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**ABSTRACT**

This paper examines issues concerning educational finance in the Washington, D.C. public schools according to three measures of adequacy: city budget, per pupil expenditures, and teacher-student ratio. The issues are discussed in the context of historical, social, and political developments (the change from Federal control over the school district to home rule) and include: 1) the equitable distribution of school funding, particularly in relation to black schools versus white schools; 2) the haphazard nature of educational finance due to constitutional stipulations concerning Federal control over the District; 3) inadequate school funding; 4) funds for school construction; 5) school finance as an object of governance conflicts; 6) alternative supplementary sources of school funds; 7) the problem of tuition for nonresidents; 8) teacher salaries; and 9) the budgeting process. A brief report on a study of public interest in education finance within the District indicates that while public interest in the schools rose and fell dramatically around the period of social change in the 1960's, interest in school finance has risen steadily and is now at a peak. The paper concludes with some policy implications that touch on the issues discussed. Appendices provide information on the District of Columbia's 1981 public expenditures by category and compare differences in school finance data over the years. (MJL)

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# RECURRING THEMES OF EDUCATIONAL FINANCE IN THE HISTORY OF WASHINGTON, D.C.

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BY

JOSEPH S. DREW

DEPARTMENT OF POLITICAL SCIENCE  
UNIVERSITY OF THE DISTRICT OF COLUMBIA

STUDIES IN D.C. HISTORY AND PUBLIC POLICY

PAPER No. 3

072 300

## THE D.C. HISTORY AND PUBLIC POLICY PROJECT

THE D.C. HISTORY AND PUBLIC POLICY PROJECT seeks to provide historical research on critical public policy issues in the District of Columbia in a form useful to policymakers in this city and the general public concerned with policy issues. During the 1981-82 academic year, the project has examined Public Education. In addition to preparing these papers, the project conducts seminars for the Mayor, the City Council, the Superintendent of Schools and the Board of Education based on its research, and also holds a public conference.

The project is an undertaking of the Department of Urban Studies (College of Liberal and Fine Arts) and the Institute for District Affairs of the UNIVERSITY OF THE DISTRICT OF COLUMBIA. It is funded by a grant from the NATIONAL ENDOWMENT FOR THE HUMANITIES.

For copies of this paper or others in this series, send \$1.00 for each paper to Department of Urban Studies, University of the District of Columbia, 4200 Connecticut Avenue, N.W. Room 402-08, Washington, D.C. 20008. Make checks payable to UDC Fund/History-Policy Project.

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**RECURRING THEMES OF EDUCATION FINANCE  
IN THE HISTORY OF WASHINGTON, D.C.**

**AN ECHO, NOT A CHOICE**

by

**Joseph S. Drew**

**Department of Political Science**

**April, 1982**

This paper is part of a series of historical studies on the public schools of the District of Columbia prepared by the staff of the **D.C. HISTORY AND PUBLIC POLICY PROJECT**, an undertaking of the Department of Urban Studies (College of Liberal and Fine Arts) and the Institute for District Affairs of the **UNIVERSITY OF THE DISTRICT OF COLUMBIA**, funded by a grant from the **NATIONAL ENDOWMENT FOR THE HUMANITIES**

## SUMMARY OF MAJOR FINDINGS

1. The issue of equity in education finance has a long history. Black school divisions hardly ever received a fair shake financially; they were, during the years prior to integration, rarely funded proportionally to white schools, even though law in force since the mid-nineteenth century demanded such equity. The decisions in Hobson v. Hansen and the second Hobson case kept the issue of equity alive. Today it surfaces again with the closing down of selected schools.
2. The haphazard nature of education finance in Washington flows directly from the stipulations of the U.S. Constitution (Article I, Section 8, Number 17) concerning federal control over the District. There are eight major steps school budgets have to climb from initiation through appropriation. The advent of limited home rule has reduced the impact of this issue; although Congress retains oversight privileges, fiscal autonomy has not been achieved, and budgets are still not predictable.
3. For years major studies as well as public statements of school leaders maintained that inadequate funding crippled public education in the District. Under President Johnson, matters improved dramatically. Large-scale cuts in personnel and other budget items have occurred recently, however.

Three measures of adequacy are discussed: percentage of city budget, per pupil expenditures, and the teacher-student ratio. The share education occupies in the city budget has declined precipitously over the years; from roughly one-third earlier in the century, it has dropped to 22 percent today. Per pupil expenditures now run to \$2,500. Although they rank among the highest in the nation, these expenditures are difficult to utilize in argumentation, since the District must provide some services as a large city, others as if it were a state. For years the teacher-student ratio was constantly debated; today, it is less of an issue. Previously it was employed by supporters of greater funding for the schools, but in the past decade it has been cited more often by those seeking budget reductions.

4. Massive construction programs were sought repeatedly during this century to meet Washington's burgeoning population; usually the campaigns were trimmed by Congress or the District Commissioners. Thirty years ago construction began to

occur more steadily and the biggest building program in history was undertaken from 1972 to 1982. Today, ironically, the capital outlay budget is practically a forgotten relic, and public attention has turned to the disposition of underutilized buildings.

5. School finance has been inextricably tied to governance battles and their outcomes. With the arrival of limited home rule, the Board of Education gained full control over expenditures and the Mayor and City Council were given the task of setting budget ceilings. Congress retained oversight privileges, however. School finance issues figured prominently in both of the mayoral campaigns of the 1970s and the argument is made that although processes are greatly improved today, conflict has continued through all forms of governance in this century (appointed Commissioners; appointed Mayor-Commissioner and Council; elected Mayor and city Council; appointed Board of Education; and elected Board of Education).
6. Five financial "angels" recur: (1) The federal payment, which the home rule legislation placed in the political arena and which ought to be set at a predictable and specific level; (2) continuing proposals for a special funding source targeted solely for school system use; (3) the termination of "pay-as-you-go" requirements and the granting of the right to issue bonds or incur indebtedness, all of which came with home rule; (4) federal grants-in-aid, from which District schools were generally excluded until the mid-1960s but which now provide roughly 17 percent of the budget; and (5) impact aid, a program for which the District struggled especially hard over the years.
7. Two special problems: For years nonresident tuition was an issue; today Board rules and procedures assure collection of fees. Similarly, for much of the century Congress was embroiled in the matter of teacher salaries, but with the advent of the teachers union and home rule, the issue grew to be one which could be handled as it typically is in all large American cities.
8. Three additional findings: First, although for years there were repeated calls for broad public involvement in the budget-making process, citizens have generally preferred (except for the tumultuous period from the mid-sixties through the early seventies) to leave funding matters to the appropriate officials. Second,

budget formats were frequently subjected to criticism over the years. Finally, a series of events in the period from 1971 through 1972 led to a precipitous decline in the credibility of school officials on matters involving finance and to the rise of charges of mismanagement unheard since the days of the territorial government in the last century. These charges have now subsided.

9. An analysis of public interest in the schools and in education finance reveals that while concern with the public schools rose and then declined somewhat during the sixties, interest in school finance has risen steadily in Washington and is now at an historic peak.

## ACKNOWLEDGMENTS

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—J.S.D.

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## I. Introduction

Today, as surplus buildings are closed down and programs canceled, conflict over school finance is a major education item on the city's agenda. School finance provides a screen upon which play the ambitions and hopes of local politicians, the desires and fears of District parents and school children, the hopes and plans of professional educators, and the vagaries of public opinion as articulated through the medium of the press and other institutions.<sup>1/</sup>

Washingtonians fail to realize that these conflicts over school finance are not xenogenetic; they do not spring fullblown from the forehead of Zeus, devoid of historical context. In fact, the same issues have appeared repeatedly over the years: before the consolidation of the four school boards in the last century and after; before the 1906 law establishing the modern Board of Education and after; before the Great Depression or World War II and after them; before integration and after it; before home rule and after; and before Hobson v. Hansen—and Hobson II—and after. To understand the nature of contemporary issues, as well as possible avenues for their resolution, a resort to history is imperative.

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1/ For this project the author has compiled a lengthy year-by-year history of education finance in the District of Columbia. The document, which includes events as early as the founding of the Washington city schools at the outset of the nineteenth century and presents 25 theses on education finance in the District of Columbia, will be available as a resource book. It is expected to be issued by the Institute for District Affairs of the University of the District of Columbia during the 1982-83 academic year.

## II. First Issue: Equitable Distribution of School Funding

Perhaps no issue has so caught the public imagination over the years as the equitable distribution of funds. Often the argument is mooted that things were better— or worse — under the old, appointed board. Few realize that recent debates regarding equitable distribution of the budget, race relations, or the power to allocate scarce resources are as old as the city itself.

The earliest public schools in Washington were pauper schools; no one who could help it sent children to them. Free education was provided only to the very poorest white children; they were stigmatized for attendance. Black children attended privately supported classes, as did better-off white children. Finances for the public schools were raised during Thomas Jefferson's term as head of the school board by taxes on "sins" (billiards, the theatre, and slaves) and through personal solicitations, a novel approach. <sup>2/</sup> Only when the schools became relatively universal did the issue of fair distribution become serious. When that happened, questions of equity and justice were debated upon a canvas of school finance.

The first major conflict over equal distribution of monies pitted freed blacks against entrenched white power. With the abolition of slavery in Washington during April, 1862, an additional school levy was declared; the law stated that ten percent of all monies received from taxes levied upon real and personal property of blacks would

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2/ This method of raising money was considered highly innovative at the time. It must be recalled that public schools were not widely in evidence. On the other hand, several Presidents intended to build in the District the premier education system in the nation. Presidents Washington and John Quincy Adams were most interested in such a public institution. Congress, however, vetoed the idea; it was caught up in "States' rights" arguments. For a discussion of the idea, see Constance M. Green, Washington: A History of the Capital, 1800-1950, (Princeton: Princeton University Press, 1962), pp.42, 102.

be set aside to initiate "a system of primary schools for the education of colored children." <sup>3/</sup> Several months later, a Board of Trustees was created for the black schools; this board lasted only until the tumultuous decade of the 1870s. From these trustees however, came an anguished complaint: the city was failing to distinguish between taxes paid by whites and those paid by blacks. As a result of that policy, trustees saw the first two years under the new law realize a total intake for black schools of only \$736.86!

The conflict reached its apogee in June of 1864. With strong "Radical Republican" support, a law was passed requiring that a percentage of all school funds be set aside for blacks proportionate to the number of black children of school age divided by the number of white children of school age. This law, which was later dubbed "the Magna Charta of the educational system for Negroes in the District of Columbia," was evaded and flouted over the years, but until desegregation the principle of proportionate sharing of funds remained popularly strong, and legally on the books. <sup>4/</sup>

In 1870, black complaints that the Mayor was diverting funds from the black schools led to passage of a bill by the city Council which deprived the Mayor of the right to exercise any discretionary power over the school funds. And, as the territorial government was set up, an 1871 law declared that "all monies ... shall be appropriated for the equal benefit of all the youths of said District between certain ages, to be defined by the law."

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3/ For an excellent and detailed study of the black school divisions, upon which much of the following discussion rests, see Williston H. Lofton, "The Development of Public Education For Negroes in Washington, D.C.: A Study of Separate But Equal Accommodations." (American University: doctoral dissertation, 1944).

4/ Ibid., p. 134.

Then, allegations of mismanagement of public funds by officials led to the elimination of democratic government in the District. The commissioner system prevailed for nearly a century. But proper distribution of school monies was an issue that would not die. In February of 1877, the D.C. Comptroller reported to the Board of School Trustees that nearly \$19,000 was due to the black schools as their share of the appropriations for the previous years. In 1882, the white members of the Board (who comprised a majority) voted that there did not have to be separation of the funds and that black schools did not need all the money to which they would have been entitled had the proportional system prevailed. Rather, they maintained, white schools would have to be closed down if the proportional system were reintroduced. In that year, however, the Board was overruled by the Commissioners, who held that all back sums due to the black schools were, indeed, to be spent for them. From 1883 onward, fewer complaints regarding the proper proportional division of funds were heard, although historians note that black Washingtonians disliked placing the task of accounting for school funds into white hands.

At the turn of the century, a related issue of equity arose: there was a salary differential for teachers; it was not unusual to find white teachers paid higher salaries than black teachers of similar training and experience. Indeed, Washington in that era was a "Southern" city, and salary differentials were a feature of Southern bigotry; in fact Lofton has noted that "it is rather singular that the differences were not greater."<sup>5/</sup>

It was to modernize and, in part, equalize the school system that the watershed 1906 school restructuring occurred. Although black Washingtonians and their allies were unhappy with the disappearance of an independent black Superintendent of Schools (there would henceforth, until integration, be one Superintendent and two Assistant

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5/ Ibid., p. 180.

Superintendents, one of whom was in charge of black school divisions), they were pleased with the fact that pay for black teachers and white teachers was equalized by law. At the same time, construction was theoretically equalized, and new black schools began to arise as white ones did. A new high school for black Washingtonians was hailed in 1916 as far surpassing "any high school building for colored anywhere else in the country."<sup>6/</sup> From 1906 on, there was a substantial increase in the number of buildings available for the use of black pupils. In line with the new District policy, the House Appropriations Committee adopted a rule that "the appropriations should be given in proportion to the ratio of percentages of the two races."

Although black schools grew to earn a reputation as "the greatest center for Negro education in the world," the fact was that they seldom received their fair share of budget allocations. A study in 1938 revealed that for the bulk of budgets between 1923 and 1937, black schools fell below the appropriate share of financial support; only in five years did the proportion rise above the fairness line to tilt in their favor. As the enrollment of black schools rose from 15.5 percent of whites in 1927 up to 40.4 percent in 1935, and then back to 35 percent in 1937, a "jealous watch" over appropriations followed.<sup>7/</sup> As Lofton has commented, "hardly a session of Congress since 1931 has not witnessed a dispute over this matter."<sup>8/</sup>

During the thirties, black criticism of unequal spending was generally addressed not to the Board of Education but to the Commissioners, officials in the Bureau of the Budget, and House subcommittee members. An example may be noted from the 1935

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6/ Ibid., p. 204

7/ Howard H. Long, "The Support and Control of Public Education in the District of Columbia," Journal of Negro Education (July, 1938), pp. 390-399. See especially, the comparison table on p. 397. Long writes, "... it might be assumed that the financial status of the colored schools of Washington is maintained automatically. Such is not the case. For the last fifteen to twenty years at intervals, the proportions of appropriations for the colored schools have been reduced all but tragically at some stage of the progress through which proposed appropriations legislation must pass." (p. 398.)

8/ Lofton, p. 248.

budget. That year, the House reduced black school construction by an extraordinarily large percentage. The House committee actually increased the Bureau of the Budget recommendation for white schools from \$955,000 to \$1,584,000, an increase of \$629,000, while decreasing black appropriations from \$735,000 to \$299,00. Only an effective appeal to the Senate, occasionally the repository of fair play for D.C., saved the day. The issue continued to distress Washington. In a press conference of 1940, Eleanor Roosevelt expressed the belief that black schools were not getting their proportionate share of the funds. <sup>9/</sup>

Other matters of equity and financing surfaced frequently. Black schools were rarely as well equipped as white ones. "Used" white schools turned over to the black divisions as population shifted were often unfit. A study prepared in 1937 for the Inter-Racial Committee of the District of Columbia concluded that in such aspects as location, space, equipment, repairs and health conditions, the black schools compared very unfavorably with the white schools. Especially was this so at the senior high level. <sup>10/</sup>

Many cheered the arrival of desegregation in 1954 as the only basis for the establishment of equity, but shortly the issue arose again. In 1967 Dr. Carl Hansen, then a popular school Superintendent, was challenged in court to show whether in fact desegregation had occurred. Were not black students, and disadvantaged students generally, being deprived of equitable treatment under the integrated system? The

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9/ Lofton refers to this press conference. On several occasions, Mrs. Roosevelt was able to make changes. Once, she was so upset during a visit to a neighborhood school that she prevailed upon Congress to replace the decrepit "temporary" building. It did. See, also, Washington Tribune, March 8, 1941.

10/ See Constance M. Green, The Secret City: A History of Race Relations in the Nation's Capital (Princeton: Princeton University Press, 1967), pp. 250-337, for a discussion of a number of similar groups and reports during this period. It should be noted that [in some years] the black divisions received better treatment during the late forties. See, for example, "Negroes Fare Well in School Spending," Post, May 22, 1947. But see, also, "D.C. Budget Cuts are Riddling Status of Negro Schools," Star, March 19, 1949.

ruling of Judge J. Skelly Wright surprised many; de facto segregation still existed, he said. "Median per pupil expenditure in the predominantly Negro elementary schools [had been] a clear \$100 below the figure for predominantly white schools." Moreover, white schools had empty seats while black schools were stuffed to 115 percent of capacity. The prevailing "track system" was to be abolished and teacher desegregation sped up. Substantial integration of students and faculty was mandated. 11/

The year of 1971 saw Julius Hobson win his second victory in matters of equitable distribution of funds. He went back to court on the same issue, arguing that the Board had not carried out the court's mandate. The richest, whitest areas west of Rock Creek Park were getting substantially more than their fair share of school funds. This time it was ruled that school finances were going to have to be equalized. Per pupil expenditures based upon teacher salaries in elementary schools would not be permitted to deviate more than plus or minus five percent from the average. The Board would annually have to file with the court sufficient information to establish that the equalization order was being implemented. Although the equalization of funding conflicted with federal mandates regarding the awarding of Title I (of the Elementary and Secondary Education Act of 1965) monies only to needy schools and thus brought fiscal heartburn to the school system, the equalization was achieved in January of 1971. Today, student-teacher ratios rather than teacher salary budgets are used to gauge equality, but the schools must still file annual reports on the topic.

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11/ Hobson v. Hansen, 269 F. Supp. 401. The case was heard in the U.S. District Court for the District of Columbia on June 19, 1967. The Hon. J. Skelly Wright, Judge, U.S. Court of Appeals for the District of Columbia Circuit, wrote the opinion.

There has been a major literature development on this topic. A major study on the subject is Joan C. Baratz, A Quest for Equal Opportunity in a Major Urban School District: The Case of Washington, D.C. (Washington: D.C. Citizens for Better Public Education and the Syracuse University Research Corporation, 1975). An answer to the report is entitled, A Critique of A Quest for Equal Opportunity in a Major Urban School District: The Case of Washington, D.C., (Washington: Office of Planning, Research and Evaluation, D.C. Public Schools, 1975). See,

In the late 1970s and early 1980s a new issue of financial equity arose: the closing down of schools. As capital budgets for construction became relics of the past, parents and politicians now focused attention upon the closing of schools. Which neighborhoods were to be deprived? Were the children's needs being evaluated fairly, regardless of whether the neighborhood was rich or poor? Whose schools had better facilities — modern gyms or cafeterias, better heating and air conditioning, more spacious classrooms? Again, equity was at center stage in D.C. school finances.

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also, Thomas Sowell, "A Case of Black Excellence," Public Interest, Spring, 1974; Herbert S. Winokur, Jr., "Expenditure Equalization in the Washington, D.C. Elementary Schools," Public Policy, Summer, 1976; and George R. LaNoue and Bruce L.R. Smith, The Politics of School Decentralization (Lexington, Mass: D.C. Heath, 1973).

### III. Second Issue: The Haphazard Nature of Education Finance

Virtually every study of District education finance has cited haphazard and unpredictable funding as the key to understanding weaknesses in the D.C. school system. It is a story truly as old as the school system; its roots are in the very foundation stone of this nation, the U.S. Constitution, which in Article I, Section 8, No. 17 grants Congress the power to exercise "exclusive legislation in all cases whatsoever" over the federal district.

Washington's school budgets must traverse a uniquely long and sinuous path from planning to funding to spending. Around each bend apparently endless political traps lie in wait. There can be little doubt that the Founding Fathers never thought that their Constitution would deprive the capital city schools of the ability to generate long range plans or to follow through on them. In fact, Presidents George Washington and John Quincy Adams wanted the nation's most outstanding and thorough public school system to be erected in the capital. <sup>12/</sup> Yet, running like threads of disruptiveness through the warp and woof of Washingtoniana, extending from alpha to omega, and under all forms of the crazy quilt of political and educational governance systems, have been fiscal chaos, a lack of coordination, and arbitrary, capricious funding. The Aristotelian truth that man is a political animal has meant, to the nation's capital, a system built upon the shifting sands of national politics.

Open an educational journal or read an education column for virtually any year in Washington's history: three budgets are simultaneously being discussed, at a minimum. While some are being chopped mercilessly, others are being arbitrarily inflated. Actors yet unknown may figure prominently in the outcome. Joyous celebration over a "victory" on one front inevitably is tempered by the gloom of defeat on another; a school approved here becomes a total budget package knocked down there.

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<sup>12/</sup> Their dreams included the vision of a major national university arising in the District. See footnote 2, above.

Since limited home rule began in 1975, this issue has receded somewhat, although it continues to exist. Like a monster from the deep, it may return.

What is this amazing route all school budgets must traverse? There is a total of eight basic stages through which a school budget must pass. <sup>13/</sup> First, the early figures are compiled by three groups (none of which is ever likely to see the fruits of their labor emerge unscathed in a final budget document): community leaders, principals and their staffs, and department heads. Next, the Superintendent develops a proposed budget. Third, there are public hearings and the Board of Education revises and approves the school budget. Fourth, the Commissioners (or, today, the Mayor) include the school budget in the city budget. Fifth, there are public hearings again and the city Council revises and approves the total city budget. <sup>14/</sup> Sixth, the federal Office of Management and Budget (formerly, Bureau of the Budget) incorporates the D.C. budget into the President's budget. Seventh, there are public hearings again and the D.C. subcommittee of the House of Representatives and the parallel subcommittee of the Senate, both within their respective appropriations committees, prepare recommendations. Finally, after each chamber considers the bill there is the inevitable conference committee and the ironing out of differences arising between the versions adopted by the two houses, and approval by the House and Senate. The process is

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13/ An excellent picture of the map thus generated by these stages was prepared in 1971 and included in a most informative pamphlet issued by the D.C. Citizens for Better Public Education in August of 1971. The booklet was entitled Financing the D.C. Public Schools: A Budgeting and Planning Guide for the Citizens, and was prepared by Mary L. Broad, Lou Ellicott, and M. Louise Malone, with editorial assistance from Barbara Newman. Noted on the cover as chairman of the School Budget Committee is Mary Ellen Clark. The booklet is now almost unavailable. Reportedly, a follow-up study is being prepared.

14/ This step, of course, did not exist for much of the present century, since there was no Council until late in President Johnson's administration.

capped when the President affixes his signature, creating a law authorizing the expenditure of funds as allocated by Congress. <sup>15/</sup>

With a path like this to tread, it is no wonder that even the best defended of budgets cannot be expected to emerge unscathed from the process. Throughout Washington's history, newspaper headlines have announced that the city could not purchase school sites on time. Money has been lost repeatedly as plans have been drawn, sites acquired and then insufficient funding granted by some recalcitrant committee of the Congress. When such unpredictable funding patterns and the inability to mount long-range planning are combined with the unhappy legacy of bigotry and segregation, it is hardly a wonder that the schools of the District sprouted helter-skelter.

The haphazard nature of the process was long evident to observers. (We have "as much control [over school finance] ... as we have over the cost of igloos in Iceland," complained one D.C. newspaper in 1935. D.C. was getting "only the sort of schools and appropriations that Congress allows us. If we don't like it, we can lump it." <sup>16/</sup>

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15/ Additionally, however, funds may be frozen through executive action. Moreover, frequently in D.C. history the money allocated for school construction fell short of the needed amount and thus could not be spent.

A further complication enters. There is always the necessity of gaining through Congress the authorization and then the appropriation. Examples abound in D.C. history of projects authorized but not fully funded; typically, money is authorized to be expended on a construction program of several years running, but Congress fails to appropriate enough money on an annual basis to fulfill the goals of the program. As noted, there is an additional problem. Throughout the years, money has actually lain fallow, unused, during periods of true financial hardship. The reason has been that the appropriated amounts have not been sufficiently large to undertake construction. Often, prices have risen dramatically from the date of request to the date of award (two years later or more). The money allocated by Congress, always below what is asked for, is insufficient to commit for construction. This was the case particularly during the late forties and early fifties, when construction costs were skyrocketing.

16/ Washington Herald, February 6, 1933. The paper went on to say that the New Deal had opened many new departments and brought in several thousands of new jobs and residents, for which Washingtonians were pleased. But school conditions would simply have to be provided; they were now "totally inadequate, unsafe and unsanitary."

A 1938 report, issued by the staff of the President's Advisory Committee on Education, complained correctly but futilely that too many individuals took it as their task to scrutinize the budget. Many were "vigilant critics, not often hostile to the public schools but always preoccupied with other interests." The cumbersome procedures were resulting in "materially reducing the original estimates, perhaps too drastically to provide an adequate system of public schools." To minimize the factor of unpredictability, the Board of Education should control the process. "It would appear quite unnecessary for the subcommittees of the House and Senate committees on appropriations to deal with anything in the school estimates other than the principal categories and the large items," the report asserted. Further, the process did not enable the school system to adjust to changing circumstances. It was "likely to result in a waste of money, since it may not also be economical to make the expenditures exactly according to the items appropriated." Since seven-eighths of the financial support of the schools was coming from local taxation, the procedures just could not be regarded as in keeping with the democratic American way of providing school facilities." <sup>17/</sup>

Each year there was great likelihood that the story would be the same. At one of the major steps in the budget process, irrational and devastating cuts would be made. In 1946, for example, huge cuts were imposed by the House Appropriations Committee; although the approved budget was greatly in excess of the appropriation for the previous year, the increases were needed to handle operating costs and vital construction. Superintendent Corning told the press that the request "had been set upon the basic needs for efficient service," and that there was no doubt that service was going to be impaired. At the same time, spokesmen for the Congressional committees

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17/ Lloyd E. Blauch and J. Orin Powers, Public Education in the District of Columbia: Staff Study Number 15, The Advisory Committee on Education (Washington: U.S. Government Printing Office, 1938), pp. 76-92.

involved told reporters that "service of teachers has not been sufficiently utilized." Teachers should be told to work longer hours. Budget committees (not the Board of Education) were setting school policy.

Newspapers opposed cuts by the Bureau of the Budget or the Congressional Appropriations Committee. Slashes were often described as irrational or unjust. In the late forties, a Congressionally-commissioned report by Professor George Strayer, of Teachers College of Columbia University, levelled an attack on the irrationality induced by the complicated budget process. "The factors which have had the most marked effect on school expenditures during the past twenty years have had little or no relationship to the educational needs of the school population. Under such conditions it may well be expected that progress in education should lag and that deficiencies in many aspects of a public school system should develop."

Strayer further noted that "the need for new buildings and equipment does not, as a rule, develop suddenly." There was "ample evidence that financing of capital outlay has been neither adequate nor properly distributed in the District of Columbia." <sup>18/</sup>

The irrationality of funding was often based on the racial prejudices of key Congressmen. Anti-black Southerners long prevailed in the House committees, wreaking havoc with their bizarre biases. Thus, in 1952, headlines told the story: "Only One New School Requested, as Building Program is Slashed." More than \$10 million had been taken from the proposed budget of the Board of Education; especially big cuts came in the ambitious building program. Virtually all of the money deleted had been designated for black school construction, while the support intended for white schools remained in the budget. Editorials cited the irrationality of it all. "The economy in the District budget, so far as school construction is concerned, is at the expense of [the children]. ... What kind of 'economy' is this, anyhow?" <sup>19/</sup>

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<sup>18/</sup> George D. Strayer, The Report of the Survey of the Public Schools of the District of Columbia (Washington: U.S. Government Printing Office, 1949), p. 899. The report was commissioned by the FY 1949 appropriations enactment, P.L. 724. It was released on February 28, 1949, and was a full 980 pages long.

<sup>19/</sup> Washington Post, January 28, 1952.

The problem was summed up once again by a White House Conference on Education report on D.C., published in November of 1955. Schools had to operate from a general fund. The absence of special taxing powers residing with the Board of Education, coupled with no sure income from the federal payment, "restricts the ability of the school administration to estimate in advance the amount of money which will be available for its operations." 20/

The situation continued on, however, like a broken record. Thus, Dr. Hansen, in 1962, saw the House District Committee cut 102 proposed teacher positions from a request of 295, thus creating "an intolerable situation." The cuts "approach the ridiculous" and would have to be restored. 21/

The mood of Congress began to change. In June of 1963 the District Committee received a Republican-originated plan to set up separate budget procedures for the public schools. The irrationality and unpredictability of funds was much discussed. Rep. Fred Schwengel, a Republican from Iowa and sponsor of the bill, was a former teacher who had been making unannounced visits to the schools. Neglect was "caused by responsible people who have failed to provide enough money for adequate buildings, for adequate space and for adequate staff and equipment." The system had "for some unexplained reason some of the finest teachers I have ever met...[but] if our school system in Davenport approached the neglect here, the people of Iowa would hang their heads in shame." 22/ When others argued that it was the Commissioners, not the Congress, who caused the problem, the irrationality of the system was only further highlighted.

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20/ The District of Columbia Study (Washington: White House Conference on Education, November 7, 1955), p. 97. The Committee on Finances was headed by Thomas J. Groom, President of the Bank of Commerce and Savings. This report also told of the extraordinarily low D.C. teachers' salaries. Many excellent fiscal suggestions were made in this document.

21/ Washington Daily News, June 23, 1962.

22/ Washington Post, June 13, 1962. These sessions in 1963 were most informative. Nonetheless, Chairman John L. McMillan decided to hold the bill in abeyance and give it further study, in other words, kill it. The real goal behind the Schwengel bill was to bypass the District Commissioners.

If the school budget were submitted separately from other parts of the city's budget, money could be made available before the beginning of the school year. The Commissioners were messing everything up with an "A" budget and a "B" (supplemental) budget. Budgets were coming in so late that the school year was already underway; deficits were thus predictable. <sup>23/</sup> Separate budgets for the schools would prevent this from recurring, said Dr. Hansen in a radio interview.

The process did not improve. In 1966, the Superintendent complained that cuts made by the Congress "have beaten down school officials until they have developed a 'what's the use?' attitude." Congress was making a mockery of planning. "In the District of Columbia, the trail of school house planning, like the pioneer trails of westward expansion, is littered with the bleached bones of overcautious estimates as to needs," commented Dr. Hansen. <sup>24/</sup> Dr. Hansen noted that from 1953 to 1966 school officials had asked for an average annual total of \$82 million in expenses only to have the figure cut back to \$64 million by the Commissioners and to wind up with less than \$55 million from Congress. Construction costs had fared terribly. He appealed for an increase in borrowing authority. In other words, with so many decision makers and so many possible points of vulnerability, honest and goal-related budgeting simply was not possible.

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23/ Washington Star, September 29, 1963. The radio show, aired over WWDC on September 29, 1963, was entitled "Shades of Opinion" and moderated by Urban League Executive Director Sterling Tucker.

24/ Star, March 3, 1966.

In September of 1966 the city's Budget Officer complained that the schools "don't list priorities, don't develop clear-cut programs, so we have nothing definite to shoot at." <sup>25/</sup> Then, the House Appropriations Committee cut \$8 million from a construction budget and asked for school improvements, simultaneously. "How that is to be accomplished amidst the fiscal chaos of late budgets, arbitrary cuts and inadequate facilities, the Committee does not tell us," editorialized the Washington Post. <sup>26/</sup>

A related problem was beginning to creep in. Congress was delaying its appropriations cycle. "Since Congress usually does not make its appropriations until well into the school year, as a practical matter the requests have been postponed not for one year but for three." The system, noted the Post, was forcing the schools into "an extravagantly long lead time", with year overlapping year, and no time for real planning. "The city is chained to the conservatism of its accountants."

The Passow Report of 1967 was another major study of the D.C. schools. It called for an end to the haphazard funding process. Provisions ought to be made for long-range budget planning and the institution of a program planning and budgeting system; the District schools needed greater flexibility in the use of funds for program development. Either the Board of Education or the Commissioners ought to be given the right to fully prepare the budget and to act as the final authority on the school budget, said the report. Educational resources should be allocated on the basis of need.

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25/ Daily News, November 7, 1966. And, during the same month, teachers began to picket the House in protest against the cuts, citing construction, new teacher, and pay raise slashes as the big negatives. The children of Washington could only be "removed from second class citizenship" if the cuts were restored, said Mr. William H. Simons, head of the union. Star, September 14, 1966. As that particular crisis worsened, school officials began looking for alternative ways to fund programs and came upon the idea of substituting one desired program for another in a Title III (Innovative and Exemplary) ESEA application to the federal government.

26/ Post, September 12, 1966.

The report attacked the peculiar requirement that schools compete with other city agencies for funding. It claimed that the school system "did not push either the District or Congress too hard for funds" and argued that this "conservative approach" had led to a lag in expenditures for school needs and to a mushrooming of problems. <sup>27/</sup>

In 1967, President Lyndon B. Johnson replaced the old Commissioner system with a Presidentially-appointed Mayor and city Council. This new system did not change the process for school budgets. The irrationality of such a large number of actors continued.

The advent of partial home rule in 1975 helped enormously to reduce the haphazard basis of school funding. Now the Mayor and city Council were given the right to set a "budget mark" for the Board of Education. In other words, these bodies could haggle only about the maximum amount; school planning would henceforth be more rational. Finally — after years of struggle — the Board of Education would now determine how the budget was actually to be spent. No longer could city fathers decide what to pay for and what to eliminate. The system so many had sought had finally arrived. Washington was more like other cities in terms of educational finance than it had been in over a century.

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27/ A. Harry Passow, Toward Creating A Model Urban School System: A Study of the Washington, D.C. Public Schools (New York: Teachers College of Columbia University, 1967); pp. 242-264. The full title of the chapter on finance is "Congress, the D.C. Government, and School Finance." Following publication of the Passow Report, an Executive Study Group was created. See, Reports of the Executive Study Group (Washington: D.C. Public Schools, 1969). It supported the main ideas of the Passow Report on fiscal matters.

This innovation has not totally eliminated the irrationality of school financing; Congress retains the power to review school budgets. Schools must still vie with other city agencies for their funding. In actual fact, however, the city Council and Mayor, while almost always finding something with which to take exception, have not gone beyond their statutory roles of setting total dollar figures and Congress has not interfered in the financing role of the Board of Education. Today, Washington's schools have to face fewer "significant others" in their financing and can plan with greater certainty than in the past; the main fiscal task today is to eliminate the legacy of the haphazard nature of the schools' finances.

For policy-makers, however, it should be noted that the schools remain without fiscal autonomy and thus are hampered in their ability to draw long-range plans. Some final arrangements concerning the federal payment or independent taxing authority are needed. Until the school system has the ability to predict ahead of time how much money will be available for expenditures in a budget year and for several years ahead, long-range planning will remain a highly speculative art.

#### IV. Third Issue: Adequacy of School Funding

The schools of Washington began as pauper schools. Adequate funding was not provided. In fact, an early politician objected to setting reasonable salaries for teachers; that, he argued, would merely encourage "professors" to "sloth."<sup>28/</sup> Poor budgets meant that teachers could not be retained for long periods. Indeed, the first teacher was paid \$500 per year, but Mr. Richard White, in what was perhaps the first voluntary RIF in Washington school history, resigned after 18 months on the job, appealing to the Board "for pecuniary assistance to enable him to remove himself and family from Washington."

Conditions were dreadful. Superintendent after Superintendent, Annual Report after Annual Report, newspaper record after newspaper record -- all chronicle the inadequacy of funding. Some occasions merit special mention. In 1866, black students had to make do with army barracks. The first teacher's college in the city was considered to be controversial, so the Superintendent who instituted it had to tolerate founding legislation which stipulated that "no further expense should be incurred by this act than is now required for teachers in the public schools (i.e., without the cost of the college) for the year ending June 30, 1874." For most of the twentieth century, double shifts were in operation at least somewhere in the system.

Salaries were almost always far below the national levels. Funds, until the 1970s, were rarely enough to provide adequate repair and maintenance. Construction was always behind needs. Cries for more administrative staff echoed throughout the hearings for most of the schools' history. Free milk, school lunches, foreign languages, driver education, special education, service to the handicapped -- all were the victims of inadequate budgets.

The Strayer Report of 1949 divided the schools' modern economic history into five distinct periods. The years from 1925 to 1930 saw an upward trend in school

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28/ Green, Washington, p. 43.

expenditures; the period had continued through to 1932. From 1933 to 1935 the Depression had dominated everything; a serious curtailment of educational services and reductions in financial support marked that span of time. From 1936 through 1941, the schools experienced an economic recovery, "during which time the losses of the Depression were, in large part, regained." The war years, from 1942 to 1945, "required many adjustments due to shortages in personnel and materials, rising prices, and the necessity of adapting the educational program to war needs." From 1946 to 1949, the schools had seen continued shortages in personnel and materials, been buffeted by economic inflation, and witnessed a growing demand for educational services. <sup>29/</sup>

During the Depression funding had been cut disastrously low. In order to save jobs (albeit at reduced salaries), construction was halved. Other cities were in a similar bind. Newspapers of that era constantly assailed "rigid and almost blind economies imposed by the current appropriation bill." <sup>30/</sup> Cuts meant "that our school system is going to lose ground within the next few years as it has lost ground during the current year." Putting off construction "is simply piling up difficulties for the school system, difficulties which will have to be faced sooner or later." <sup>31/</sup>

Newspapers complained that if budget cuts prevailed, "the schools will be dealt a staggering blow." <sup>32/</sup> And, the "trivial sums" voted by Congress "will not finance much-needed construction to relieve the shocking congestion in many of our schools. Our schools must not suffer at this period of depression." <sup>33/</sup>

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29/ Strayer, The Report, p. 894.

30/ Washington Times, September 12, 1933.

31/ Times, November 3, 1934.

32/ Times, December 25, 1934.

33/ Unidentified clipping, January 12, 1935. Files, Washingtoniana Division of D.C. Public Library.

At a public meeting in 1941, Dr. Ballou, the Superintendent of Schools since 1920, bemoaned the inadequate budgets which were "looking slim." He explained that the cuts were very harmful. He selected as an example that year the cuts for improved school lighting. He had sought \$30,000 but the Commissioners and the Budget Bureau had dimmed that figure to \$10,000. It would thus take not one but eight full years for the school system to realize adequate lighting. <sup>34/</sup>

Even in good years, enough money was not provided by the process. The budget for FY 1949, for example, was sent by the District to Congress at over \$25 million, the largest in history. Surprisingly, it contained not a cent for new buildings, construction being at that time an industry hit by abruptly rising costs.

Budget cutting continued to be the Congressional sport of preference in mid-century. For the years after the 1949 Strayer Report, even as requests rose steadily the percentage of requests by the Board of Education actually appropriated by Congress declined from a high of 93.4 percent in 1954 to 43.3 in 1964. <sup>35/</sup>

In general, the fifties were a period of gradual growth in finance, with strong construction budgets approved occasionally during the Eisenhower years. A great leap forward followed immediately upon President Johnson's rise to power, as the District received money from the federal government through the "War on Poverty" and Title I of the Elementary and Secondary Education Act of 1965, among other programs. During the 1970s the school budgets were adequate to the needs as they had traditionally been defined, and beginning about 1978 a period of retrenchment (marked by the advent of personnel RIFs and school closings) began to dominate school finance.

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34/ Star, February 8, 1941.

35/ See Passow, Toward Creating a Model Urban School System, p. 253. But see, also, "Strayer Report Influenced D.C. School Budget Demand," Daily News, September 28, 1949.

What would have been an adequate budget for the schools during all the years of their deprivation? There is no answer available. The Strayer Report argued that there were three possible funding levels. The schools could be run at a minimum level of efficiency; that would mean, in 1949 terms, an annual budget of \$28.325 million. An acceptable school system, on the other hand, would cost the District \$28.970 million. And a defensible level of efficiency would require a minimum of \$29.655 million. With construction costs added, a total of \$38 million would have to be spent on the schools right away.<sup>36/</sup> For 1949, however, the Commissioners had sought only \$23,323,450, a total \$1.7 million below the budget of the previous year!

In 1965 Congressman Roman C. Pucinski, a Democrat from Chicago and an education activist in Congress, conducted a study of the anti-poverty program and the D.C. schools. He asked Dr. Hansen, then the Superintendent of Schools, to conjure up a model budget. Dr. Hansen reported back in early 1966 with his "blue-sky" findings. Given a budget of half a billion dollars, the system could convert its schools into dawn to bedtime community centers. Free lunches would be available for all children; breakfast could be provided when needed; a new junior college could be created; an educationally sound student-teacher ratio of 25 to 1 could be achieved; and many other innovations would be brought to pass. Representative Pucinski praised the plan; it was noted that "investment in education is self-liquidating."<sup>37/</sup> And, surprisingly — given the size of the "model budget" — the Washington Post came out in favor of the plan, "an investment" which "looms large not because it is unreasonably high but because the current rate is unreasonably low." Further, "What Dr. Hansen is offering the community is not extravagance but saving in the truest sense of the term. He has urged the soundest of investments." The plan would help eliminate crime, delinquency, and

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36/ Strayer, The Report, p. 949.

37/ Mr. Pucinski was one of the most education-minded leaders ever to serve in Congress. The author worked as an assistant to him in 1967-1968.

welfare. <sup>38/</sup> And the Star called the idea a "model" containing "a series of long-range goals toward which to strive." <sup>39/</sup>

The first truly adequate school appropriation came as a startling development to Washingtonians. Asserting that "the needs of children from deprived and inadequate family backgrounds must be given more attention," President Lyndon B. Johnson in January of 1967 reinstated in the FY 1968 budget all the money the Board of Education had actually requested.

"This is the first year in our history that the school budget has been transmitted virtually uncut to Congress," a jubilant Dr. Hansen cheered. "To understate, I would be very happy if Congress approved this budget." <sup>40/</sup>

In November the good news came. <sup>41/</sup> The FY 1968 budget lost only \$20 million in its travel through Congress. <sup>42/</sup>

The realization that a nearly complete budget had actually made it through from the Board to Congress successfully sent normally defeat-weary officials reeling. Less than a year later the Board of Education was caught with its fiscal pants down. "Congressmen Score Bid for School Funds Not Needed," <sup>43/</sup> screamed the headlines; "D.C. Schools Rapped for Budget Overkill." <sup>44/</sup> Nonetheless, the Board succeeded in pushing into — and through — Congress a "super fat" budget that year. <sup>45/</sup>

Model budgets such as those proposed by Strayer in 1949 or Hansen in 1966 tested the adequacy of school funding against a "subjective" assessment of school needs. But there are other measures of adequacy.

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38/ Post, January 15, 1966.

39/ Star, January 18, 1966.

40/ Post, January 26, 1967.

41/ Post, November 26, 1967.

42/ Star, December 6, 1967. As usual, newspapers reported the cuts principally, and the public was soon up in arms over a low budget request for the schools which the Mayor had submitted for the next year. But a major victory had been achieved for the schools.

43/ Post, July 6, 1968.

44/ Daily News, July 6, 1968. A total of \$19 million had been requested to build new schools; Congress discovered during its hearings that the sites on which the schools were to be built had not yet been purchased!

45/ Daily News, September 8, 1968.

## A. Percentage of City Budget

Washingtonians have traditionally cited the percentage held by the schools within the overall city budget as one such measure. What does the record show on this relatively "objective" scale?

From 1917 to 1922, school expenditures increased by 92 percent and outlays for permanent improvements increased by 223 percent. The school system at that time actually consumed fully 31 percent of the money expended by the District. (A report in the Evening Star during 1923 noted that educational systems in other great cities showed even larger increases than those for D.C., and higher percentages, too.)<sup>46/</sup> And a poll by the Board of Education in the late 1920s apparently revealed a citizenry unanimously in favor of allocating as much as one-third of city resources to the school system.

By the time of the Great Depression, the schools were worse off. It was noted in an article printed by the Washington Herald on January 8, 1935 that from about 33 percent the schools' percentage of the city budget had fallen to 27. Just before the Depression began, the head of the school board complained publicly that the city was allocating a smaller percentage of all city expenditures to public schools than were other major cities. The Advisory Committee on Education's 1938 report to President Roosevelt commented that "during the past few years, the amounts expended for schools have constituted somewhat less than a third of the net expenditures of the government of the District."<sup>47/</sup> In 1955 the schools' share still stood at the 30 percent mark.

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46/ Star, of December 15, 1923.

47/ Staff Study Number 15, p. 71.

Speaking during a "Report to the People" radio show over WWDC, Commissioner Robert E. McLaughlin stated that public schools were receiving their fair share. The schools, he maintained, were given appropriations at the 20% level, but to cite this figure would be "unfair" because other monies help the schools to pay for services that elsewhere would be state -- not local -- functions. 48/

This measure of adequacy continued to be cited by school advocates. Dr. Carl Hansen in 1964 argued that the District was allocating a smaller percentage of the budget to education than all but three of 75 large cities responsible for financing education. He complained that only about 24 percent of total available funds were going to the schools, regardless of the need. By this measure, the District was only slightly above average in terms of education finance, even though it was at the top of total city per capita expenditures. 49/

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48/ Post, November 13, 1955.

49/ Star, September 17, 1964. Dr. Hansen said that the Board needed additional teachers "because of a successful drive to keep students from quitting schools." Dr. Hansen criticized the "lassitude of District government budget officials in the face of critical school deficiencies." The Department of General Administration should use its borrowing authority, he said. He distributed analyses indicating that the budget increases had been reduced by 36 percent during the past five years; the Commissioners had caused about 29 percent of the reduction and Congress about seven percent.

There is a difficulty in using the percentage figures for purposes of comparison with other cities in the United States, however. Most importantly, the District of Columbia may be compared sometimes to other cities and occasionally to other states and territories. It provides services to its citizens which are often provided by states in addition to those normally within the purview of cities. Some services are exclusively provided by state governments -- teacher certification, for example -- and the expense involved does not appear on city books, except for Washington. Other functions are provided by cities but reimbursed by state governments; special education is an example. In addition, the District of Columbia, unlike state governments, must support an entirely urban school system. Urban systems are far more costly than rural or suburban schools.

Citing the percentage of city budget spent on schools is thus most valuable when comparing figures over the years in the District (although even here, one must note that an ever-changing array of services has been offered in the District schools); comparison with percentages in other large cities or in states is less valuable.

The presentation of figures always seemed to impress the newspapers. In an editorial later in the week, the Star complained that "School needs, more today than ever, deserve and require more consideration than almost any other expenditure of local government." The system deserved better than 24 percent, charged the newspaper; the voice of the people should be listened to by the Commissioners. <sup>50/</sup> And the Post commented at the same time that "this city will be everlastingly indebted to [Dr. Hansen] if he will make this a fight to the finish. For thirty years the schools had been given insufficient funds "to do the vital work entrusted to them." The situation had simply been accepted, "more or less resignedly," by the city fathers. <sup>51/</sup>

Three years later, during the discussion of the Passow Report in 1967, the schools' chief budget officer observed that from 24 to 25 percent of the city budget was going to the schools. The new budget set exactly 24.1 percent as the schools' level. <sup>52/</sup>

About 24 percent of the city budget was still being allocated to the public schools in 1971. But the landmark study, Financing the D.C. Public Schools: A Budgeting and Planning Guide for the Citizen, complained that the proposed budget for the next fiscal year awarded only 21 percent of the total city operating budget to public schools. It ran a comparison with cities of comparable size and with neighboring cities. It found that Washington ranked lower than Atlanta, Baltimore, Boston, and Cleveland in education's share of the total city budget and that the city was far below such neighboring communities as Alexandria, Arlington, Falls Church, Fairfax County, Montgomery County and Prince George's County. <sup>53/</sup>

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50/ Star, September 19, 1964.

51/ Post, September 20, 1964.

52/ Star, December 6, 1967.

53/ Financing the D.C. Public Schools, p. 10. See Table I.

By FY 1975, the schools garnered only 20.3 percent of the budget. A publication of the D.C. Citizens for Better Public Education noted that "with total enrollment dropping, however, the burden is on the school system to justify even maintaining its 20 percent share, although it might also be pointed out that the school enrollment is accompanied by a drop in total city population." <sup>54/</sup>

In 1978, the new budget prepared by the city Council granted the schools only 17.6 percent of the city money. And in 1979, Victoria Street, a member of the school board, said that while a decade earlier the schools had received 27 percent of the city budget, they were now receiving only 17.5 percent. <sup>55/</sup>

A report issued by city Councilman John Ray in 1980 asserted that "public education is being de-emphasized in this city." Ray noted that the District was allocating "a significantly smaller percentage of its overall budget to education than [six] neighboring communities." <sup>56/</sup>

The public schools now receive about 20 percent of the total city budget. <sup>57/</sup> Combined with the University of the District of Columbia and the public libraries, about 22 percent of the appropriated budget of FY 1981 went for public education. <sup>58/</sup> Washingtonians continue to use the percentage of city expenditures devoted to education as a major yardstick of "adequacy."

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54/ See, Bulletin Board, a monthly publication of the D.C. Citizens for Better Public Education, Inc., Vol. 5., No. 3, for April, 1974, p. 1.

55/ Star, September 13, 1979.

56/ Star, May 28, 1980.

57/ Know the District of Columbia (Washington, D.C.: League of Women Voters Educational Fund, 1980), p. 72.

58/ Ibid., p. 59.

## B. Per Pupil Expenditure Rate

Another measure of adequacy of funding has been discussed over the years. This is the per pupil expenditure rate. Recently, the per pupil expenditure rate has rested near \$2,500. For FY 1979, per pupil expenditure was \$2,135, regular, plus \$296 of federal money, or \$2,431 overall. For FY 1980, the figures were \$2,106 plus \$313, or \$2,419 overall. <sup>59/</sup>

The Daily News reported in 1948 that the District's efforts on behalf of schools were poor when compared with those of other cities. "Prosperous Washington could hang its head over the 'financial effort' it spent on public schools in 1945-46, according to figures released..." The paper reported that per pupil expenditures were lower in Washington than in any state. This was in spite of the high income level of the residents of the District. In fact, the paper reported that the income of Washingtonians per school child was the highest in the U.S. but the financial effort in support of the public schools was lower in D.C. than in the very poorest state in the union. <sup>60/</sup>

In 1951 a report was published in the Washington Post which compared 300 large cities in per pupil expenditures, and it found that, as of the 1949-1950 academic year, Washington rated about average. The survey indicated that over the previous decade the cost per child soared in Washington. While in 1940-41, 76 cents per day had been spent, by 1949-50, an increase of 85.5 percent had skyrocketed the city's costs. <sup>61/</sup> The White House Conference on Education of 1955 found that Washington ranked very low both in per pupil expenditure among cities of comparable size and in percentage of city budget allocated to the schools; it was found to wind up 14th on a list of 18 school systems cited. <sup>62/</sup>

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59/ D.C. Public Schools Data Resource Book 1980-1981 (Washington: D.C. Public Schools, 1969), p. 18.

60/ Daily News, December 22, 1948. Also, Post, December 2, 1948. One reason cited for the low expenditure of funds was the high percentage of adults in Washington.

61/ Post, August 26, 1951. See also Star, May 17, 1951.

62/ The District of Columbia Study, third topic, Committee on Finance.

In April of 1959 the National Education Association reported that the District was spending more per pupil than all but four of the states. "With an average public school expenditure of \$434.43 per pupil in average daily attendance, the District is topped only by New York with \$535, Alaska with \$520, New Jersey with \$463 and Wyoming, with \$435." The report pointed out that Washington could not truly be compared with states, however. <sup>63/</sup>

By 1963, the NEA found that D.C. costs per pupil were running but \$25 over the U.S. average, <sup>64/</sup> and during Senate hearings in 1965, Dr. Hanson testified that D.C. needed more for school administration. To bolster his claim, he cited a study which showed that the District ranked 15th out of 17 large cities in expenditures for administration. <sup>65/</sup>

The Passow Report of 1967 also mentioned per pupil expenditure. A table compared total operating expenditures per pupil in average daily attendance in the schools of Washington with those for the entire nation, in 1955-56 and in 1965-66. The comparison showed that Washington ranked above the national norm in 1955-56, \$840 to \$294. In 1965-66, Washington still was above the national norm, but only slightly. Here, the comparison was \$554 for D.C., \$533 for the rest of the nation. Whereas Washington had observed an increase of 63 percent over the decade, the country had witnessed an 81 percent increase. From an excess of 15 percent over the national average, the lead had shrunk to only four percent. <sup>66/</sup>

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63/ Post, April 24, 1959.

64/ Star, February 3, 1963.

65/ Post, May 6, 1965.

66/ Passow, Toward Creating a Model Urban School System, p. 258.

In the mid-seventies, "the District [was] nearer the top of the list in terms of per pupil expenditures than the bottom," according to Dr. Baratz. <sup>67/</sup> And as of January 1971, D.C. cost per pupil was reported as narrowly edging out the figure for other area districts. <sup>68/</sup>

In April of 1979, Washingtonians were discussing a chart which listed the District as second only to Alaska in per pupil costs during the 1976-77 school year. City officials responded to the outcry by arguing that the city was not a state which had rural areas. It should be compared to New York or to San Francisco, not to an entire state. <sup>69/</sup> "That's like comparing us to Afghanistan," said Deputy Superintendent Edward G. Winner.

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67/ Baratz, A Quest For Equal Opportunity, p. 8. See, also, The Condition of Education (Washington: U.S. Department of Health and Human Services, 1975), table 33. Also, K. Nelson, A Study of Comparative Data in Eight Large City School Districts FY 1974 and FY 1975 (Washington: D.C. Public Schools, 1975).

68/ Daily News, January 23, 1971.

69/ Star, April 16, 1979.

### C. Student-Teacher Ratio

While Washington's public schools began their history with as many as 70 pupils per teacher, and with gigantic "Lancasterian" schools in which students served as teacher aides for younger students, attempts have repeatedly been made to reach satisfactory ratios. Of great importance to the schools was the all-out drive following World War II to achieve smaller classes. This drive was expressed graphically in terms of the student-teacher ratio. This has become yet a third measure of adequacy of school funding.

For years the elementary school goal was a 30:1 student-teacher ratio. Virtually every month a report would appear in the press, indicating how far along the schools had progressed toward their goal. On repeated occasions the Commissioners declined to seek 30 to 1; they thought a higher ratio perfectly sufficient.

On January 13, 1958, however, the President and the Commissioners finally gave official sanction to the goal of 30 to 1. By "allowing vast construction and educational needs," the President called for a \$10 million construction budget and a significant jump in other budget allocations to the schools. It was estimated that the 30 to 1 ratio would be reached by FY 1963. At that point the elementary school ratio had dropped to 33 to 1. <sup>70/</sup>

The ratio hit 30 to 1 near the time of the Passow Report and by 1970, the ratio was no longer a major problem for the school system. The issue appeared to die when the schools announced that year that the ratio had gone to 25 to 1. <sup>71/</sup> Declining enrollment plus increased construction spelled lower ratios.

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70/ Sfär, January 13, 1958.

71/ See Passow, Toward Creating a Model Urban School System, p. 90, for a fascinating chart entitled "Average Class size by School Levels on October 20, 1966." Class sizes ranged then from 14.2 (special academic classes at the elementary level) to 30.6 for grades one to six and for academic senior high schools. On page 91, however, the report indicates that these figures are merely "optimistic"; and that the school system's average class size "now approaches 30."

Today, however, the ratio is still an issue which is alive, since proponents of the full Board of Education budget request argue that it will allow them to make reductions in the student-teacher ratio which will result in improved student achievement.

The debate over the adequacy of the public school budget will certainly continue, given the city's financial problems, inflation, cutbacks in federal programs, and the underlying nature of education finance processes in the District. The three "objective" measures — percentage of city budgets, per pupil expenditure, and student-teacher ratios — should all be of assistance to policy makers as they select the preferred future for Washington's students.

#### V. Fourth Issue: The Matter of Construction Funds

Until the last decade, no issue more aroused Washingtonians from their torpor than school construction. Because of segregation and the legacy of four co-existing boards, Washington's schools were ill-planned and ill-located. The haphazard, politically-sensitive nature of the allocation of funds compounded construction irrationalities.

The earliest attempts at construction were the most reasonable. Two schools were authorized in 1806 to be built to house Washington's poor students: the Western School and the Eastern School. With the addition later in the century of black Washingtonians to the populace to be served, school housing was totally inadequate; many children were turned away because of a lack of facilities.

The first Governor under the territorial structure, Henry D. Cooke, was a great supporter of public education; he commenced the building of schools without any money in the treasury for so doing. Thus, in one area of Georgetown, a fund existed to erect a public library. The Governor put the library inside of the school building whose construction he was superintending and for which he had no funds, and Georgetown in the 1870s got both a new school and a new library. <sup>72/</sup>

A study commissioned by Congress in 1882 uncovered a serious shortage in school-housing. About one-third of all schoolrooms were rented, and most of these were shown to be unsuitable. An expenditure of at least \$100,000 a year for three years was needed. As a later school official commented, however, "thus, the diagnosis was made, the tonic prescribed, but inadequately filled." <sup>73/</sup> For the period of 1898 through

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72/ Harry Oram Hine, "Public Education in the District, 1805-1928," in John Clagett Procter, ed., Washington Past and Present: A History (New York: Lewis Historical Publishing Company, 1930), p. 31 of Chap. XXXIX.

73/ Ibid., p. 38.

1908 alone, appropriations fell \$2 million below the level recommended by the investigators seeking construction improvements.

Considerable school construction occurred around the time of World War I. But speaking to the D.C. Chamber of Commerce at an "education night" meeting on December 17, 1924, Dr. Frank Ballou, the Superintendent of Schools, said that new school buildings were desperately needed. One school building still in use had been constructed in 1868. Portables had to be abandoned and destroyed; it was no longer possible to occupy them safely and great congestion would result. Thus, a five-year building program was needed. The Chamber voted its support. <sup>74/</sup>

The President of the Board of Education during the late twenties, Dr. Charles F. Carusi, a tireless campaigner, called for \$15 million to finance a second five-year school building program, the first having been partially successful. It would take \$15 million "to provide your public school system with adequate buildings and equipment." Dr. Carusi told representatives of civic and trade associations. An annual expenditure of \$3 million over a five-year period would bring the buildings and grounds of Washington's public schools up-to-date. Such a sum, Dr. Carusi noted — and the argument was often put in subsequent years — would have to be set aside, over and above the regular operating budget. <sup>75/</sup>

A 1928 report prepared for the U.S. Senate Appropriations Committee by the city's Bureau of Efficiency recommended that land for school sites and playgrounds be purchased upon recommendation of the Board of Education. It urged that the Board

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74/ Star, December 17, 1924. Much of the earlier construction was based upon suggestions of the Schoolhouse Commission. This body was created as a result of the 1906 reorganization law. It studied school architecture in America's other great cities and provided the U.S. Senate, in 1908, with many recommendations for modernization of the schools. Its suggestions had a considerable impact upon local school construction. See, Report of the Schoolhouse Commission: Upon a General Plan for the Consolidation of Public Schools in the District of Columbia (Washington: U.S. Senate Report, 1908).

75/ Star, December 14, 1928.

of Education be given the power to approve all plans and specifications before the Commissioners constructed school buildings. Also, school authorities in the District "have always had difficulty in procuring sufficient funds to meet the needs for buildings and sites occasioned by an increasing school enrollment and by obsolescence." The cause of this unfortunate situation was the inability of the city to escape from the "pay-as-you-go" financing method, for decades the bane of school construction hopes. <sup>76/</sup>

While the five-year plan had been relatively successful, generous authorizations were not being followed by full appropriations; adequate construction would not be possible unless heftier appropriations were awarded by Congress. During the discussion of D.C. appropriations in 1929 one Democratic Congressman argued that the facts "will show that we are \$3.5 million behind in appropriations for providing for school facilities for the proper accommodation of the children of the District of Columbia." <sup>77/</sup> The Chairman of the subcommittee on D.C. appropriations retorted that a big drive for construction would force the tax rate to jump an astronomical 25 cents per \$100; how could the Chamber of Commerce even think of such an appropriation? <sup>78/</sup>

The carousing Carusi struck back, with arguments in favor of vigorous school house construction, but the whole highly publicized debate soon came to a shrieking halt. The chief victim of the Depression in school budgets for D.C. was the construction program. Though more was requested, the Bureau of the Budget allowed only a single land item to remain in the 1933 school estimates.

In December of 1932, at the depth of the Depression, the budget was again pruned. This time Congress eliminated the initial appropriations for a new senior high school. "Dr. Ballou Regrets Budget Cut Which Killed New School" — ran the headlines.

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76/ Report on Survey of the Public School System of the District of Columbia by the Bureau of Efficiency (Washington: D.C. Government, 1928), p. 1

77/ Star, January 24, 1929.

78/ Star, April 28, 1929.

There was a terrific problem with congestion in senior high schools; as virtually everywhere else in the nation, it had become more acute than ever before "because a great many high school graduates are remaining in school for post-graduate courses as a result of unemployment and lack of funds to enter college," according to Dr. Ballou. At least two of the senior high schools were going to have to move to a double shift. <sup>79/</sup>

Matters turned worse. Then, in a humanitarian move that was hailed by all segments of the D.C. community, the Board decided to keep the jobs of teachers and other personnel. Appropriations were slashed for 1934, but the Board's policy was to find "rigid economies in other directions," not to fire workers, and the Board responded favorably to a suggestion that unemployed citizens be given work repairing school buildings and grounds.

As the "noble experiment" of Dr. Ballou — keeping teachers' jobs, no matter what the cost — appeared to succeed and win public acclaim, journalists noted that the purchase of sites and the erection of school buildings was slowing up. <sup>80/</sup> "The National Capital is still using school buildings that were recommended for abandonment more than twenty years ago," noted one editorial. Putting off construction "is simply piling up difficulties for the school system, difficulties which will have to be faced sooner or later." Congress lopped off more millions for the 1936 budget; the schools were dealt "a staggering blow." <sup>81/</sup> Newspapers protested mightily: the request of the Board "was not an exorbitant request, considering the manner in which estimates have been cut in recent years and considering the dilapidated condition of many of the schools." Along with other districts, Washington's schools suffered mightily during the Depression.

Staff Study Number 15, issued by the President's Advisory Committee on Education in 1938, deplored the school housing situation. It found that an extraordinary

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79/ Post, December 17, 1932.

80/ Post, September 10, 1933. See "Schools to Try New Year with \$4,122,000 Cut."

81/ Times, November 3, 1934.

number of buildings were decaying. "Of those now in use, 34 were constructed between 1864 and 1886 ... a number of these old buildings have fewer than 16 rooms; their small size contributes materially to the relatively high costs of both operation and maintenance of plant." The report cited with approval the five-year building program which had been proposed in 1936, [calling] for a total allocation for buildings and site purchase of \$30 million. <sup>82/</sup>

The Board wanted to resume normal school construction as early as 1937; the House of Representatives killed the idea early in 1939. The Senate had approved a plan, but the House and the District Commissioners were against it; a blitz of newspaper editorials came out, blasting the Commissioners for crippling the program. The Daily News summed it up: "School Superintendent Frank W. Ballou is [calling upon] Congress again this year with a budget that amounts to a demand that public school development be picked up where it was virtually dropped in 1930 as a result of the depression." <sup>83/</sup>

Construction might have caught up, but then came World War II. A lowered school budget was sent to Congress in May of 1942. The Congress reduced it by hatcheting the construction proposals. School officials had to take cognizance of their own inability to obtain materials for permanent school buildings. In the 1943 budget, no money was requested for new buildings; some temporary schools might be necessary, though. Thousands of newcomers were swelling the population. The Post observed that the school board's public-spirited cooperation "should give Congress added incentive to improve the board's land purchasing program." Actual construction of schools, wrote the Post, "can be postponed without serious loss to the community, but it is well to remember that sites suitable for schools are rapidly disappearing under the impact of Washington's wartime growth." Sites ought to be purchased before they were lost for eternity. <sup>84/</sup>

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82/ Staff Study Number 15, pp. 82-83.

83/ Daily News, August 23, 1939.

84/ Post, September 1, 1942.

As the war moved on, the schools requested more money for sites and for the drafting of construction plans — but not for construction itself. In January of 1945, with the end of the war finally in sight, the 1946 budget estimates were submitted. The schools sought a massive postwar building program. A total of \$1.8 million was requested for construction; if awarded, this would help to meet school building needs through 1955. In August, with the war's end, the schools announced plans to try to win federal support for a mammoth \$10 million construction program. When in July of 1947 the Senate indicated it would go along with a construction budget of \$3.2 million, this was quite a victory, since the Commissioners themselves had gone to Congress to ask that the school building program not be approved, claiming that it would lead to new tax burdens and heavy future obligations. Further, stated Commissioner John Russell Young, it would "practically exhaust" the capital investment fund which the city had been building up. <sup>85/</sup>

Several months later the Board of Education was back with a request for a budget of over \$32 million, with one-third to go for large building programs. Noted the Post, "so acute is the need that officials are asking site money for a junior high school to relieve expected crowding in the Miller Junior High School that's not yet built." <sup>86/</sup> When the Commissioners addressed the request with an ax, the president of the Board wrote that "growing children do not stand still to wait for inadequate budgets to catch up with them. Their school life may be over before their needed school facilities are ready. We must not only complete the construction program, which was delayed by the war, but we should be farsighted enough to buy land while it is still unimproved for future school construction." <sup>87/</sup>

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85/ Star, July 15, 1947.

86/ Post, September 21, 1947.

87/ Post, September 21, 1947. This was a blunt quote for Mrs. Henry Grattan Doyle, since 1935 president of the Board of Education.

School leaders discussed the desirability of floating a loan, a mechanism not allowed to the District schools. "If the program is restricted to what can be spent from current revenues each year, children now in school will be receiving their old age pensions before the program is completed," groused the Star. The construction work — held up by insufficient appropriations from Congress — simply had to be sped up. <sup>88/</sup>

The Strayer Report of 1949 called for a massive school building program; the price tag would be well over \$37.9 million. The reality was that the report had not much effect on city budgets. A daring FY 1951 budget was proposed by the school board in the autumn of 1949; the budget was cut to ribbons, but \$4.5 million came out for construction in the end. <sup>89/</sup>

The next year a new budget was prepared by the Board of Education. Announced September 18, 1950, it called for 22 percent of city funds to be spent on schools; the proposed increase in expenditures would be devoted almost wholly to construction. A total of \$9.5 million would be needed for construction. The budget moved to the President. With a pointer in hand and charts behind him, President Truman told America that the District's schools needed more funds. He wanted twelve new school buildings. Seven of the new schools would be for blacks. <sup>90/</sup> Superintendent Corning warned, however, that temporary schools might again be needed, for construction costs were rising "precipitously" and were "leaving us very uncertain what the future will be." <sup>91/</sup> In the end, the \$34,410,500 request was pared down by Congress to \$29,604,750, a drop of \$4,805,750.

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88/ Star, September 22, 1947.

89/ Daily News, September 28, 1949.

90/ Star, January 15, 1951.

91/ Star, March 22, 1951

Early in 1952 the Commissioners cut a proposed \$13 million budget for construction to \$1.5 million. The public and the newspapers were up in arms. "The reduction," wrote the Post in January, "has been hailed by members of Congress as a praiseworthy 'economy' imposed in part by the fact that Congress forbids the District to borrow funds for capital outlays. Let's have a look at what this kind of economizing does ... the 'economy' in the District budget, so far as school construction is concerned, is at [the children's] expense. They will pay for it in terms of thwarted educational opportunities as a result of cramped quarters and unsatisfactory physical equipment. They will pay for it in terms of their health as a result of inadequate lighting and unsound sanitary conditions. They might pay for it, in case of fire, with their lives. What kind of 'economy' is this, anyhow?" 92/

The Board jumped in with a mighty new six-year, \$52.7 million school construction program. 93/ Then a surprise occurred. The Commissioners had named a Citizens Advisory Committee on Public Works; this group reported to the Commissioners that a \$71 million, six-year building program was necessary for the schools. Hoisted on their own petard, the Commissioners would have to act. A total of 60 projects was endorsed by the advisory committee, two-thirds for the black schools. 94/ The main arguments of the Board had been sustained by an independent body. The results were soon evident.

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92/ Post, January 28, 1952.

93/ Post, March 14, 1952.

94/ Times-Herald, October 1, 1952. Only a much publicized "gap" of \$10 million or so — after adjustments were made — was left between the Commissioners' plan and the most recent plan of the school board.

Integration should have relieved overcrowding and hence reduced construction budgets. Yet when it came, the District schools revealed that they would require nearly \$25 million in "new" money to construct additional public elementary and secondary classrooms to meet basic requirements in the District, "exclusive of amounts appropriated through Fiscal Year 1955." <sup>95/</sup> A huge new construction program had been approved by Congress; as the public works program entered its second year, approximately eight million dollars was requested for capital outlay (construction) in the FY 1956 request. <sup>96/</sup> In January, \$3 million was cut from this request. <sup>97/</sup> In June, with children crowding into the 1868 vintage schools, the Senate heard that portables were being used to meet the huge crush of students in the burgeoning eastern half of the city. <sup>98/</sup>

A \$70 million school construction program was proposed late in 1956, but the Commissioners debunked it. <sup>99/</sup> In 1957 a capital outlay budget of \$15 million was proposed, <sup>100/</sup> and President Eisenhower approved the request at over \$11 million. <sup>101/</sup> In 1958 another huge construction item was proposed. Since the merits of the program were not immediately evident to several legislators, a study was requested; again the PTA supported the idea. In July, the new Board of Education budget proposed, along with \$42 million for operating expenses, fully \$15.7 million for capital outlay. <sup>102/</sup> In January of 1959, the Commissioners approved a construction figure of \$9.5 million.

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- 95/ Star, July 27, 1954.  
96/ Star, September 24, 1954.  
97/ Star, January 17, 1955.  
98/ Star, June 9, 1955.  
99/ Post, December 11, 1956.  
100/ Star, July 12, 1957.  
101/ Star, January 13, 1958.  
102/ Star, July 22, 1958.

Thus, every year the story seemed the same. The Board would propose a "bare bones" figure for construction which, it would argue, might barely meet minimum needs. The Commissioners and their fiscal experts dismissed the construction requests as poorly argued, unconvincing, or inflated. The Board of Education returned with new, lower figures and was partially satisfied. Over the long haul, the figures were rising. The floor moved up each year, even if the ceiling was never quite reached. Low levels of funding had the inevitable result: the process simply was extended far beyond what was necessary. In addition, the deficiencies of D.C.'s financing vehicles were obvious to all who observed the process.

Typically, the schools objected strenuously — and publicly — to cuts. Thus, Congress was told by the vice president of the Board in 1963 that the schools were "rapidly approaching a point of desperation." Unless additional funds were secured, education would "slip into uninspiring, nonproductive, mere containment." <sup>103/</sup> The slightest delay in the building program "will result in hundreds of classes in overcrowded, inadequate buildings at the elementary and junior high school levels." The Superintendent then joined the fray, commenting that "we ought to do this in bold steps." The President that time asked Congress for an immediate \$800,000 for construction! <sup>104/</sup>

When President Johnson took office, school figures shot up. Considerable improvement was needed in the construction program; many buildings were at least 60 years old. "We have to keep reminding ourselves that in the Capital of the greatest

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103/ Post, July 7, 1963.

104/ Star, July 18, 1963.

industrial nation in the world, when people come to our school doors we say 'you can't come in, there isn't room for you,' " observed Dr. Hansen, as he called for full funding of a \$24.7 million construction estimate. 105/

As Congressional hearings got underway, parents and teachers appeared at well-publicized Board sessions and told of rats invading school buildings which were "inadequate, dangerous, antiquated and obsolete." Others told of teachers without classrooms, found roaming about, looking for space. 106/ Newspapers supported the concept of long term construction programs, arguing that "if the amount should seem to [the Commissioners or others] uncomfortably high, then the solution is to cut some other municipal activity. The schools are the most important responsibility of this city, and they are owed an absolute priority in the budget." 107/

The Congress was not the biggest problem, said the Superintendent; it was the Commissioners who were cutting costs drastically. "If lack of funds is to blame, they should explain why the money needed to run the school system can't be found." He was "unwilling to believe that the community or Congress supports the view that school services should be drastically curtailed because of lack of funds." Why did not the D.C. Department of General Administration use its borrowing authority for school construction? 108/

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105/ Star, February 4, 1964. This was said at the annual meeting on the school budget request. The meeting was held on February 3, 1964. Although there had been great improvement in many areas in recent budgets, school officials told those assembled, a lot remained to be done. And, of course, Superintendent Hansen called for borrowing to be allowed.

106/ Star, April 7, 1964.

107/ Post, July 25, 1964.

108/ Star, September 17, 1964. ✓

Between 1953 and 1966, Congress had appropriated about half of what the Board of Education requested in construction money; a total of nearly \$10 million was spent to build 21 elementary, ten junior and two senior high schools. New structures were added to 46 buildings and two schools were replaced, with most of the new construction going into predominantly black districts of the city. The Johnson era brought adequate construction funds for the schools — finally. Since the city then moved to construct buildings through borrowing, a method used almost universally throughout the United States, much of the wind ceased to blow on the public sails of construction politics. There was a slackening in construction publicity campaigns, and public concern turned elsewhere.

The largest school building program in history occurred in the decade from 1972 to 1982; a total of 43 construction projects were completed at a cost of \$252 million. It was all catch-up however. With the federal funding levels at historic peaks and activity and attention focused on other matters, many failed to notice that just as Washington's schools were able to surmount the Byzantine political hurdles to a reasonable building program, the facilities were no longer needed! Enrollment figures had begun to dip seriously in the early seventies; the schools achieved a good student-faculty ratio, and overcrowding was no longer the danger it had once been. As the FY 1981 capital outlay budget was set at zero, public debate addressed the inverse problem: with dwindling enrollments, which schools were to be closed down? What neighborhood would lose its no longer needed school? By 1982, the capital outlay budget was practically a forgotten relic of the past. The District of Columbia school system planned no new building. History had come full circle.

## VI. Fifth Issue: School Finance — Beanbag for Governance Squabbles

Through the years, District of Columbia governance battles have often been fought out as education finance ones. <sup>109/</sup> With the 1906 reorganization act, the Board of Education was given the right to appoint all employees of the school system and was required to transmit annually to the Commissioners an estimate, in detail, of the amount of money required for the public schools in the year ahead. <sup>110/</sup> The Commissioners included with their annual city-wide budget estimates the recommendations coming from the Board of Education. In 1922 the Commissioners were given the right to forward only their own recommendations. For years after, report upon report recommended that the Commissioners be required, once again, to forward the Board's estimates as well as their own.

The year 1923 saw an early edition of what would become a running chapter over the decades. Did the Commissioners have the right to examine all Board of Education expenditures? At issue was the refusal by the Commissioners to purchase several hundred dollars worth of equipment for a beauty parlor at the O Street Vocational School in the black division. No, said the Board. Yes, ruled the city's corporation counsel, and his interpretation prevailed. <sup>111/</sup>

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109/ Since the excellent paper of Professor Diner has thoroughly examined the general issue of governance, an attempt will be made here to note merely some finance-related highlights of the issue. See Steven J. Diner, "The Governance of Education in the District of Columbia: An Historical Analysis of Current Issues." Study No. 2 in this series.

110/ Newspaper coverage for years referred to "estimates." This must have been most confusing to the uninitiated. The expression is used in England, too.

111/ Star, March 9, 1923.

In 1926 the Board of Education drew the first of many post-1906 fiscal lines in the dust: it announced that it would simply not cut any more from its construction budget. Each year until then the Board had prepared its estimates and forwarded them to the Commissioners. Then the Commissioners would ask for cuts and the Board would duly sharpen its knives. No more, said a much suffering Board. The city's auditor, Budget Officer Daniel J. Donovan, responded with a report that argued that "the school system is an integral branch of the municipal government subordinate to and under the jurisdiction of the Commissioners."<sup>112/</sup> But this issue would not die. During the years 1928-29, under the leadership of Dr. Charles Carusi, the Board of Education again flexed its fiscal muscles. It refused a request from the auditor to designate items as "proper to be included in a supplemental estimate."<sup>113/</sup> The Commissioners then told

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112/ Star, September 27, 1928.

113/ Star, September 17, 1928.

The request for "priority ranking" experienced an undulant history: the request has reappeared throughout the century, as Commissioner after Commissioner and Mayor upon Mayor (all two, so far) have called for a priority list and as the Board has hesitated to prepare one. The Board has always taken the attitude of a mother who has been asked to sacrifice just one child declaring that all her children are equally valuable to her.

Thus, in 1953, Dr. Corning told the Board's finance committee that the District Budget Office had asked for a priority list of items which could be chopped so as to bring the schools' 1955 budget figure ten percent below then-current levels. All District departments were being asked for the stripped down estimates, he said, but he noted that "obviously such reductions would completely cripple the school system....There is no way to reduce the workload or program of the public schools in the same manner as the programs of other agencies may be cut back." Star, September 5, 1953.

The issue arose again in November of 1966, in acrimony, when Superintendent Hansen was told to budget by priorities. "Our proposals for the use of those 400 teachers weren't terribly specific," he said, "but we need everyone of them to provide more individualized instruction, regardless of whether we use team teaching or any other new method." The fight was between Dr. Hansen and District Budget Officer D.P. Herman. Post, November 8, 1966.

And in November of 1967, the Post's headline read, "Schools Told To Budget By Priority." This time, Mayor Washington was making the request and he wanted priorities listed for both construction and operating costs. The topic became embroiled in the first school board election, in 1968, and was even the topic of an opinion column in the Post. Post, November 23, 1967; September 14, 1968.

the auditor to make priority lists himself and to cut \$2 million from the total \$12 million budget of the Board. 114/

The Board riposted that it was an independent body, and its mission was "to defend our estimates and all our estimates as submitted."

Listing a project on the "supplemental" list was simply consigning it to the garbage heap. The Commissioners had their own duty, "the ministerial one of forwarding the estimates of the Board of Education with such recommendations as, in the light of the needs of the District and the limited revenues thereof applicable to the same, they may desire to present to the Bureau of the Budget and to the committees of Congress." 115/

Dr. Carusi was tireless, and his campaign gathered steam. The Board of Efficiency report to the Senate in 1928 came out on his side, proposing that the Board of Education have all power over expenditures within the schools and calling upon the Commissioners to forward the Board's estimates with its own recommendations. 116/

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114/ Almost always, individual cutters in the pathway of the school budget argued that the budget was going to be cut on the next step up the ladder anyway. "Let me cut it, and cut it judiciously, and you will avoid having that insensitive [Commissioner, Bureau of the Budget, President's Office, House Committee, etc.] do it crudely." The refrain was heard for years.

115/ The Board would simply refuse to reconsider its estimates until it was called before the Bureau of the Budget. The school board's powers, "already specified by law, would be made known rather than [by] a fight with District heads" via the "campaign of education", said Dr. Carusi.

See, "Scores D.C. Heads on School Budget; Carusi Declares Law Does Not Require Commissioners to Submit Estimates," Star, no date indicated, files of Washingtoniana Division, D.C. Public Library. See, also, Dr. Carusi's remarks in Star, December 14, 1928.

116/ Report on Survey of Public School System, p. 1.

The battle waxed. The Board ran into "an impenetrable wall of opposition" from city officials. The Commissioners, fortified with legal assistance, announced that "if the school board refuses, like it did last year, to make reductions ordered because of budget limitations, the Commissioners ... will again do the trimming themselves." They declared that they would give the estimated needs of the Board more consideration than ever before, but when the battle was actually joined, the Commissioners wreaked their vengeance down upon the Board and chopped their budget to ribbons. 117/

The battle of governance via finance was suspended for the duration of the Great Depression. A report in 1938, however condemned the continuing participation of so many individuals in the process of budgeting for the schools. A simplified procedure was needed. Power to allocate funds should go exclusively to the Board. 118/

Overcrowding brought on by the presence of 7,000 part-time students in 1947 led to an amazing fiscal governance sight. The House voted "a mighty attack on overcrowded and mislocated schools" for the 1948 budget. When the bill got to the Senate, Washingtonians were startled: there were the Commissioners, asking Congress to cut more than \$900,000 from the school appropriations. They wanted to give the money to hospitals, a welfare center, city attorneys, physicians — everyone, seemingly, but the schools. In spite of the Commissioners' opposition, however, the schools won most of the money. 119/

A year later, in 1948, a "new" method of handling estimates was announced with much hoopla. The original school board estimates would be forwarded intact, along with Commissioner recommendations, to the Bureau of the Budget. There had been a special study and this procedure had been suggested. The Board of Trade supported the

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117/ Star, June 16, 1929.

118/ Staff Study Number 15, p. 91.

119/ Star, July 15, 1947.

change and noted that a number of items originally requested by the schools had failed to be approved by Congress simply because they had not been presented; had they been in front of the Congress, however, they surely would have been given appropriations. No one hailing this "innovation" apparently realized that the system had been in use prior to the 1922 law. 120/

A fascinating brouhaha in the continuing Board of Education—Commissioners struggle over education finance erupted in May of 1952. The Commissioners had refused to act on an urgent appeal calling for major construction of school buildings, so the president of the Board of Education and the Superintendent decided to pay a visit to Capitol Hill. Mr. C. Melvin Sharpe and Dr. Corning went seeking an emergency award of \$5 million for immediate construction of black schools in the District. They spoke with the arch-segregationist chairman of the House District Committee, Representative John L. McMillan. Their mission was to explain "the great necessity for colored schools in the present emergency." Perhaps with an eye to averting the school desegregation winds beginning to blow through the land, Representative McMillan agreed to study the problem and requested that more information be sent to him. Immediately in possession of the data, he declared himself in favor of the idea. He would sponsor emergency legislation within a few days.

In view of the District's tight budget, informed observers held out little hope that funding would actually be forthcoming. The public discussion, however, focused upon the protocol of the visit. According to antique city custom, "agency heads" could not lobby Congress directly. One of the Commissioners fumed that Board President Sharpe had made a "regrettable mistake" in circumventing normal channels. It was the task of the Commissioners to survey needs and to decide where money should be spent. 121/

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120/ See, "School Budget Plan Approved," unidentified clipping, files, Washingtoniana Division of D.C. Public Library.

121/ Post, May 26, 1952.

A spate of editorials appeared. Most tended to treat the incident as a tempest in a bureaucratic teapot. Some observed that the delegation had approached the wrong man, since appropriations were not handled by the District Committee. "Thus," wrote the Daily News, which tagged the brouhaha as "silly," it "appears that Mr. Sharpe's real 'offense' has been in conversing with another man. We have not lost that particular right. Not yet." 122/

For the 1957 budget the Commissioners turned to the recommendations of their own Advisory Committee regarding cuts in construction requests; this was "tantamount to accepting the Advisory Committee's recommendations in advance of a public hearing," said the Board of Education. Since the committee thought that 32 pupils per class was a satisfactory level, the Commissioners had fiddled around with the Board's construction budget. "We cannot accept the dictum of a lay committee, which is contrary to school policy established by educators all over the country," snapped the Board. 123/ In the end, the Board was forced to come up with a most innovative strategem to reach their 30 to 1 goal. New land appraisals had resulted in a downward revision of needs for the site fund; the money thus saved would be applied to the purchase of sites required to achieve the goal! The newspapers had a field day with the story. 124/

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122/ Daily News, May 27, 1952. See also, "School Board Warned on Appeal to Congress," Post, January 20, 1956 and "Interference with School Functions Charged to District Budget Officers," Post, August 10, 1956.

123/ Daily News, August 29, 1957.

124/ Post, October 10, 1957 and Star, October 10, 1957.

City leaders had gone around on the issues for quite some time. The Board had been granted \$2.5 million above previous levels but \$1.3 million below the request. Three new elementary schools were denied, and additions to others were denied as well. School Board President Tobriner said that the reductions would "indefinitely defer" the plans to get down to 30 to 1. When the Commissioners would not budge, the Board presented "sweeping revisions" of the school site costs in a last ditch effort to get down to 30 to 1 for FY 1959. They asked for \$4 million for construction.

In the summer of 1966 school officials told the city that they were going to challenge the legality of budget cuts made by the Commissioners. The Commissioners were supposed to transmit the school budgets along with their ideas to the Bureau of the Budget, argued the Board.

It is inappropriate for the Board of Education's request to be reduced by the Commissioners or their staff prior to the transmission to the Bureau of the Budget.... Congress does not even see all of the Board of Education requests.... There is in this fact no implication that Commissioners cannot be or are not interested in schools, but they are not responsible for the schools. This Board of Education, which is responsible for the schools, does not even have an autonomous right to request or to defend all of its requests at the point of final decision and power, the Congress. Seldom has so large a responsibility been supported by so little authority. 125/

The Passow Report of 1967 noted the governance problems involving school finance and accused the schools of failing to adequately justify its construction requests. It noted the "peculiar slippage" between authorization and appropriations in the U.S. Congress and it concluded that either the Board or the Commissioners ought to be given the right to fully prepare the budget, levy local taxes, and act as the final authority on the school budget. 126/

To the chagrin of many, the abolition of the Commissioners and their replacement by a Mayor-Commissioner in no way altered the fiscal battle scene. The conflict continued on as before. Mayor Washington made drastic cuts; school officials needed to be more specific on priorities, he said. The old budget was too complex and the format was incomprehensible, he asserted.

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125/ Star, August 8, 1966. See, also, Star, August 21, 1966.

126/ See Passow, Toward Creating a Model Urban School, pp. 19-21 and 242-264.

By 1969, an elected school board was in place. Conflict with the appointed city Council immediately erupted. New board members were no more happy with the Mayor's or Council's cuts than members of the old appointed Board had been. And attempts to bring the community into the fiscal process were derided by those elected to represent the community; surely, their voices would be ignored, Julius Hobson, a school board "activist," said. <sup>127/</sup>

Anita Allen, a long-time leader of both the appointed and the elected school board, went to Congress in 1970 to ask for legislation to limit the powers of the city Council over the operations budget of the school system. The city Council had affected basic education policy when it altered the Board's budget request for FY 1971, she said. "We do not believe that the city Council should be permitted by Congress to exercise what amounts to a veto over education programs formulated by the public, administration and the Board of Education after careful study and deliberation." <sup>128/</sup>

The Board and the Mayor fought for months in 1971 over the budget. The Board disputed the power of the Mayor to place budget limitations on it, an independent governmental entity. However, the D.C. Corporation Counsel — shades of counsels past — said that the Board was not independent in financial areas and must follow the guidelines of the Mayor, who was required to submit a balanced budget to Congress. Then, in April, the City Council voted not to go along with the Mayor's vetoes of school funds.

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127/ Star, February 26, 1969; Post, February 25, 1969.

128/ Star, May 23, 1970; June 1, 1970.

A major battle broke out over school finances in 1974. The Mayor was going to stand for election and home rule was about to come. The battle over the budget served to highlight the importance of the Mayor in education finance and probably helped him to gain the election. In 1978 another war was declared between the Mayor and the schools. The budget figure proposed by Mayor Washington was too low for the schools. There appeared one old and three new aspects to the war. Old was the fact that the Board under law was obligated to submit its budget to the city Council. New was the fact that it failed to transmit its budget to the Mayor. (Under home rule, it was the Mayor's job to initiate the "budget mark" for both the city Council and the school board.) Also relatively new was the fact that the fight was critical for a Mayor seeking re-election. And third, a court ruling [in Evans v. Washington] handed down on September 7, 1978, that Mayor Washington had trenched upon the Board of Education's fiscal autonomy as provided in the home rule legislation, exacerbated the political conflict, lending much ammunition to the advocates of Board prerogatives and indirectly aiding the former Board president, now mayoral candidate, Marion Barry.

The election of Mr. Barry to the Mayor's office in 1978 changed the actors but not the structure of the disputes over education finance. These continued and grew especially venomous during the teacher's strike in 1979. "The mayor calls himself a friend of education. If he calls what's taking place now friendship, it would be better if he went around setting fires to all the school buildings in the city," fumed the school board president. <sup>129/</sup> Said another member, "Public education has all the enemies it needs, so 'friends' like Mr. Barry are confusing, to say the least." <sup>130/</sup>

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129/ Post, August 23, 1979.

130/ Star, October 2, 1979.

During each administration, Commissioner and Mayor, allegations were made that the schools failed to systematically or convincingly justify their budgets. Allegations were also made that the Commissioners — or the Mayor and city Council — sought to place less of an emphasis on school budgets than the citizenry wanted. Previous support of education by city officials never insulated them from attack; neither did their protestations about looking kindly upon education requests. And each wave of Commissioners and each Mayor took it as his task to review and prune school budgets. Conflict has always been built into the governance of D.C. schools, on matters of finance, anyway.

There can be no doubt that until complete fiscal independence is granted to the public schools of Washington, too many actors will remain in the picture. Unlike all other school systems, the District must shepherd its budget through both internal city processes and the Congress. Suggestions to change the system have been made for years, but Congress has not adopted them; fiscal independence from Congressional oversight would seem to be necessary if governance is ever to become a settled matter. Home rule has given the Board of Education full control over expenditures, a great step forward. Control over education finance in the District has been an issue since the last century. Short of legislation explicitly granting the Board of Education taxation authority and removing Congressional oversight prerogatives, it will continue to be an issue in the future.

## VII. Five "Angels": Revenue Sources for the District Schools

Take a guess. What was the topic of the maiden address of Washington's delegate to Congress, N.P. Chipman, when the territorial government was created during the last century? The answer: support of the D.C. public school system.

Entitled "Endowment of Public Schools in the District of Columbia," the speech was actually a plea for Congress to provide massive federal assistance. The District of Columbia was now a territory, like all other territories. Other territories were given land for public education, but D.C. was not. The liberation of the former slaves had brought thousands of new pupils pouring into the District, placing great stress on District Schools. Money was urgently needed, and Congress was obligated to support education in Washington just as it would anywhere the federal government was involved, he insisted. In the course of his eloquent plea, Representative Chipman listed most of the arguments for federal assistance which have arisen in virtually every discussion of the problem since. <sup>131/</sup>

Throughout the years five special ways of raising revenues for the schools have been mentioned as possible angels, supplements to -- or help for -- regular, "general fund" appropriations. Usually, they have been listed together as possible alternatives for the District to consider. When the Commissioners created a Citizens Advisory Committee on Public Works in 1952, for example, the report suggested that the federal payment be increased to cover costs of school construction, that a special fund be set aside for the schools, or that a loan be floated on behalf of the schools. <sup>132/</sup> With allowances for differences in language, these solutions have popped up repeatedly.

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131/ U.S. House of Representatives, speech of January 27, 1872.

132/ Star, October 1, 1952.

A. Federal payment

The federal payment issue has been the most vigorously debated. Every systematic examination of school funding in the District since 1878 has looked at the federal payment as a cause or remedy for the city's school finance problems. The federal government occupies much of the land and buildings in the District of Columbia and uses valuable city services, yet it pays no taxes. The majority of the city's land — much of it federally owned — cannot be taxed. To rectify matters, the federal government had agreed from 1878 to 1923 to pay half of the city's expenses. Since then funding has vacillated with each turn of the fiscal and political screw. The average payment in post-World War II budgets has been below 15 percent. <sup>133/</sup> Although the federal payment is not specifically earmarked for education, total city revenues depend upon its size. Thus, studies of school finance have called repeatedly for its increase.

The Strayer Report of 1949, for example, called for the federal payment to be increased to a more equitable level: It cited the value of federal property in the District and the burdens imposed upon local government by the federal government. <sup>134/</sup> A major fiscal study of the schools produced by the D.C. Citizens for Better Public Education in 1971 trotted out the same arguments yet another time, noting that more than half of the city's taxable land and buildings, worth over \$4.4 billion in total assessed value, was then going wasted as far as tax purposes were concerned. <sup>135/</sup>

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133/ For a chart indicating percentage of federal payment, 1947-1968, see Passow, Toward Creating A Model Urban School System, p. 247.

134/ Strayer, The Report of a Survey of the Public Schools, see Chapter XV, pp. 950-968.

135/ Financing the D.C. Public Schools, p. 44. See, especially, Table 3, a list of actual and potential tax revenues.

This report cited five possible justifications for the size of the federal payment:

- 1) as reimbursement for the many exemptions to property, business and personal income taxes;
- 2) as payment for services rendered by the city to the federal government;
- 3) as payment for services rendered to visitors from the entire nation;
- 4) as revenues in lieu of the share of state funds the city would receive if it were located in a state; and
- 5) as funds necessary to fill the gap between the city's revenues and its actual needs.

The report found that "the only justifiable formula is one in which the Federal government accepts the responsibility for making up the difference between the city's revenues and its needs." 136/

Home rule radically adjusted this issue. The mayor was required by Section 501(b) of the home rule act to provide an annual proposal for the federal payment, including in the statement detailed analysis of at least nine specified factors relating to the cost of the federal presence. The issue remains in the political arena, however.

#### B. Special Fund

School advocates have also proposed that a special source of revenue for schools be developed. Long-range planning depends upon the predictability of funds, and hence, such a device. This idea has also witnessed a long and colorful history. From its inception the school system was funded in part by "sin taxes"; the theory

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136/ Ibid., pp. 48-49

The report said that there was an increasing amount of city and private land going over to the federal government's use (e.g., the Kennedy Center and the Pennsylvania Avenue Plan); in addition, private taxpayers were leaving town. Thus, the idea of figuring the federal payment on a base of the taxes already being collected might prove to be a costly error.

was labeled "the homeopathic principle of similia similibus curantur, curing a social evil with a social evil," by an early school Superintendent, J. Ormond Wilson. <sup>137/</sup> Half of the funds came from the sin taxes (taxes on slaves, billiards, theatre, liquors, dogs, and licenses for carriages and hacks) and half of the funds came from the efforts of three city Councilmen who begged for the money. In the first collection, Thomas Jefferson, nominally president of the school board while also serving as President of the United States, gave the most — \$200. Others gave quite a lot — James Madison, Thomas Corcoran, Robert Brent (Mayor of the city) and Justice William Cranch. Some gave below the \$3 level. <sup>138/</sup>

This "special fund" did not satisfy the growing needs of the school population. Thus, a lottery was proposed by fourteen joint resolutions of Congress between 1812 and 1828, with the proceeds to go to the public schools. The money generated from these sources, which was invested over the years, became known as the "school fund." It was in existence through much of the century, disappearing only with the arrival of local autonomy under the territorial government.

Then, in 1858, a specific school tax was levied. Independent taxing authority is still in use in most American jurisdictions, but it disappeared quickly in Washington. Enlightened nineteenth century men such as Rep. Chipman called for a special tax to be approved but no special fund of any sort was created by the 1906 Organic Law on education.

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137/ Harry Oram Hine, "Public Education in the District, 1805-1928," p. 7. He is quoting the late J. Ormond Wilson, Superintendent of Schools, who wrote an excellent history of the early D.C. schools.

138/ Star, June 22, 1947.

The idea of special taxes has come up repeatedly during the twentieth century. The District Congress of Parents and Teachers, plotting ways of giving the school system a revenue source which could not be tapped by the Commissioners, lighted upon the old idea of a sales tax. 139/

The sales tax had been suggested by U.S. Senator Henry C. Dworshak in the late forties. "I can't understand why District leaders can't come up with a sales tax or something to take care of minimum educational requirements," he said. 140/ A sales tax was enacted, but the funds were not specifically set aside for the schools.

By 1967, there was great support for the idea of a tax, and the Passow Report recommended a special tax on commuters for the schools. The idea never made it past Congress. In fact, the home rule legislation specifically forbade such a tax.

The Commissioners continually rejected suggestions that a special fund or tax be designated for the schools. They went on record against it, complaining that special funds for highways, sewers and water were enough. Thus, the idea was proposed in 1955 by the White House Conference on Education. The Chairman of the White House panel was quoted as saying that "we felt probably the only hope we have is a separate school fund." His committee had also proposed selling outdated school buildings to create a revolving fund for site purchase. Although he said that the Commissioners should retain all supervising rights over the budget of the schools, they came out in opposition to the idea anyway, arguing that "it would further hamstring the Commissioners." 141/

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139/ Post, October 12, 1955. Another possibility was raising parking meter rates; another would be requiring those who claim out-of-state residence to avoid D.C. income tax to pay tuition for their children in D.C. schools. All these ideas had been suggested before; none of them ever got through Congress.

140/ Post, July 16, 1947.

141/ Star, November 15, 1955.

Over the years the special fund or tax has been seen as the fiscal instrument of choice by many observers of Washington's school finances, and it still remains an important option.

C. Borrowing money and floating loans

No suggestion for special school financing has received more attention historically than proposals for special borrowing authority. Turn to any year of the present century in which a major construction drive was underway and you will find school leaders demanding interest-free loans and the abandonment of "pay-as-you-go." A typical quote: "I think we should finance our construction on a loan basis rather than on a current revenue basis. These buildings will last from 40 to 50 years. Why should we put the cost of it all upon the taxpayers for one or two years when the buildings will be used for two generations?" <sup>142/</sup> The year was 1947, the speaker a top school officer. It might have been any D.C. spokesman, any year.

Each time the issue was brought up, knowledgeable observers pointed out that construction costs rose. With all the money in hand, a project could be completed on time and within budget. But since the school system had to rely upon Congressional authorization and then appropriation on a year-by-year basis, the project often became almost unworkable. This retarded the proper growth of the school system more than any other financial limitation throughout the years.

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142/ Post, September 21, 1947. See, also, "Long-Range Loan to Build Schools Sought: 'Pay-as-You-Go' system is called 'Fiscal Nonsense' at Budget Debate," Post, October 4, 1956.

During the late fifties, Senator Wayne Morse of Oregon repeatedly called hearings on the matter. One such hearing was held in June of 1957, for example, and the Treasury announced ahead of time that it was opposed to any loan to the D.C. schools. So the Star wrote that the chances of the city's borrowing money for public school construction were thus "dead" for the year. The Treasury had used as an excuse the old canard that if they didn't oppose it, the Commissioners or the Bureau of the Budget would. The Star however, threw in with Senator Morse, agreeing "that there should be such an authorization. We are undoubtedly facing the need for heavy outlays in school construction, and it is sound to spread the cost of such outlays over the years rather than continue on a pay-as-you-go basis that places too great a burden on current revenue." 143/

In 1962, Superintendent Hansen tried to push the idea, calling for a \$120 million interest-free loan to finance school construction over six years. He asked the Treasury to supply the cash and told the public that school building demands were simply too great to be met on a "pay-as-you-go" basis. Advances of federal money were given for the purchase of parklands, he said, so why not for schools? 144/ As the House piled insult upon injury during its annual review of the school budget, the Post was moved to eloquent support of the interest-free loan idea. 145/

Under P.L. 85-451, the District government (it, rather than the school system, had always undertaken the actual construction projects) was authorized to borrow up to \$175 million from the Treasury for construction purposes. However, Congress restricted the total the District could obtain to the amount at which principal and

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143/ Star, June 9, 1957. See, also, Post, June 4, 1956 (editorial) and May 4, 1957.

144/ Post, May 11, 1962.

145/ Post, June 22, 1962; July 5, 1962.

interest repayments did not exceed six percent (later nine percent) of general revenues. The actual expenditure of the borrowed funds had to be approved by the Congressional appropriations committees. Also, the loans came with an interest rate from the Treasury which was considerably higher than that charged to some other city school districts. By the late sixties, therefore, fully two-thirds of the cost of capital outlay was still coming from the current revenue funds; noted the Passow Report, "no other city follows such an extreme 'pay-as-you-go' policy." And, on top of the inability to borrow money, the schools — like the city — lacked the right to issue revenue-producing general obligation bonds.

The Self-Government Act, properly styled "The District of Columbia Self-Government and Governmental Reorganization Act," which brought partial home rule in 1975, significantly changed the situation regarding borrowing and the issuance of bonds. Although the city Council was not given general authority to borrow money, the District was enabled to issue bonds and to incur certain types of both short- and long-term indebtedness in place of the former capital project loans. The city Council today may issue negotiable notes if appropriations from revenues fall short of the estimates. Under certain circumstances the city Council may issue general obligation bonds and revenue bonds. The provisions dealing with these areas are complex. However, general obligation bonds may be issued for school construction and other capital projects meeting certain requirements. At the discretion of the city Council, general obligation bonds may be submitted to the voters for approval. <sup>146/</sup>

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146/ For a full discussion of fiscal matters under limited home rule, see an excellent article by J.I. Newman and J.B. DePuy, "Bringing Democracy to the Nation's Last Colony: The District of Columbia Self-Government Act," in The American University Law Review, Vol. 24, No. 3, Spring, 1975, pp. 537-747. The proper citation for the act itself is Public Law 93-198, 87 Stat. 774 (1973).

D. Federal grants-in-aid

During the years following the New Deal, many Washingtonians concerned with public education sought federal grants-in-aid for the schools. In the public mind this was a confusing topic, since the federal government was already involved in D.C. finances. However, many sought to gain inclusion for the District, as if it were a state, in federal grant programs. That they were successful is proven by the fact that as of March 1981, federal programs accounted for an overall expenditure of nearly \$52 million, roughly 17 percent of the system's total operating budget. Federal funds are granted for projects involving the economically disadvantaged, handicapped students, library resources, research activities, dropout prevention, bilingual education, specialized learning equipment, guidance services, staff development, vocational education, innovation in educational techniques, reading projects, and strengthening the "state" department of education, among other purposes. <sup>147/</sup>

To get on the bandwagon was no easy task. Staff Study Number 15 of the President's Advisory Committee on Education went into the problem in 1938. At the time most of the federal grant programs excluded the District. Yet, said the report, at least three reasons underlay their argument that the District should be included in all federal grant programs. 'First, residents of the District pay taxes to the federal government and should be given aid according to their needs. Second, if a program of general federal aid were created, the District would benefit from the federal advisory role which would accompany such aid. Third, ties between the public school system and the U.S. Office of Education would be mutually beneficial. In the committee's opinion public education in the District should be "regarded as a part of public education in the Nation, not as something apart." <sup>148/</sup>

<sup>147/</sup> An Introduction to the School System 1980-1981 (Washington: D.C. Public Schools, March 1981), p. 13. Also, Data Resource Book 1980-1981 (Washington: D.C. Public Schools, February, 1981), pp. 17-20.

<sup>148/</sup> Staff Study Number 15, pp. 86-93.

The arguments were heard repeatedly over the years, particularly after the Second World War, as federal grants began to pick up real significance in municipal and state budgets. The Committee on Finance of the White House Conference on Education in 1955 recommended that something be done about the problem; D.C. was not receiving as high a percentage of tax dollars as it would be entitled to if it were given the same consideration states were. The government, wrote the committee, is treating the District poorly, depriving the jurisdiction of a high potential income. Certainly, the District had the right to normal participation in legislation concerning federal aid to education. <sup>149/</sup>

With the vast rise in education grants following President Johnson's first year in office, the District was finally allowed in the door. President Johnson himself went on record in support, maintaining that federal money awarded for categorical purposes must be regarded as above and unrelated to the funds already provided in the regular budget. <sup>150/</sup> From there on in, the District was given an equal right to compete for grants and to be awarded the formula grants on a fair basis.

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149/ The District of Columbia Study, pp. 97-conclusion. But see "Budget Bureau Bars D.C. From President's School Aid Program," Post, February 11, 1955, and "HEW Defends Exclusion of D.C. from School Aid," Post, February 15, 1955.

150/ "Full Strength Budget Sent to Hill," Post, no date, Washingtoniana files, D.C. Public Library.

## E. Impact Aid

A specific program which was always of interest to the District is the impact (or impacted) aid program, monies allocated to localities affected by a major federal presence. The issue was highlighted particularly after the New Deal brought thousands of new residents to Washington. For the schools to be fair to the children they now had to serve, appropriations would be necessary. Many of the parents, however, were not taxed as District residents; thus their children were in school with no money to back up their attendance. With the coming of the war, the situation became yet more acute, especially in Anacostia where many federal employees were housed. Congress came through in late 1941 with a supplemental appropriation for over half a million dollars to cover costs of constructing school buildings in the Southeast for the defense workers. By the end of the war, the prospects of a baby boom were frightening education finance experts; unless a significant impact aid program was forthcoming, the District would be in severe trouble.

After the war the Strayer Report pointed out the terrible inequity the federal presence brought to the District's schools. As recently as the early sixties, however, Congress still would not go along with the inclusion of the District in what was fast becoming the biggest give-away the Congress had in its education porkbarrel. In 1961, for example, the Congress rebelled against the suggestion that D.C. be allowed to participate in the impact aid program (now known as P.L. 81-815 and P.L. 81-874) and the entire D.C. revenue bill was held up because of the issue. "The children will pay the cost of this action," snapped a most unhappy Superintendent Hansen. <sup>151/</sup>

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<sup>151/</sup> Post, September 26, 1961.

The District was specifically excluded from the program time and time again. Interestingly, it was excluded in 1963 by Democrats, while the Republicans fought for it. Democrats argued that federal funds merged into the general city budget could not be traced to the schools and that the amendment would be lost in a floor battle. A fight over integration, ironically, also helped to nix the idea. <sup>152/</sup>

With the arrival of the Great Society, however, D.C.'s fortunes changed. In 1964 the rules were relaxed by Congress, and the District became eligible for both impact aid and the National Defense Education Act. <sup>153/</sup> The first year saw \$5 million rolling in from these two sources. Surprisingly, within two years, the Passow reporters were finding that the District schools were not fully utilizing the resources offered by NDEA. <sup>154/</sup>

Today it seems inconceivable that the District — which, perhaps more than almost every other jurisdiction in America has always been entitled to "impact aid" support — was ever deprived of this source of revenue.

<sup>152/</sup> Star, June 28, 1963.

<sup>153/</sup> Star, December 11, 1964.

<sup>154/</sup> Passow, Toward Creating a Modern Urban School System, p. 249.

## VIII. Two Special Problems

### A. Nonresident Tuition

Another recurring issue over the years with unique relevance for the District of Columbia has been that of tuition for nonresidents. Since "contraband" individuals first arrived in the District from less friendly neighboring settings, the District sought to serve all children of school age. In the late 1860s the school board publicized the fact that well over a third of all pupils attending the D.C. public schools were the children of government employees. Such parents were non-taxed and did not contribute to the city and therefore to the finances of the schools; "in a city of 20,073 families, 10,050 taxpayers were bearing the cost of educating the children of temporary non-taxpaying residents." 155/

The 1938 advisory committee report discussed in depth the problem of free education for nonresidents. The cost of free instruction for children of nonresidents who were paying no taxes hovered between three hundred and four hundred thousand dollars. Such children ought to be asked to pay at least some tuition, the committee thought. 156/

Whenever the question arose in Congress, those with a vested interest saw that nothing happened to change the status quo. Particularly concerned were those Congressmen representing nearby Virginia and Maryland constituencies and those who had children in the D.C. schools. For example, in 1942 the Senate cut out those provisions of the budget which called for Maryland residents to pay tuition for attendance at D.C. schools; over a quarter of a million dollars could have been recouped. 157/

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155/ Green, Washington, p. 307. She is quoting from the 22nd annual Report of the School Trustees, written in 1867.

156/ Staff Study Number 15, pp. 84-85.

157/ Star, May 5, 1942.

The issue was endlessly noted in the newspapers during and after the war years. A glance through the tremendously-informative index of the Washington Star, in particular, will show a huge number of articles devoted to the controversy over this subject.

The District obtained the right to charge tuition for nonresidents, but very shortly after, the issue changed tone. No longer was it Marylanders who were the target. Prejudiced Congressmen sought to ferret out children dwelling in the District whose parents were living out-of-state. There was a question of proving residency. Superintendent Hansen objected publicly when Representative Joel Broyhill, a Republican from suburban Virginia who was never particularly popular in the city, called for legislation to require all D.C. parents to swear an oath that they lived in the District. This would cause much harm to District parents, Dr. Hansen said, since they would have to pay for notary publics to do their swearing. <sup>158/</sup> Thoughtful residents realized that it was really a question of semi-official "guardians" with whom children were placed, and some pointed out that minority black children, perhaps unwelcome elsewhere, were escaping from bigoted environments by studying in the city. Was this all bad?

Current rules and procedures adopted by the Board of Education in general effectively assure the collection of annually-established nonresident tuition fees for those children dwelling outside of the District who are permitted to attend public schools.

#### B. Teacher Salaries

This has been another issue which has been of enduring importance to those concerned with educational finance in the District of Columbia. Congress has long involved itself in this matter.

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<sup>158/</sup> Star, June 19, 1959.

The early salaries paid to teachers were low. The first teacher earned \$500 per year. In the 1840s teacher salaries ranged from \$300 to \$900 (for principals). <sup>159/</sup> Later in the century, there were recurrent occasions during which teachers were left without pay for months. In fact, the delay in paying teachers was one of the precipitating factors which led to the abolition of home rule in the District in the 1870s. <sup>160/</sup>

Salaries did not begin to approach acceptable standards until well after the enactment of the 1906 reorganization. Attention focused on teacher salaries during the Great Depression. In June of 1933 the Board of Education had been forced to agree to a budget which contained \$90,000 less than was allocated in the previous year for the salaries of teachers and librarians. The Board worked out a system for paying teachers. Those who reached age 70 were retired and there was a cut of 15 percent in pay, but the school system was able to save its teachers from reduction in force. <sup>161/</sup> The moves were Herculean and much appreciated by the city's press. "Unknown to thousands of children who will enter classrooms on this day [1933], school officials have devoted the summer in planning to operate the school system on a reduced budget of more than \$4 million [i.e., the cut] without dismissing teachers. That is the noble experiment which Superintendent Frank W. Ballou and his assistants are confident will be successful." <sup>162/</sup>

After World War II, teacher salaries became a major issue in the city's politics. Almost every year, the issue arose. It was particularly suited for such treatment, since it was the Congress which had to vote increases in teacher salaries. The 1955 White

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159/ Green, Washington, p. 214.

160/ Ibid., p. 357.

161/ Star, June 15, 1933.

162/ Post, September 10, 1933.

House Conference report criticized the District's low teacher salaries. The teachers union arose; with it came the threat of strikes, and strikes themselves. Public sentiment concerning teacher salaries seemed to shift in the seventies. By 1976, the idea of teacher pay raises was not received well in the city. That year the leading black newspaper, the Afro-American, wrote that talk of granting teachers cost of living increases similar to those granted to police and firemen was striking "fear in the hearts" of some Board of Education members. Yet programs were being cut and the newspaper favored more funding: "... quality education pays off for the educators as well as the educated. In the long run, everybody benefits." <sup>163/</sup> Today, public support for teacher salary raises is far less vocal than in years gone by; perhaps, however, it is less hostile now than it was five years ago.

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163/ Afro-American, February 7, 1976, "Education Must be a Budget Priority" (editorial), and column by R.C. Newell, "Budget Cuts."

## IX. The Budget Process

There have been three major recurring themes in the budget process: participation by the public in budget development; budget format; and allegations of budget mismanagement.

### A. Public Participation in Budget-Making

For years the question of public participation in the formulation of the school budget has arisen. In 1934 citizens protested that the "star chamber" policy of the Board of Education had to be changed. School estimates should be made public prior to their forwarding to the District Commissioners, they said. <sup>164/</sup>

In 1938 the superintendent publicly announced moves to assure "more systematic cooperation between citizens' organizations and the Board in preparing the major budget items." The public was to have the opportunity to perform a "thorough-going evaluation" of the budget items before they were placed in the budget. <sup>165/</sup>

The Strayer Report complained about the lack of public participation in the process. "The channels for the expression of public opinion on school affairs are devious and uncertain." <sup>166/</sup>

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164/ Post, May 25, 1934.

165/ Post, November 3, 1938.

Dr. Ballou was always trying. Thus, an interesting guest column by Dr. Ballou was run on April 30, 1939, in the old Times-Herald. Dr. Ballou spoke on the virtually continuous process of the budget and asked for citizen participation. He described the plan which would make the system work. The same appeal was heard again and again in D.C. history. Very frequently school leaders have called for public participation; just as frequently, however, they have complained that public appeals do not seem to work. There would be a quiescent period, and then a new school leader would announce, as a major innovation, new methods for the public to participate in the school budget process. (Of course, there have also been a series of charges against "star chamber" budget-making, too. And attorneys have sought to discover whether or not the public could be allowed in to the key Board of Education budget decision-making sessions.)

166/ Strayer, The Report of a Survey of the Public Schools of the District of Columbia, p. 952.

Yet, in 1953 the Board again announced, as "precedent-breaking policy," a system by which citizens would be given an opportunity to look at the proposed budget before it went to the Commissioners. A public hearing would be held to get citizen response and suggestions. An opinion of the Corporation Counsel held the policy legal. <sup>167/</sup> As in the past the Commissioners were unhappy with the policy, it was reported, because of all city agencies, only the schools would be releasing their budget prior to giving the Commissioners a whack at it.

Following the Passow Report, the Executive Study Group proposed that the public be more closely involved in the budget process. <sup>168/</sup> Then, the city could expect distinguished Washingtonians to lobby for the budget on Capitol Hill. When activist Julius Hobson won a seat on the first elected Board of Education, he repeatedly brought up the issue of public participation. Offered a scheme, he turned it down, remarking that "I would be wary about kidding the community about their participation. It would be dishonest to hear their comments and then ignore them." <sup>169/</sup>

And in 1969 the school announced that a new procedure, involving "grass roots" participation, would be instituted, with community representatives sitting in on the development of local school budgets. <sup>170/</sup> This was under Superintendent Manning. Under Superintendent Sizemore, the point was repeated, as she made public participation a major part of her "FACTS" program. In her move to decentralize the school system, the element of public participation was omnipresent. By the time of the Barry mayoralty, public participation came to mean community resistance to the closing of schools.

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167/ Star, July 16, 1953.

168/ Reports of the Executive Study Group For A Model Urban School for the District of Columbia (Washington: D.C. Public Schools, 1969), p. 19.

169/ Star, December 6, 1968; Post, August 30, 1969, column by Herbert H. Denton, "Parents Get Another Chance to Air School Budget Views."

Washingtonians traditionally have taken school budget beefs to Capitol Hill. On numerous occasions, they have marched and demonstrated outside the House of Representatives and, on occasion, in front of the U.S. Senate.

Although the issue of public participation is central to budget making and it has undulated its way through Washington's education finance history, it should be noted that public meetings on education over the years always seemed to attract the same individuals: PTA leaders, concerned parents and teachers, "good government" citizens, disaffected "radical" leaders, and a few others. On occasion Board members complained that (a) few citizens attended the public sessions and (b) those who did often had a professional stake in attacking the Board members rather than in suggesting budget improvements.

#### B. Budget format

Over the years, too, there has often been a question of the format in which the budgets are prepared, and of the ability of concerned persons (either in the community at large or on the city Council, in the Mayor's office, or in the Commissioners' offices) to understand the documents.

Thus, a major conflict over how much was actually being spent erupted in the late twenties. The kernel of the dispute was the format in which the five-year building program was laid out. Representative Simmons of Nebraska, then chairman of the District subcommittee of the House Appropriations Committee, disputed a claim by the D.C. Chamber of Commerce concerning unexpended balances in the construction campaign. <sup>171/</sup> The late Julius Hobson made the point repeatedly. Thus, "We are

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171/ Star, April 28, 1979.

functioning in a realm of ignorance. We don't know what we want, we don't know what we have ... and we don't know where we are financially." <sup>172/</sup> And, Hobson criticized plans for "being too technical and too difficult for board and community members to understand and discuss." <sup>173/</sup> Once he complained, "I'm not even sure I understand what 'capital outlay' means.... [I could not suggest changes in] a budget of millions of dollars until it's been explained to us." <sup>174/</sup>

### C. Financial Mismanagement

Policy makers might be startled to find that the accusations of mismanagement of funds by "politicians" and "education bureaucrats" associated with the school system are relatively recent. There was, of course, widespread discontent during the territorial period of the 1870s. There were also constant complaints during the days of segregation concerning the misallocation of funds between divisions.

Throughout the years the mass media in Washington almost invariably responded with favor to requests for increases by the school system. There are countless examples of this wall of support. The bricks began to tumble, however, in the early 1970s. The significant social agitation, begun in the sixties, was then on the wane. Three events precipitated the crisis.

The D.C. Citizens for Better Public Education, Inc., published a booklet on finance and the public schools. This booklet, which was reviewed in the press and elsewhere, highlighted a number of serious fiscal management problems. Inadequate records had been found at the school offices, preventing full understanding of the

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172/ Daily News, September 4, 1969.

173/ Post, September 25, 1969.

174/ Post, March 24, 1969.

financial operations of the schools. There was terrible bureaucratic confusion, which added to the "mess downtown," and city residents had been woefully ill-informed on basic data concerning the schools and their budgets. The report was not the first to detail failings in the fiscal area (certainly the Strayer and Passow Reports had done that, too), but it was the first time this theme was picked up in public.

The report also listed other negative facts about the school system. There had been a rise in the number of dropouts and truants, and a fall in reading scores and draft exams. In addition, the report said that since for many years only the increments had been prepared in detail, the base budget was carried over from year to year without review; thus, no one had really examined what was going on in the school system's budget. 175/

This study was the first to focus on the fiscal mismanagement problems of the schools so powerfully and to receive such widespread attention. The mismanagement message came through in the press. 176/

Also in 1971, the District learned that the federal government had accused the schools of misspending a federal grant. The Board immediately slapped a freeze on any further commitment of funds until the spending purposes were thoroughly reviewed, but the public was aroused. The federal government announced that it wanted some of its money back. The District had taken Title I money, designated to supplement regular spending in the city's lowest income schools, and there was "no rhyme or reason to some of the spending."

The Star, in an editorial titled "Out of Control," queried, "Was anyone really in control of these expenditures?" The question of accountability had to be firmly pinned

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175/ Financing the D.C. Public Schools, p. 7. See, also, pp. 16-18.

176/ "School Chaos," Star, September 27, 1971; "School Budget Hit By Citizen Report," Star, October 19, 1971.

down. Perhaps a joint effort by the Board of Education and Superintendent Scott would locate the cause. <sup>177/</sup>

In Congress Senator Thomas Eagleton of the District Committee wrote a letter, co-signed by Senator Daniel K. Inouye, Chairman of the D.C. Subcommittee of the Appropriations Committee, calling for a GAO audit on expenditure of funds by the schools.

Later, it developed that six states and the District had all been charged with irregularities and were all refusing to repay the money. The District said that reimbursement to the federal government, even if the money was misspent, would only "deprive the very children" the money was intended to help. <sup>178/</sup>

The public remembered the scandal, not the fact that other states were also accused. Moreover, the issue was all tangled up in D.C. with the Hobson II victory and the subsequent mandate to equalize school spending. Developments were coming hot and heavy; inevitable was the creation of the image of evil and incompetent bureaucrats wasting taxpayers' money.

As the city was adjusting to the federal charges and the allegations of Financing the D.C. Public Schools, the newspapers carried the fact the Dr. Hugh Scott's chauffeur was earning more than his teachers were. Students of Washingtoniana know that the mismanagement claims against the so-called "Feather Duster" legislature were unfair.

<sup>179/</sup> A review of this period inevitably leads to a similar conclusion.

But the 1971-1972 fiscal event that was to transform Washington's media and, no doubt, the general public, from supporters of the schools to opponents was just now getting ready to burst upon the stage of history.

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177/ Star, July 24, 1971.

178/ Daily News, October 16, 1971.

179/ Green, Washington, p. 361.

An ominous note sounded late in 1971 but went almost unnoticed. Congress did not act on the FY 1972 budget until December 15. The fiscal year was about half over. The school system had anticipated an allocation of \$146 million and had been spending at that level; Congress only voted a budget of \$141 million. Because of the overspending, the schools clearly were going to generate at least a \$3 million deficit, assuming they could immediately back pedal.

All this was totally understandable, but the public was not in a reasoning mood.

As the new school board under Marion Barry was beginning its work, the Superintendent told the Board that he was seeking to prevent the \$3 million deficit; he lacked the funds to pay 379 people. A freeze on hiring had to be imposed; 40 positions in special education, although authorized by Congress, were being eliminated, and another 154 personnel positions had to go, as well. <sup>180/</sup> On January 13, 1972, he announced that the schools were in the "untenable position of not being able to prevent a deficit." The Superintendent, saying that he was "fed up," indicated that lack of fiscal control and inadequate staffing along with a "bad management system" inherited by his administration had led to overspending during the past two years by nearly \$720,000. Spending would be cut back for the rest of the year. <sup>181/</sup>

Dr. Scott asked the Mayor to provide help, and Mayor Washington appointed a four person task force from the city's budget and accounting office. Studies would be done of the schools' financial situation. "Remember, you heard it from the Superintendent first," remarked Dr. Scott, indicating that he thought the press would focus upon budget woes of the schools. <sup>182/</sup>

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<sup>180/</sup> Star, January 7, 1972.

<sup>181/</sup> Star, January 13, 1972.

<sup>182/</sup> ibid.

Assistance came from a shocked Senator Inouye, who promised to do what he could to help resolve the problem. And the Chairman of the (still appointed) D.C. city Council, Republican Gilbert Hahn, asked the school Superintendent to attend the city Council's education committee hearing the next week.

The Superintendent failed to show up. Later it developed that he had received a letter from the Board saying that he "was not authorized to attend the hearing because he was not given formal notice." Angered, the Council decided to subpoena the Superintendent. Headlines blazed.<sup>183/</sup> A report had surfaced; it said that the U.S. Office of Education had concluded that D.C. procedures for keeping track of spending were fragmentary and that "the potential [exists] for a breakdown in fiscal control." In the meantime, the press was going to town on the deficit story, noting that for D.C. to run deficits was illegal. "Perpetrators who permitted it to happen are liable to dismissal, fines or prison."<sup>184/</sup>

The dam then burst. A member of the Board of Education charged publicly that the Superintendent had been "less than candid" in his January 13 press conference. He had given the public one figure on the deficit when he had known it was another. The Board of Education had concluded that the real deficit was between \$1.5 million and \$2 million. The Superintendent had claimed the deficit as \$255,000. Moreover, the irate Board member charged, "someone found \$1 million worth of purchase orders from 1971 in someone's drawer."<sup>185/</sup>

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183/ Daily News, January 18, 1972.

184/ Post, January 11, 1972.

185/ Post, January 18, 1972 — "Scott Assailed As Not Candid About Deficit."

With headlines screaming "Memo Details Deficit: Budget Plot Thickens," revised figures appeared daily. Some argued that the combined total of all the deficits was really \$3 million, which the Congressional tardiness had brought on, plus over \$2 million from previous transgressions. The memo to which the headlines referred was written two days before the press conference and contained all this information.

To the gathering noise the Superintendent responded that he did not "manufacture figures." He had simply assumed the higher figures were wrong, the product of poor bookkeeping. It now appeared that the schools had overrun their costs in FY 1971 by \$4.4 million, and those purchase orders for \$1.5 million had been carried forward. <sup>186/</sup>

One concerned Senate staffer commented, "Let's face it. The school board is the only elected body in the city, and it would be a terrible setback for home rule if we were forced to move in to straighten out their money problems." <sup>187/</sup>

Then a report appeared indicating that there was no deficit at all. Another piece, lengthy and sarcastic, came out, containing such lines as "Now watch my hands closely" and accusing the Superintendent of "arithmetic amnesia." It said that the Board did not know how many employees it had. How could it determine whether costs per school had been equalized? "As the purchase orders and vouchers pile up at [school headquarters], it is comforting to know that there is such a grand precedent for not being able to find out what the hell is going on." <sup>188/</sup>

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186/ Star, January 20, 1972.

187/ Ibid.

188/ D.C. Gazette, February 23, 1972 — "The Presidential Building: Following in George's Footsteps," by Sam Smith.

Within months, the teachers union was demanding a 20 percent increase, the budget expert who had released the bad news was fired, and the mass media were demanding Dr. Scott's head. The newspapers humiliated the Superintendent, who was quoted as saying that the budget workers had become ill from overwork. <sup>189/</sup> It was stated that no one could even tell whether the schools were bankrupt since a report from the city's audit office had indicated that many school payroll records had been destroyed.

Numbers began to fly about wildly, jobs were abolished, and a teachers strike broke out. Then the GAO released its report; the District had not exercised effective funds control, it said, and the FY 1971 allotment was not "aligned with the budget approved by Congress." <sup>190/</sup> There was great incompetence in many budget areas and there had been cost overruns.

Thus it was that the period from mid-1971 through mid-1973 destroyed the school system's credibility. Into the public mind there swam the image of a school system unable to manage large sums of money. As a result of the confluence of several forces and events — the publication of a number of reports, the development of a "deficit" caused by tardy Congressional action, and the mistakes of an inexperienced Superintendent — the public found the schools system's financing processes hardly credible. The public was to remain hostile to the system, and receptive to charges of the mismanagement of funds, for quite a while. Today, the schools are once again receiving a generally "good press."

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189/ Post, April 17, 1972.

190/ "Controls Over Funds Available to the D.C. Public Schools" (Washington: Government Printing Office, 1972).

## X. Public Interest in Educational Finance

There has certainly been much controversy in the history of education finance in the District of Columbia. But what exactly has been the extent of public interest in the topic?

In an attempt to measure this interest, we studied the indices of the Washington Star and the Washington Post over the past forty years. We measured entries under many topics, including "Public Schools" and "Editorials: Public Schools." The results of our study will be presented in detail in forthcoming material.

Although certain methodological impediments prohibit other than tentative conclusions, it is clear that public interest in the schools rose dramatically in the early fifties and declined precipitously in the early seventies. Perhaps a reflection of the well-known rule of cultural lag is present here, for a rise in appropriations followed a rise in public interest and declined somewhat later. <sup>191/</sup>

We then measured the entries (within categories) which related to public school finance. Surprisingly, there is almost a straight line rise in the public coverage of this topic through to the present. There has been a steadily increasing percentage of articles dealing with education finance.

In sum, it is clear, that while public interest in the schools rose and fell dramatically around the period of social ferment in the sixties, interest in school finance has risen steadily and is now at an historic peak.

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191/ The idea of cultural lag (social changes follow changes in the "material base") was pioneered by the American sociologist and government official, William F. Ogburn.

## XI. Some Policy Implications

1. American educational history has long been represented as a struggle between equality and excellence. That struggle has been reflected in the education finance history of D.C. Since Hobson II, the public emphasis has been on equality of funding. Is this now changing? Further, race relations were long at the bottom of the conflict over equity of funding. Is this still a relevant issue?

2. The haphazard nature of education finance in the District of Columbia was long a hallmark of the school system and the greatest cause of its difficulties. With the advent of limited home rule in 1975, Congress retained the right to review school budgets. The Mayor and the city Council have the right to set the schools' finance "benchmark" or budget ceiling. The schools have complete control over expenditures. Considering the special history of the school system, is this the best possible arrangement?

3. For years the District suffered from inadequate school funding. Today, the percentage of city budget spent on the schools is at a low point, and, compared with other cities, per pupil costs are not excessive, particularly when the special nature of the District, a city-state, is considered. Is it the perception that the needs of the schools in an age of diminishing enrollment are no longer as acute as they once were?

4. Construction has come to an end. Schools are closing, not opening. The capital outlay budget is a virtual relic of the past. Does the school system need to plan today for future growth? What renovation costs might be assumed now? Further, for over a century the school system has acted after the fact. Is this the time to plan financing for future needs? How shall the Board determine which private organizations

or public agencies should be entitled to rent-free use of vacant rooms or to lease or outright purchase of the buildings?

5. Governance squabbles have always been played out upon a screen of education finance in the District of Columbia. Since partial home rule in 1975, however, funding has been more steady and the arguments, while still highly visible, are less threatening to the schools. Will another issue take the place of education finance? Or, will education finance return as a stage for the struggle between the District, as it seeks fuller "home rule," and the Congress?

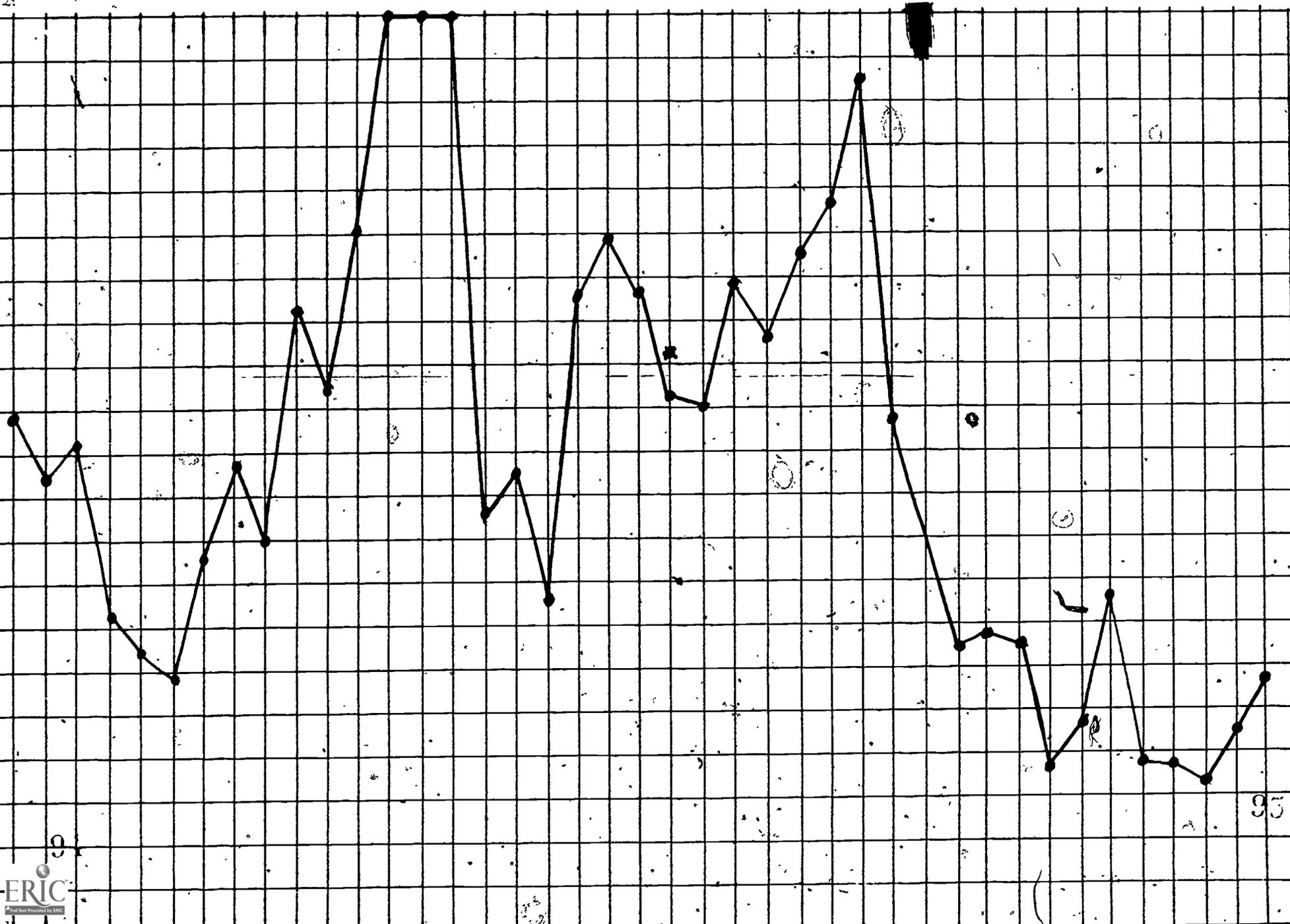
6. Should not the District work to obtain a fixed, non-debatable formula for the federal payment? It is on this funding base that much of education finance rests. Also, should not an instrument be developed which would fill the coffers of the school system directly, after 150 years finally bringing fiscal independence to the schools of the District? This would enable the long-range planning without which prudent growth cannot occur.

7. Now that more than a decade has passed since the fiscal turmoil of 1971-1972, is it not time for a large-scale public relations campaign, the aim of which would be to educate Washingtonians about education's financial needs? The popularity of both Superintendent Vincent Reed and Superintendent Floretta McKenzie provides the ideal vehicle for such a drive.

APPENDIX I

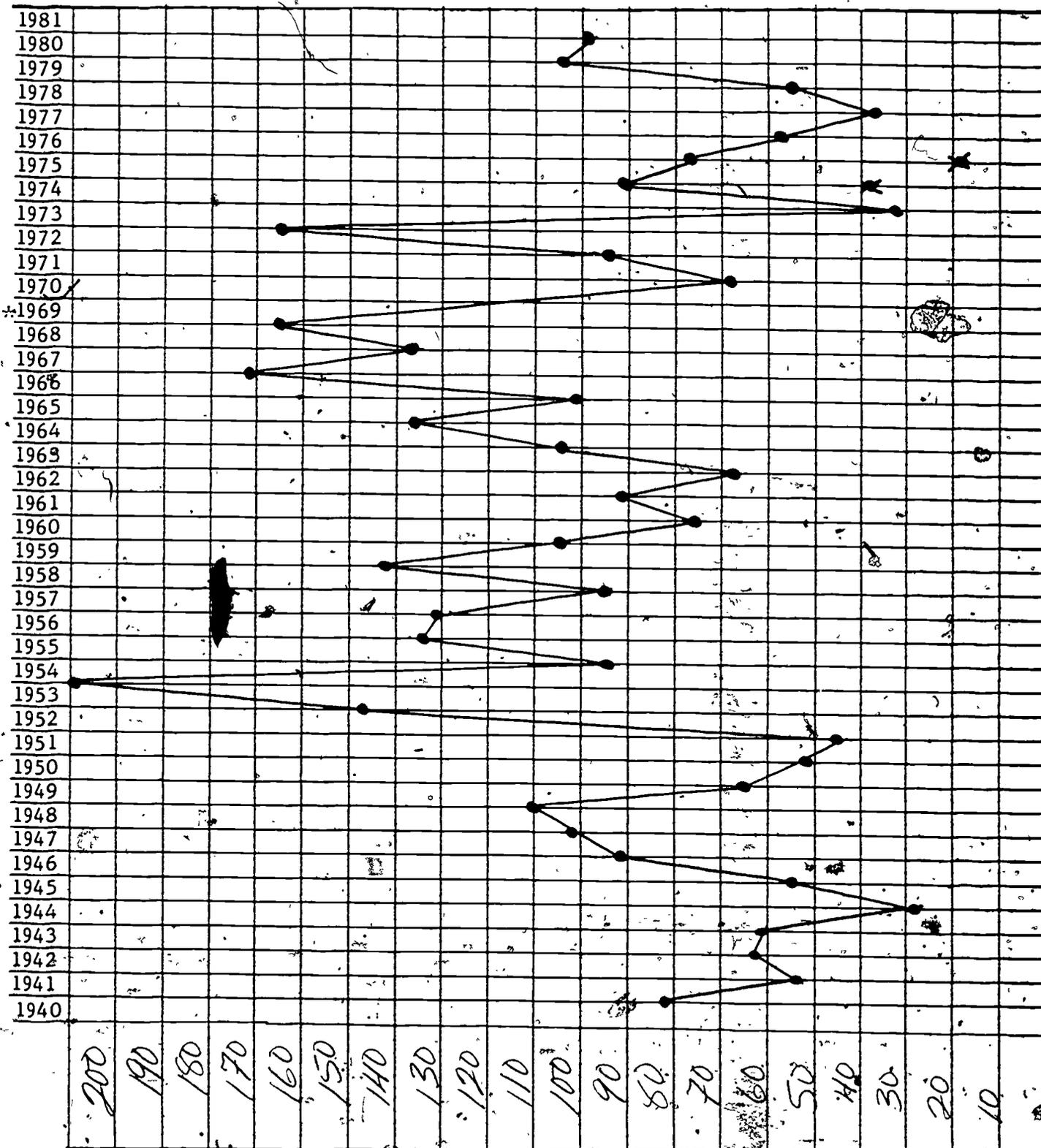
D.C. Budget Expenditures by Categories  
for Fiscal Year 1981 (millions)

Category of Service	Operating Budget			Total Funds	Positions
	Appropriated Funds	Federal Grants and Reimbursements	Capital Program		
<b>Human Support Services</b>					
Department of Human Resources	294	-196	1	491	7,509
Department of Labor	16	71	-	87	804
D.C. General Hospital	30	32	9	71	2,506
Department of Recreation	23	2	-	25	997
Office for the Aging	3	3	5	11	32
Others	12	-	-	12	88
<b>Subtotal</b>	<b>378</b>	<b>304</b>	<b>15</b>	<b>697</b>	<b>11,936</b>
<b>Public Education</b>					
D.C. Public School System	278	46	-	324	11,759
University of the District of Columbia	53	9	-	62	1,605
Public Libraries	11	-	-	11	475
Others	1	1	-	2	134
<b>Subtotal</b>	<b>343</b>	<b>56</b>		<b>399</b>	<b>13,973</b>
<b>Public Safety and Justice</b>					
Metropolitan Police Department	162	2	8	174	4,649
Department of Corrections	58	1	10	69	1,903
Fire Department	60	-	3	63	1,585
D.C. Courts	30	-	-	30	1,025
Others	8	1	-	9	336
<b>Subtotal</b>	<b>320</b>	<b>4</b>	<b>21</b>	<b>345</b>	<b>9,498</b>
<b>Transportation</b>					
D.C. Department of Transportation	33	4	62	99	971
Washington Metropolitan Area Transit	74	-	20	94	-
Others	5	-	-	5	-
<b>Subtotal</b>	<b>112</b>	<b>4</b>	<b>82</b>	<b>198</b>	<b>971</b>
<b>Environmental Services and Supply</b>					
	84	7	41	132	1,743
<b>Governmental Direction and Support</b>					
D.C. Council	4	-	-	4	148
D.C. Mayor	1	-	-	1	1
Department of Finance and Revenue	14	-	-	14	578
Department of General Services	24	-	20	44	611
Others	34	1	-	35	1,157
<b>Subtotal</b>	<b>77</b>	<b>1</b>	<b>20</b>	<b>98</b>	<b>2,495</b>
<b>Economic Development and Regulation</b>					
D.C. Department of Housing and Community Development	14	62	31	107	1,009
Others	12	3	28	43	660
<b>Subtotal</b>	<b>26</b>	<b>65</b>	<b>59</b>	<b>150</b>	<b>1,669</b>
<b>Debt Service</b>	<b>134</b>	<b>-</b>	<b>-</b>	<b>134</b>	<b>-</b>
Personal Services	29	-	-	29	-
<b>TOTALS</b>	<b>1,503</b>	<b>441</b>	<b>239</b>	<b>2,181</b>	<b>42,285</b>



APPENDIX II-B

Total Number of Entries Related to Public School Finance



APPENDIX II-C

Total Percent of Public School Entries.  
Dealing with Finance

5 10 15 20 25 30 35 40 45 50 55 60 65 70 75 80 85 90 95 100 %

Year	5	10	15	20	25	30	35	40	45	50	55	60	65	70	75	80	85	90	95	100	%	
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APPENDIX III-A

*Budget estimates and appropriations, District of Columbia school system for fiscal years 1944 to 1950*

Year and Function	Board of Education estimates	Approved by D. C. commissioners	Approved by U. S. Bureau of Budget	Appropriated by Congress	Supplemental appropriations	Total amount appropriated
<b>1944</b>						
Operating expenses.....	\$12,603,615	\$12,390,618	\$12,271,898	\$12,202,968	\$916,900	\$13,119,888
Capital outlay.....	915,000	528,000	528,000	528,000		528,000
Total.....	13,518,615	12,918,618	12,799,898	12,730,968	916,900	13,647,888
<b>1945</b>						
Operating expenses.....	13,836,714	13,711,260	13,711,260	13,497,096		13,497,096
Capital outlay.....	1,886,080	867,580	867,580	1,029,174	417,500	1,446,674
Total.....	15,722,794	14,578,840	14,578,840	14,526,270	417,500	14,943,770
<b>1946</b>						
Operating expenses.....	12,942,750	12,732,000	12,732,000	12,578,300	1,829,300	14,407,600
Capital outlay.....	5,291,100	2,162,900	2,162,900	2,401,060	57,000	2,458,060
Total.....	18,233,850	14,894,900	14,894,900	14,979,360	1,886,300	16,865,660
<b>1947</b>						
Operating expenses.....	15,120,665	14,960,100	14,960,100	15,037,972	1,931,080	16,969,052
Capital outlay.....	6,525,480	2,526,000	4,526,000	2,783,380		2,783,380
Total.....	21,646,145	19,486,100	19,486,100	17,821,352	1,931,080	19,752,432
<b>1948</b>						
Operating expenses.....	17,145,500	17,372,400	17,372,400	19,764,420		19,764,420
Capital outlay.....	8,566,000	2,123,000	2,123,000	4,269,230		4,269,230
Total.....	25,714,500	19,495,400	19,495,400	24,033,650		24,033,650
<b>1949</b>						
Operating expenses.....	20,763,000	20,206,900	20,206,900	20,037,000		20,037,000
Capital outlay.....	11,600,000	4,833,283	4,833,283	4,965,683		4,965,683
Total.....	32,363,000	25,040,183	25,040,183	25,102,682		25,102,683
<b>1950</b>						
Operating expenses.....	21,164,800	20,843,200	20,843,200	(1)	(1)	(1)
Capital outlay.....	2,581,450	2,480,250	2,480,250			
Total.....	23,746,250	23,323,450	23,323,450	(1)	(1)	(1)

<sup>1</sup> Action had not been taken by the Congress on the 1950 estimates when this report was written.

Source: George D. Strayer, The Report of a Survey of the Public Schools of the District of Columbia (Washington: Government Printing Office, 1949), p. 972.

APPENDIX III-B

**Budget Increases Requested by the Board of Education, Approved by the D.C. Commissioners,  
and Appropriated by Congress for Operating Expenses, FY1953 - 1967**

Fiscal Year	Board of Education's Requested Increases	Approved by Commissioners		Appropriated by Congress	
		Funds	Percent of Board Request	Funds	Percent of Board Request
1953	\$ 2,881,900	\$ 2,537,900	88.1	\$ 2,285,800	79.3
1954	2,316,700	2,316,700	100.0	2,163,700	93.4
1955	2,201,982	1,000,482	45.4	1,041,670	47.3
1956	5,297,030	3,896,030	73.6	3,835,030 <sup>a/</sup>	72.4
1957	2,437,961	95,0590	39.0	1,384,216 <sup>a/</sup>	56.8
1958	5,120,673	4,133,374	82.3	3,933,424 <sup>a/</sup>	76.8
1959	8,003,220	6,929,028	86.6	4,641,028 <sup>a/</sup>	58.0
1960	3,182,689	3,118,500	98.0	3,140,832	98.7
1961	6,820,353	4,800,323	70.4	4,546,200 <sup>a/</sup>	66.7
1962	4,336,600	2,807,500	64.7	2,475,410	57.1
1963	7,314,430	5,989,260	81.9	5,298,640 <sup>a/</sup>	72.4
1964	10,061,554	7,129,500	70.9	4,355,843 <sup>a/</sup>	43.3
1965	9,371,491	8,837,367	94.3	8,177,707 <sup>a/</sup>	87.3
1966	13,013,828	9,956,180	76.5	7,429,780 <sup>a/</sup>	57.1
<b>TOTAL OF REQUESTED INCREASES</b> 82,360,411		<b>Total Approved by Comm.</b> 64,482,734 78.3		<b>Total Appropriated by Cong.</b> 54,709,280 66.4	
<u>Recapitulation</u>					
Mean for years 1953-1957	3,027,115	2,140,340	70.7	2,142,083	70.8
Mean for years 1958-1962	5,492,707	4,373,745	79.6	3,747,379	68.2
Mean for years 1963-1966	9,940,326	7,978,077	80.3	6,315,493	63.5

a/ In these years, supplemental appropriations for salary increases for Teachers' Salary Act and Classified employees are included. Since in many cases these increases occurred after the submission of the budget, estimates were added to Board of Education requests and to amounts approved by the Commissioners to compensate for the additional funds.

SOURCE: Department of General Research, Budget, and Legislation, Washington, D. C. Schools

## APPENDIX IV-A

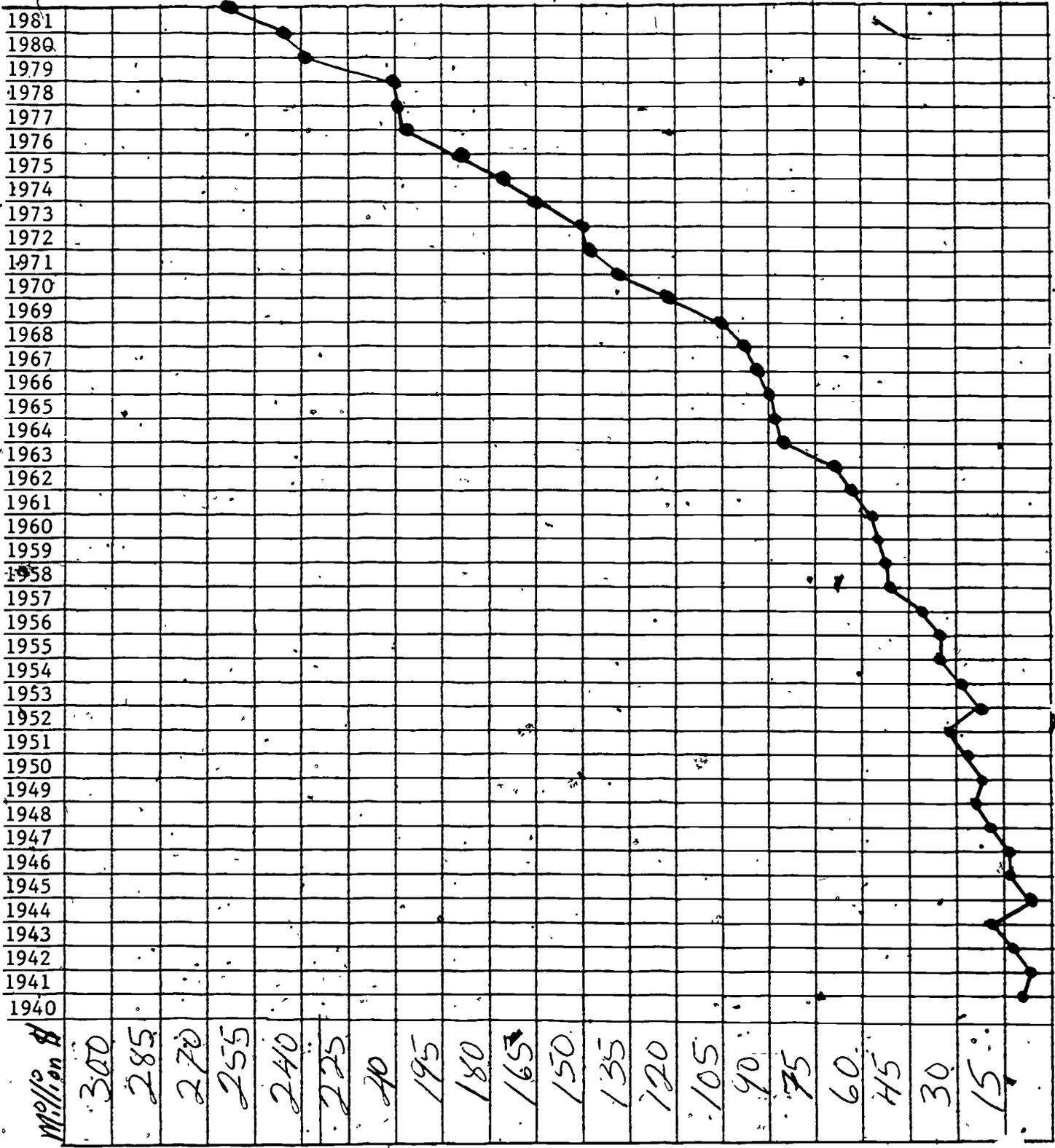
Annual School Appropriations

FY Years	\$ (Thousands)
1981-82	265,313,700
1980-81	243,784,500
1979-80	240,036,800
1978-79	205,761,800
1977-78	200,277,000
1976-77	199,532,500
(b) 1975-76	185,246,700
1974-75	174,028,000
1973-74	165,896,300
1972-73	146,476,800
1971-72	141,674,400
1970-71	138,755,400
1969-70	123,916,000
1968-69	101,476,000
1967-68	95,932,000
(b) 1966-67	93,291,000
1965-66	86,114,000
(b) 1964-65	82,549,420
1963-64	79,486,593
1962-63	67,377,750
1961-62	63,092,110
1960-61	58,674,700
1959-60	54,095,500
1958-59	52,963,968
1957-58	50,072,772
1956-57	39,093,326
1955-56	35,930,300
1954-55	35,001,570
1953-54	29,897,900
1952-53	25,872,200
1951-52	31,401,750
1950-51	28,626,747
1949-50	23,495,710
1948-49	25,102,683
1947-48	17,821,352
1946-47	14,979,360
1945-46	14,943,770
(b) 1944-45	12,732,352
1943-44	17,934,672
1942-43	14,084,098
1941-42	12,764,886
1940-41	13,364,258

Source: Office of the Mayor, 1982

APPENDIX IV-B

District of Columbia Public Schools  
 Appropriations and Estimates FY 1940-1981



APPENDIX IV-C

Summary of Selected DCPS Statistics: Longitudinal Delimitation

School Year	Total Membership (thousand)	Pre-School	Spec. Ed.	Students in Tuition Grts.	Grads.	Adult Ed.	Non-Pub Enroll.	Out of D.C. Enrollment	Staffing of Schools	Fiscal Year Budget (million)
1968-69	151,820	1,014	2,449	263	5,373	13,642	15,430	2,753	11,540	101,476
1969-70	149,636	2,292	3,059	200	4,915	17,746	15,467	3,235	11,467 <sup>a</sup>	122,925
1970-71	146,224	2,017	2,407	138	4,736	14,695	15,486	3,286	11,066	138,755
1971-72 <sup>nb</sup>	142,700 <sup>a</sup>	1,874 <sup>a</sup>	1,735	375	4,921	21,370	19,256 <sup>a</sup>	2,695 <sup>a</sup>	10,434 <sup>a</sup>	142,358 <sup>f</sup>
1972-73	139,910	1,948	1,315	377 <sup>b</sup>	5,195 <sup>d</sup>	20,291	18,200 <sup>b</sup>	2,709 <sup>b</sup>	10,290	154,682.4 <sup>f</sup>
1973-74	136,532	1,963	13,944	399 <sup>b</sup>	5,464 <sup>d</sup>	22,271	18,403 <sup>c</sup>	2,611 <sup>c</sup>	10,480	168,919,265 <sup>f</sup>
1974-75	132,306	2,447	13,038	540 <sup>c</sup>	5,302 <sup>d</sup>	22,149	14,789 <sup>e</sup>	2,743	11,695	188,673.5 <sup>f</sup>
1975-76	130,685	2,785	14,536	462	5,041	19,217	17,959	2,791	11,511	199,532.5 <sup>f</sup>
1976-77	125,908	3,018	11,096	538	5,395	21,347	17,564	2,755	10,714	218,105.1 <sup>f</sup>
1977-78	120,672	2,886	11,048	539	5,132 <sup>e</sup>	11,151	17,654	3,132	9,643	245,008.6 <sup>f</sup>
1978-79	113,858	2,797	9,158	589	5,758 <sup>e</sup>	7,899	17,505	2,683	9,692	261,741.8 <sup>f</sup>
1979-80	106,156	2,965	6,172	574	5,224 <sup>e</sup>	9,787	15,241	3,033	9,655	237,977.9 <sup>f,g</sup>
1980-81	100,049	2,809		468		12,527	16,448	4,445	8,869	274,359.7 <sup>f</sup>

Special Notation:

- \*\* - See Attached sheet
- nb - Resource Book not available for that year
- na - Information not available
- RB - Resource Book
- \* - This figure represents employees under the Teachers Salary Act (8,467) and approx. 3,000 Government Employees.

II - New Programs were initiated.

Source: DCPS Resource Book (Years 1968 through 1981)

- n - Information taken from RB dated 1972-73
- b - Information taken from RB dated 1973-74
- c - Information taken from RB dated 1974-75
- d - Information taken from RB dated 1976-77
- e - Information taken from RB dated 1979-80 (Published by the Office of Budget
- f - Figures quoted from page 7 of Special Edition - D.C. Public School 10/27/80
- g - Beginning in 1980, teacher retirement and annuity is excluded.

THE D.C. HISTORY AND PUBLIC POLICY PROJECT

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