEC. PRIN.	224*	55	24	6	2	0	0	6	317
ELEM. PRIN.	419	194*	129	77	24	8	2	9	862
ASST. ELEM. PRIN.	28*	11	0	0	0	1	0	7	47
OTHER	76*	15	14	6	0	0	0	0	111
<b>TOTAL</b>	<b>1491</b>	<b>550</b>	<b>295</b>	<b>152</b>	<b>68</b>	<b>26</b>	<b>7</b>	<b>43</b>	<b>2632</b>

\* Median

### SIZE OF SCHOOL DISTRICT

The relationship between administrator staffing and school district size is shown in Table 4. Since virtually all districts employ a superintendent (in some instances, superintendents serve more than one school district) and 406 of the K-12 districts are represented in the results of this study, the line in Table 4 reporting the distribution of superintendents can be used as a proxy for school district size in Minnesota. Using this approach, it is clear that more than one-half of the districts enroll under 1,000 students. Similarly, over one-half of the superintendents are employed in these small districts. Turning to the upper limits of the size range, only six superintendents serve districts with more than 20,000 students.

The distribution of central office positions, other than the superintendency, is a function of the size of district, with the larger systems more inclined to employ these additional administrative specialists. Medians for all of these positions (assistant superintendent, administrative assistant, and director) appear in districts enrolling over 7,000 students. Likewise, the group labeled "Other" in this table, generally serve in central office positions in systems with more than 10,000 students.

**TABLE 4**  
**NUMBER OF STUDENTS IN THE DISTRICT**

Position	S T U D E N T S									No Re- sponse	Total
	Under 1000	1000- 2000	2001- 3000	3001- 4000	4001- 5000	5001- 7000	7001- 10000	10001- 20000	Over 20000		
SUPT.	227*	89	30	13	8	11	11	11	6	0	406
ASST. SUPT.	0	0	4	2	5	6	14*	16	20	0	73
ADM. ASST.	0	4	2	3	4	12	10*	16	7	2	60
DIRECTOR	1	7	6	8	10	12	19	30*	43	3	139
SEC. PRIN.	219	110*	48	27	22	27	33	48	79	4	617
ASST. SEC. PRIN.	4	25	21	20	14	19	41	64*	109	0	317
ELEM. PRIN.	191	90	59	44	41	57*	77	115	182	6	862
ASST. ELEM. PRIN.	0	4	2	1	0	2	10	7*	19	2	47
OTHER	3	4	10	0	3	8	10	28*	45	0	111
<b>TOTAL</b>	<b>645</b>	<b>338</b>	<b>182</b>	<b>118</b>	<b>107*</b>	<b>154</b>	<b>226</b>	<b>336</b>	<b>510</b>	<b>17</b>	<b>2632</b>
TOTAL (excluding Supts.)	418	249	152	105	99	143*	215	324	504	17	2226

\* Median

The impact of size on the staffing pattern in secondary schools is shown clearly in Table 4. Since all of the school districts in this study have at least one high school and all but eight of them have a principal (there are 219 high school principals in the 227 districts enrolling fewer than 1,000 students), the distribution of principals is skewed toward the small districts. Interestingly, however, the skewing is just the opposite for assistant secondary principals. The larger districts, generally with high capacity schools, tend to employ more assistant principals than principals. While there is nothing surprising about these facts, they do suggest, however, that the career pattern for secondary principals likely will be from assistant principal in a large school to principal in a smaller one, or the assistant principalship may become a career position for many administrators.

Elementary school principals seem to be spread throughout the size range with some indication of a bimodal distribution in both the largest and smallest districts. Also, there are 36 districts in the smallest size group which employ no elementary principals. (There are 227 such districts and but 191 elementary school principals.) Since the 30 districts not accounted for in the returns of this study are extremely small, this pattern is probably typical of that group also.

The bottom line in Table 4 shows the total number of administrators, excluding superintendents. Again, like the pattern for elementary school principals, a bimodal distribution is apparent. Also, more than one-half of the non-superintendents are employed in the largest 39 districts in the state. Likewise, more non-superintendent administrators are employed in the largest six districts than in the 227 smallest ones. Again, if data from the non-reporting districts were available, this pattern would likely be even more pronounced.

## PROFESSIONAL CHARACTERISTICS

A second set of questions pertained to the professional preparation of Minnesota school administrators. Specific inquiries were made relative to the highest degrees held, date when such degrees were awarded, and the location of the institution granting these degrees. The results are reported in the tables which follow.

### DEGREES HELD BY MINNESOTA ADMINISTRATORS

Minnesota Board of Education Regulation Edu. 321 reads in part as follows:

*Every superintendent of schools and every assistant superintendent of schools shall hold an appropriate certificate based, ultimately, on two years of preparation beyond the baccalaureate degree.*

Similarly, Regulation Edu. 324 reads:

*Every elementary and secondary school principal and every assistant elementary and secondary school principal shall hold an appropriate certificate based, ultimately, on two years of preparation beyond the baccalaureate degree.*

These regulations were adopted in 1963 with an effective date of September 1, 1967. While one may quibble about the meaning of "ultimately," the impact of the "grandfather clause" contained elsewhere in the above regulations, and other details in these regulations, the central focus is clear. It was the intent of the State Board of Education to require two years of post-baccalaureate training for school administrators in this state. Training requirements for state certification is the same as the membership requirements in national associations for school administrators.



The discrepancies between the regulations and the training of incumbent administrators is shown in Table 5. About 2,300 of the 2,632 have less than two years of post-baccalaureate training! Only 60 of the 406 superintendents meet the goal as enunciated by the State Board in 1963!

A similar condition is evident at all levels. Moreover, the elementary school principals have 153 in their group without any graduate degrees. More comment on this subject appears in the final chapter of this report. At this point, however, it is useful to recognize that these comments may appear to be cutting or harsh, especially to administrators who do not have extensive graduate-level training. This is no attempt to fix blame or to criticize individuals. Indeed, the primary culprit for the relative training gap may be in the programs in the institutions of higher education. In any case, the training gap does exist and plans to close it should be forthcoming. Possibly the strategies suggested in Chapter Five will be of assistance.

**TABLE 5**  
**PROFESSIONAL PREPARATION OF MINNESOTA SCHOOL**  
**ADMINISTRATORS**

Position	Highest Degree Completed					Total
	B.A.	M.A.	Spec.	Doctorate	Not Reported	
SUPT.	16	330	27	33	0	406
ASST. SUPT.	4	44	8	16	1	73
ADM. ASST.	14	35	6	5	0	60
DIRECTOR	8	90	14	23	4	139
SEC. PRIN.	39	523	31	21	3	617
ASST. SEC. PRIN.	13	247	40	10	7	317
ELEM. PRIN.	153	650	44	11	4	862
ASST. ELEM. PRIN.	100	33	4	0	0	47
OTHER	16	73	7	15	0	111
<b>TOTAL</b>	<b>273</b>	<b>2025</b>	<b>181</b>	<b>134</b>	<b>19</b>	<b>2632</b>

## DATE OF HIGHEST DEGREE

Recency of training is generally a factor to consider when describing a group of professionals, such as school administrators. Data of this type give some clues about the exposure of members to new practices and concepts in their field of specialization. While there are many ways for administrators to update their training, the pursuit of advanced degrees is certainly an important one. Also, since administrator certificates are normally issued to individuals having rather minimal initial training with the expectation and often the requirement that the certificate holders continue their formal education, the recency of the highest degree is a measure of the incentive or compulsion in the certification regulations.

The dates when highest degrees were received by Minnesota administrators are shown in Table 6. The median range for the group was between 1960 and 1964 which is the same as the median for both elementary and secondary principals. Most of the central office administrators received their highest degree somewhat earlier, indicating again that this group is a bit older than building principals. Also, once an administrator has been promoted to superintendent, there may be less opportunity and incentive for him to continue formal course work in a graduate school.

**TABLE 6**  
**DATE OF HIGHEST DEGREE**

Position	Y E A R									No Re- sponse	Total
	1971	1970	1969	1968	1965- 67	1960- 64	1955- 59	1950- 54	Before 1950		
SUPT.	13	8	8	11	40	76	75*	79	89	7	406
ASST. SUPT.	3	2	4	3	12	12	11*	6	18	2	73
ADM. ASST.	6	1	3	3	14	8*	11	6	8	0	60
DIRECTOR	11	2	8	7	13	28	27*	19	24	0	139
SEC. PRIN.	34	43	47	46	75	133*	100	75	60	4	617
ASST. SEC. PRIN.	47	30	25	18	62*	60	35	21	15	4	317
ELEM. PRIN.	44	48	54	48	196	220*	113	89	44	6	862
ASST. ELEM. PRIN.	6	10	6	4	4	8*	6	2	1	0	47
OTHER	15	7	8	12	16*	22	11	13	7	0	111
<b>TOTAL</b>	<b>179</b>	<b>151</b>	<b>163</b>	<b>152</b>	<b>432</b>	<b>567*</b>	<b>389</b>	<b>310</b>	<b>266</b>	<b>23</b>	<b>2632</b>

\* Median

### INSTITUTIONS GRANTING ADVANCED DEGREES

The producers of advanced degrees for Minnesota administrators are identified in Table 7. As noted earlier, it is apparent that the state certification requirements have provided no important barriers to administrator mobility. This is especially true of school superintendents, over one-half of whom hold their highest degree from universities outside of Minnesota. Also, almost one-half of the secondary principals received their training outside this state. The Minnesota institutions have been somewhat more productive as far as elementary principals are concerned. This is especially true of the state colleges where nearly one-half of the elementary principals received advanced degrees.

**TABLE 7**  
**INSTITUTION GRANTING HIGHEST DEGREE**

Position	Univ. of Minnesota	Minn. State Colleges	Minn. Private Colleges	Out of State	No Re- sponse	Total
SUPT.	146	13	8	239	0	406
ASST. SUPT.	37	5	4	26	1	73
ADM. ASST.	21	13	7	19	0	60
DIRECTOR	68	17	11	41	2	139
SEC. PRIN.	203	83	34	297	0	617
ASST. SEC. PRIN.	118	41	47	109	2	317
ELEM. PRIN.	252	390	20	198	2	862
ASST. ELEM. PRIN.	13	16	1	15	2	47
OTHER	53	16	11	31	0	111
<b>TOTAL</b>	<b>911</b>	<b>594</b>	<b>143</b>	<b>975</b>	<b>9</b>	<b>2632</b>

## ADMINISTRATIVE CERTIFICATION

Minnesota, like all other states in the nation except Michigan and California, requires a special credential of persons holding administrative positions in public schools. State statutes or state board of education regulations enumerate the positions falling within this category, as well as the requirements and procedures for obtaining the requisite credential. Also, all of the details pertaining to the duration and renewal of administrative certificates are encompassed in state law or state board regulations.

The Minnesota State Board of Education has been granted authority to establish training requirements and issue certificates to school administrators. In the exercise of this authority, the State Board has developed an orderly process for periodic review and revision of administrator certification requirements. Each attempt to change the certification standards, however, is resisted by individuals and groups who would be adversely affected by the proposed change. In balancing the interests of the various parties, the State Board in the past has been willing to compromise, and more importantly, include "grandfather clauses" in most of the new regulations. The result of this process is represented by the plethora of certificates listed in Table 8. As shown in the table, there are ten different administrative credentials in Minnesota. Not shown, however, is the "provisional" certificate which is issued in exceptional situations. Sources in the State Department of Education reported that approximately 12 such certificates are issued each year.

Administrators who were issued certificates prior to 1967 are identified in the first five columns in Table 8, and all holders of certificates which were granted under the present requirements are listed in Columns 6 through 10. cursory examination of the two sides of this table gives the unmistakable impression that huge numbers of administrators with life certificates were covered by a "grandfather clause" in the new and higher standards

**TABLE 8**  
**ADMINISTRATIVE CERTIFICATION**

Position	1	2	3	4	5	6		8		10	No Re- sponse	To- tal	
	Supt. Life	El. Prin. Life	Sec. Prin. Life	Stand. Ad- min.	Prof. Ad- min.	Standard El.	Standard Sec.	Profess. El.	Profess. Sec.	Limited Ad- min. None			
Supt.	287	3	4	76	25	2	4	0	2	1	1	1	406
Asst. Supt.	30	9	3	10	10	1	5	1	1	0	2	0	73
Ad. Asst.	9	3	8	3	3	6	6	1	0	1	18	2	60
Director	19	28	14	13	14	15	8	3	2	0	20	3	139
Sec. Prin.	43	7	227	71	13	5	199	1	38	5	6	2	617
Asst. Sec. Prin.	2	3	60	50	14	1	151	1	17	1	17	0	317
Elem. Prin.	26	328	7	43	7	332	9	35	1	54	13	7	862
Asst. Elem. Prin.	0	5	1	5	1	16	2	3	0	3	9	2	47
Other	11	8	7	11	10	11	11	0	2	2	38	0	111
<b>TOTAL</b>	<b>427</b>	<b>394</b>	<b>332</b>	<b>282</b>	<b>97</b>	<b>389</b>	<b>395</b>	<b>45</b>	<b>63</b>	<b>67</b>	<b>124</b>	<b>17</b>	<b>2632</b>

25



of 1967. Also, relatively few incumbent administrators have received certificates under the present regulations. The exceptions are the 332 elementary principals, 199 secondary principals, and 151 assistant secondary principals who have received standard certificates under the regulations which became effective in 1967.

### EXPIRATION DATES OF CERTIFICATES

The expiration dates of certificates now held by Minnesota school administrators are shown in Table 9. Again, the preponderance of life certificates is the most significant fact to be found in the table. Over two-thirds of the superintendents and nearly one-half of the elementary and secondary school principals hold life certificates.

Another fact in Table 9, which is somewhat obscured by the number of life certificates, is the significant number of principals and assistant principals who will have to renew their certificates in the next few years. Since such renewal is normally predicated on more formal education, the implications for training institutions are apparent.

**TABLE 9**  
**EXPIRATION DATE OF ADMINISTRATIVE CERTIFICATE**

Position	Life	Y E A R						Not Re- ported*	Total
		1972	1973	1974	1975	1976	1977		
SUPT.	294	26	20	21	19	19	1	6	406
ASST. SUPT.	43	4	6	6	6	6	0	2	73
ADMIN. ASST.	20	3	3	10	2	2	0	20	60
DIRECTOR	61	11	11	8	13	15	0	20	139
SEC. PRIN.	277	72	62	82	47	54	6	17	617
ASST. SEC. PRIN.	65	50	54	54	40	36	0	18	317
ELEM. PRIN.	361	95	146	106	65	56	2	31	862
ASST. ELEM. PRIN.	6	4	15	9	3	1	0	9	47
OTHER	26	10	7	12	7	11	0	38	111
<b>TOTAL</b>	<b>1153</b>	<b>275</b>	<b>324</b>	<b>308</b>	<b>202</b>	<b>200</b>	<b>9</b>	<b>161</b>	<b>2632</b>

\* Administrators without certificates account for most of the non responses to this item.

### **AGE OF ADMINISTRATORS HOLDING LIFE CERTIFICATES**

The replies from holders of life certificates were further analyzed to determine the age of this group. Since such certificates are granted to persons who apparently will never need more training, one might surmise that life certificates are held by very senior administrators. The data in Table 10 explode this hypothesis. It is true that about one in six (169 out of 997) are over 60 years of age, however, the median age for the 997 holders of life certificates is about the same as the median age for the entire group of 2,632 administrators. (See Table 1 for a report on ages for all administrators.)

**TABLE 10**  
**AGE OF ADMINISTRATORS HOLDING LIFE CERTIFICATES**

Position	Y E A R S								No Re- sponse	Total
	Under 30	31-35	36-40	41-45	46-50	51-55	56-60	Over 60		
SUPT.	0	2	17	35	62	63*	50	64	1	294
SEC. PRIN.	0	3	33	56	73*	46	39	24	3	277
ASST. SEC. PRIN.	0	2	11	9	16*	11	5	9	2	65
ELEM. PRIN.	2	14	38	68	69*	46	43	72	9	361
<b>TOTAL</b>	<b>2</b>	<b>21</b>	<b>99</b>	<b>168</b>	<b>220*</b>	<b>166</b>	<b>137</b>	<b>169</b>	<b>15</b>	<b>997</b>

\* Median

## HIGHEST DEGREES

The highest degrees held by administrators with life certificates are shown in Table 11. Less than ten percent of the administrators in this group have attained the level of training which was set as a goal by the State Board of Education in 1967 and quoted earlier in this chapter.

**TABLE 11**  
**HIGHEST DEGREES HELD BY ADMINISTRATORS WITH**  
**LIFE CERTIFICATES**

Position	D E G R E E				Not Re- ported	Total
	B.A.	M.A.	Spec.	Doc- tors		
SUPT.	15	248	19	12	0	294
SEC. PRIN.	18	241	9	9	0	277
ASST. SEC. PRIN.	2	57	3	1	2	65
ELEM. PRIN.	67	259	24	7	4	361
<b>TOTAL</b>	102	805	55	29	6	997

## PROFILES OF TYPICAL INCUMBENTS

The profiles of typical Minnesota school administrators can be drawn from the data in the preceding tables. For example, the typical elementary principal is a male between 41 and 45 years of age who has been in his present position about six to ten years. He works in a school district with more than 5,000 but less than 7,000 students. He has a Master's degree which was issued by one of the Minnesota state colleges in the early 1960's. The chances are one in three that he holds a life certificate.

The typical secondary principal differs little from his counterpart in the elementary schools. He, too, is between 41 and 45 years of age, but tenure in his present position is probably less than six years. Also, the typical secondary principal is employed in a school district enrolling between 1,000 and 2,000 students. There is a slight probability that his Master's degree was earned in Minnesota rather than at an institution outside the state. In either case, the degree was awarded in the early 1960's. The odds are one to three that he holds a life certificate.

The typical superintendent is between 46 and 50 years of age, and has been in his present position five years or less. He is employed in a district which enrolls fewer than 1,000 students. His Master's degree was earned in the late 1950's at a university outside of Minnesota. The odds are three to one that he holds a life certificate.

Profiles of typical incumbents in other administrative positions appear in the tables in this chapter. Also, of course, the profiles of less typical individuals could be drawn.

## **CHAPTER THREE**

### **OUTPUTS OF PREPARING INSTITUTIONS**

Graduates of state-approved administrator preparation programs represent an important source of manpower for leadership positions. Persons aspiring to be school principals and superintendents in Minnesota must meet the requirements of these institutions, or as noted earlier, complete similar programs in other states. While technically it is possible to meet certification standards without completing a graduate degree with a major in educational administration, and vice versa, these are rather uncommon practices and somewhat cancelling in their effect on outputs. Due to this close relationship between graduate degrees and administrator certification, and since college and universities issue degrees rather than certificates (and therefore keep records accordingly), the eight preparing institutions were asked to report the number of degrees awarded. The results are described and analyzed later in this chapter.

### **STATE CONTROL OF ADMINISTRATOR PREPARATION**

The state maintains general control of administrator preparation programs in Minnesota. This control is exercised by the State College Board, the State Board of Education, and the Regents of the University. The State College Board and the Regents of the University authorize the granting of degrees in the state colleges and the University, respectively. Similarly, the State Board of Education, upon the recommendation of its professional staff in the State Department of Education, approves administrator preparation programs. The standards established by the North Central Association of Colleges and Secondary

Schools and approval by that agency are important considerations in the process.

The procedures described above were used in granting approval to the institutions of higher education to offer the programs which are listed in Table 12. As indicated in the table, eight institutions offer the Master's degree, six have two-year programs, and one awards Doctor's degrees. The pattern shown in Table 12 also suggests that approval to offer a graduate degree generally includes authorization to train administrators for all levels of specialization, e.g., elementary, secondary, and general administration. The two exceptions are at Bemidji and Moorhead where training is limited to elementary school administration. The outputs of these eight institutions are described in the following pages.

### **GRADUATE DEGREES IN EDUCATIONAL ADMINISTRATION**

The outputs of the eight Minnesota administrator training institutions for the past five years are described below. The graduates of the five state colleges, UMD and St. Thomas are summarized in one set of tables, while the graduates of the Twin Cities Campus of the University are treated in a comparable set of tables.

The degrees awarded at the five state colleges, UMD, and St. Thomas during the past five years are shown in Table 13. Also, the specializations pursued by degree holders are reported in the table. While there is little which can be described as a trend in the data, there does seem to be a slight increase in the number of individuals pursuing the Specialist degree. Also, a few more of the recent graduates have prepared for general administrative positions in school systems. Both of these can be attributed to the recent (1970) approval of the Specialist degree program at Mankato and an expansion of enrollment at St. Thomas.



TABLE 12

INSTITUTIONS PREPARING SCHOOL ADMINISTRATORS IN  
MINNESOTA

Institution	M.A. Degree	Specialist Degree	Doctor's Degree	
			Ph.D.	Ed.D.
University of Minnesota (Twin Cities)	Elementary Secondary Gen. Admin.	Elementary Secondary Gen. Admin.	Elementary Secondary Gen. Admin.	
UMD (University of Minnesota at Duluth)	Elementary Secondary Gen. Admin.	Elementary Secondary Gen. Admin.	————	
Bemidji	Elementary	————	————	
Mankato	Elementary Secondary Gen. Admin.	Elementary Secondary Gen. Admin.	————	
Moorhead	Elementary	————	————	
St. Cloud	Elementary Secondary Gen. Admin.	Elementary Secondary Gen. Admin.	————	
St. Thomas	Elementary Secondary Gen. Admin.	Elementary Secondary Gen. Admin.	————	
Winona	Elementary Secondary Gen. Admin.	Elementary Secondary Gen. Admin.	————	

**TABLE 13**  
**EDUCATIONAL ADMINISTRATION GRADUATES FROM FIVE**  
**MINNESOTA STATE COLLEGES, UMD, AND ST. THOMAS**  
**DURING THE PAST FIVE YEARS**

Year	Degree		Specialization			Total Graduate Degrees
	M.A. (M.S.)	Specialist	Elem.	Secon.	General	
1967-68	127	3	93	37	0	130
1968-69	154	2	93	63	0	156
1969-70	146	6	94	56	2	152
1970-71	133	12	83	59	3	145
1971-72	128	13	82	54	5	141
Totals	688	36	445	269	10	724

Since it is useful to consider the eight programs in educational administration as a state system, most of the comments regarding the number of graduates and the distribution by degrees and areas of specialization appear near the end of this chapter—following further analysis of the outputs of the seven institutions and a set of tables concerning the outputs of the Twin Cities Campus of the University.

Positions held by the 724 persons finishing degrees at seven of the preparing institutions are reported in Table 14. Various interpretations can be made of these data depending on one's expectations of graduates and one's willingness to accept "cold storage education" as a characteristic of administrator preparation. In this instance, all but 212 of the 724 graduates are in positions which normally require some graduate-level training. These 212 classroom teachers, and possibly the 69 in "miscellaneous" and "other administrative" positions, presumably represent a "ready reserve" for school administrator positions.

**TABLE 14**  
**POSITIONS NOW HELD BY EDUCATIONAL ADMINISTRATION**  
**MAJORS WHO HAVE GRADUATED FROM MINNESOTA STATE**  
**COLLEGES, UMD, AND ST. THOMAS DURING THE PAST**  
**FIVE YEARS**

Position	LOCATION		Total
	Minn.	Out-of-State	
ELEMENTARY PRINCIPAL	193	33	226
SECONDARY PRINCIPAL	169	29	198
SUPERINTENDENT	6	3	9
COLLEGE TEACHING	7	3	10
CLASSROOM TEACHING	197	15	212
OTHER ADMINISTRATIVE	13	12	25
MISCELLANEOUS	44	0	44
<b>TOTALS</b>	<b>485*</b>	<b>95</b>	<b>724</b>

\* The 44 in the miscellaneous category are not included in this figure.

**TABLE 15**  
**MINORITY STUDENTS COMPLETING GRADUATE DEGREES**  
**WITH MAJORS IN EDUCATIONAL ADMINISTRATION FROM**  
**MINNESOTA STATE COLLEGES, UMD, AND ST. THOMAS**  
**DURING THE PAST FIVE YEARS**

Year	Number
1967-68	2
1968-69	3
1969-70	2
1970-71	2
1971-72	4
TOTAL	13

**TABLE 16**  
**SEX OF GRADUATES WITH MAJORS IN EDUCATIONAL**  
**ADMINISTRATION DURING PAST FIVE YEARS FROM FIVE**  
**MINNESOTA STATE COLLEGES, UMD, AND ST. THOMAS**

Year	Female	Male	Total
1967-68	11	119	130
1968-69	11	145	156
1969-70	8	144	152
1970-71	9	136	145
1971-72	8	133	141
TOTALS	47	677	724

**TABLE 17**  
**UNIVERSITY OF MINNESOTA (TWIN CITIES CAMPUS)**  
**GRADUATES WITH MAJORS IN EDUCATIONAL**  
**ADMINISTRATION DURING THE PAST FIVE YEARS**

Year	D E G R E E				Total
	M.A.	Specialist	Ph.D.	Ed.D.	
1967-68	21	1	11	0	33
1968-69	22	5	20	5	52
1969-70	15	5	17	5	42
1970-71	18	6	9	16	49
1971-72	12	16	17	16	61
<b>TOTALS</b>	<b>88</b>	<b>33</b>	<b>74</b>	<b>42</b>	<b>237</b>

Much has been written recently about equal employment opportunity for females and minorities in educational institutions. Many respectable researchers have shown that white men are generally favored over females and minorities, especially for positions commanding high salaries. The data in Tables 15 and 16 seem to indicate that Minnesota public schools in the future are destined to repeat the discriminations of the past unless external interventions upset the system.

While most of the general comments about the supply of administrators are reserved for Chapter Five, suffice it to say now that the five state colleges, UMD, and St. Thomas are not producing their share of female or minority graduates. Only 13 of the 724 graduates in the past five years were minority students and only 47 of the 724 were women. The research design did not yield data concerning the number of female graduates who are also minorities, but other facts suggest that such a number would be exceedingly small, or even zero in some instances. Moreover, no females or minorities are employed at the rank of assistant professor or above in the administrator training pro-

grams in the five state colleges, UMD, and St. Thomas. Again, the pattern for the future seems to be established.

The outputs of the Division of Educational Administration, University of Minnesota (Twin Cities Campus) are shown in Table 17. The shift toward the training of persons at the Specialist and Doctor's degree levels is apparent in this table. Also obvious is a sizable increase in total outputs, especially since the Ed.D. degree was first offered in 1968-69. The data in this table and Table 13, page 35, show that slightly more than 10 percent (88 out of 776) of the Master's degrees in school administration for the past five years were awarded at the Twin Cities Campus of the University, whereas, approximately 50 percent (33 out of 69) of the Specialist degrees and all of the 117 Doctor's degrees were earned at that institution.

Recent attention to the training of female and minority students at the Twin Cities Campus of the University is reflected in Tables 18 and 19. The affirmative recruitment programs, especially for American Indians, are beginning to bear fruit. Also, the employment of one minority professor is a healthy develop-

**TABLE 18**  
**SEX OF UNIVERSITY OF MINNESOTA (TWIN CITIES CAMPUS)**  
**GRADUATES WITH MAJORS IN EDUCATIONAL**  
**ADMINISTRATION DURING THE PAST FIVE YEARS**

Year	Female	Male	Total
1967-68	3	30	33
1968-69	3	49	52
1969-70	2	40	42
1970-71	7	42	49
1971-72	6	55	61
<b>TOTALS</b>	<b>21</b>	<b>216</b>	<b>237</b>

**TABLE 19**  
**MINORITY STUDENTS COMPLETING GRADUATE DEGREES**  
**WITH MAJORS IN EDUCATIONAL ADMINISTRATION AT THE**  
**UNIVERSITY OF MINNESOTA (TWIN CITIES CAMPUS)**  
**DURING THE PAST FIVE YEARS**

Year	Number
1967-68	0
1968-69	1
1969-70	1
1970-71	12
1971-72	4
<b>TOTAL</b>	<b>18</b>

ment. Unfortunately, however, the University, like all of the other educational training institutions in the state, has employed no females in its Division of Educational Administration.

As shown in Table 20, the winners of degrees at the Twin Cities Campus of the University enter a variety of positions. Approximately one-fifth of them head elementary schools and a similar number become secondary school administrators. Central office positions, such as business manager, assistant superintendent, and personnel director account for 31 of the graduates. Only 28 of the graduates in the past five years are school superintendents; 16 are in college teaching; and 11 are administrators in junior colleges. A very large contingency, 44 of the 237 are in miscellaneous positions in state and federal agencies, private companies, etc. Fifty-one of the graduates are employed outside the state of Minnesota.

#### **TOTAL OUTPUTS OF EIGHT PROGRAMS**

While there is not a single state system of higher education in Minnesota, the professors of educational administration in

**TABLE 20**  
**POSITIONS NOW HELD BY PERSONS WHO MAJORED**  
**IN EDUCATIONAL ADMINISTRATION AT THE UNIVERSITY**  
**OF MINNESOTA (TWIN CITIES CAMPUS)**  
**DURING THE PAST FIVE YEARS**

Position	LOCATION		Total
	Minnesota	Out-of-State	
<b>ELEMENTARY</b>			
ADMINISTRATOR	46	5	51
SECONDARY ADMIN.	51	5	56
SUPERINTENDENT	23	5	28
COLLEGE TEACHING	10	6	16
<b>JUNIOR COLLEGE</b>			
ADMINISTRATOR	10	1	11
<b>CENTRAL OFFICE</b>			
POSITIONS	26	5	31
MISCELLANEOUS	20	24	44
<b>TOTALS</b>	<b>186</b>	<b>51</b>	<b>237</b>

eight institutions have long recognized the value of cooperation. The Midwest Council for Educational Administration (formerly the Minnesota Council for Educational Administration), a federation of professors from 15 institutions was spawned at a series of meetings which began in the winter of 1968. As this organization grew and its worth became known, the concept of cooperation in program planning for institutions with interests in educational administration was expanded. The Midwest Council for Educational Administration thus replaced the parent organization in the academic year of 1971-72. The outputs of eight programs, the Minnesota contingency to the Midwest Council of 15 educational institutions, are reported earlier in this section and summarized in Table 21 below. Similar data from all of the 15



member institutions of the Midwest Council for Educational Administration would provide further insight into the supply-and-demand equation for this region.

Most of the data reported in two earlier tables (Tables 13 and 17) are combined in Table 21, thus giving a five-year summary of outputs for the eight institutions in Minnesota. The single significant trend in the data is the shift toward higher levels of preparation with an associated diminution in the number of Master's degrees being awarded. Competition for choice positions and the impact of the 1967 two-year training requirement probably account for the press for the Specialist and Doctor degrees.

The relationship between this supply of manpower and the demand for administrators is discussed in the final chapter of this document. Before reaching definitive conclusions, however, the reader should reflect on the amorphous nature of the concepts under investigation. As noted in the introduction to this report, both supply and demand are highly unstable.

**TABLE 21**  
**EDUCATIONAL ADMINISTRATION GRADUATES FROM FIVE**  
**MINNESOTA STATE COLLEGES, UMD, ST. THOMAS, AND**  
**THE UNIVERSITY OF MINNESOTA (TWIN CITIES CAMPUS)**  
**DURING THE PAST FIVE YEARS**

Year	DEGREES				Total
	M.A.(M.S.)	Specialist	Ph.D.	Ed.D.	
1967-68	148	4	11	0	163
1968-69	176	7	20	5	208
1969-70	161	11	17	5	194
1970-71	151	18	9	16	194
1971-72	140	29	16	18	203
<b>TOTALS</b>	<b>776</b>	<b>69</b>	<b>73</b>	<b>44</b>	<b>962</b>

## CHAPTER FOUR

# FUTURE DEMAND FOR SCHOOL ADMINISTRATORS IN MINNESOTA

The hazards involved in predicting the future needs for school administrators in a single state were discussed in Chapter One. There simply is no technique which is without limitations. A myriad of variables, many of which reside completely outside the educational establishment, expand or diminish the demand for school administrators.

Given this set of constraints, a decision was made here to keep the procedure as simple as possible and apologize in advance. Therefore, superintendents were asked to predict changes in the next five years which will affect the demand for administrators in their district. The superintendents were instructed to consider additions, reductions, and retirements which they anticipate. The principal justification for this procedure rests on the assumption that these men who are closest to the scene are best able to make short-range predictions of replacement needs, expansions, and in a few instances, reductions in staff needs. The long-range projections will be left to other prognosticators with a warning that the art is an imperfect one and the immodest suggestion that it would be better to replicate this study periodically.

The basic data produced in the manner described above are reported in Table 22. The interaction between the three major forces affecting predicted changes, namely retirements, additions, and reductions, is expected to produce a need for 407 school administrators during the five-year period. Clearly, retirements, which, of course, can be predicted with some degree

of confidence, will account for more than one-half of this need. Again, it is important to note that no superintendent predicted his own demise or that of any of his subordinates before reaching retirement age. Even state tenure for administrators and their reputation for survival would hardly warrant this optimistic forecast.

The greatest percentage of replacement needs will be in the ranks of the superintendents. This is the case because of their more advanced years. As observed in Table 1 on page 9, 67 of the superintendents are over 60 years of age. The projected number of retirements, as reported in Table 22, is 72.

Further comparisons between the figures in the "retire" column of Table 22 and the "Over 60" column in Table 1, page 9, provide some validation for the results of this study. For example, 41 secondary school administrators are over 60, while 55 are expected to retire in the next five years. Similarly, 89 elementary principals are over 60, whereas 99 expect to retire. In both instances, it seems that some principals will retire before reaching age 65, but the number is relatively small.

A significant number of superintendents predicted the addition of assistant principals, especially at the secondary level. Surprisingly, however, they anticipate only a modest increase in the number of assistant elementary principals. The reason for this cautious outlook is not known but one might speculate that innovative organizational patterns in the elementary schools create needs for "team leaders" and other instructional specialists, rather than assistant principals. Little is really known about these new positions or the training and experience of persons filling them. Some research is needed.

Many superintendents expect to add positions which will assist them quite directly. The titles mentioned most frequently were administrative assistant and assistant superintendent. Given a static or even declining number of superintendent positions in

**TABLE 22**  
**NUMBER OF ADMINISTRATORS PRESENTLY EMPLOYED AND**  
**PROJECTED NEEDS AS REPORTED BY 406 MINNESOTA**  
**SUPERINTENDENTS**

Position		Predicted Changes in the Next Five Years			NET
		Re- tire	Add	Re- duce	
SUPERINTENDENT	406	72	0	3	+ 69
ASSISTANT SUPERINTENDENT	73	7	17	1	+ 23
ADMINISTRATIVE ASSISTANT	60	5	25	3	+ 27
DIRECTOR	139	20	12	3	+ 29
SECONDARY PRINCIPAL	617	43	27	4	+ 66
ASST. SEC. PRINCIPAL	317	12	44	4	+ 52
ELEMENTARY PRINCIPAL	862	99	36	19	+ 116
ASST. ELEM. PRINCIPAL	47	0	13	1	+ 12
OTHER	111	10	5	2	+ 13
<b>TOTALS</b>	<b>2632</b>	<b>268</b>	<b>179</b>	<b>40</b>	<b>+ 407</b>

Minnesota, the career pattern leading to the top administrative position will likely be through one of these titles, rather than a record of success as a superintendent in an interminable number of minuscule school districts. This trend, if realized, will be welcomed by all, except the ambitious superintendent now working in a small school district.

## **CHAPTER FIVE**

# **IMPLICATIONS FOR TRAINING AND CERTIFICATION**

The value of a study of this nature lies in the guidance which it provides for policy makers. Persons responsible for setting policies respecting both training programs and the state credentialing function should be aided in their work if a supply-and-demand study is to be anything more than an academic exercise. Such assistance in this instance, however, is limited in the extreme. First, there is the series of disclaimers and limitations described in Chapter One. Second, the qualitative aspects of programs were not studied. Graduates of programs were simply viewed as outputs, thus avoiding critical questions about the competence of the products of the system. Finally, administrative staffing patterns were accepted uncritically, leaving to others the task of raising questions about practices which have changed little in decades. Therefore, policy makers are invited to use this section in their deliberations, but they are also urged to recognize the limitations described above.

### **TRAINING CAPABILITIES OF MINNESOTA INSTITUTIONS**

The data in this study suggest a serious imbalance between the training capability in the eight institutions and training demand. The most obvious imbalance is in Master degree candidates for principals' positions where outputs exceed projected replacement needs by approximately three to one. While the vicissitudes of both supply and demand can be expected to alter this imbalance, one cannot be certain of the direction. Moreover, if imports of trained talent continue to exceed exports, the pros-

pects for full employment among Master degree candidates for principal positions are not encouraging.

The imbalance between outputs and training demands are equally disturbing at the Specialist and Doctor degree levels *but the direction is reversed*. The demand, requirements, and the propensity of large school districts to employ administrators with Doctor degrees, far exceeds the Minnesota production of manpower with this level of training.

Since September 1967 new administrator certification requirements for public school administrative positions in the state of Minnesota have been in effect. These new requirements essentially provide for a two-stage certification process. Upon completion of a Master's degree in school administration, a Standard Administrator's Certificate valid for two years may be awarded. This certificate may be renewed for one five-year period after 12 quarter hours of credit have been earned in work on an approved program leading to a Specialist Certificate or equivalent degree. Before the eighth year in school administration is begun a Professional Administrator's Certificate must have been secured. This certificate requires minimum preparation of a Specialist or equivalent degree in school administration earned in a recognized graduate school.

Chapter Two in this document is replete with references to the gap between current certification requirements and training levels held by Minnesota administrators. For instance, Table 5, page 19, shows that only 315 of the 2,632 administrators (12 percent) have two years or more of professional preparation—the goal announced by the State Board of Education in 1963, effective in 1967. Similarly, Tables 8, page 25 and 9, page 27, show that life certificates, typically granted in “grandfather clauses” are held by over 43 percent of the administrators. Policy makers in the State Department of Education during the past five years have recognized this gap between training capabilities and ad-

ministrator certification requirements. After promulgating the two-year training requirement, which became effective in 1967, the State Department systematically granted Specialist program approvals to UMD, St. Thomas, St. Cloud, Mankato, and Winona. In fact, the capacity to train Master's degree and Specialist degree candidates is now essentially the same in Minnesota. While there was a need for an expansion of training opportunities at that level, the present arrangement virtually guarantees an over production of Specialist degree holders in the future, just as too many Master's degrees were awarded during the past five years.

This gloomy forecast, however, applies only to programs which are designed to equip candidates with minimal credentials. Certainly, the forces impinging upon the schools which seem to have implications for manpower requirements in educational administration continue to point unmistakably to increases in levels of preparation. The press for higher levels of preparation, which began many years ago, will certainly continue in the future. As pointed out in a 1971 publication of the AASA (American Association of School Administrators):

“A more dramatic difference among various status studies is evident in the percentage of superintendents with an earned doctorate. Less than three percent of the superintendents in 1921-22 and in 1930-31 had an earned doctorate. In 1950, 14 percent of the urban superintendents and 2.3 percent of the rural superintendents reported an earned doctorate. The figure for 1969-70 is 29.2 percent for the nation as a whole.”<sup>1</sup>

From these data the authors of the AASA publication concluded:

“The trend toward greater amounts of preparation by superintendents of schools, now measured in terms of graduate degrees earned, shows no signs of abating. It is not unrealistic

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<sup>1</sup> American Association of School Administrators, *The American School Superintendent*, 1971 pp. 43-44.

to predict that by the end of the decade (1980), practically all superintendents in the so-called 'great cities,' and more than 50 percent of the superintendents in all other districts, will have earned doctorates."<sup>1</sup>

The highest degrees earned by superintendents in 1969-70 as reported in the AASA publication cited above is shown in Figure 1. The same data for the state of Minnesota in 1972 are shown in Figure 2. These figures show a dramatic difference between this state and the balance of the nation. Only 8.1 percent of the Minnesota superintendents, compared with 29.2 percent for the nation, hold an earned Doctor's degree. This is one of the few, and possibly only, indicator of school quality where Minnesota falls substantially below the mean for the nation. Moreover, fewer than half (14 out of 35) of the Minnesota superintendents with earned Doctor's degrees obtained them from the University; the only institution in this state which grants such degrees. One must conclude from these data that training opportunities for educational leaders in Minnesota are lagging far behind the national trend toward the Doctor's degree as the standard of preparation for school superintendents.

A similar picture emerges when the training of elementary and secondary principals is considered. Again, Minnesota is conspicuous by the small number of administrators with Doctor's degrees. A 1968 study by the Department of Elementary School Principals<sup>2</sup> reported that 2.2 percent of the principals held an earned Doctor's degree. Since Minnesota schools employ approximately 1,000 elementary principals, one might expect a state contribution of about 22 to this national statistic. Table 5, page 19, indicates, however, that only 11 Minnesota elementary principals hold Doctor's degrees.

As shown in Table 5, page 19, 31 secondary school administrators in Minnesota hold Doctor's degrees. This is approximately

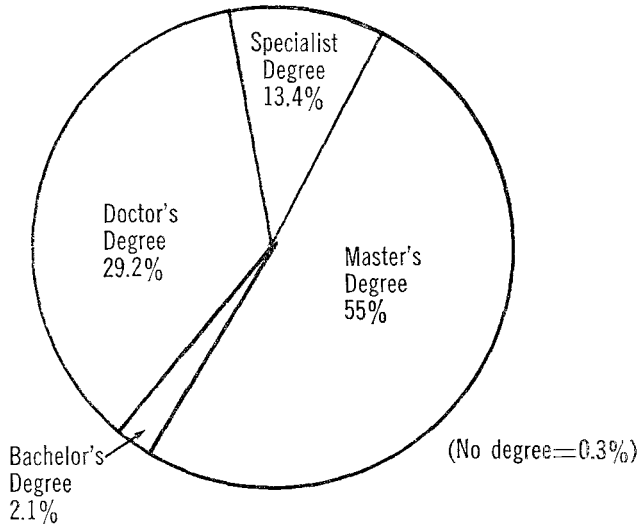
<sup>1</sup> *Op. Cit.* p. 44.

<sup>2</sup> Department of Elementary School Principals, *The Elementary School Principalship in 1968*. p. 24.



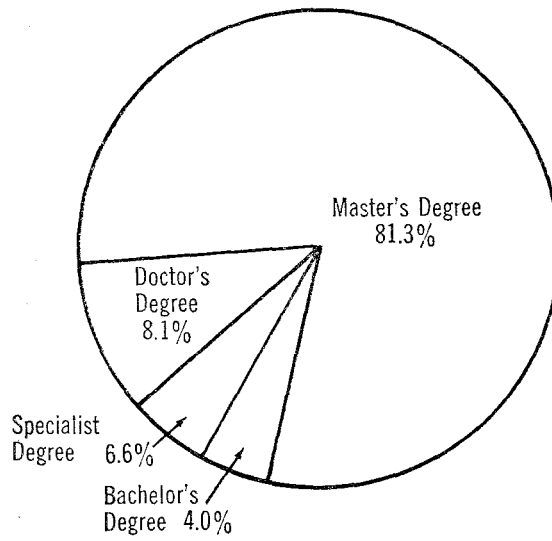
**FIGURE 1**

**HIGHEST DEGREE EARNED BY SUPERINTENDENTS, 1969-70 (NATIONALLY)**



**FIGURE 2**

**HIGHEST DEGREE EARNED BY MINNESOTA SUPERINTENDENTS, 1972**



four percent of the total for the state. Sources in the research department of the National Association of Secondary School Principals reported recently that 14 percent of the high school principals of the nation have a Doctor's degree. This compares with three percent for senior high school principals in 1964 and four percent for junior high school principals in 1965. These figures suggest a time lag of about six or seven years behind the national average on this measure for those principals in Minnesota.

## **FUTURE DIRECTIONS**

The discrepancies between training capability and training demand pose an unprecedented challenge to policy makers in Minnesota. Innovation and adaptation will be required to meet this challenge. Some strategies for responding are delineated below.

### **1. THE REALLOCATION OF PROPORTIONATELY MORE RESOURCES INTO CONTINUING EDUCATION OF SCHOOL ADMINISTRATORS AND LESS INTO PRE-SERVICE PROGRAMS—ESPECIALLY AT THE MASTER'S DEGREE LEVEL.**

Tradition suggests that a report of this type should include an impassioned plea for an expanded program of in-service education. In this instance, the recommendation is based on the observation that most Minnesota administrators completed Masters' degrees many years ago and discontinued their formal training at that point. Also, the recommendation stems from the realization that these administrators are destined to fill leadership roles in Minnesota schools for many years to come.

Clearly, there is nothing novel about this recommendation and the facts cited to support it are also well known. However, institutions capable of responding seem to depend on promises and exhortations, rather than action. State funds must be committed to the organizing and staffing of a massive program of continuing education. Past efforts have generally failed because

of irrelevant graduate school regulations and an over-dependence on tuition as the principal or even sole means of funding. A more realistic plan would be to lodge the control of the Specialist degree programs in the professional schools of education and design these programs to satisfy stage two of the certification process. Also, students in such programs should be expected to pay for no more than 35 percent of the cost of their education—a figure which has been recommended by the State Higher Education Coordinating Committee as a guideline for developing college and university budgets. While the HECC proposal was limited to “regular” students, a similar policy regarding the funding of extension classes which are a part of a state credentialing system should receive equal consideration.

## 2. THE RECRUITMENT OF WOMEN AND MINORITIES INTO PREPARATION PROGRAMS.

The dearth of trained educational administrators from the ranks of minorities and females is well documented in this study and elsewhere in the literature. Clearly, there is a major need in this area and there is much work yet to be done in recruiting and preparing members from these major groups. The program at the Twin Cities Campus of the University to train American Indians for administrative roles in educational institutions is a model which should be replicated for other minorities and females.

## 3. THE DESIGN OF PROGRAMS TO PREPARE PERSONNEL FOR EMERGING ADMINISTRATIVE ROLES.

As noted earlier, the demand for trained administrators responds to changes in the scope and emphasis of public education and to pressures external to the educational establishment. Developments which seem to have such implications include:

- (a) The expansion of programs for persons below and above the age for regular schooling.

- (b) The press for full implementation of legislation and court decisions in the area of civil rights.
- (c) Changes in fiscal strategies associated with recent court decisions and modified state aid distribution systems.
- (d) An expanding interest in program accountability, including evaluation and PPBS.

#### 4. ACHIEVE A HIGHER QUALITY OF PREPARATION.

While cutting back the number of students recruited and prepared in Master's degree programs would not guarantee an improvement in the quality of the graduates, this action would have such potential. Higher quality when combined with higher levels of preparation would offer keener competition for those administrators from around the nation who are attracted by the good salaries and favorable working conditions found in Minnesota public schools.

#### 5. THE ALLOCATION OF PROPORTIONATELY GREATER RESOURCES INTO RESEARCH AND DEVELOPMENT ACTIVITIES.

Program outputs as reported in this study are defined as graduates of programs. However, most authoritative opinion suggests the value of a balance between research, development, and teaching in graduate education. Certainly, there is a need for a better knowledge base in educational administration and since developmental activities are generally disseminated by the clientele who are trained in educational administration, the balance between research, development, and teaching is apparent. In view of the imbalance toward teaching, as reflected in the abundance of Master's degree candidates, a wiser policy would be to allocate more state resources toward research and development in educational administration. The definition of both of these terms should be broad enough to include activities which are directed to solving problems currently confronting practitioners, as well as the more theoretical and conceptual questions.

## A FINAL WORD

Paradoxically, administrator training opportunities in Minnesota can be described as "too many and too little." While the data in this study suggest the need for a greater investment in administrator preparation, simply increasing the number of institutions authorized to produce persons with minimal qualifications misses the central thrust of the data. The chief need is for a greater supply of persons with more than two years of post-baccalaureate preparation. More precisely, the University of Minnesota, the only institution offering the Doctor's degree, has produced an inadequate supply of administrators with the highest level of training. This accounts in part for the huge influx of out-of-state candidates for the choice administrative positions in Minnesota. It also explains why this state lags several years behind the majority of states in the certain increase in the percent of school administrators holding Doctor's degrees.

In view of the foregoing, clearly a strengthening of existing programs, rather than a proliferating of approved institutions, is a more rational response to the problem. Rationality, however, is not easy to achieve in the absence of a master plan. Therefore, this report ends with the recommendation which is basic to everything which precedes it. A state plan for educational administration should be developed. An agency with statewide responsibility, such as the Higher Education Coordinating Commission, should provide the requisite leadership. Hopefully, the data reported in this study will be of assistance.