DOCUMENT RESUME

ED 104 034 EA 007 006

AUTHOR	Andersen, Carol
TITLE	School Finance Reform: The Wherewithals. Special Report, Numbers FC.
INSTITUTION	Education Commission of the States, Denver, Colo. Education Finance Center.
SPONS AGENCY	Spencer Foundation, Chicago, Ill.
REPORT NO	R-FC
PUB DATE	Jan 75
NOTE	22p.; For related document, see EA 006 947
AVAILABLE FROM	Education Commission of the States, 300 Lincoln Tower, 1860 Lincoln Street, Denver, Colorado 80203 ($1.00)
EDRS PRICE	MF-$0.76 HC-$1.58 PLUS POSTAGE
DESCRIPTORS	Assessed Valuation; Elementary Secondary Education; *Finance Reform; Fiscal Capacity; Guidelines; Legislators; *Property Taxes; *State Aid; State Legislation; *Tax Effort; Tax Rates; Tax Support

ABSTRACT

School finance reform, in the opinion of many of those concerned, implies a shift away from the local property tax as the main source of revenue for the public schools. The inequities associated with property tax administration and the uneven distribution of property tax wealth within any given state have led to increasing concern about the wisdom of relying on it as the basic source of revenue for the public schools. At the same time, it is not immediately clear what combination of tax instruments should be used to replace the revenue that would be lost if reliance on the property tax were significantly reduced. This publication is designed for legislators, particularly those elected in the Fall of 1974. (Author)

School Finance Reform: The Wherewithals

Special Report Number FC
From the ECS Education Finance Center

Prepared by Carol Andersen
Department of Research and Information Services
Russell B. Vlaanderen, Director

Education Commission of the States
Denver, Colorado 80203
Wendell H. Pierce, Executive Director

January 1975

Additional copies of this report may be obtained for $1.00 from the Education Commission of the States, 300 Lincoln Tower 1860 Lincoln Street, Denver, Colorado 80203, (303) 893-5200

The ECS Education Finance Center is funded in part by the Spencer Foundation, Chicago, Illinois.

Preface

School finance reform, in the opinion of many of those concerned, implies a shift away from the local property tax as the main source of revenue for the public schools. The inequities associated with property tax administration and the uneven distribution of property tax wealth within any given state have led to increasing concern about the wisdom of relying on it as the basic source of revenue for the public schools. At the same time, it is not immediately clear what combination of tax instruments should be used to replace the revenue that would be lost if reliance on the property tax were significantly reduced for the purpose of financing education.

This publication is designed for legislators, particularly the new legislators elected in the fall of 1974. It provides information on state-local revenue systems along with some current recommendations for change. The reader is urged to obtain more detailed and comprehensive information on tax matters, including those in the list of suggested readings and the references cited throughout the text.

The School Finance Project of the Education Commission of the States will be happy to provide additional assistance upon request. Please direct any inquiries you may have to:

Carol Andersen, Research Associate
School Finance Project
Department of Research and Information Services
Education Commission of the States
Suite 300, 1860 Lincoln Street
Denver, Colorado 80203

School Finance Reform: The Wherewithals

The demand for tax reform is one of the most unrelenting realities of American political life. For most individuals, "tax reform" refers to changing the existing tax structure into one that is more equitable. It does not ordinarily refer to the adjustments required by periods of inflation and/or recession, international crises, changes in taxpayer demands and collective bargaining agreements—to list a few of the economic circumstances that cause federal, state and local officials to revise the tax structure or the rates of individual taxes. The fact that these relatively frequent adjustments can lead to tax reform in the broader sense of the term—to a more equitable system of taxation—is often overlooked.

In recent years the need for school finance reform has been made apparent by the courts and by taxpayers who have increasingly rebelled against the local property tax burden. The response in state after state has been to place more of the responsibility for financing education on state resources, less on local property tax revenue. State budget surpluses and general revenue sharing funds from the federal government have allowed states to increase their proportionate support of the public schools without increasing state tax rates.

If, however, school finance reform is to take place in states that do not have budget surpluses, and if it is to be maintained and expanded in those that have undertaken it, basic adjustments in state-local revenue structures will increasingly become necessary. The need for additional state resources to meet the rapidly growing costs of education and to provide for a more equitable distribution of education resources within the state can be expected to increase if local property tax rates are to be held in check. This shift away from local resources toward state resources[1] can be made to harmonize with the basic objective of tax reform—that is, to produce a more equitable tax structure at the state and local level.

The Public Sector

The tax instruments that provide government revenue can be described in terms of *tax bases*. The three major tax bases are:

- *Property* ownership of land, buildings and improvements, and personal possessions.

- *Sales* consumer purchases of goods and, occasionally, services. (*Selective sales taxes* are those levied on a specific product such as gasoline or tobacco, *general sales taxes* are those levied uniformly on all purchases except for exempted items.)

- *Income* the wages and earnings of individuals (*individual or personal income taxes*) and businesses (*corporate income taxes*).

Each type of tax has its own administrative apparatus. Property values, for tax purposes, are determined by assessors. The tax rate is set by elected governing bodies and is applied to the assessed value to establish the tax on each property. Sales taxes are calculated on each sale by businesses, collected from the consumer and remitted to the taxing agency of state or local government. Individual income taxes, normally withheld from pay-

[1] It should be noted that it is also possible for localities to shift away from the local property tax to other local taxes for the financing of education and that property taxes can be collected at the state level as well as at the local level. In fact, there are numerous solutions and partial solutions to school finance reform that are consistent with the goals of tax reform. Those described here are simply those that have typically been adopted by the states that have undertaken school finance reform programs.

checks by employers, are a percentage of the annual earnings of individuals and, similarly, corporate income taxes are a percentage of business earnings paid directly by business to government.

Generally speaking, the *productivity* of a given tax base is determined by the size of the tax base and the tax rate. The productivity of any tax can be changed by modifying either the size of the tax base or the tax rate or both:

(1) The tax base may be reduced in size through the use of tax credits and exemptions or increased by adding to the number of items included in the base. For example, the sales tax base may be expanded by adding services (such as admission fees, rental and repair services, restaurant and hotel services, personal services and so forth) or reduced by exempting such items as food and drugs

(2) Tax rates may be adjusted upward to provide new revenue or downward to provide tax relief.

In addition, new taxes may be adopted. In recent years, for example, a number of states have adopted the individual income tax to obtain additional revenue as opposed to increasing the rates on existing tax instruments.

As the information in Table 1 indicates, the major tax collector is the federal government. In fiscal year 1973, taxes at the federal level amounted to more than $165 billion, or 58 per cent of all taxes collected. The individual income tax produces more revenue than any other single tax instrument. In fiscal 1973 it produced over $120 billion, or 42 per cent of total tax revenue.

The figures in Table 1 illustrate three basic characteristics of the intergovernmental revenue system: (1) the income tax (individual and corporate) is the mainstay of the federal government, (2) sales taxes are the major support of state governments and (3) the property tax is the only significant source of revenue for local governments

Table 1
Estimates of Federal, State and Local Taxes by Major Sources for Fiscal Year 1973
(in millions of dollars)

	Individual Income	Corporation Income	Sales*	Property	Other	Total
Federal	$103,246	$36,153	$19,722	$ ...	$ 6,372	$165,493 (58%)
State	15,587	5,425	37,123	1,312	8,622	68,069 (24%)
Local	2,406	.	4,924	43,970	1,731	53,032 (19%)
Total	$121,240 (42%)	$41,578 (15%)	$61,769 (22%)	$45,283 (16%)	$16,725 (6%)	$286,595 (100%)

*Sales taxes include sales, gross receipts and customs revenue at the federal level, general and selected sales tax revenue and gross receipts at the state level, and sales tax revenue and gross receipts at the local level.

Source: ECS adaptation of U.S. Bureau of the Census Governmental Finances in 1972-73, p. 20. Thanks are due to Mr. Will S. Myers Jr., senior analyst, Advisory Commission on Intergovernmental Relations, who was kind enough to forward these figures, and those in Table 4, to the author.

If, however, the revenue system is viewed on a state-by-state basis, as 50 independent systems, the picture changes. In some states the state collects the majority of tax revenue, while in other states local governments raise more than half of all state-local tax revenue (see Table 2).

Table 2
State Taxes as a Percentage of State-Local Taxes, 1971-72

New Mexico	80.1	Florida	62.5	Illinois	52.5
Delaware	79.3	Tennessee	62.2	Missouri	51.9
West Virginia	75.9	Pennsylvania	61.5	Colorado	50.9
South Carolina	75.7	Vermont	61.1	Connecticut	50.8
Hawaii	75.5	Rhode Island	60.4	Kansas	50.7
Mississippi	75.5	Arizona	60.2	Indiana	50.5
Alabama	74.7	Wisconsin	59.8	Oregon	50.2
North Carolina	74.4	Virginia	59.6	Montana	49.7
Arkansas	74.3	Michigan	59.2	Massachusetts	48.8
Kentucky	73.6	Minnesota	58.8	New York	48.4
Louisiana	70.7	North Dakota	58.1	Ohio	48.4
Alaska	68.4	Texas	57.4	California	47.9
Oklahoma	66.7	Maryland	57.2	Nebraska	46.2
Georgia	65.3	Maine	57.1	South Dakota	42.5
Idaho	64.8	Nevada	56.5	New Hampshire	42.2
Washington	64.3	Wyoming	55.2	New Jersey	39.8
Utah	64.0	Iowa	53.1		

Source: Advisory Commission on Intergovernmental Relations, Federal-State-Local Finances: Significant Features of Fiscal Federalism, 1973-74 edition, Table A, p. 2.

As Table 3 indicates, all states receive revenue from sales taxes and from the federal government. The individual income tax, however, provides little or no revenue in a number of states: Connecticut, Florida, Nevada, New Hampshire, New Jersey, South Dakota, Tennessee, Texas, Washington and Wyoming.

A number of interesting contrasts between states can be observed. For example, Florida and Wisconsin both receive approximately two-thirds of their total revenue from the sources shown and both states rely on federal funds for approximately the same percentage of their total revenue (19-20 per cent). However, in Florida, where the individual income tax is not used, the sales tax provides close to one-half of all state revenue, while in Wisconsin, approximately one-half (47 per cent) of total revenue is contributed by the sales and individual income tax combined. Reliance on sales taxes, then, is half as great in Wisconsin as in Florida.

Table 3
Percentage of Total State Revenue Derived From Major Sources of Revenue, 1973

	Sales*	Individual Income	Federal Government	Total
Alabama	33	8	29	70
Alaska	5	9	40	54
Arizona	35	9	20	64
Arkansas	34	9	32	75
California	23	12	24	59
Colorado	25	13	28	66
Connecticut	43	3	19	65
Delaware	14	20	20	54
Florida	48	..	19	67
Georgia	35	11	30	76
Hawaii	32	16	22	70
Idaho	25	12	29	66
Illinois	33	14	26	73
Indiana	38	13	21	72
Iowa	28	16	20	64
Kansas	32	10	25	67
Kentucky	33	9	28	70
Louisiana	27	5	25	57
Maine	35	5	27	67
Maryland	28	21	21	70
Massachusetts	20	23	23	66
Michigan	27	14	21	62
Minnesota	26	21	21	68
Mississippi	37	5	31	73
Missouri	33	15	25	73
Montana	13	15	33	61
Nebraska	33	12	25	70
Nevada	37	..	22	59
New Hampshire	20	2	23	45
New Jersey	31	1	22	54
New Mexico	30	6	29	65
New York	21	20	26	67
North Carolina	30	15	24	69
North Dakota	27	7	27	61
Ohio	29	7	17	53
Oklahoma	25	7	31	63
Oregon	9	20	27	56
Pennsylvania	29	14	18	61
Rhode Island	28	10	28	66
South Carolina	35	12	24	71
South Dakota	36		36	72
Tennessee	37	1	28	66
Texas	38	..	27	65
Utah	26	11	29	66
Vermont	23	13	29	65
Virginia	27	17	22	66
Washington	37	..	23	60
West Virginia	33	7	33	73
Wisconsin	24	23	20	67
Wyoming	27	..	34	61

*Sales tax percentages include general and selective sales and gross receipts taxes.

Source: ECS adaptations based on U.S. Bureau of the Census, State Government Finances in 1973, Table 7, pp. 19-26.

Other contrasts include differences in dependence on federal funds (see Alaska and Ohio) and dependence on revenue sources other than those shown in the table. While some states obtain 75 per cent or more of their total revenue from the sources shown, other states depend on these same revenue sources to a far lesser extent. In short, each state has its own unique fiscal pattern as well as its own fiscal relationship with local units of government.

Elasticity

Any tax base may simply grow or decline in response to economic conditions. In recessionary periods, earnings decline with a resulting decline in the productivity of the income tax. Lower incomes tend to lead to fewer sales and, eventually, a decline in property values. As the major tax bases become smaller, so does the amount of revenue available to the government. Similarly, inflationary periods tend to lead to an expansion of the tax bases and to an increase in government revenue.

The responsiveness of a tax base to economic conditions is referred to as its *elasticity*. The individual income tax responds immediately to changes in income and has, therefore, a high degree of elasticity. Compared to the income tax, the property tax is fairly *inelastic* since changes in property values are seldom reflected immediately in assessments.

A balanced revenue structure has need of both types of taxes. Taxes that respond quickly to a decline in income automatically afford relief to taxpayers at times when it is most needed. Inelastic taxes guarantee a fairly stable source of government revenue regardless of economic fluctuations. A diversified tax mix, therefore, allows government operations to function without undue interruption but leaves the level of government spending reasonably responsive to changing economic conditions and needs.

In Pursuit of Tax Equity

Each type of tax is vulnerable to criticism—the income tax can be evaded and has loopholes; the sales tax, particularly when it is levied on food and necessities, can be a heavy burden for the poor; the property tax is administratively costly, typically plagued by inequitable

assessment practices, and can claim an extraordinary percentage of household income.

The search for tax equity is based on several generally-held assumptions about fairness in taxation:

- *Progressivity versus Regressivity.* Does the tax require relatively more of the wealthy taxpayer's annual income than the poor taxpayer's? If so, the tax is considered to be *progressive* and scores *high* on the equity scale.
- *Tax shifting.* Who receives the tax bill (*impact*) and who finally pays it (*incidence*)? If the impact of a tax differs from its incidence, so that the tax tends to be shifted to those who are less able to pay it, it ranks *low* in terms of equity.
- *Equal Treatment of Equals.* When a tax falls more heavily on one taxpayer than another, even though the two taxpayers are similarly situated, the tax is considered *inequitable*.

Some examples are in order. The individual income tax is considered progressive if it taxes wealthy individuals at a *higher rate* than it does poor individuals. The federal income tax, for example, has a graduated rate structure. Although progressivity is considered desirable from the standpoint of equity, it can, if carried to extremes, serve as a disincentive to earning more income. Severely graduated income tax rates may also encourage tax evasion and requests from special interest groups for preferential treatment.

Both the sales tax and the property tax are considered regressive. Since a larger percentage of the poor taxpayer's income is required for consumption, as opposed to savings and investment, a larger percentage of his or her income is paid in the form of sales taxes. (However, when food and necessities are exempted and services are taxed, regressivity is reduced.)

Two homes, each with the same assessed value, will incur the same property tax liability regardless of the income of their owners. Since the property tax payment will require a larger percentage of the annual income of

the poorer taxpayer than it will of the wealthier taxpayer, the property tax is considered regressive.

Economists engage in a continuing controversy over tax shifting and the incidence of various tax measures. The argument over the incidence of the property tax is particularly heated. To the extent that property tax payments can be shifted from landlords to renters, the incidence of the tax is unfavorable. The individual income tax is not easily shifted and, therefore, its impact coincides with its incidence.

The individual income tax is generally considered to score well with respect to the "equal treatment of equals" criterion. Two wage earners with the same number of dependents, same wages and so forth, will shoulder approximately the same tax burden. The property tax is least equitable in this regard. Property tax rates vary from one taxing jurisdiction to another so that two homeowners—each with property with the same assessed value—may have considerably different tax payments if they live in different taxing jurisdictions.

The Courts, The Schools and Tax Reform

It is evident that there is much fault to find with the property tax—it is regressive, has a somewhat unfavorable incidence and falls unevenly on similarly situated taxpayers. Furthermore, it is a costly tax. Each local taxing jurisdiction must provide for the assessment, and periodic reassessment of each parcel of land within its boundaries. If assessors are not adequately trained the results are assessment disparities, taxpayer appeals and lost revenue for the taxing jurisdiction. In general, it is in the larger taxing jurisdictions (large cities) that modern technology and economies of scale have made possible efficient and professional property tax assessment and administration.

For some property tax ills, remedies have been found. Many states now rebate part of all of the property tax payment made by elderly low-income homeowners (the *circuit breaker* approach), thereby reducing the regressive nature of the tax. Some state circuit breaker laws include low-income renters, making the tax less regres-

sive for a larger number of citizens. The present trend to reduce the number of assessing jurisdictions promotes greater efficiency in property assessment administration. The larger the assessment jurisdiction, the greater the opportunity to maintain a permanent staff of professional assessors and to utilize modern data processing techniques and equipment.

The uneven distribution of property tax wealth among taxing jurisdictions remains a basic difficulty. The existence of a shopping center or an industrial plant can easily spell the difference between inadequate local services and a well-financed local government. The ability of taxpayers, then, to provide themselves with local services varies from community to community. This inability of communities to provide the same level of services for a comparable tax effort is one of the most serious unmet criticisms of the local property tax.

Variations in community wealth affect the level of resources available to school districts and, therefore, are in direct conflict with the concept of equality of educational opportunity. State governments have for years used state funds to reduce the gap in spending levels between poor and wealthy school districts. According to the estimates of the National Education Association, 43 per cent of all revenues for the public schools in 1973-74 came from state governments.[2] A significant amount of state aid is distributed inversely to local wealth, serving to partially equalize the distribution of resources for education.

Recent state school finance reforms represent a considerable effort on the part of those states to equalize the spending capacity of individual school districts. State reform efforts have taken two tacks. The first—property tax relief and reform—requires an increase in state aid to relieve the local property tax. It is usually accompanied by the imposition of a tax ceiling at the local level designed to hold education spending levels down in wealthy districts while poorer districts catch up.

[2] *Financial Status of the Public Schools, 1974* (Washington, D.C.: National Education Association) p. 4.

Property tax reform, at a minimum, includes the circuit breaker approach to reducing the tax liability of elderly, low-income individuals. In Maryland, Maine and Montana, property tax reform includes the state takeover of the assessment function.

The second approach is "district power equalizing"[1] Under this plan, the state guarantees that a given tax rate will generate a specified level of revenue per mill regardless of the size of the property tax base. Poor districts are thus guaranteed a reasonable tax yield for a reasonable tax effort. In most states, if the district tax base is large enough to produce more than the state has guaranteed, the district is allowed to retain the excess and, therefore, districts of this type continue to have an advantage.

These approaches usually require a greater expenditure of state funds for education. States that have undertaken school finance reform recently have used the yield from the automatic growth in their taxes, accumulated surpluses and general revenue sharing payments rather than higher tax rates or new state tax enactments.

Some Guidelines

If the problem were simply that of raising more money for education, the answer might be to adopt measures designed to expand local taxing powers. Over half of the states have adopted *piggyback taxes* (where a local tax rate is simply added on to an existing state levy) of one kind or another. These measures permit localities to diversify their tax base as well as to raise additional revenue. However, local piggybacking on state sales and income taxes will not result in greater equity since neither the sales or income tax base are distributed evenly among school districts.

In order to achieve a greater degree of equity, then, the state must assume additional responsibility for the raising and distribution of education revenue. The Advisory Commission on Intergovernmental Relations (ACIR) has recommended that state governments, as a

[1]A hypothetical example of district power equalizing appears in *School Finance Reform The Whys and Wherefores* by the author (Denver, Colo. Education Commission of the States, 1975) p. 10.

basic objective of long range state-local fiscal policy, assume substantially all responsibility for financing the local schools.[4] It has also provided guidelines for developing a high quality state-local fiscal system:

1. The personal income tax, in the interest of greater taxpayer equity and greater fiscal responsiveness to economic fluctuations, should be the major state tax instrument capable of producing 25 per cent of all state revenue.

2. The general sales tax, with exemptions for food and drugs, should be the other major tax instrument, providing between 20 and 25 per cent of all state-local revenue. It should be broadened to include services, which become increasingly important as income increases, to reduce its regressivity.

3. The local property tax should continue to serve as the major tax instrument of local governments. Appropriate provision should be made to guarantee uniformity in assessment practices, and a circuit breaker should be financed by the state to reduce the regressivity of the tax. It should be capable of providing 20 to 30 per cent of all state-local revenue.

These recommendations would result in a state-local tax system that is stable, yet flexible. School finance, as a state responsibility, could be fashioned to meet the equity criteria established in state constitutions and by the courts.

During recent years an increasing number of states have adopted or expanded the use of the individual income tax. As Table 4 shows, in 1961 this source of revenue produced 7 per cent of all state-local revenue. In 1973 it was producing 15 per cent of total state-local revenue. During the same period reliance on the local property tax declined from 45 to 37 per cent. The use of sales taxes remained relatively stable, rising slightly from 32

[4] *Federal State Local Finances Significant Features of Fiscal Federalism*, 1973-74 edition (Washington, D.C.: Advisory Commission on Intergovernmental Relations) pp. 1-4.

per cent to 35 per cent. As Table 3 illustrated, however, the figures for individual states show a wide range.

The diversity that does exist is not, of course, likely to give way to any idealized revenue system. Some states enjoy advantages that others do not share. For example, states may obtain significant revenue from *severance taxes* (taxes levied on the extraction of natural resources). In some states those with large-scale tourism for example much of the tax burden is *exported* (paid by residents of other states). Then too, constitutional provisions often shape the development of the revenue system. The individual income tax, for example, is unconstitutional in Florida, Tennessee and Washington.

Tax systems, then, must be adjusted in accordance with the uniquely different circumstances that exist in each state and in accordance with state constitutional provisions. The principles of revenue theory discussed earlier

Table 4
Major Sources of State-Local Revenue, 1961-1973
(in millions of dollars)

	Individual Income (State-Local)		Property (Local)		Sales* (State-Local)		Total Revenue
	Amount	Per Cent	Amount	Per Cent	Amount	Per Cent	(State-Local)
1961	$ 2,613	7	$17,370	45	$12,463	32	$ 38,861
1962	3,037	7	18,414	44	13,494	32	41,554
1963	3,267	7	19,145	43	14,427	33	44,014
1964	3,791	8	20,519	43	15,763	33	47,785
1965	4,090	8	21,817	43	17,118	33	51,243
1966	4,760	8	23,836	42	19,085	34	56,647
1967	5,825	10	25,186	41	20,531	34	61,000
1968	7,308	11	26,835	40	22,911	34	67,572
1969	8,908	12	29,692	39	26,520	35	76,712
1970	10,813	12	32,963	38	30,322	35	86,795
1971	11,900	13	36,726	39	33,232	35	94,975
1972	15,237	14	42,133	39	37,488	34	108,801
1973	17,991	15	45,283	37	42,047	35	121,102

*Sales taxes include general and selected sales and gross receipts at the state level, and sales and gross receipts at the local level.

Source ECS adaptation based on Advisory Commission on Intergovernmental Relations, Federal-State-Local Finances: Significant Features of Fiscal Federalism, 1973-74 edition, pp. 7-8, and U.S. Bureau of the Census Governmental Finances in 1972-73, p. 18.

and the recommendations of the Advisory Commission on Intergovernmental Relations may help to spell the difference between random adjustments of the tax system and changes that result in a more equitable system that is, in tax reform.

One Last Word

To most legislators, school finance reform represents a complex set of related problems. At the heart of the matter lies the rather elusive goal of "equalizing educational opportunity." Other state efforts those for children who are, for some reason or another, educationally disadvantaged have the same objective. School finance reform is just one facet (although an important one) of restructuring the education system into one that is more equitable and more responsive to the needs of the children and parents it serves.

The harmonizing of the related goals of school finance reform and tax reform is apt to be overlooked as legislatures deal with school finance as an educational concern and tax reform as an aspect of fiscal management. Certainly one of the major challenges facing state legislatures today is that of dealing with these two major responsibilities in a unified and purposeful manner.

Suggested Readings

Advisory Commission on Intergovernmental Relations, *Fiscal Balance in the American Federal System*, Vol. 1 (Washington, D.C. U.S. Government Printing Office, 1967).

Eckstein, Otto, *Public Finance*, 3rd edition (Englewood Cliffs, N.J. Prentice Hall, Inc., 1973).

Netzer, Dick, *Economics of the Property Tax* (Washington, D.C.: The Brookings Institution, 1966).

Musgrave, Richard A. (ed.), *Broad-Based Taxes: New Options and Sources* (New York: Committee for Economic Development, 1973).

Papke, James A., "Alternative Tax Sources for Education: Perspective and Prospects," prepared for the 16th National Conference on School Finance held in Atlanta, Ga., 1973. It is included, along with a number of informative articles, in *School Finance in Transition* (Gainesville, Fl.: National Educational Finance Project).

Peterson, George E. (ed.), *Property Tax Reform* (Washington, D.C.: The Urban Institute, 1973).

Phares, Donald, *State-Local Tax Equity: An Empirical Analysis of the Fifty States* (Lexington, Mass.: D.C. Heath & Co., 1973).

Special Reports from the ECS Education Finance Center

No. FA—From Serrano to Serrano

An exploration of unresolved issues in public school finance (December 1974, $3.50)

No. FB—School Finance Reform: The Whys and Wherefores

(January 1975, $1.00)

No. FC—School Finance Reform: The Wherewithals

(January 1975, $1.00)

No. FD—Monitoring 1973 Reforms in Education Finance

A progress report on major school finance changes (December 1974, $1.00)

No. FE—The State-Level Property Tax: Implementation and Administration

A 50-state survey (22" x 24" chart) (January 1975, $1.00)

No. FF—School Finance at a Glance

A 50-state survey (22" x 24" chart) (June 1974, $2.50)

Advisory Committee on School Finance

Charles Benson
Childhood and Government Project
Boalt Hall
School of Law
University of California,
Berkeley

William G. Colman
Potomac, Maryland

Joseph Cronin
Secretary of Educational Affairs
Massachusetts

James W. Guthrie
Associate Professor
Department of Education
University of California,
Berkeley

Joseph C. Harder
State Senator
Kansas

R. L. Johns
College of Education
University of Florida

William R. Kellett
Menasha, Wisconsin

Michael W. Kirst
Director
Joint Program in Educational
Administration
Stanford University

David B. Kret
Phoenix, Arizona

Thomas Laverne (Chairman)
Rochester, New York

Martin O. Sabo
Speaker, House of Representatives
Minneapolis, Minnesota

Ruth O. Truex
Wethersfield, Connecticut

Arthur E. Wise
Associate Director
Office of Research and
Exploratory Studies
National Institute of Education

Education Commission of the States

The Education Commission of the States is a nonprofit organization formed by interstate compact in 1966. Forty-seven states and territories are now members. Its goal is to further a working relationship among state governors, legislators and educators for the improvement of education. This report is an outcome of one of many Commission undertakings at all levels of education. The Commission offices are located at 300 Lincoln Tower, 1860 Lincoln Street, Denver, Colorado 80203.