Federal funds for public schools

Richard Bertrom McCrea

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FEDERAL FUNDS FOR PUBLIC SCHOOLS

by

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B. A. and B. E. Whitworth College, 1950

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the degree of Master of Education

Montana State University
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Approved by:

[Signatures]

Aug 20, 1958

date
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CHAPTER I

THE PROBLEM AND DEFINITIONS OF TERMS USED

The question of federal aid for schools has arisen because of the tremendous increase in school enrollments with the attendant problems of lack of space and teachers. This problem has been further complicated by an inflationary trend and population movements throughout the United States. The resulting financial problems are facing most of the schools in the nation.

I. THE PROBLEM

Statement of the problem. The present controversy regarding federal aid for education is one of the oldest problems in public education today. This paper will trace the history of federal interest and legislation in the field of education beginning with the Northwest Ordinance and concluding with the year 1958.

This study has proceeded with the following three guiding purposes in view: (1) to trace the origin and history of federal interest in education; (2) to discover the policies which brought about existing legislation for federal aid; and (3) to discover the trends of federal aid for education in the public schools.
Importance of the study. Many educators feel that federal aid for public schools is the solution to the problem of financing the schools today. Many educators and laymen are proposing special aid for science education. These proposals are based on the premise that the education of our youth has become so important to our national security that the Federal government should equalize the educational opportunity for every child. This argument has much appeal in view of the widespread difference between the expenditures per child of the various states.

The controversy over federal aid for education has a complex background which few people are aware exists. In addition, few people are aware of the total activities of the Federal government in education today. Consideration must be given to both of these aspects of the problem in any discussion of federal aid for education.

II. DEFINITIONS OF TERMS USED

Average daily attendance is the total days attendance of all children divided by the number of days that school was in session.

Capital expenditures are monies spent for buildings or any other non-expendable equipment.

Denominational school refers to a school which is supported by a particular church or sect.
Federal aid refers to the granting of federal funds to tax supported schools for operation or capital expenditures.

Federal employee is any employee of the Federal government and includes members of the armed services or a contractor holding a contract with a federal agency.

Federal property refers to any real estate owned or leased by a federal agency.

Indian Bureau refers to the Bureau of Indian Affairs in the Department of Interior which administers the various laws regarding American Indians.

Indian reimbursable student is a child enrolled in a public school who is one-fourth degree or more Indian blood, and who is an enrolled member of an American Indian tribe.

Operational expenses are those monies spent for salaries, supplies, books, tuition, rent, insurance, utilities and interest.

Office of Education refers to that office in the Department of Health, Education and Welfare which administers the vocational acts and collects and publishes statistics regarding education in the United States, its territories and foreign countries.

Private schools are those schools which are supported by tuition fees or private individuals.

Real property is real estate and improvements.
State or territory includes any of the forty-eight states and territorial possessions of the United States.

Vocational education refers to homemaking, agricultural education, trade and industrial training and distributive education.
CHAPTER II

REVIEW OF THE LITERATURE

For almost one hundred years, federal aid for schools has been a pertinent topic for discussion. Beginning in 1870, legislation regarding federal aid for education has been before Congress almost continuously. Recently, with the widespread criticism of education and the introduction of new legislation for federal aid in Congress, the subject has received more attention than ever.

I. PUBLISHED MATERIAL

General historical literature. All of the literature concerning history or philosophy of education treats some phase of the subject of Federal government and education. These accounts are necessarily very brief, and few are up to date. One exception is Chris A. De Young's book, Introduction to American Public Education, which was published in 1955. De Young traces the history and discusses the trends of federal aid for American public schools.

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Arthur Moehlman² traces the history of federal interest in education as does Frederick Elby,³ Edgar Knight⁴ and Ellwood Cubberley.⁵ Paul R. Mort and Walter C. Reusser discuss the problem of how the Federal government should equalize education in the United States.⁶

Gordon Canfield Lee has written a very comprehensive account of the attempts to obtain federal aid for education between the years 1870 and 1890.⁷ Two other brief works appear in the Indiana University Studies.⁸

⁴Edgar Knight, Education in the United States (second revised edition; Boston: Ginn and Company, 1941).
Periodicals. Many of the professional educational journals have carried some articles on federal aid since 1950, and the National Education Association Journal has led the fight for federal aid. The Office of Education periodical, School Life, has discussed the issues of federal aid from time to time. Several of the more popular journals have published articles similar to the survey of school classroom needs made by Time Magazine in 1957.

III. FEDERAL PUBLICATIONS

Surveys and reports. Three studies of the problem of federal relations to education have been made. The first study was compiled by the National Advisory Committee on Education in 1931. This committee was composed of fifty-two citizens engaged in or interested in education. President Hoover appointed this committee in 1929 to formulate a course of action to guide the educational policies of the Federal government. Part I of this report concerned recommendations, and Part II covered the existing facts of federal interest in education. President Franklin Roosevelt appointed the Advisory Committee on Education in 1936 which  

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made a very complete study of federal aid for education. The Commission on Intergovernmental Relations had a sub-committee study the responsibility of the Federal government in the field of education. Their report was not as thorough as the first two studies.

The Office of Education is required by law to make a report of the various laws which it administers, and from time to time the Office of Education publishes other reports of a statistical nature.

The Bureau of Indian Affairs, Department of the Interior, publishes an annual fiscal report on Indian education. Each state receiving Indian education funds through the Johnson-O'Malley Act is required to prepare an annual fiscal report concerning the distribution of educational monies.

Many other governmental agencies engaged in educational activities publish reports of their work.

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Unpublished material. Only one paper of recent date appears in the research literature listing theses for Masters' degrees. Other Masters' theses pertain to specific topics such as aid for vocational education or Public Laws 874 or 815.

CHAPTER III

A BRIEF HISTORY OF FEDERAL AID

The educational systems of the United States had their beginning in the Boston Latin Grammar Schools of 1635. Although controlled by the clergy, these schools were supported by local taxes or tuition. Elsewhere in the colonies education was a matter which was left up to the church or private individuals.

The writers of the Constitution did not mention the word school or education in the Federal Constitution. The Tenth Amendment very definitely grants the power of education to the states. The Tenth Amendment reads as follows: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the states, are reserved to the states respectively, or to the people."

Proponents of federal aid point out that the Preamble of the Federal Constitution justifies the federal activities in the field of education.\(^1\) The Preamble to the Constitution reads as follows:

Preamble

We the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity do ordain and establish this Constitution for the United States of America. 2

The phrase, "promote the general welfare," has been construed to mean among other things education.

I. LEGISLATION PASSED BY CONGRESS

Early land grants. The first legislation which indicates the interest of the national government in education was the Land Survey Ordinance passed by the Congress of the Confederation in May 1785. This act reserved lot number sixteen of every township for the maintenance of public schools within said township. 3 In 1787 the Northwest Ordinance was passed continuing the grants of land and stating:

Religion, morality and knowledge being necessary to good government and happiness of mankind, schools and the means of education shall forever be encouraged. 4


4Ibid.
The new Federal government continued the grants of land and included the new territories as the United States gained possession of more lands. In 1850, with the admission of California, two sections were granted for the use of public schools, number sixteen and thirty-six. Three states, Utah, Arizona and New Mexico received a total of four sections, sixteen, thirty-six, two and thirty-two.5 Other than granting these lands for the use of schools there were no restrictions on how the land was used. An interesting inclusion in the Ohio grant stated that Ohio must exempt from taxation all of the Federal lands within the state as a condition to receiving the grant of land.6

In addition to the above grants, Congress also set aside one township of thirty-six sections and later two townships of seventy-two sections for an academy, college or university.7 Five per cent of the sale of public lands within the border of each state after 1862 was granted for improvements or for common schools. A few states received this grant previous to 1862.8 Beginning in 1841 Congress

5De Young, op. cit., p. 16.
7Kohlmeier, op. cit., p. 9.
gave all of the new states 500,000 acres of land for schools or improvements. In many states specific grants of land were made to various educational or charitable institutions, such as a school for the deaf and dumb in Connecticut.

**Vocational grants.** The first Morrill Act of 1862 gave each state 30,000 acres of land for each Senator or Representative in Congress. The proceeds of the sale of this land were to be invested and the interest used to support one college of agriculture. The act stated that the curriculum was to be:

... where the leading subject shall be, without excluding other scientific and classical studies and including military tactics, to teach such branches of learning as are related to agriculture and mechanic arts.  

The Second Morrill Act of 1890 granted $15,000 for each state having one of these so called land grant colleges. An annual increase of $1,000 was appropriated for a period of ten years. These amounts have since been increased by the Adams Act of 1906, the Nelson Amendment of 1907 and the Bankhead-Jones Act of 1935. In 1887 Congress passed the Hatch Act granting money to states with land grant colleges for the establishment of agricultural experiment stations. The amounts of money for this act were increased by the Purnell Act of 1925.

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*De Young, op. cit., p. 17.*
This pattern of aid for vocational education was adopted for the public high school through the Smith-Hughes Act of 1917. This act appropriated money for the salaries of teachers of agriculture, homemaking and trades and industries. Money was also appropriated for training these teachers at land grant colleges. Further appropriations were made for all phases of this act by the passage of the George-Reed Act of 1929, the George-Ellzey Act of 1934, the George-Dean Act of 1936 and the George-Barden Act of 1946.

Office of Education. In 1867 Congress established a National Department of Education with the Office of United States Commissioner of Education. The purpose of this office was to collect and publish statistical facts pertaining to education in the United States, territories and foreign countries. The following year Congress made this office a bureau in the Department of the Interior. The Office of Education was placed in the Federal Security Agency by President Franklin Roosevelt under the Reorganization Act of 1939. Under Public Law 13, 83rd Congress, President Eisenhower established the Department of Health, Education and Welfare. The Office of Education adminis-

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ners all of the above acts of Congress.

Payments in lieu of taxes. Congress passed the Lanham Act of 1940 granting funds for school operation and construction in localities having swollen school populations due to concentrations of military personnel or war workers. This act was extended in 1946, 1950 and 1954. Since the year 1950, this act has been called Public Law 874 and 815. Public Law 874 pays for operation of schools, and Public Law 815 grants money for school construction.

Other educational measures. Many other acts have been passed by Congress indirectly concerning some phase of education. The Smith-Lever Act of 1914 granted money to states for the purposes of conferences, classes, or demonstrations and county agents. During the years 1933 to 1942 The Public Works Administration granted lump-sum payments to states and local governments for school buildings and other purposes. The total of such allotments for schools is said to have reached close to one billion dollars.\textsuperscript{11} Billions of dollars were also expended for educational purposes by the so called G. I. Bill of Rights which provided tuition and subsistence allowances for war veterans attending high school or college.

\textsuperscript{11}Congressional Digest, 33:259, October 1954.
The Department of Agriculture subsidizes the school lunch program with grants of money and surplus commodities. The Bureau of Indian Affairs is in charge of the education of native American children in the United States and Alaska. Under the Johnson-O'Malley Act, the Indian Bureau may let contracts to states and local public school districts for the education of these children. The Federal government is engaged in many other educational activities too numerous to mention in a paper of this nature.

II. LEGISLATION CONSIDERED BUT NOT PASSED

Equalization measures. Exclusive of bills enacted for federal aid, over one hundred other bills to aid schools have been introduced in Congress since 1870. The first of such measures was the Hoar Bill introduced in 1870. This bill proposed to establish a national system of education. In 1872 the Perce Bill was passed by the House of Representatives to grant money for general education. The Burnside Bill, a similar bill, was passed by the Senate in 1879. Between 1872 and 1883 thirteen bills were introduced in Congress designed to provide some kind of federal assistance to public education. The Blair Bill, which provided money for public schools, was passed by the Senate in 1884, 1886 and 1888 and voted down in 1890. Several bills granting aid for education were presented in Congress.
between 1890 and 1900, however, none of them reached the floor of either house in Congress. There was no further Congressional activity of this nature until the year 1919.  

**Office of Education measures.** The Smith-Bankhead Act of 1919 began the battle to create a department of education with a secretary in the President's cabinet. Nine bills for this purpose were read in Congress between 1919 and 1929. The Smith-Towner Bill of 1919, the Sterling-Towner Bill of 1920 and the Sterling-Reed Bill contained a provision which appropriated $100,000,000 annually to be granted outright to the states to improve their schools.

Edgar Knight graphically describes the plight of education in the depression years of 1933 and 1934. Under these conditions, a renewed interest in the financing of education was evident. Conferences in many parts of the country were held on the emergency. Educators urged a national plan. 

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The National Educational Association has long favored Federal aid to education and adopted resolutions to that effect in 1887 and 1899. In 1936 the National Education Association drafted a bill which was introduced in the Senate by Senators Harrison, Blake and Fletcher. This Bill provided for financial assistance to all states starting at $100,000,000 annually and reaching eventually a total of $300,000,000. A similar bill was introduced again in 1939, 1941 and 1943.

The modern period got under way in the 79th Congress in 1945. Twin bills were introduced in the House and the Senate requesting financial aid for public schools in the amount of $100,000,000 annually. Later new companion bills were introduced which provided $550,000,000 annually to be allocated to public, private and denominational schools. During the 80th Congress, the House of Representatives held hearings on fourteen bills which provided aid for schools, all of which failed to reach the floor. A bill was introduced and passed in the Senate authorizing $300,000,000 annually which could be expended by the states in any


17Congressional Digest, 28:288, November 1949.
manner agreeable with state laws. This bill was introduced again in the 81st Congress, but it failed of passage. A total of thirty-one bills and joint resolutions were introduced in the 83rd Congress to aid education. A majority of these bills concerned school construction, but several were to provide funds for teachers' salaries or equipment.

In 1958 Representative Lee Metcalf and Senator James Murray of Montana introduced a federal aid bill in their respective houses providing funds for operation or construction of schools. The bill asks for twenty-five dollars for each child in the 1958-1959 school year, fifty dollars per child in the 1959-1960 school year, seventy-five dollars per child for the 1960-1961 school year and one hundred dollars per child after 1961.18

CHAPTER IV

THE CONTROLLING PRINCIPLES AND POLICIES OF FEDERAL AID

This chapter will review some of the legislation and trace the development of policies where possible.

I. LAND GRANTS

Early land grants. There is some question as to the intention of the Congress in granting the sixteenth section of every township for the use of common schools. De Young states that, "the primary motive of the Continental Congress was to sell land, not to aid education."¹ Whatever may be the case, it was the beginning of a policy which has continued to aid education.

The new Federal government clearly demonstrated its interest in education by increasing these early land grants, extending the grants to include colleges and granting a portion of the money from the sale of public lands to the states for the purpose of education. Congress passed no restrictions regarding the use or sale of these lands. A few states wisely invested the money from the sale of their

lands, but many states cannot account for the money they received from the sale of their land. The money was diverted for some other purpose.

II. VOCATIONAL GRANTS

The beginning of federal control. The beginning of federal control appeared with the first Morrill Act of 1862. This law stipulated that the money from the sale of the land was to be invested, and only the interest could be used to support the land grant colleges. Congress has continued this policy of restrictive legislation up to the present date. It is interesting to note that Congress continued to aid education by grants of land up to the year 1890.

The Hatch Act of 1887 was the first act to grant sums of money to the states for agricultural experiment stations at the land grant colleges. The Second Morrill Act was the first to grant money directly to educational institutions. This money was to be granted to the land grant colleges for educational purposes other than capital outlay. This act also provided that a part of the money could be used to prepare teachers to teach agriculture. Additional money for preparing teachers was provided under the Smith-Hughes Act of 1917.

The Smith-Lever Extension Act of 1914 began the policy of requiring the states to match federal monies.
Congress felt that this policy would prevent the individual states from reducing their efforts to support educational or vocational programs which they desired. The states would retain a controlling interest by contributing fifty per cent of the funds for the operation of the program.

Federal control was strengthened and extended down into the public high school by the Smith-Hughes Act of 1917. This act retained the matching feature, and the states had to establish a state board of vocational education. In addition, the states and local districts had to submit plans for the kinds of vocational education, courses of study, methods of instruction, qualifications of teachers and kinds of schools and equipment. The schools were required to expend local monies first, and the Federal government reimbursed the schools at a later date on the basis of reports made by the schools.

As early as 1931 the United States National Advisory Committee recommended that federal monies should be given to education as a whole rather than to one specific field of education. The committee also stated that, "the requirement of matching funds was not favored for education."\(^2\)


\(^3\)Ibid., p. 3.
The Advisory Committee on Education recommended aid for general education and special funds for teacher training and school construction in 1938.\(^4\) The Study Committee Report of 1955 recommended that the Federal government strengthen vocational education rather than aid education in general.\(^5\)

The conflicting recommendations of the last report with the earlier two reports reflects the economic conditions of the United States at the times the reports were written. From 1931 to 1938 education in general was in need of financial support because of the failure of local tax sources. At the same time the state indebtedness was mounting, and the federal debt was at an all time low. In 1955 the federal debt was at an all time high, whereas state debts were at an all time low.

Payments in lieu of taxes. The problem of federal ownership of real property depriving school districts and other political subdivisions of a state of taxable property has existed for some time. This situation is more acute in


those Western states where the major part of all school revenue comes from a property tax. The Federal government recognized this problem as early as 1908. The Forest Reserve Income Act of that year returns twenty-five percent of the income from forest reserves back to the locality in which it originated. The Mineral Royalties Act of 1920, the Taylor Grazing Act and the Federal Housing Act return a portion of their income to the district in which the property is located. The further acquisition of land for war industries and armed forces' installations after 1940 complicated the above problems by shifting large masses of population. Public Law 874 and 815 make payments to school districts which have large amounts of federal land or which have had sudden and substantial increases in school populations as the result of activities of the Federal government.
CHAPTER V

ADMINISTRATIVE PROCEDURE

The following will present a brief summary of each of the existing federal laws providing aid for public schools. Only those facts which are pertinent will be set forth here to aid those interested in applying for federal funds. The procedures are changed from time to time by administrative rulings of the agencies involved. In every case application for funds must be made through the applicant's state education office. Each of the federal aid programs requires complex reports which have to be processed by the state office as well as the federal agency involved. A section of each of the laws allows the agency to prorate the available monies in the event that there are insufficient funds to finance all of the programs.

I. VOCATIONAL EDUCATION

Smith-Hughes Act. Each school must present a plan acceptable to state and Federal governments. The plan is usually a four-year organization of the subjects of home economics, trade or industrial education. At least half of the time of instruction must be given to practical work in the vocational field. The local district must
provide the plant and equipment which has to be approved by the state board of vocational education. The local district must hire a teacher who is qualified to teach vocational subjects by having completed a Smith-Hughes course in an approved institution.

The school district is then reimbursed on a matching basis for the salary of the vocational teacher. For each dollar the Federal government contributes, the local district must expend an equal amount of money. The vocational teacher must teach only vocational subjects to receive the full amount of federal matching money. For example, if for one hour of the school day the vocational teacher teaches one subject other than vocational, the school will receive only eighty-three per cent of the federal matching funds. In most states there are insufficient federal funds to match all of the programs.

Annual reports are required from the instructor and the school superintendent by the state education office. The instructor reports the courses being offered, and the number of students enrolled in the courses. The Administrator reports on the number of teachers and hours of vocational subjects being taught. Payments are made to the school twice a year by the state office which prorates the available federal funds. Most schools receive considerably less than fifty per cent of the teachers' salaries.
II. JOHNSON-O'MALLEY ACT

Indian education. The Johnson-O'Malley Act gave the Bureau of Indian Affairs, through the Secretary of the Interior, the authority to enter into contracts with states, territories, or political subdivisions of the above for the education, medical attention, or social welfare of Indians. The Bureau is also authorized to permit the contracting party to utilize federal facilities which are available and to make such rules and regulations necessary for administering the act.

Accordingly, the Indian Bureau has entered into contracts with states and school districts for the education of Indian students. The Bureau has established regulations which have been changed from time to time. This paper will present the regulations of June 22, 1955.

Criteria for Indian Education Reimbursement in Montana

A. Assistance for school operation.
To be eligible for consideration, a district must have ten (10) percent non-taxable Indian lands and five (5) percent eligible Indian enrollment. To determine the amount of assistance under the contract each eligible district will:

(a) Submit costs of school operation that have been determined as reasonable by the State Department of Public Instruction and mutually agreed to by the area office of the Bureau of Indian Affairs.
(b) Determine income from all sources:
   (1) Local school district effort
       based on what a last five year
       average tax levy would bring
       on a last five year evaluation.
   (2) Available from the state,
   (3) Available from the county,
   (4) Available from other sources.

(c) Subtract (b) from (a) to determine
    deficit or area in which Bureau
    will assist.

(d) (1) Determine percentage of Indian
     owned non-taxable land in
     district.
   (2) Determine percentage of eligible
       Indian children in school or
       enrolled in district of school
       age.
   (3) Take the average of (1) and (2)
       above.

(e) Apply percentage arrived under (d)
    above to need under (c).

(f) Prorate (e) against available funds
    (if less than need).

(g) To insure needed funds to districts
    with greatest impact as when (d)
    is over 75 percent, amount due the
    district under (e) may be determined
    prior to proration under (f) when
    total contract funds available are
    less than need.¹

The Bureau requires an application which is outlined
above. In addition a report must be made stating the birth
date, parents' names, grade and degree of Indian blood of

¹Annual Report, 1955-1956, Division of Indian Edu-
   cation State Department of Public Instruction to the United
   States Bureau of Indian Affairs. p. 11-12.
every student. Quarterly reports are made in December, April and June and impart much of the same data plus days of attendance for each student.

Payments are made to the local districts on the basis of quarterly reports to the state director of Indian Education. In the event of insufficient funds the available monies are prorated to school districts having an impact of less than seventy-five per cent.

III. PUBLIC LAW 874 AND 815

Public Law 874. These monies are paid to school districts for one of the following reasons.

1. The revenues available to such agencies from local sources have been reduced as a result of acquisition of real property by the United States; or
2. Such agencies provide education for children residing on federal property; or
3. Such agencies provide free public education for children whose parents are employed on federal property; or
4. There has been a sudden and substantial increase in school attendance as a result of federal activities.²

The local district is paid an amount which is the average of either, (1) the total state expenditures per child or (2) the expenditures per child in selected comparable school districts. To find the amount each district

receives, the above average is divided by one-half which is the contribution paid each federally connected child in average daily attendance. In some cases the Commissioner of Education is authorized to increase the local contribution rate because of geographical factors. Below are listed certain limitations under Public Law 874.

1. The number of children in average daily attendance must be ten or more.

2. The number of federally connected children must number at least three per cent or more of the total average daily attendance of the school.

3. Any school having an average daily attendance of 35,000 or more is required to have a six per cent instead of three per cent of federally connected children of the total average daily attendance. Payment is only received on the number of children above the three per cent. Payments received from other federal agencies are to be deducted from the local school's entitlement.³

Application for Public Law 874 funds should be made as early as possible in the school year. The first report calls for complete enrollment and financial data. Each school must estimate its average daily attendance for the

year and is paid seventy-five per cent of its entitlement from this information. A second report is usually made about the middle of the school year, and ninety-five per cent of the entitlement is then paid. A final report must be made at the close of the school year, after which the school receives its final payment. There is a provision in the law which allows the Commissioner of Education to prorate available funds.

**Public Law 815.** School districts which have had a sudden or substantial increase in the number of students in average daily attendance due to federal activities or have a large amount of federal property in the district may qualify for federal funds for school construction under Public Law 815. Federally connected pupils are identified in the same manner set forth under Public Law 874.

The Office of Education allocates a certain amount of money to each state for the construction of classrooms. The local school district must have unhoused pupils due to lack of classrooms or physical facilities which are unusable. The Commissioner of Education determines the number of unhoused pupils and the number of classrooms needed. The per cent of federally connected children to the total school population is then applied against an average state construction cost per classroom. Public Law 815 will only pay for construction of classrooms or school district housing.
CHAPTER VI

SUMMARY, ISSUES AND TRENDS

Summary. Federal aid for education began with aid for general education in the form of land grants. Congress increased these grants of land and broadened its policy to aid vocational agriculture in the land grant colleges. The policy of aiding vocational education has continued up to the present date.

Beginning in 1872, there has been a demand for legislation granting financial aid for general education, and many bills have been introduced in Congress for that purpose but failed of passage. The Senate has been inclined to favor federal aid while the House has generally voted such measures down. The one attempt to establish a national school system was vigorously opposed.

When there was no longer any public domain to give away, Congress began to grant sums of money to the land grant colleges for vocational training. As a war measure this vocational training was extended down into the public high schools in 1917. Once this vocational program was inaugurated, Congress increased the restrictions as well as the appropriations. Vocational aid still for a time the voices of those who demanded aid for general education.
The depression years of 1930 to 1938 caused a renewed interest in legislation for federal aid, and the National Education Association sparked a drive to secure such legislation. During this period the Works Progress Administration provided funds for school buildings which helped alleviate the financial problems of some school districts.

In 1940 Congress passed the first law granting funds for construction and operation of schools which have had an impact of federal activities. Public Laws 874 and 815 have continued this aid to schools which have had an increase in student population due to activities of the Federal government.

Issues and trends. The majority of federal legislation regarding federal aid during 1950 to 1958 has been upon school construction. The Office of Education has made a study which shows a serious shortage of classrooms. President Eisenhower recommended to Congress that the Federal government assist those states which had a serious shortage of classrooms. The United States Chamber of Commerce believes that the Office of Education's figures are in error. The Chamber of Commerce contends that school building construction has been increasing at the

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rate of ten per cent each year, and that the present shortage will be wiped out by 1960. *Time Magazine* conducted a survey of the classroom shortage in the United states in 1957. Their report indicated that most of the states could solve the problem themselves.

Few surveys show the complete picture of the educational opportunity for every child. They may show the differences in per pupil expenditure of the various states, but they fail to show the one or two room school in a bare setting. Moehlman and De Young contend that the inequalities of education in the United States are so great, that the Federal government should equalize education by financial aid.

The inequalities in a single state are often greater than those over the entire United States. The failure of states and local districts to solve this problem has caused many educators to favor a national system of education. Cubberley stated in 1934 that, "the United States was now a closer knit country...that the local district system has served its purpose and ought to give way to a larger unit

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of administration and well organized state control."^4 Moehlman stated in 1940 that we would have a completely federalized system of education within the next generation.®

De Young believes that a majority of people approve of federal aid, but that they disagree on its application.® In short, they want the money, but they fear the restrictions which the Federal government developed in the vocational programs. The whole problem of federal aid centers around the question of whether it is possible to have federal aid without federal control.

Opponents of federal aid fear the end of our democracy if a federal aid bill is passed, because it will deprive local governments of their control of education. Many other democratic countries apparently have decided that central control has advantages over local control, and they have somehow survived.

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5Moehlman, op. cit., p. 876.

6De Young, op. cit., p. 535.
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