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Perceptions of Educational Equality in Tennessee: A Comparison of City School
Systems vs. County School Systems in Northeast Tennessee

A dissertation
presented to
the faculty of the Department of Educational Leadership and Policy Analysis
East Tennessee State University

In partial fulfillment
of the requirements for the degree
Doctor in Education

by
Timothy W. Harrison
December 2006

Dr. Terry Tollefson, Chair
Dr. Louise MacKay
Dr. Jasmine Renner
Dr. Jack Rhoton

Keywords: Educational Equality, Basic Education Program in Tennessee

ABSTRACT

Perceptions of Educational Equality in Tennessee: A Comparison of City School Systems vs. County School Systems in Northeast Tennessee

by

Timothy W. Harrison

The majority of city and county school systems throughout Tennessee and the United States at one time or another experience a budget crisis. In the state of Tennessee, school systems are funded through the Basic Education Program, established in 1992 as part of the Tennessee Education Improvement Act. The lawsuit of 1988, *Tennessee Small School Systems v. McWhorter*, created the Basic Education Program. Through the years, the Basic Education Program has provided extra teaching positions, materials, and supplies and has provided the funding formula for school systems throughout the state. Many high-ranking administrators contend that the Basic Education Program has outlasted its time. School administrators from both city and county school systems indicate the program needs to be restructured to meet the current needs of the schools and students throughout the state of Tennessee.

The purpose of this mixed-method study was to explore the perceptions of educational equality and the advantages/disadvantages of the Basic Education Program. Through quantitative data, city and county school systems were compared for per-pupil spending, average teacher salary, and student achievement in the advanced proficient category for math and reading/language. These data were collected from the Tennessee Department of Education website and the Tennessee Education Association website. Qualitative data were collected through interviews with high-ranking administrators from city and county school systems in Northeast Tennessee. These administrators were purposively selected from systems containing both city and county schools.

The findings of this study demonstrated that city school systems have higher per-pupil spending and higher teacher salaries than county systems. City school systems have higher student achievement levels in the advanced proficient category than county school systems. Interview participants agree that educational equity does not exist between city and county school systems in the state of Tennessee. The participants in this study express that although the Basic Education Program in Tennessee was effective, at one time, it should be restructured or redefined to meet the current needs of all students in the state of Tennessee.

DEDICATION

This study is dedicated to my wife, Tisha C. Harrison. Even though many people have had an influence on my life, Tisha, you have had the most. From our early years to our lives as we know it today, you have been my lifelong partner and my best friend. Your support, patience, and encouragement have always been one of your biggest attributes, but mostly your love has guided me through my life and this process. As we pledged on our wedding day, let no one destroy what God has joined together, I simply say thank you for being my wife and best friend, but most importantly thank you for being you!

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It can be said that Tim Harrison has led a blessed and cherished life. From my parents, Wade and Driscilla Harrison, my wife, Tisha, to my children, Terran and T.W., God has surrounded me with important people. I want to say thank you for the prayers and encouragement throughout this process. Your influences and desire for me not to give up will always be remembered. Many days I can remember someone saying keep working; it will be worth it in the end, still stands out in my mind today. Thanks to Mom and Dad for this work ethic. Education was always stressed in our house growing up. T.W. and Terran, remember nothing is worth having without the work that goes into it. I thank you for being such wonderful young adults; your father has always been proud of you and your encouragement and sacrifices throughout this process will always be appreciated. Tisha, my lifelong partner and best friend, this project is like our marriage, total commitment and dedication. May God continue to bless us both and keep us as long as we both shall live.

Finally, I want to thank the faculty and staff from the Department of Educational Leadership and Policy Analysis at East Tennessee State University. The learning experience I received will be used not only during my career but in my everyday life. A special thank you goes to Dr. Terry Tollefson, the chair of my committee. Without you, sir, this process would have never ended. The other members of my committee, Dr. Louise MacKay, Dr. Jasmine Renner, and Dr. Jack Rhoton, thank you. Your feedback and patience will always be remembered.

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CHAPTER 1

INTRODUCTION

In many cases, county school systems cannot provide the same opportunities as city school systems. This encourages parents to choose their place of residence based on school location. Many parents want excellent schools so that their children can succeed in life. Most community members want excellent schools so their cities and counties can attract and maintain high-paying jobs and industries, which raises the issue of school funding and who pays for it.

The great Horace Mann said, in 1837:

I believe in the existence of a great, immutable principle of natural law, or natural ethics- which provides the absolute right of every human being that comes into the world to an education; and which, of course, proves the correlative duty of every government to see that the means of that education are provided for all. (cited in Pulliam & Van Patten, 2003, p. 127)

Tennessee, as well as several other states, had its state constitution declared unconstitutional concerning school funding. In the court case of *Tennessee Small School System et al. v. Ned Ray McWherter et al.*, 2002, the state was required to provide a funding formula that specified educational resources to school systems equally. The necessary funding formula, otherwise known as the Basic Education Program (BEP) and provided a basic level of education for all Tennessee students (Goldhaber & Callahan, 2001). This formula provided more opportunities for state spending at the local level and proportionally moved state money to smaller schools, which concentrated a more equitable distribution of state dollars.

The Basic Education Program became a funding mechanism for the state of Tennessee. Although there was actually no mathematical formula for this program's distribution, the BEP consisted of components that represented the level of support necessary for schools in Tennessee

to succeed. Each component served as the basis for calculating the funding for each system; however the BEP did not prescribe specific levels of expenditures for individual components. Actual costs of the essential components were monitored and updated from year to year. Total costs were determined based upon school system data that included average daily membership, transportation, and overall instructional expenses (Tennessee Department of Education Office of Research and Informational Service, 2005-2006).

In 2003, a study by the Tennessee Advisory Commission on Intergovernmental Relations reported that all of the equity measured during the first 10-year period of the BEP formula improved spending equity. The study suggested the most important element was the commitment of the state's policy makers to fund the BEP program fully (Roehrich-Patrick & Green, 2003).

Officially, many counties statewide were not content with the BEP formula. State law required annual review of The Basic Education Program. In the review of 2004, many county commissioners, and particularly in Shelby County of West Tennessee, suggested changing the concept of the county's wealth calculation from a model of 95 counties to a 136-school-system fiscal capacity system. This revision calculated each school system's abilities, instead of each county's ability, to provide the local revenue required to fund schools adequately (Mosher, 2005).

Under this plan, city school systems would be the major financial losers. "It would force some school systems out of business," Kingsport Director of Schools, Richard Kitzmiller, a member of the state's BEP Review Committee, told the Upper East Tennessee Executive Committee members (as cited in Watson, 2005).

Kingsport is not the only school system that would lose funding under this revision. Sevier County, Tennessee, alone would lose \$9 million per year, while Murfreesboro and Johnson City, Tennessee, would have markedly decreased funding as well. Between Murfreesboro and Johnson City, the projected combined loss of BEP funds was estimated at \$10-\$11 million per year (Jeffery, 2005, February 25).

Officials in some county systems complained for years that municipalities within their borders unfairly impacted the wealth index, while the city systems benefited from increased tax bases. Greene County Director of Schools, Dr. Joe Parkins, said county officials in the state never intended a Robin Hood approach to developing educational equity in school funding. According to Watson (2005, 21), Parkins stated, “We don’t want to take money away from the cities. The state’s system of returning portions of sales tax collections to the points of origin has been alleged to be unfair to county residents who stop in municipalities to shop, leaving counties unable to provide similar funding to schools” (¶ 22).

Urban schools across Tennessee were also in a bind. Nashville recently passed a property tax increase of 67 cents, with 6 cents of that increase earmarked for schools. Urban leaders cited the BEP plan as failing to recognize the challenges faced by urban districts, such as low-income families and the need to teach immigrant children English. Without adequate K-12 funding from the state, urban leaders were left to consider their own legal action, just as rural schools were (*Tennessean*, 2005).

In 1995, the Tennessee Supreme Court reviewed the court case of *Tennessee Small School System v. McWherter*, declaring the funding scheme to be unconstitutional. The new ruling required the state of Tennessee, over a period of time, to equalize the access to funding for

school systems and stated that the BEP must include equalization of teachers' salaries in the formula (West Education Law Reporter, 1995).

Ten years later, the debate over equalization and equitability regarding teachers' salaries in Tennessee was still raging. Tennessee schools ranked 45th in the United States in per-pupil expenditures, spending an average of \$6,997 per student. The national average expenditure per student was \$8,724. The average salary of a Tennessee teacher was \$40,318, ranking 33rd in the nation. The national average salary was \$45,810. Tennessee currently spends \$6,089,672, which ranks 25th in the nation. Tennessee ranked 20th in the nation in total revenues for public schools received from local governments. Local governments contributed \$2,615,597, on average, to school systems (National Educational Association Research Data Base, 2004).

In Tennessee, especially between city school systems and county school systems, the discrepancies in per-pupil spending, teachers' salaries, and student achievement continued to widen (Collins, 2004). Major educational inequalities and inadequacies remained in existence. According to Collins, the local sales tax had always been the problem and led to the educational inequalities; until that changed, it would always be the same way.

School reform became a major issue in the late 1980's, after the publication of *A Nation at Risk* issued by the National Commission on Excellence in Education. Since that time, several presidents of the United States tried to lead reform of the educational system. The Reagan Administration created the National Commission on Excellence, which proposed to lengthen the school year, increase teacher salaries, and reduce classroom size. President Reagan said he wanted better schools but believed schools needed more discipline instead of more money. Former President Bill Clinton also led education reform. Clinton encouraged higher achievement and more students attending college through federal work-study programs.

President George W. Bush signed the *No Child Left Behind Act* into law. This act imposed standards and accountability on schools and students. Unless NCLB requirements are rescinded by the year 2014, all students in the United States must be achieving at a proficient level in math, reading, science, and social studies (Pulliam & Van Patten, 2003).

With all of these reform models, one issue remains the same: local, state, and federal educational funding. The gap is widening between the wealthiest and poorest school districts. Many state legislatures have decided that local governments should provide extra funding while local governments believe that state and federal governments should finance schools (Associated Press, 2005, October 21; Flannery & Jebben, 2005; Tennessee Advisory Commission on Intergovernmental Relations, 2000; Tennessee Education Association, 2005; *Kingsport Times-News*, 2005).

Definitions of Terms

Basic Education Program (BEP) – A formula used in Tennessee to divide monies among school districts. This formula includes all essential items, such as teacher salaries, capital outlay, pupil transportation, textbooks, teacher sick leave, retirement, and instructional materials (Tennessee Code Annotated, 49-1-302(a)(4), 1992).

Consolidation – The organization or alignment of two or more school districts (Pulliam & Van Patten, 2003).

Equity and Adequacy – The most commonly used definition of equity appears to be equal educational opportunity, whereas most states tend to define adequacy in terms of sufficient funds (Chi & Jasper, 1997).

No Child Left Behind (NCLB) – An act established by the Federal Government in 2001 to provide standards and accountability in public schools. This act also provides parents flexibility in choosing which schools their children will attend (No Child Left Behind Act, 2002).

Tennessee Education Association – A Tennessee teachers’ organization that protects and promotes the rights of educators.

National Education Association – A national teachers’ organization that protects and promotes the rights of educators.

Local Taxes – Monies provided by local governments, most often in the form of sales or property taxes.

Niswonger Foundation – A philanthropic organization, headquartered in Greeneville, Tennessee, that provides funding for educational improvements throughout the Northeast Tennessee region.

Statement of the Problem

The two problems that this study addressed were:

1. To identify and analyze the perceptions of the top administrators from nine Northeast Tennessee county and city school systems concerning equality in public school funding and potential inadequacies.
2. To identify the different levels of per-pupil spending between city and county school systems compared with the state school report card.

The most serious problem between city and county systems was the lack of funding equity and lack of equal educational opportunities that existed between the two types of systems.

Issues such as student achievement, per-pupil spending, salaries, and facilities were the main points of concern. Many of these issues, with one exception, teachers' salaries, were being addressed through the Tennessee Basic Education Funding Program. In the court ruling *Tennessee Small School Systems v. McWherter of 1995*, teachers' salaries were added to the BEP formula; however, without the equalization of local sales tax revenue or more money from the state and BEP, the discrepancy among the systems' salaries seemed likely to continue to increase. Many city school systems provided local supplements from property tax or sales tax, which created the discrepancy in city and county systems (Flannery, 2005; Tennessee Advisory Commission on Intergovernmental Relations, 2000; Tennessee Education Association, 2005; *Kingsport Times-News*, 2005).

Research Questions

Research Question #1

What differences currently exist between city and county school systems' per-pupil spending, average teacher salary, and student achievement in math and reading/language?

The null hypotheses for this research question were:

Ho₁: There is no difference between city and county school systems in per-pupil spending.

Ho₂: There is no difference between city and county school systems in average teacher salary.

Ho₃: There is no difference between city and county school systems in student achievement in math.

Ho₄: There is no difference between city and county school systems in student achievement in reading/language.

Ho1₅: Among school systems in Northeast Tennessee, there is no difference between city and county school systems in per-pupil spending.

Ho1₆: Among school systems in Northeast Tennessee, there is no difference between city and county school systems in average teacher salary.

Ho1₇: Among school systems in Northeast Tennessee, there is no difference between city and county school systems in student achievement in math.

Ho1₈: Among school systems in Northeast Tennessee, there is no difference between city and county school systems in student achievement in reading/language.

Research Question #2

What, if any, are the relationships between type of school system, per-pupil spending, and student achievement in math?

The null hypotheses were:

Ho2₁: There is no difference between the two types of school systems in per-pupil spending.

Ho2₂: There is no relationship between per-pupil spending and student achievement in math.

Ho2₃: After controlling for type of school system, there is no relationship between per-pupil spending and student achievement in math.

Ho2₄: There is no difference between the two types of school systems in student achievement in math.

Ho2₅: After controlling for per-pupil spending, there is no relationship between the two types of school system in student achievement in math.

Research Question #3

What, if any, are the relationships between type of school system, per-pupil spending, and student achievement in reading/language?

The null hypotheses were:

Ho3₁: There is no relationship between per-pupil spending and student achievement in reading/language.

Ho3₂: After controlling for type of school system, there is no relationship between per-pupil spending and student achievement in reading/language.

Ho3₃: There is no difference between the two types of school systems and student achievement in reading/language.

Ho3₄: After controlling for per-pupil spending, there is no relationship between type of school system and student achievement in reading/language.

Research Question #4

What, if any, are the relationships between type of school system, teacher salary, and student achievement in math?

The null hypotheses were:

Ho4₁: There is no relationship between type of school system and average teacher salary.

Ho4₂: There is no relationship between average teacher salary and student achievement in math.

Ho4₃: After controlling for type of school system, there is no relationship between average teacher salary and student achievement in math.

Ho4₄: There is no difference between the two types of school systems and student achievement in math.

Ho4₅: After controlling for average teacher salary, there is no relationship between type of school system and student achievement in math.

Research Question #5

What, if any, are the relationships between type of school system, teacher salary, and student achievement in reading/language?

The null hypotheses were:

Ho5₁: There is no relationship between average teacher salary and student achievement in reading/language.

Ho5₂: After controlling for type of school system, there is no relationship between average teacher salary and student achievement in reading/language.

Ho5₃: There is no difference between the two types of school systems in student achievement in reading/language.

Ho5₄: After controlling for average teacher salary, there is no relationship between type of school system and student achievement in reading/language.

Research Question #6

What are the perceptions of the participants regarding the degree of educational equality between city school systems and county school systems?

Research Question #7

What are the perceptions of the participants regarding the advantages and disadvantages of the Tennessee Basic Education Program?

The top two administrators from nine Northeast Tennessee city and county school systems were purposively selected to participate in one-on-one interviews. The following questions were used as a preliminary interview guide, and throughout this emerging design the open-ended questions were amended based on the flow of the conversation between the participants and the researcher.

Preliminary Interview Questions

The two top-level administrators were interviewed as follows:

1. What are your current observations on the degree of educational equality existing in Tennessee public schools?
2. To what extent do you think the current basic education funding program provides an adequate education for all Tennessee city and county students?
3. What effects has the BEP funding formula had on your school district or school?
4. To what extent do you believe the BEP funding formula is fair for your school district or school?
5. What changes, if any, do you think are needed in the BEP funding formula in order for your school district to provide an adequate education and/or services to students?
6. What effects do you think school system consolidation would have on the degree of equality of educational opportunities in your city or county?

7. In your opinion, what can be done to equalize teacher salaries throughout the state of Tennessee?

Limitations and Delimitations

This study was delimited to five city school systems and four county school systems in Northeast Tennessee. These nine school systems might not be a representative of all the school systems across the state of Tennessee. The interviewees will only be able to describe their own schools or school districts.

This study was limited by the possible bias of the author who is a county school system employee. Also, the study was limited to current directors of schools and administrators, and the school system data were restricted to the 2005 school year. Quantitative data were provided for all 136 public school systems in Tennessee. These data were obtained from the State of Tennessee Department of Education web page. The qualitative data were obtained from interviews with school administrators throughout Northeast Tennessee. The qualitative data included state and local financial support in dollars.

Overview of the Study

Chapter 1 of this study included an introduction to educational equality and inequality between city and county school systems in Northeast Tennessee. This chapter included a statement of the problem, limitations, and delimitations of this study. Chapter 2 presents literature explaining the early inequalities in education and court cases from funding issues throughout the United States. Discussion of *The Small School Systems v. McWherter* in the State of Tennessee is included in the literature review. Finally, Chapter 2 presents literature on local and state funding levels in Northeast Tennessee city and county school systems. Chapter 3

explains the mixed-method approach, the research design, the research participants, the data collection process, and the data analysis. Chapter 4 presents a description of qualitative data through interviews, interview sites, and participants in the study. This chapter also presents statistical data and charts from city and county school systems in Northeast Tennessee obtained from the State Department of Education with reference to their Tennessee State report cards. Chapter 5 presents the conclusion and findings of the study. Chapter 5 also includes how these findings contribute to the literature and recommendations for future research.

CHAPTER 2

REVIEW OF LITERATURE

Introduction

Tennessee, like many other states, faced problems involving lack of educational equality and financial equity throughout the public school systems. These problems hinged on teachers' salaries, student achievement, and the overall funding procedures provided by the state and local governments. These problems did not occur recently or even within the last 30 years. The primary problem, lack of educational equality, was prevalent since school districts were established in the 1800s (Hadderman, 1999).

In the beginning, the American educational system practiced as a concept that would provide services free for all and educational equality was stressed. This was unique because, in Europe, elementary education was for the lower classes and secondary education was reserved for the elite (Pulliam & Van Patten, 2003).

Through the widespread use of sales and property taxes, the wealthiest parts of cities and even counties continued to generate large resources for education. These resources were provided by the collection of sales tax and the current BEP formula based on the counties' ability to pay instead of the school systems' ability to pay. This led to disparities in per pupil spending as well as capital projects and basic support for education (Rebell, 1998).

Definitions of Educational Equality, Adequacy, and How to Measure

There were many definitions for educational equality and adequacy. First, educational equality was most commonly defined in terms of an equitable opportunity for all students. Educational adequacy was defined as sufficient funds (Collins, 2004). The Advocacy Center for

Children's Educational Success with Standards argued that most state defined adequacy as an educational opportunity rather than equality, which is educational expenditures (National Education Association, 2005). These expenditures were considered to be classroom components, such as textbooks, instructional equipment, and technology. This definition was used by the State of Tennessee in the Basic Education Program; adequacy was measured by the number of educational resources required for each local education agency to provide a basic level of education for all students (Goldhaber & Callahan, 2001). The Tennessee Advisory Commission on Intergovernmental Relations (2000) explained equity in three ways. First, educational equity was horizontal. Students who were alike should receive equal shares or expenditures. Second, educational equity was vertical. In some circumstances, it was acceptable to treat students differently. This included students whose language was not English and special education students. These students needed adjustments to the regular curriculum based on their grade level and programs such as academic, vocational, or special needs. Third, educational equity was equality of educational opportunity. This was the number of resources and services required to be provided to students that were not based on race, religion, gender, income, or wealth (Tennessee Advisory Commission on Intergovernmental Relations, 2000).

The Coalition for Tennessee's Future was founded in April 2002 as an organization made up of representatives from Tennessee's major educational organizations. These organizations included the Tennessee Education Association, the Tennessee School Boards Association, and the Tennessee Association of School Business Officials. This organization commissioned a study by Augenblick, Palaich, and Associates, Inc. of Denver, Colorado, on the funding system in Tennessee. From this study, the organization concluded that an adequate education in Tennessee should be defined as one that fulfills a set of state-specific, state-level "input"

requirements and student performance expectations, as well as a set of federal requirements and expectations related to both the No Child Left Behind Act (NCLB, Public Law, 107-110) and the Individuals with Disabilities Education Act (IDEA, Public Law, 94-142). This definition was based on standards and assumed school districts had the necessary resources to meet these standards (Coalition for Tennessee's Future, 2003, December).

There were many ways to measure or organize educational equity. The first, and probably the least effective way was the range ratio. In the range ratio formula, the value was calculated by dividing the highest value of expenditures per pupil by the lowest value. This only included two school systems. Another formula for calculating educational equity was top 10/bottom 10 ratios. This formula included 20 school systems but did not account for the mid-level systems. Another measurement used to calculate educational equity was the TACIR Equity Index. In this formula, the counties were measured by spending per-pupil and taxpayer burden. City schools systems fell under the counties in which they were located. This formula was designed in Tennessee in an effort to provide equal funding for education in each county (Tennessee Advisory Commission on Intergovernmental Relations, 2000).

Court Cases

According to the Advocacy Center for Children's Educational Success with Standards (ACCESS), court decisions found that school litigation occurred in 45 states because of lack of funding schools in a fair, equitable, and adequate way. Because of some states' tax systems that include sales taxes and property taxes, a variety of differences in funding occurred between city and county school systems (National Education Association Today, 2005).

Starting in the 1960s, many school systems began challenging their states' constitutions over funding disparities within their states. There was evidence that educational funding inequalities created more inadequacies because states met the mandates set forth by the court system. These educational inadequacies occurred because of widespread property tax increases for school funding in the wealthiest parts of cities and counties (Evans, Murray, & Schwab, 1997; Murray, Evans, & Schwab, 1998).

Many researchers have suggested that school reform litigations were taken in three waves (Levine, 1991; Thro, 1994). The first wave, which began in 1971 in Los Angeles, California, was based upon the 14th Amendment to the United States *Constitution*. Traditionally, the federal government had no role in finances of schools, except where federal funds were involved. However, the 14th amendment had an equal-protection clause and the court's decision in two important cases was based on this amendment. First, in 1971, in *Serrano v. Priest* (as cited in Pulliam & Van Patten, 2003), the California Supreme Court ruled that the state's funding policy discriminated against poor children. In this case, Mexican-American children in Los Angeles, California, were allegedly discriminated against. The court found that the system of financing public schools was discriminatory. The argument was that wealthy school districts provided a better quality of education (Pulliam & Van Patten). Following the Serrano case, more than 50 suits in 30 states were filed against existing state and local tax support of schools. Some of the states involved were Texas, New Jersey, and Connecticut. Court cases against disparities among school districts continued to be litigated (Pulliam & Van Patten).

The second major court case during this time was *San Antonio Independent School District v. Rodriguez* (as cited in Pulliam & Van Patten). In this case, a Texas judge ruled that the Texas system of local property taxation was illegal. In 1973, this case was presented to the

United States Supreme Court, which, by a decision of five to four, ruled that the State of Texas did not violate the 14th Amendment or discriminate against the poor. The Supreme Court found that Texas did not deprive poor people of an education, nor did it discriminate against any category of the poor. This case, despite the outcome, brought attention to the states of the inequality of educational opportunity in school districts (Pulliam & Van Patten).

Wave two of court litigation lasted from 1973 to 1989 (Lukemeyer, 2002). Victories for the plaintiffs were few. These victories were based on claims of lack of equal protection, the 14th Amendment, and the education claim clause. The education claim clause obligated the state to provide for the education of its children through a system of public schools (Levine, 1991; Lukemeyer, 2002; Thro, 1994). These clauses were to protect the rights of all citizens and to provide equal educational opportunities. Under these clauses, it was up to the plaintiff to prove that states had not provided or met their obligation (Murray, Evans, & Schwab, 1998). During this time, state constitutions or education clauses came under court litigation. All state constitutions contained some evidence or statement creating and maintaining a public school system (Enrich, 1995).

The third wave of litigation started in 1989. Courts noted that states, such as Kentucky employed patterns of education funding that violated their state's constitution. In the Kentucky case, *Rose v. Council for Better Education, Inc.* (as cited in Murray, Evans, & Schwab, 1998), the Kentucky Supreme Court ruled that the state's disparity was unconstitutional. In addition, the court found that the entire education system of the state, including funding, governance, and curriculum were unconstitutional. The court claimed that the state school finance system placed too much emphasis on local revenue, resulting in educational inequalities throughout the state.

This finding by the court required the state of Kentucky to provide more equitable school funding for every child and an equal educational opportunity (Murray, Evans, & Schwab).

Since the Kentucky court case, many states, through their supreme courts, defined their state's duties in terms of an educational adequacy standard (Lukemeyer, 2002). In Tennessee, in *Tennessee Small School Systems v. McWherter* (1992) and in Wyoming, in *Campbell County School District v. State* (1995) (as cited in Lukemeyer), the courts relied heavily on developing equal protection standards. Under these standards, the duty of the state was defined in terms of minimum educational adequacy. The court ruled that the state's constitution should combine the minimum standards with other factors such as the wealth of counties. This created both educational adequacy and equality (Lukemeyer).

New Jersey was another state that had a long history of attempted educational equalization. In the 1970 court case of *Robinson v. Cahill* (as cited in Mintrom, 1993), the plaintiffs argued that school systems with the majority of low-income students relied too heavily on property taxes to fund the public elementary and secondary educational system and that the current educational system did not provide an equal educational opportunity. In 1973, the courts agreed with the plaintiffs and the New Jersey legislature passed the Public Education Act. This act also satisfied equity requirements of the state as well as the desire of the legislature to keep state taxes as low as possible until they could agree on a funding package. The legislature passed an income tax funding package in 1976. Under this act, a formula was designed to guarantee a tax base for each district. This allowed for every district to meet a state specified minimum (Mintrom).

In 1981, a suit, *Abbott v. Burke* (as cited in Mintrom), was filed against the state of New Jersey on behalf of urban districts. The suit claimed that state funds were not providing an equal

educational opportunity for urban students. In 1990, the New Jersey State Supreme Court ordered that spending in poor districts be raised to the level of rich districts within 5 years. This allowed the state government to create the Quality Education Act and a new tax program. This act made provisions for 75% of state aid to be allocated on the basis of community wealth. By using this new funding formula, state aid was tied to the district's capacity to raise revenue to support its schools (Mintrom).

Since July of 2004, eight states had their state funding systems declared unconstitutional (National Education Association Today, 2005). These states were New York, Kansas, Texas, Montana, California, Maryland, North Carolina, and Massachusetts. In New York, the state missed a deadline to create a remedy to the solution. New York's highest court ruled in 2003 that the state violated student's fundamental rights to a sound basic education under the state constitution. The judge ordered the state to provide \$5.63 billion to improve the New York City Public Schools. In Kansas, the state supreme court held that the state's school funding system violated the state constitution. The court did not order a specific amount of money to cure the problem but mandated an April 2005 deadline for legislative action. The court also ruled that any legislative act had to reflect a level of funding, which met constitutional requirements for intellectual, educational, vocational, and scientific improvement by maintaining and establishing public schools. A legislative study suggested that this act would cost an additional \$800 million (National Education Association Today). The states of Maryland and Texas were required by judges to create new systems of educational funding because the existing systems did not provide adequate or suitable education as required by their states' constitutions. In both states the court systems said that the current level of school funding does not provide an adequate,

suitable, or efficient education system which is required by each state's constitution (National Education Association Today).

The state of Montana also had its educational funding system declared unconstitutional. A group, made up of 11 school systems throughout the state and called the Montana Quality Education Coalition, wanted the courts to define quality education and to force the state government to fund the educational system. The court ruled that the state was in violation but left it up to the state's legislature to find a solution (Farrell, 2004).

The state of California agreed to settle a lawsuit from 2000 on behalf of a student who attended substandard schools. The American Civil Liberties Union reported that California would provide \$1 billion to provide safe, clean, and adequate schools with qualified teachers. Also, in California, the case of *Williams v. California (2001)* (as cited in Grubb, Goe, & Huerta, 2004) provided new opportunities for school equity. This case followed the logic of improved school finance (Grubb, Goe, & Huerta). *Williams v. California* also required the state to examine the education of students with English as a second language and to provide an equal educational opportunity for these students (Rumberger & Gandara, 2004). In an abridged version of a report prepared for this lawsuit, it is stated that an achievement gap between English as a Second Language learners and their peers exists. Even though these students were similar to many other students with economic disadvantages, non-English-speaking students still receive an inequitable education (Rumberger & Gandara).

As of April 20, 2005, new ground in school funding was being broken. The first ever national lawsuit was filed by the National Education Association, school districts from Vermont, Texas, and Michigan, as well as several state education associations. The suit claimed that if the federal government is going to mandate the *No Child Left Behind Act*, then the federal

government should pay for it. Many school districts concluded that money required for the NCLB Act was taken away from specific areas of the curriculum, such as art, music, foreign languages, and sports. Some states, such as Texas and Ohio, estimated that NCLB was costing them as much as \$1.2 to \$1.5 billion per state to regulate the program. Since the NCLB enactment in 2002, Congress reportedly failed to supply as much as \$27 billion to states to implement this program (Tennessee Education Association, 2005).

The state of Connecticut became the first state to file suit against the federal government over the *No Child Left Behind Act*. The suit claimed that the Bush Administration had not provided enough money to pay for the new testing and programs. The suit also contended that the federal government should pay for the cost of rules and regulations imposed on public schools. Forty-two Connecticut school districts backed the lawsuit (National Education Association, 2005).

Since the 1980s, the National Education Association, individual states and plaintiffs focused primarily on educational opportunities rather than on educational spending (National Education Association, 2005). In most cases, the plaintiffs won. As of 2005, school finance litigation had occurred in 45 states and lawsuits were still pending in 22 states. Cases have been filed in Alaska, Georgia, and Nebraska according to the Advocacy Center for Children's Educational Success with Standards (National Education Association).

History of the Basic Education Program in Tennessee

In 1988, the Tennessee School Systems for Equity (TSSE) was formed. This organization was started by three school superintendents and grew to include 77 school districts (*Chattanooga*, 2004, March 9). The group contended that the educational funding formula,

Tennessee Foundation Program (TFP), was unconstitutional because it did not provide a fair and equitable way of funding Tennessee schools.

In 1988, the suit *Tennessee Small School Systems v. McWherter* was filed. The suit requested that the legislature overhaul the educational finance system and provide equal funding for rural school districts (Meyers, Valesky, & Hirth, 1995). The suit also claimed that education funding relied too heavily on local governments, and that this created unconstitutional disparities (Tennessee Advisory Commission on Intergovernmental Relations, 2003). The legislature acknowledged this suit and established the Basic Education Program. The lawmakers said this would cure educational inequality in Tennessee public schools and provide, for the first time, educational equality and adequacy to students in Tennessee.

The Basic Education Program started with a minimum expenditure required to support education (Fox, Murray, & Price, 2002). This formula distributed revenues to individual school districts but left one third of the required expenses to be paid by local educational agencies. This theory, although good in principle, led to a lower range of rate of per-pupil expenditures across the state.

In 1995, the *Tennessee Small School Systems v. McWherter* challenged the State of Tennessee again in court. This time the suit was heard in the Tennessee Supreme Court. The court case challenged the funding formula for the state's method of funding education. The court declared this formula to be unconstitutional and mandated that the systems be equalized immediately. The court found that educational equity and adequacy could be reached through increments of increased revenue to rural school districts for teacher salaries and school building improvements. The court also found that, without equalizing teachers' salaries, the BEP plan

was at risk, both functionally and legally (Tennessee Advisory Commission on Intergovernmental Relations, 2003; West Education Law Reporter, 1995).

In 1998, the plaintiffs, Tennessee Small School Systems, went back to court. The plaintiffs charged that the BEP had failed to reduce the disparities in teacher salaries significantly and that the cost of teacher salaries should be added to the BEP Formula. In February 2003, Governor Phil Bredesen, as one of his first official acts, issued an executive order forming the Governor's Task Force on Teacher Pay to examine teacher salaries. This task force met over a period of months and developed a plan to address a fair way to equalize teachers' pay in Tennessee (*Chattanooga*, 2004, March 9). The plan called for a baseline salary across Tennessee and asked local governments to accept a fair share of the responsibility. Many, including Commissioner of Education Lana Seivers, said this would help Tennessee recruit and keep good teachers. The baseline in 2005 for teachers' salaries was \$35,027 (Tennessee State Board of Education, 2005). This included a one percent projected salary increase by the state during this fiscal year.

Results of applying the BEP Formula were mixed from school districts throughout the state. A study that examined educational equity in Tennessee offered that although disparities in resources for students still existed, the distribution of dollars was uniform and educational opportunities were increasing since the implementation of the BEP. Tennessee made strides toward educational equity required by its constitution through the use of the Basic Education Program (Cohen-Vogel & Cohen-Vogel, 2001).

Another study suggested that the BEP funding increased educational resources to local districts and that Tennessee had increased its overall spending on public education. The BEP

required Tennessee to make equitable distributions of money and to provide a basic level of education to all students as suggested by this study (Goldhaber & Callahan, 2001).

What Makes Up the Basic Education Program?

The Basic Education Program funding formula was adopted by the Tennessee General Assembly as part of the Education Improvement Act of 1992. The primary purpose of the new funding formula, which began to be phased in during the fiscal year of 1993, was to improve equity in educational spending in Tennessee (Tennessee Advisory Commission on Intergovernmental Relations, 2000).

The components of the BEP program served as the basis for calculating the level of funding for each school system. These components represented the support necessary for Tennessee schools to succeed. These components were monitored and updated from year to year. The total cost for each component was calculated by applying cost speculations to school census data. The school district data used for these calculations were derived from the average daily membership of each school district (Tennessee State Board of Education, 2005).

Many public school officials, including directors of schools and school board members, expressed bewilderment with the BEP funding formula. Many observers said that no one really knows or understands the whole funding formula of the basic education program. The architects of the formula explained it to school directors and other key stakeholders. It was believed that as many as 42 components were necessary for a basic education in Tennessee, including education and capital expenditures. According to the Tennessee State Board of Education, the BEP funding formula was made up of three components. These components are instructional funding level, classroom funding level, and non-classroom funding level. These parts derived from unit

costs, and the state usually supplied funds for each at 65%. The BEP formula also calculated the level of funding for each school system. This level represented the support necessary to supply an equal and adequate education for each school in the district to succeed. This level, which was called the fiscal capacity of each county, was determined by analyzing the county's tax base and the burden of supplying educational services (Tennessee State Board of Education, 2005).

The Basic Education Program was reviewed each year by the Basic Education Program Review Committee, made up of school directors from across the state of Tennessee and members of the state government. Many changes were proposed to this committee during 2005 causing controversy throughout the state. In 2005, the Basic Education Program was funded on a wealth index or fiscal capacity based on 95 counties. This fiscal capacity was the counties' ability to generate local revenue through property/sales tax (Green, 2005). The proposed revisions to the Basic Education Program wealth index would compute each of the individual 136 school districts' ability to provide a local share of school funding rather than calculating each of the 95 counties as a whole (Associated Press, 2005; Jeffery, 2005, October 28; Watson, 2005, January 21).

There were many who wanted to revise the Basic Education Program formula. *The Tennessean*, a newspaper in Nashville, Tennessee, reported that without adequate K-12 funding from the state, urban leaders were left to consider their own legal action, just as rural schools did (*Tennessean*, 2005, September 25). Nashville raised property tax by \$.06 to help ease the school budget, but it was not enough. Metro-schools, because of increased challenges to urban centers, were looking for budget cuts. Meeting the needs of low-income families and the need to teach immigrant children English were only two of the challenges facing urban centers (*Tennessean*, 2005, September 25).

The mayors of the four largest cities in Tennessee, Nashville, Knoxville, Memphis, and Chattanooga, were considering a lawsuit comparable to the small school systems' actions 17 years ago. According to Mellon (2005, October 1), Mike Ragsdale, Knox County mayor, said, "The states decade-old funding formula known as the Basic Education Program, or BEP, is unfair to urban systems which have more low-income and limited-English students. This formula is not meeting the needs of the students" (p. B-1). The current complex formula doled out money to districts based on factors such as the county-tax base and student enrollment. The mayors did not want to take money away from other districts; instead, as Ragsdale said, "As new money comes available through state economic growth provide urban schools with more money" (as cited in Mellon, 2005, October 1, p. B-1).

The city of Memphis was another supporter of the revision of the BEP formula. Under the proposed change, Memphis city schools would gain about \$25.3 million per year. This would represent an increase of 8% to their basic education budget (Jeffery, 2005, October 28, ¶ 4). Dr. Richard Kitzmiller, Director of Kingsport City School System and a member of the Basic Education Review Committee, was not shy about guessing why school administrators and state legislatures might be proponents of a new system-level fiscal capacity model. "If they gain, they are for it" (2005, October 28, ¶ 28).

In Northeast Tennessee, all school districts would be affected by a new system-level fiscal capacity model. The cities' BEP funding would be cut the most. The Kingsport city school system would lose \$3.8 million under this plan. This represented a quarter of its BEP funding. In Johnson City, educators would lose \$5.5 million from their \$17.7 million BEP budget. The Bristol City school system would lose more than \$1 million (Jeffery, 2005, February 25; Watson, 2005). In Johnson County, which is a rural district, Director of Schools

Minnie Miller said her system would lose money as well (as cited in Watson). Statewide, other school systems would have decreased revenue as well. The Sevier County system would lose \$9 million from its \$29.3 million BEP allotment. The new formula would not allow for all sales-tax returns to their point of origin as was done previously. Oak Ridge, Alcoa, and Maryville school systems would lose about \$1.7 million per year. Cleveland City Schools stood to lose \$2.2 million and Murfreesboro City schools would lose about \$5.5 million of their \$16.5 million BEP allotment (Jeffery, 2005, February 25).

Many counties would gain from a new fiscal capacity model. Sullivan County would gain \$2.7 million, based on the school system's 2004-2005 BEP budget of \$32.6 million (Jeffery, 2005, June 26). In Greene County, Dr. Joe Parkins, Director of Schools, said, "County systems have complained for years that municipalities within their borders unfairly impact their fiscal capacities while the city systems benefit from increased tax basis. The system of returning sales-tax collection to the point of origin is unfair and leaves counties unable to provide similar funding to schools" (as cited in Watson, 2005, ¶ 23).

Teachers' Salaries in Tennessee

The average salary of a teacher in Tennessee was \$40,318.00 in 2004. This salary placed the state of Tennessee 33rd in the nation in teacher salaries. The national average teacher's salary was \$45,810 (National Education Association Research Data Base, 2004).

Through the years, Tennessee tried to improve teachers' salaries. During the time Lamar Alexander was Governor (1979-1987), Tennessee created the Tennessee Career Ladder Evaluation system. Teachers were rewarded through a merit pay system for outstanding teaching in the classroom. This system was partially successful in promoting student

achievement through providing money for teacher salaries, but it also proved that the highest rungs of the career ladder teachers were not more consistent than lower level teachers in promoting students' achievement (Dee & Keys, 2005). This system was later abandoned during the term of Ned Ray McWherter and his 21st Century Schools Program. This program provided for equalization of funding and high performance standards (Tennessee Blue Book, 1999-2000).

In the case of *Tennessee Small School Systems v. McWherter* (as cited in Sack, 2002), the Tennessee Supreme Court created a dilemma for state legislators and the governor by ordering the state to seek a more equitable way to pay teachers. The court found that the current contributions by the state produced a wide range of average salaries between small and large school systems. The court acted and cut this provision to enable poor rural districts an equal opportunity to compete and retain teachers (Sack).

In 2003, Governor Phil Bredesen formed a task force to address teachers' salaries in Tennessee. The task force developed a road map that was said to be fair and acceptable to all stakeholders. This 16-member panel suggested that a baseline for teachers' salaries be established and that local governments should accept their fair responsibility for improving teacher pay. Wayne Qualls, Executive Director of Tennessee School Systems for Equity, said,

The Governor has listened to our concerns and responded positively. We look forward to a continued relationship working with the Governor and the General Assembly to ensure we can attract and retain good teachers for all of our state's school systems. (as cited in *Chattanooga*, 2004, March 9, ¶ 17).

Bill Emerson, President of Tennessee School Systems for Equity, as well as Director of Schools for the Bells City School System said, "It was very important to all of us that the monies were put into the BEP (as cited in *Chattanooga*, 2004, March 9, ¶ 18).

However, Minnie Miller, Director of Schools for Johnson County, said it best.

My school system has been a part of the Tennessee Small School System lawsuit since the beginning. We believe the Governor is serious about minimizing the teacher salary disparity in Tennessee and improving teachers' salaries. We are just beginning to be able to compete with not only other school systems in Tennessee but with school systems from North Carolina and Virginia, which surrounds us. Even with the difficult budget circumstances, the Governor is doing the right thing. (as cited in *Chattanooga*, 2004, March 9, ¶ 19)

In the state of Tennessee fiscal budget of 2003-2004, the Tennessee Education Association worked for a solution to include the cost of teacher salaries in the state basic education funding formula and to find a solution that would benefit all school systems (Tennessee Education Association, 2003). The state avoided a Robin Hood approach and appropriated \$27 million to increase salaries for 17,000 teachers in 75 school systems. These funds helped close the gap in salary disparities between the highest-paying and lowest-paying systems (Tennessee Education Association, 2003).

How Equitable Is the Public School System?

There were many reports about school funding and the gap between poor and rich school districts. A report by the Education Trust concluded that the gap was widening in most states (Sack, 2004). The report concluded that most states were strapped for cash, unlike in the mid-1990s, when states spent large amounts of money on education.

The Tennessee Education Association reported that school funding would be the major focus points over the next 20 to 30 years. That organization predicted that no negative or positive shifts would occur. The organization recommend that a focus be placed on improving instructional quality that would lead to more progress in school funding (Tennessee Education Association, 2005).

The National Education Association suggested that inequalities in education still eluded thousands of students each year even though the United States Supreme Court had addressed the inequalities for 50 years. NEA President Reg Weaver said, “It is time to change the focus from defining the problem to doing something about it” (as cited in Flannery & Jeblen, 2005).

Many contended the playing field needed to be leveled. The ideas of common educational funding formulas were not new, but would be a welcome move in closing the gap between schools and school districts (Hyland, 2004). This was not new ground but a welcome sight.

In Kansas, a study to determine the general shape of educational adequacy suggested that education cost should be aligned with school policies. This would enable far better economic theory and funding (Baker & Duncombe, 2004). Another study suggested that school finance formulas should be aligned between cost factors affecting district needs and needs affecting students. This study concluded the right balance between district needs and student needs were most important (Baker & Duncombe, 2004). In addition, a group called the Coalition for Children and Public Educators (CCPE) in Mississippi organized a letter campaign in support of adequate educational funding. This group wanted Mississippi to move forward and not fall back in education (Flannery, 2005).

A report from the Rural School and Community Trust ranks Tennessee 11th nationwide in need for policy action. The report stated that policy makers should pay attention to rural education issues. Tennessee had more than two million people living in rural areas and one-quarter of these Tennesseans were students in rural areas. The report concludes that nearly one in three children in the United States lived in a rural area. These were the students being left behind, right from the start (Westra, 2003).

Cities versus Counties

Most state constitutions required public schools to be equal, adequate, or efficient. This variation from state to state also referred to local or state revenue. Many school systems received local money from property tax. Cities or counties with large wealth could provide more local support than areas with low property wealth. Another form of revenue was sales tax. Cities, counties, and states allocated certain percentages of this money for education. The disbursement created discrepancies because money was sometimes managed at the point of collection. In 1995-96, Tennessee schools received 40.9% of school operational funds from local governments and 50.3% from the state (Howell & Miller, 1997). Since the creation of the BEP formula, these numbers changed; however, the local revenue for schools did not. The largest or wealthiest system continued to widen the gap. According to the Tennessean's for Fair Taxation (TFT), the current tax system asked too much from the poor and middle-income taxpayers. The tax paid by the richest Tennesseans was one third less than Tennessee took from the poor (Phillips, 2004). Fixing this problem required every citizen to be educated about the shortcoming of the tax system.

In Tennessee, sales tax made up much of the local portion of school funding. In Greeneville and Greene County, Tennessee, the distribution of sales tax could be explained this way:

County Commissioner John Waddle noted that the first half of the local portion of sales taxes collected anywhere in the county is distributed to school systems according to average daily attendance at schools. The second half of the local portion of the sales tax goes to the point of collection, which in Greene County means that Greeneville gets the lion's share, because most retail businesses are located within the Greeneville City limits. If the Greeneville City Board would agree, the second portion of the state sales tax revenue could also be distributed based on attendance as well. (as cited in Yancey, 2005, January 22, A-3)

This type of sales-tax distribution creates large funding problems for county schools. As the Greene County Director of Schools, Dr. Joe Parkins, put it,

If such redistribution were to take place, it would mean the county school system budget would increase by about \$4.8 million this year. That would be enough to give each teacher a raise of between \$7,000 and \$8,000, putting them on par with the city school teachers. (as cited in Yancey, 2005, June 1, A-3)

Tennessee was ranked 41st among 50 states in terms of per capita and local property tax (Jones, 2005, June 6). This report by a nonprofit social welfare organization also ranked Tennessee low in per-capita personal income. The average Tennessean earned \$28,565 annually.

Other states were having problems with sales tax funding schools. In the state of Florida, the state's legislative body revisited the educational funding formula. It was also suggested that the Florida legislature establish and fund a bipartisan commission of key educational experts and stakeholders to oversee a cost study of the Florida Education Funding Formula. In 2004, the educational formula in place did not return all monies that were taken in by fast-growing, affluent suburban counties. These counties claim they were being penalized. These counties also argued that the state was required to provide a quality education to all students but did not require other, richer systems to help poorer systems. Alternatives to the current educational formula were impact fees, replacing school property tax with a statewide sales tax and simply adding sales tax to supplement the current property tax (*Gainesville Times*, 2004, June 11; Harris, 2004, April). Impact fees in the State of Florida would allow school systems and county governments to keep pace with land acquisitions and new facilities. Only county governments could collect these fees. These fees would allow developers to keep pace and provide much needed revenue. The second alternative to funding schools was replacing property tax with a

sales tax. This idea was gaining support in Florida, but many recommended that the sales tax only supported the property tax.

There were many problems with sales tax funding education (*Gainesville Times*, 2004, June 11). First, sales tax was very unpredictable. Second, sales tax fluctuated with the state of the economy and in Florida, it fluctuated with tourism. Finally, to allow for sales tax revenue only would be a gamble from year to year.

The State of Georgia funded its education system through property tax and a supplementary sales tax, Georgia's Special Purpose Local Option Sales Tax for Education (ESPLOST). This option of tax was created to equalize education. According to a study by ESPLOST, in 2003, the sales tax created large amounts of monies for cities like Atlanta but left many other cities, counties, and school systems behind. The sales tax created educational inequalities even though the state offset revenue with the state property tax. The sales tax did little to equalize differences in projects such as capital outlay and others (Rubenstein & Freeman, 2003).

The State of Tennessee, and particularly Northeast Tennessee, was similar in source funding of schools to other states through property tax and state and local sales tax. A study funded by the Coalition for Tennessee Future, made public by the Niswonger Foundation, revealed many educational inequalities and lack of necessary funding in Northeast Tennessee. This coalition was made up of 16 educational membership organizations including the Tennessee School Board Association, the Tennessee Association for Supervisors and Curriculum Development, the Tennessee Association of Elementary and Middle School Principals, the Tennessee Association of Secondary School Principals, and the Tennessee Organization of School Superintendents. The purpose of this study was to determine the funding levels needed

to assure that all school systems in Tennessee had sufficient operating funds. The study reported that during the 2002-2003 school years, school districts in Tennessee spent \$5.17 billion or about \$5,900 per student. According to this amount, 133 of Tennessee school systems spent an amount of money below the adequate level. Only three school systems in the state were above or at the adequate level. This study was conducted by Augenblick, Palaich, and Associates, Inc., a Denver, Colorado, research-based firm. The study used a professional judgment approach along with a parallel successful school district approach to reach its conclusions. The Tennessee school districts used in the successful school district approach were Greeneville, Johnson City, Elizabethton, Maryville, and Oak Ridge. A panel of professional educators was used for the professional approach (Jones, 2005, March 18).

In comparing the Greeneville City School System and the Greene County School System from this study, the Greene County School System did not fare well. The Greene County School System ranked 114th in per pupil spending compared against the state average. The system spent \$5,357 per student during the school year 2002-2003. According to the study, Greene County needed to spend \$7,848 per pupil or \$2,900 more per student to reach state and federal requirement in the future (Jones, 2005, November 9).

On the other hand, the Greeneville City School System did very well, according to this study. During the 2002-2003 school year, that system spent \$7,679 per student, which ranked the Greeneville system 5th out of 136 school systems in Tennessee (Jones, 2005, November 9).

Many local officers commented on this study. First, Oliver “Buzz” Thomas, Executive Director of the Niswonger Foundation, said, “A quality education for our children is possible, but only if we want to pay for it” (Jones, 2004, November 9). Dr. Lyle Ailshie, Director of the Greeneville City School System added, “I am pleased to see the Greeneville School System

mentioned as one of the state's top eight systems in terms of student performance in the report" (as cited in Jones, 2004, November 9). In addition, Dr. Joe Parkins, Director of the Greene County School System commented,

I think it is a valid study, and I don't think it is anything to be proud of when we have the lowest per-pupil spending among 38 school systems in Northeast Tennessee. Greene County residents are getting a big bang for their buck (as cited in Jones, 2004, November 9, p. A-5).

Tennessee, as well as many other states, relied heavily on sales taxes for school funding. Many observers contended the economy affected sales tax, but a report in 2004 showed that an improving economy is failing to improve school funding significantly. States were expected to increase K-12 funding by only 2.8% in 2004-2005 (Cook, 2004). In Northeast Tennessee, and particularly in the Kingsport City School budget, the level of funding provided from local revenue decreased from 20.98% to 14.75% (Jeffery, 2005, February 25). The county and state share of the budget remained steady. Local portions had to increase through growth of new retail developments or increased property tax (Jeffery, 2005, February 25). In 2006, local funding from the Sullivan County Commission and the Kingsport Board of Mayor and Alderman made up 59% of the systems' \$54 million budget (Staff report, 2006).

Consolidation of School or School Systems

In many parts of the country, and particularly in the South, the word *consolidation* or merging schools produced out a negative response. Many citizens or parents did not take into consideration the advancement of student programs, the level of opportunity for students, and overall academic achievement.

In 2005, Tennessee had 136 school districts in 95 counties. Many, including some state legislators and state senators, suggested that Tennessee should consolidate the school systems to

include only one school system per county. This was introduced in the Tennessee General Assembly but never made it out of committee to the floor for a vote. The Manhattan Institution for Public Policy suggested that states should decrease the size of school districts to 200 square miles because it would increase the choice that parents had in the school system that educated their child (Greene & Winters, 2005). The rationale for this suggestion was that the overall quality of education would improve. The graduation rate of smaller-size school districts had an overall higher rate than larger districts. Finally, parents would be provided with school choice, and schools would have to compete for students. The size of school districts contributed to schools being able to track students and to maintain enrollment at individual schools. The average size of school districts in Tennessee was 299 square miles in 2001. This was a substantially higher number than the Manhattan study suggested. Tennessee, compared to Alabama (396), North Carolina (406), and Georgia (322) had much smaller school districts (Greene & Winters).

Many states and cities disagreed with these findings. The state legislature in Arizona considered consolidating all school districts with fewer than 6,000 students. Another state, Hawaii, had only one school district, which enabled the public schools to be governed by one set of rules equally and adequately for all. The governor of Hawaii had tried to break this district into small parts, but her idea failed because of lack of support from citizens (Greene & Winters, 2005).

In Florida, each county had one school district. The mayor of Miami suggested many times that the large school district be broken up into smaller districts. The major reasoning was that people considered the quality of public education when deciding where to live. It was important to provide good schools because of competition for a local tax base. If the schools

were poor, then people would not move to the area, causing property values to decrease (Greene & Winters, 2005).

In Boston, Massachusetts, there were 70 independent school districts within a 30-minute drive of each other. This enabled parents who were unhappy with their school choice simply to change schools. The competition provided a positive incentive for schools to perform at a high level (Greene & Winters, 2005).

In Wise County, Virginia, the superintendent of schools, Noland Kilgore, is considered consolidating six high schools into three schools. The superintendent determined what was considered a small school and applied research for student achievement in small schools. The superintendent supported the idea that students in rural areas tend to do better in small schools. In Wise County, five of the six high schools needed principals and boards of education and had fewer opportunities for student participation in extracurricular activities, such as drama and sports. Finances played a major role in decisions. This decision should be made by local education agencies and all considerations should be weighed (Igo, 2005).

Tennessee was similar to other states when considering consolidation. The Tennessee Code addressed consolidation. Such towns might establish, erect, and maintain public schools and may assess and levy taxes for such purpose (Tennessee Code Annotated 6-19-103, 1903). This code enabled towns or cities to have their own school systems. Throughout the years, this code was been modified. An existing municipality that did not operate a school system, or a municipality incorporated after May 19, 1998, could not establish a school system (Tennessee Code Annotated 6-58-112, 1998). This code allowed for no new school systems to start in Tennessee. The governing bodies even took this measure one step further. The law stated,

To aid in the offset of the expenses incurred in the consolidation process, the state shall supplement combining systems with a five percent (5%) funding bonus for the first five (5) years of the existence of a combined system. The five percent (5%) bonus shall be over and above the funds received from the state under this title. Funds distributed under this title for administrative purposes shall continue to be distributed as if each school system were still separate entities. (Tennessee Code Annotated 49-2-1262, 1992)

There was support in parts of Tennessee for consolidation. The League of Women Voters of Tennessee supported consolidation if it would result in better education for all students.

The extent of school and school district consolidation was very evident during this century. Between the years 1939 and 1994, school districts decreased by 100,000 (Claycomb, 1996). The reasons for consolidation were economic, academic advantages, population changes, and education reform.

Many contend that large schools are more efficient to operate. This enabled school systems to consolidate small schools. Tennessee was no exception. In Campbell County, the state's smallest K-12 school, Stoney Fork, closed its doors in May 2005. This school had only 32 students, and the enrollment had decreased each of the last 3 years (Simmons, 2005).

Academic advantages were also a reason to merge schools or consolidate. Small school districts did not have the means to hire specialists as do large districts. Also, larger or comprehensive school districts had greater curriculum options and programs (Claycomb, 1996).

Education reform was also creating reasons to merge schools. Rural schools were sometimes left without science equipment to meet requirements set forth by state standards. Special education was also a problem. Many of these students required special attention or special equipment to meet their educational needs. These students were costly to educate, and there were no economic scales when serving small populations in small schools (Bogden, 1996).

In Northeast Tennessee the consolidation issue was being discussed in Sullivan County, Tennessee. In 2004, the Sullivan County Education Committee tried to introduce a resolution to the Sullivan County Commission to combine three separate K-12 education systems. These systems were Kingsport City Schools, Bristol City Schools, and Sullivan County Schools. This resolution never made it before the full commission (*Kingsport Times-News*, 2005, October 20). Talk of school consolidation gained renewed interest because of the proposed change to the BEP funding fiscal capacity model. Sullivan County Board of Education chairman, Larry Harris, said, "I have always been a proponent of consolidation in some form. If the state moves to a district-level fiscal capacity model, it would be detrimental to all the city systems" (*Kingsport Times-News*, 2005, October, 20). The mayor of Kingsport, Dennis Phillips, expressed it best when he said,

We all want the best education possible for our kids. How we get there may be different roads or it may be the same road. No matter what path city and county officials and school leaders take, they all agree, change is imminent and we all have to plan for it. (as cited in Osborne, 2005, & Musick, 2005)

Facilities and Schools

Throughout the course of history, local governments and taxpayers shouldered the burden of funding school buildings and the infrastructure required in school systems. Many school systems with great property wealth and a strong local tax base built elaborate school buildings to house their children. School systems with great property wealth and a strong tax base created a gross inequality. School systems' infrastructure would remain unequal without new state or federal funding (Crampton, Thompson, & Vesely, 2004).

In Northeast Tennessee, the Greene County School System opened a new high school, and the Greeneville City System renovated its school. Both schools were seen by the public as

outstanding facilities. The only problem was Greene County built its high school with public money, while Greeneville City's project was an effort of public and private money. Kent Bewley, a local businessman, referred to Greeneville High School as a magnificent facility and called it a great selling point in attracting new industry to town (as cited in Yancey, 2005, January 22). Another city, Kingsport, Tennessee, was also renovating its high school. Much of the money in all three projects came through the BEP funds, with local governments providing the extras from local property and sales taxes. The city of Kingsport was an example of extra funding provided by local governments. Kingsport spent \$19 million on renovations to Doby-Bennett High School, and another \$10.3 million is planned over a 3-year period between 2004 and 2006 (Weedman, 2002, February 20).

Many city school systems started outside organizations or foundations to fund building projects. In Kingsport, Tennessee, the Doby-Bennett Alumni Association built a \$3.5 million field house. This foundation was formed in 1994 and was the first public school foundation created in Tennessee. The school board asked the foundation to take on this project. The project organizer, Lib Dudney, said,

This is the first project ever attempted by a high school in Tennessee. . . . It is a project for the future because schools can't fund the extras now. They are doing well to fund the absolute necessities. If the extras are going to be funded, it will remain for the interested citizens to do that. (as cited in Gatley, 2003, June 8)

The Greeneville City School System had private funds donated to complete its building project. The plans for renovations started in January 1996. A citizens group called Citizens for Excellence in Education joined the local school board and Greeneville City Aldermen to oversee the renovation project of the Greeneville High School. Local businessman and philanthropist, Mr. Scott M. Niswonger, donated \$6.2 million to the building project, including \$1.0 million for

the Performing Arts Center. This center was named the Niswonger Performing Arts Center in June 2003 (Rose, 2005, January 24).

Student Achievement

Much discussion and research took place over the years concerning educational spending and student achievement. A Wisconsin-based organization called the Taxpayers Network “50 States Comparisons (2005 Edition)” drew these conclusions about the state of Tennessee. The State of Tennessee ranked 46th among 50 states in per-pupil spending during the school year 2003-2004. In comparison, Tennessee ranked 47th in the nation with a graduation rate 57.5%. In 2004, the average score on ACT among Tennessee students was 20.6; the national average ACT score was 20.9. These numbers could be misleading, but low spending could lead to low achievement (Jones, 2005, June 6).

The Tennessee BEP formula played an important role in student achievement. The formula was adopted with the stated intent of equalizing the classroom components among classrooms in Tennessee. The formula also was to help narrow the gap of student achievement among value-added scores. A study concerning those school systems that were part of the law suit, *Tennessee Small School Systems v. McWhorter*, found that they did not improve or distance themselves from school systems that were not part of the suit (Peevely & Ray, 2001). In fact, no changes were evident in reading or math scores among these school systems.

In the late 1990s, Tennessee implemented Project Star to reduce class sizes in the state. This project pointed to positive effects by reducing class size and led to the assumption that small classes benefited all kinds of students in all kinds of schools (Nye, Hedges, & Konstantopoulos, 2000).

Chapter 2 presented literature explaining the early inequalities in education and court cases from funding issues throughout the United States. Discussion of *The Small School Systems v. McWherter* in the State of Tennessee was included in the literature review. Finally, Chapter 2 presented literature on local and state funding levels in Northeast Tennessee city and county school systems. Chapter 3 explains the mixed-methods approach, the research design, the research participants, the data collection process, and the data analysis. Chapter 4 presents a description of qualitative data through interviews, interview sites, and participants in the study. This chapter also presents statistical data and charts from city and county school systems in Northeast Tennessee obtained from the State Department of Education with references to their Tennessee State report cards. Chapter 5 presents the conclusion and findings of the study. Chapter 5 also includes how these findings contribute to the literature and recommendations for future research.

CHAPTER 3

RESEARCH METHODOLOGY

Introduction

The purpose of this study was to compare city and county school systems. The review of literature demonstrated that funding issues, concerns for student achievement levels, and overall educational reform did not just occur over the last 30 years but issues had been prevalent since school districts were established in the late 1800s (Hadderman, 1999). Specifically, this study addressed the issue of funding equity between city and county school systems and its implication for consolidation of city and county school systems.

This chapter provides a description of the design and methods used to investigate funding in Tennessee through comparing city and county school systems. By reviewing the current literature on the Basic Education Program, this study was designed to compare the equality or adequacy for all students across the state of Tennessee and particularly in Northeast Tennessee. The study was a mixed-method approach with an emergent design to lead the investigator to conclusions.

Characteristics of a Mixed-Methods Approach

A mixed-methods approach to research is one in which the researcher tends to base knowledge on pragmatic grounds, such as in a problem-centered study. It draws upon data gathering in an effort to understand problems. Data are collected both numerically (quantitatively) and individually (qualitatively) through interviews and observations (Creswell, 2003).

The interview process consisted of a purposeful sample of 18 high-ranking administrators from the nine school districts in this study. The interview questions were phrased to elicit opinions or current beliefs. The interview process continued until a point of redundancy was reached. It was best to use this method in a sequential order. Sequential procedures could be defined as the researcher sought to elaborate on or expand the findings of one method with the findings from the second method. The study began with a quantitative methodology for exploratory purposes and assessing numerical data and was triangulated with interviews conducted through a qualitative questioning procedure (Creswell). Quantitative data were gathered in numerical form from the Tennessee Department of Education public website and the Tennessee Education Association website. Qualitative data were collected from interviews of the highest-ranking school administrators of the nine school districts. Every attempt was made to interview the director of each school district in each school system. The questions sought the opinions or beliefs of each participant related to the study.

Populations

There were two populations in this study. The first population of this study was 62 school districts across the state of Tennessee: 35 city school systems and 27 county school systems. This population was examined for financial support data, such as per-pupil spending and teacher salaries, and the relationships between funding and student achievement. These data were obtained from the Tennessee Department of Education web page and the Tennessee Education Association webpage.

The second population was high-ranking school administrators from Northeast Tennessee purposefully selected for interviewing. These administrators were selected by the aid of the

administrator with input from the director of schools from these school systems. Emphasis was placed on five city school systems and four county school systems in Northeast Tennessee. This study included the following systems: Greeneville City, Johnson City, Kingsport City, Elizabethton City, Bristol City, Greene County, Washington County, Sullivan County, and Carter County. Alternate school systems were not selected because of the availability and cooperation of high-ranking administrators who agreed to participate in this study. The rationale for selecting only four county systems was that Bristol City and Kingsport City are both located in the Sullivan County district. During the study, all school systems' names were given pseudonyms to protect their confidentiality and identity.

Sampling Strategies

In this study, eighteen administrators from the selected school systems were interviewed. The director of schools was given top priority. In the event the director of schools was not available, high-ranking administrators from each school system were interviewed. The interviews began with seven questions and lasted no longer than 30 minutes. The participants were chosen through discussions with the highest-ranking administrator from each school system. Personal letters were sent to the directors of schools in each of the nine school systems asking for permission to conduct an interview with them and one other high-ranking administrator in the system.

The quantitative data for this study were collected from the Tennessee Department of Education website and the Tennessee Education Association website. School system data from the system report card and TEA websites were used to compare city versus county student achievement, teacher salary, and per-pupil spending.

Data Collection Procedures

Permission was sought from the director of schools of each school district to conduct interviews with the high-ranking administrators from the respective school systems. This permission was in the form of a letter. The goal of this study was to interview every director and at least one other administrator from each system. After permission was received, directors and administrators were contacted by letter, telephone, or email to set appointments for interviews. After the interviews were conducted, a tape recording was transcribed and member checking occurred. Member checking is a system in qualitative data used to report the findings back to the participant to check for accuracy (Creswell, 2003). Interviews continued until a point of redundancy occurred. All interviews were coded and organized into sections to seek common-ground theories or themes. It was very important that relationships and trust were established and no bias or political issues arose. Some interview questions were added to, taken away, or revised throughout this process. The interviews were written as an emergent design, which meant the open-ended questions could be modified at any time.

The quantitative data were gathered from the Tennessee Department of Education website and the Tennessee Education Association website. These data were public records and were gathered before, during, and after interviews. Specific school systems included in these data were given pseudonyms to protect the confidentiality and identity, unless otherwise requested by the respondent. The initial interview questions were listed in Chapter 1 and were changed as the interview process unfolded.

Data Analysis

The data in this study were analyzed as an ongoing process. After each interview, the tape recordings were transcribed and sent to each respondent for member checking. This created trust and validity for the study (Creswell, 2003). The transcriptions were divided into sections in order to answer the research questions. This helped to develop a grounded theory for each question. The data were separated by question or by issues throughout the interview process. A field journal was kept that reflected experiences or unusual situations during the interview. I reflected about experiences or any unusual situation during the interview. This journal represented a log for suggestions and comments from the respondent.

The qualitative data obtained for this study were recorded in the field notebook under a separate category. This allowed the materials to be referred to at anytime. A peer debriefer is a person who reviews and asks questions about a qualitative study (Creswell, 2003). A peer debriefer was used in this study. This created trust and credibility throughout the study. Knowledgeable consultants were used throughout the study to review and analyze the work. Suggestions, comments, and advice were requested and weighed heavily during this emerging document.

Five of the seven research questions in this study involved statistical analysis of the data using SPSS for Windows. The unit of analysis was the school systems. Teacher salary was measured as the school system's average teacher salary. The measurement of per-pupil spending was the school system's funded Average Daily Membership (ADM). Student achievement in math and reading/language were each measured as the percentage of students in the school system that scored in the advanced proficiency level.

Research Question #1

What differences currently exist between city and county school systems per-pupil spending, average teacher salary, and student achievement in math and reading/language?

This research question was examined in two parts. In the first analysis, 35 city school systems in Tennessee were paired with their county school system counterparts. In the second analysis, five city school systems in Northeast Tennessee were paired with their county school system counterparts. Paired *t* tests were used in both analyses to determine whether there were differences between city and county school systems on per-pupil spending, average teacher salary, and student achievement in math and reading/language. The null hypotheses for this research question were:

Ho₁: There is no difference between city and county school systems in per-pupil spending.

Ho₂: There is no difference between city and county school systems in average teacher salary.

Ho₃: There is no difference between city and county school systems in student achievement in math.

Ho₄: There is no difference between city and county school systems in student achievement in reading/language.

Ho₅: Among school systems in Northeast Tennessee, there is no difference between city and county school systems in per-pupil spending.

Ho₆: Among school systems in Northeast Tennessee, there is no difference between city and county school systems in average teacher salary.

Ho₇: Among school systems in Northeast Tennessee, there is no difference between city and county school systems in student achievement in math.

Ho1₈: Among school systems in Northeast Tennessee, there is no difference between city and county school systems in student achievement in reading/language.

For Research Questions 2-5, Pearson correlations and hierarchical regression models were used to answer the questions. Each hierarchical regression had two steps: (1) type of school system (the primary focus of this study) was entered in the first step, and (2) the other predictor variable (either per-pupil spending or teacher salary, depending on the model) was entered second. The purpose of using hierarchical regression was to compare the regression coefficients for type of school system in the first step (when it was the only variable in the model) with the second step (when the other predictor variable was added to the model).

The number of school systems used in the analyses of these research questions was 62, including 35 city school systems and 27 county school systems. Unlike the analyses in Research Question #1, where city and county school systems were paired, in Research Question 2-5, city and county systems were treated as independent populations. With regard to the nine school systems in Northeast Tennessee, there were not enough cases to analyze with multiple regressions.

Research Question #2

What, if any, are the relationships between type of school system, per-pupil spending, and student achievement in math?

Pearson correlations and multiple regressions were used to answer this question. For this hierarchical regression model, the criterion variable was student achievement in math measured as the school system's percentage of students who scored at the advanced proficiency level for math. The predictor variables were type of school system (city vs. county) and school system

per-pupil spending. In the first step of the hierarchical regression, type of school system was entered in the model. In the second step, per-pupil spending was entered. The null hypotheses were:

Ho2₁: There is no difference between the two types of school systems in per-pupil spending.

Ho2₂: There is no relationship between per-pupil spending and student achievement in math.

Ho2₃: After controlling for type of school system, there is no relationship between per-pupil spending and student achievement in math.

Ho2₄: There is no difference between the two types of school systems in student achievement in math.

Ho2₅: After controlling for per-pupil spending, there is no relationship between the two types of school systems in student achievement in math.

Research Question #3

What, if any, are the relationships between type of school system, per-pupil spending, and student achievement in reading/language?

For this hierarchical regression model, the criterion variable was student achievement in reading measured as the school system's percentage of students who scored in the advanced proficiency level for reading/language. The predictor variables were type of school system (city or county) and school system per-pupil spending. In the two-step hierarchical regression, type of school system was entered first, followed by per-pupil spending as the second step. The null hypotheses were:

Ho3₁: There is no relationship between per-pupil spending and student achievement in reading/language.

Ho3₂: After controlling for type of school system, there is no relationship between per-pupil spending and student achievement in reading/language.

Ho3₃: There is no difference between the two types of school systems and student achievement in reading/language.

Ho3₄: After controlling for per-pupil spending, there is no relationship between type of school system and student achievement in reading/language.

Research Question #4

What, if any, are the relationships between type of school system, teacher salary, and student achievement in math?

The criterion variable for this hierarchical regression model was student achievement in math measured as the school system's percentage of students who scored in the advanced proficiency level for math. The predictor variables were type of school system (city vs. county) and the school system's average teacher salary. Type of school system was entered in the hierarchical regression model as the first step and teacher salary was entered as the second step.

The null hypotheses were:

Ho4₁: There is no relationship between type of school system and average teacher salary.

Ho4₂: There is no relationship between average teacher salary and student achievement in math.

Ho4₃: After controlling for type of school system, there is no relationship between average teacher salary and student achievement in math.

Ho4₄: There is no relationship between the two types of school systems and student achievement in math.

Ho4₅: After controlling for average teacher salary, there is no relationship between type of school system and student achievement in math.

Research Question #5

What, if any, are the relationships between type of school system, teacher salary, and student achievement in reading/language?

The criterion variable for this hierarchical regression model was student achievement in reading/language measured as the school system percentage of students who scored in the advanced proficiency level for reading/language. The predictor variables were type of school system (city vs. county) and the school system's average teacher salary. Type of school system was entered first in the regression model and teacher salary was entered second. Again, because the Pearson correlations among type of school system, teacher salary, and student achievement in reading/language were addressed in Research Question #4, the null hypotheses for these variables are not presented here. The null hypotheses were:

Ho5₁: There is no relationship between average teacher salary and student achievement in reading/language.

Ho5₂: After controlling for type of school system, there is no relationship between average teacher salary and student achievement in reading/language.

Ho5₃: There is no difference between the two types of school systems and student achievement in reading/language.

Ho5₄: After controlling for average teacher salary, there is no relationship between the two types of school systems in student achievement in reading/language.

Research Questions 6 and 7 were answered using the qualitative methods previously described in the data collection procedures in this chapter.

Research Question #6

What are the perceptions of the interviewees regarding the degree of education equality between city school systems and county school systems?

Research Question #7

What are the perceptions of the interviewees regarding the advantages and disadvantages of the Tennessee Basic Education Program?

Summary

Chapter 3 included the description of the two populations used in this study and the mixed-methods research design used to answer seven research questions. Also included were the data collection procedures used in the interview process (qualitative method), as well as the statistical techniques and null hypotheses used to answer five quantitative research questions (quantitative method). The research findings are reported in Chapter 4.

CHAPTER 4

RESULTS

The purpose of this mixed-method study was to compare city and county school systems. The review of literature showed that funding issues, concerns for student achievement levels, and overall reform did not just occur over the last 30 years but these issues had been prevalent since school districts were established in the late 1800s (Hadderman, 1999). Specifically, this study addressed the issue of funding equality between city and county school systems and its implication for consolidation of city and county school systems.

As designed, data were collected both numerically (quantitative) and individually (qualitative) through interviews and observations (Creswell, 2003). The quantitative data for this study were collected from the Tennessee Department of Education website and the Tennessee Education Association website. The population of this study was 62 school districts across the state of Tennessee, including 35 city school systems and 27 county school systems. The reason for including more city school systems than county schools was because there was more than one city school system in some counties. School system data from the System Report Card and TEA websites were used to compare city school systems versus county school systems. The areas compared were student achievement, teacher salaries, and per-pupil spending. Statistical analysis of this data was processed using SPSS for Windows. An education consultant was employed to oversee the statistical analysis of this study. The unit of analysis for this study was the school system. Teacher salaries were measured as the school system's average teacher salary. The measurement of per-pupil spending in this study was the school system's funded average daily membership (ADM). Student achievement in math and

reading/language was measured as the percent of students in the school system that scored at the advanced proficiency level.

Qualitative data were collected from 18 interviews throughout Northeast Tennessee. The director of schools was given top priority. In the event the director of schools was not available, high-ranking administrators from each school system were interviewed. The participants interviewed consisted of six directors, seven assistant directors, four directors of finance, and one supervisor of federal programs. Three directors of schools did not participate in the interviews. Two of the director's gave reasons for not participating due to time constraints and one director simply said he did not know enough about the Basic Education Program in this state to be an effective respondent. The directors suggested other administrators from their school systems as participants in the study. The school systems participating in this study consisted of city and county systems in Northeast Tennessee. The enrollment of the school systems participating in this study ranged from 2,701 students to 12,396 students.

School directors and high-ranking administrators interviewed in this study included 12 males and 6 females. Each of the educators was experienced with average years of service over 24, with the exception of the business or financial directors. The finance directors had been in their respective positions for a minimum of 12 years. All of the interviews were cordial and friendly.

Table 1 presents a summary of information about the participants in this study. Pseudonyms were used to represent the names of participants and their school systems throughout this study. Each school system was assigned a letter. Each participant was assigned a number along with the school system's letter to distinguish between the two interviews from

each system. The pseudonyms were used to protect the confidentiality of not only the participant but for the school system as well.

Table 1

Demographic Information Concerning Research Participants and School Systems

Northeast Tennessee School Systems					
Name	Gender	Job Title	Years in Education	Administrative Experience	Enrollment
Ctny A-1	M	Director	35	25	5,980
Ctny A-2	M	Asst. Director	34	14	
Ctny B-1	M	Director	33	25	7,071
Ctny B-2	F	Asst. Director	40	30	
Ctny C-1	M	Asst. Director	33	27	12,396
Ctny C-2	M	Business Mgr.	12	12	
Ctny D-1	M	Asst. Director	42	32	8,916
Ctny D-2	F	Director of Finance	18	18	
City A-1	M	Director	34	26	3,722
City A-2	M	Asst. Director	34	27	
City B-1	F	Dir. Federal Programs	32	9	2,040
City B-2	F	Business Mgr.	11	11	
City C-1	M	Director	24	18	2,701
City C-2	M	Asst. Director	31	12	
City D-1	M	Director	18	9	6,803
City D-2	F	Director of Finance	20	20	
City E-1	M	Director	32	18	6,377
City E-2	F	Asst. Director	24	15	

A letter was sent to the director of schools of nine school systems asking each to participate in this study. The letter also requested that the director suggest a second high-ranking administrator from each system to participate as well. Telephone conversations were used to set up appointments to conduct the interviews. The audio-taped interviews took place in the central office of each school system. All participants were thanked for their participation and were assured that pseudonyms would be used throughout the study to protect the confidentiality of the school system as well as the participant. A list of preliminary questions was provided to the participant before each interview. Each participant also received a second copy of the questions at the beginning of the interview. Chapter 1 included the preliminary questionnaire.

The 18 interviews took place over a 6-week period. Participants were selected due to their geographical locations since the focus of the study was on the Northeast Tennessee region. A peer debriefer (Creswell, 2003) was used to sample data and look for common themes throughout the interview process. The audio-taped interviews were transcribed through an outside private source. All transcribed taped interviews were analyzed by the researcher and categorized into common themes. Several themes concerning educational equality and the advantages and disadvantages of the Basic Education Program emerged from the transcripts. Themes from the transcripts are presented, using descriptions of the settings, the participants, and exact quotes from the interviews of school directors and high-ranking administrators'. Quantitative data from the SPSS for Windows statistical analyses are presented in word form and represented by tables. These themes include the mean for per-pupil spending, average teacher salary, and student achievement in math and reading/language. Other statistical data include the regression coefficients for the hierarchical regression model for type of school systems, per-pupil spending, and student achievement for math and reading/language.

The results of this mixed-method study are presented in the order of the research questions located in Chapter 1. Quantitative findings for questions 1 through 5 are presented first. The qualitative data and results of the interviews appear in order of the letter and number assigned to the school system participant.

Quantitative Findings

Research Question #1

What differences currently exist between city and county school systems per-pupil spending, average teacher salary, and student achievement in math and reading/language?

This research question was examined in two parts. In the first analysis, 35 city school systems in Tennessee were paired with their county school system counterparts. In the second analysis, five city school systems in Northeast Tennessee were paired with their county school system counterparts. Paired *t* tests were used in both analyses to determine whether there were differences between city and county school systems on per-pupil spending, average teacher salary, and student achievement in math and reading/language. Student achievement for math and reading/language were each measured as the percentage of students in the school system that scored in the advanced proficiency level for math and reading/language, respectively.

City and County School System Pairs in Tennessee The comparison of the 35 paired city and county school systems in Tennessee for per-pupil spending showed there was a significant difference between city and county systems, $t(34) = 5.82, p < .01$. The mean per-pupil spending for city school systems ($M = \$7,086.09, SD = 901.45$) was slightly over \$800 per pupil higher than the mean for county systems ($M = \$6,282.63, SD = 410.03$). There was a significant difference between city and county average salaries of teachers, $t(34) = 6.34, p < .01$. City

school systems had a higher average salary of teachers ($M = \$41,770.97$, $SD = \$3,919.85$) than county school systems ($M = \$38,747.40$, $SD = \$1,931.94$), a difference of over \$3,000.

For student achievement in math, the findings demonstrated there was a significant difference between city and county school systems, $t(34) = 2.09$, $p = .04$. The mean percentage of city school system students who scored in the advanced proficiency level in math ($M = 45.94$, $SD = 10.55$) was almost 4.7 percentage points higher than county system students ($M = 41.29$, $SD = 9.03$). However, while there was not a significant difference between city and county school systems student achievement in reading/language, $t(34) = 1.79$, $p = .08$, the mean for city school systems ($M = 42.80$, $SD = 9.98$) was 3.6 percentage points higher than county school systems ($M = 39.20$, $SD = 7.42$).

City and County School System Pairs in Northeast Tennessee For the five pairs of city and county school systems in Northeast Tennessee, there was a significant difference between city and county school systems' per-pupil spending, $t(4) = 4.70$, $p = .01$. The mean per-pupil spending for city systems ($M = \$7,758.20$, $SD = 359.36$) was over \$1,300 higher than the mean for county school systems ($M = \$6,454.40$, $SD = 328.14$). There was also a significant difference in teacher salary between city and county school systems, $t(4) = 7.02$, $p < .01$. The mean teacher salary for city school systems ($M = \$44,382.4$, $SD = 2,356.62$) was almost \$5,900 higher than the mean for county school system ($M = \$38,505.20$, $SD = \$1,469.38$).

There were also significant differences between city and county systems on student achievement in math, $t(4) = 6.74$, $p < .01$, and in reading/language, $t(4) = 3.21$, $p = .03$. The advanced category scale for math and reading/language was set by the state of Tennessee in order to meet the *No Child Left Behind* standards. This scale also represented the students who scored the highest in subject area and grade. For student achievement in math, the mean for city

school systems ($M = 56.0$, $SD = 5.70$) was 15.6 percentage points higher than the mean for county school systems ($M = 40.4$, $SD = 5.94$). For student achievement in reading/language, the mean for city school systems ($M = 51.0$, $SD = 3.32$) was almost 12 percentage points higher than county school systems ($M = 39.2$, $SD = 5.67$).

For Research Questions 2 through 5, city and county school systems were not paired as they were in Research Question #1. Instead, these two groups were treated as independent populations. Sixty-two school systems were used in the analyses. There were 35 city school systems and 27 county school systems. The discrepancy between the numbers of city and county school systems was because some counties had more than one city school system (e.g., both Bristol and Kingsport city school systems are located in Sullivan County).

For each of the regression models in Research Questions 2-5, a preliminary analysis of the residuals was performed to evaluate the appropriateness of the regression model. Specifically, analysis of the residuals was used to check for violations of the assumptions of regression. The scatter plot of the standardized residuals regressed on the standardized predicted values, the histogram of the standardized residuals and the normal probability plot revealed no discernible pattern that would indicate violations of regression assumptions.

Research Question #2

What, if any, are the relationships between type of school system, per-pupil spending, and student achievement in math?

This research question was answered with Pearson's correlation coefficients and a two-step hierarchical regression model. In the regression model, the criterion variable was student achievement in math measured as the school system's percentage of students who scored in the

advanced proficiency level for math. The predictor variables were type of school system (coded 0 = city and 1 = county) and school system per-pupil spending. Type of school system was entered in the first step of the hierarchical regression and per-pupil spending was entered second.

The findings demonstrated there was a significant, moderately strong, negative correlation between type of school system and per-pupil spending ($r = -.47, p < .01$). The sign of the coefficient showed that city school systems (coded 0) had higher per-pupil spending than county school systems (coded 1).

The correlation between per-pupil spending and student achievement in math showed a significant, moderately strong, positive relationship between per-pupil spending and student achievement in math ($r = .50, p < .01$). A comparison of this correlation coefficient with the regression coefficient for per-pupil spending in step two of the regression model ($\beta = .50, p < .01$) showed that controlling for type of school system had no impact on the relationship between per-pupil spending and student achievement in math. In other words, the original relationship between per-pupil spending and student achievement in math was replicated after controlling for type of school system.

While the regression coefficient for type of school system at step one of the regression model was not statistically significant ($\beta = -.24, p = .06$), the coefficient showed a negative relationship between type of school system and student achievement in math. That is, city school systems (coded 0) had higher student achievement in math than county school systems (coded 1). The magnitude of the coefficient, while not strong or even moderate, showed there was a relationship, but the coefficient was not large enough given the number of cases ($N = 62$) to be statistically significant. After controlling for per-pupil spending in step two of the model, the relationship between type of school system and student achievement in math disappeared (β

= -.01, $p = .95$). Table 2 presents a summary of information about the hierarchical regression model for type of school system, per-pupil spending, and student achievement in math. The importance of this finding will be addressed in Chapter 5.

Table 2

Regression Coefficients for the Hierarchical Regression Model for Type of School System, Per-Pupil Spending, and Student Achievement in Math

Independent Variables	B	β	r^2	p
Step 1				
Type of school system	-4.72	-.24	.06	.06
Step 2				
			Part r^{2**}	
Type of school system	-.15	-.01	.00	.95
Per-pupil spending	.01	.50	.20	<.01*

Step 1: $F(1, 60) = 3.68, p = .06$

Step 2: $F(2, 59) = 9.99, R = .50, R^2 = .25, p < .01$

- Coefficient is significant at the .01 level.

** Part r^2 is equivalent to the r^2 change when the variable is entered in the model last.

Research Question #3

What, if any, are the relationships between type of school system, per-pupil spending, and student achievement in Reading/Language?

This research question was answered with a two-step hierarchical regression model. The criterion variable was student achievement in Reading/Language measured as the school system's percentage of students who scored in the advanced proficiency level for reading/language. The predictor variables were type of school system (city vs. county) and

school system per-pupil spending. Type of school system was entered in the first step of the hierarchical regression and per-pupil spending was entered second.

The correlation between per-pupil spending and student achievement in reading/language showed a positive, moderately strong relationship between per-pupil spending and student achievement in reading/language ($r = .54, p < .01$). A comparison of this correlation coefficient with the regression coefficient for per-pupil spending in step two of the regression model ($\beta = .57, p < .01$) showed that controlling for type of school system had little impact on the relationship between per-pupil spending and student achievement in reading/language. That is, the original relationship between per-pupil spending and student achievement in reading/language was replicated after controlling for type of school system.

While the regression coefficient for type of school system at step one of the regression model was not significant ($\beta = -.21, p = .10$), the coefficient showed a negative relationship between type of school system and student achievement in reading/language. That is, city school systems (coded 0) had higher student achievement in reading/language than county school systems (coded 1). The magnitude of the coefficient showed there was a relationship, but the coefficient was not large enough given the number of cases ($N = 62$) to be statistically significant. After controlling for per-pupil spending in step two of the model, the relationship between type of school system and student achievement in reading/language diminished ($\beta = .05, p = .68$). Table 3 presents a summary of information about the hierarchical regression model for type of school system, per-pupil spending, and student achievement in reading/language. The importance of this finding will be addressed in Chapter 5.

Table 3

Regression Coefficients for the Hierarchical Regression Model for Type of School System, Per-Pupil Spending, and Student Achievement in Reading/Language

Independent Variables	B	B	r^2	p
Step 1				
Type of school system	-3.87	-.21	.05	.10
Step 2				
			Part r^{2**}	
Type of school system	.94	.05	.00	.68
Per-pupil spending	.01	.57	.25	<.01*

Step 1: $F(1, 60) = 2.85, p = .10$

Step 2: $F(2, 59) = 12.49, R = .55, R^2 = .30, p < .01$

- Coefficient is significant at the .01 level.

** Part r^2 is equivalent to the r^2 change when the variable is entered in the model last.

Research Question #4

What, if any, are the differences between type of school system, teacher salary, and student achievement in math?

The criterion variable for this hierarchical regression model was student achievement in math measured as the school system's percentage of students who scored in the advanced proficiency level for math. The predictor variables were type of school system (city vs. county) and the school system's average teacher salary. The type of school system was entered in the hierarchical regression model at the first step and teacher salary was entered at the second step.

There was a significant, moderately strong, positive relationship between average teacher salary and student achievement in math ($r = .60, p < .01$). A comparison of this correlation coefficient with the regression coefficient for teacher salaries in step two of the regression model ($\beta = .61, p < .01$) showed that controlling for type of school system had virtually no impact on

the relationship between average teachers' salaries and student achievement in math. In other words, the original relationship between average teachers' salaries and student achievement in math was replicated after controlling for type of school system.

While the regression coefficient for type of school system at step one of the regression model was not statistically significant, the coefficient showed a non-zero relationship between type of school system and student achievement in math ($\beta = -.24, p = .06$). That is, city school systems (coded 0) had higher student achievement in math than county school systems (coded 1). The magnitude of the coefficient showed there was a relationship, but the coefficient was not large enough given the number of cases ($N = 62$) to be statistically significant. After controlling for teacher salaries in step two of the model, the relationship between type of school system and student achievement in math disappeared ($\beta = .01, p = .94$). Table 4 presents a summary of information about the hierarchical regression model for type of school system, average teacher salary, and student achievement in math. The importance of this finding will be addressed in Chapter 5.

Table 4

Regression Coefficients for the Hierarchical Regression Model for Type of School System, Average Teacher Salary, and Student Achievement in Math

Independent Variables	B	β	r^2	p
Step 1				
Type of school system	-4.72	-.24	.06	.06

Table 4 (continued)

Independent Variables	B	β	r^2	p
Step 2			Part r^{2**}	
Type of school system	.17	.01	.00	.94
Average teacher salary	.01	.61	.31	<.01*

Step 1: $F(1, 60) = 3.68, p = .06$

Step 2: $F(2, 59) = 16.93, R = .60, R^2 = .37, p < .01$

- Coefficient is significant at the .01 level.

** Part r^2 is equivalent to the r^2 change when the variable is entered in the model last.

Research Question #5

What, if any, are the relationships between type of school system, teacher salary, and student achievement in reading/language?

The criterion variable for this hierarchical regression model was student achievement in reading/language measured as the school system percentage of students who scored in the advanced proficiency level for reading/language. The predictor variables were type of school system (city vs. county) and the school system's average teacher salary. Type of school system was entered first in the regression model and teacher salary was entered second.

The correlation between average teacher salary and student achievement in reading/language showed a significant, moderately strong, positive relationship between average teacher salary and student achievement in reading/language ($r = .61, p < .01$). A comparison of this correlation coefficient with the regression coefficient for average teacher salary in step two of the regression model ($\beta = .63, p < .01$) showed that controlling for type of school system had little impact on the relationship between average teacher salary and student achievement in reading. That is, the original relationship between average teacher salary and student achievement in reading/language was replicated after controlling for type of school system.

While the regression coefficient for type of school system at step one of the regression model was not significant ($\beta = -.21, p = .10$), the coefficient showed a negative relationship between type of school system and student achievement in reading/language. That is, city school systems (coded 0) had higher student achievement in reading/language than county school systems (coded 1). The magnitude of the coefficient showed there was a relationship, but the coefficient was not large enough given the number of cases ($N = 62$) to be statistically significant. After controlling for average teacher salaries in step two of the model, the relationship between type of school system and student achievement in reading/language diminished ($\beta = .05, p = .68$). Table 5 presents a summary of information about the hierarchical regression model for type of school system, average teacher salary, and student achievement in reading/language. The importance of this finding will be addressed in Chapter 5.

Table 5

Regression Coefficients for the Hierarchical Regression Model for Type of School System, Average Teacher Salary, and Student Achievement in Reading/Language

Independent Variables	B	β	r^2	p
Step 1				
Type of school system	-3.87	-.21	.05	.10
			Part r^{2**}	
Type of school system	.84	.05	.00	.68
Average teacher salary	<.01	.63	.33	<.01*

Step 1: $F(1, 60) = 2.85, p = .10$

Step 2: $F(2, 59) = 17.86, R = .61, R^2 = .38, p < .01$

- Coefficient is significant at the .01 level.

** Part r^2 is equivalent to the r^2 change when the variable is entered in the model last.

Qualitative Findings

Research Question #6

What are the perceptions of the interviewees regarding the degree of educational equality between city school systems and county school systems?

City A-1 is director of the school system. City A-1 had been in education for 34 years and director for 12 years. City A-1 was interviewed in the central office, which was absolutely beautiful. The office was by far the most impressive one visited. The interview began with the question concerning City A-1's views on education equality in Tennessee and Northeast Tennessee. City A-1 was very quick to respond to this question. City A-1 said,

I do not know how anyone can look at the numbers and not realize that this school system is at the top of the spectrum. The numbers say that there is not education equality. This school system spends about \$1,500 more per child than other school systems in this state and surrounding counties. I do not see how anyone can say this is equal. This system is very blessed. Right now Tennessee funds their schools at level which ranks 48th or 49th in the nation. I think our students deserve better. This system usually funds our schools close to the national average. This is great for our area; but, if you look at what is being funded and spent throughout the nation, it is just mediocre.

The next question was if consolidation would improve education equality in Tennessee.

City A-1 replied,

I see consolidation as having a negative effect on this school system. This is a small system. This system has about 3,800 students. The opposite is true in Memphis. Consolidation would probably be welcomed. Up here on this end of the state, this county has two city school systems. The county folks are saying we want the city students, we want the money. The county forgets how monies are put into the city systems. I wonder if the county would be willing to start funding at that level. So I see consolidation as a step backwards. Nothing positive could come out of consolidation!

City A-1 was asked if teachers' salaries could be equalized in this state. City A-1 replied,

The issue, in my opinion, that is being missed, is the state making an assumption that the BEP formula is accurate in saying that this county can afford to pay or this school system

cannot afford to pay. To assume that a county is poor or a county cannot put money into education is faulty thinking. I do think that salaries can be equalized, but the key is to look at the counties and say it is not up to the state to fund education. It is up to the localities to pay up to their abilities. In this city, residents pay two property taxes, city and county. These residents get better services because the residents are willing to pay for it. It is all about willingness!

City A-2 was interviewed early one morning at the central office. City A-2 was the assistant director of this city school system. City A-2 had 34 years of educational experience with 27 years as an administrator. City A-2 was asked about perceptions of education equality in this state and this city. City A-2 offered,

From the state's perspective, it is probably more equal than it has ever been. From a city administrator's perspective, it is probably about as unequal as it has ever been. The burden is put on the local level. I see it being more equal top to bottom, but there is less of a discrepancy between what is spent in a poor system versus what is spent in the city school system. It does hamper the city school systems and the special school districts because we have to pay more of what the state is paying in the poor systems. Bottom line, the poor systems are getting more than we are getting and that makes it unequal from my perspective. The state's standpoint is, they are taking dollars from wealthier systems and giving them to counties that say they do not have the ability to pay. I will give you an example: Hancock County.

The next question to City A-2 was about the views of city systems concerning consolidation of systems.

I think it would hurt our system because it would keep us from growing the way we have grown in the past. It would spread out the administrative positions and the entire school system. It would help the county system because it would mean the county system would have to come up with enough money to pay for increases in teacher salaries. It appears to me that because of annexation it might be easier to sell consolidation. Educationally, I do not see it as much of a benefit. I keep hearing that because of annexation the growth of the city is rising constantly. There are theories that say, "If you consolidate, you would not have as many school buildings." As you and I know, it takes the same amount of space to house the same amount of students whether it is in the city or in the county. Bigger is not always better. And consolidation always makes it bigger. To sum up my thoughts on consolidation, it sets back education and it holds back the ones that are doing well.

The final question to City A-2 was, “Could teacher salaries ever be equalized in the state?” City A-2 replied,

First of all, they are not equal and they will never be equal. This is only a personal belief, but I believe that expectations of teachers in city school districts are higher than they are in rural counties. I mean, if you look at the number of hours teachers put in, I think you will find that teachers put more hours in city districts. I do not think salaries should be necessarily the same. If we are going to a state school system and pay all teachers the same, there should be a cost-of-living index for teachers in larger cities. It costs more to live in Memphis than it does in this city. Many would choose to live in smaller cities if they had a choice without the index. I personally think there needs to be some difference in salaries. For example, math and science teachers are hard to come by. I think these two positions need a supplement just like our coaches and cheerleading sponsors. This would attract more qualified teachers in this area.

The interview with City B took place early on Friday morning. Although, the central office was difficult to find, City B-1 was eventually introduced. City B-1 had 32 years of educational experience with 9 as a supervisor in the central office. The first question delved into City B-1’s impression of equality in the system and the state. After it was clarified whether the question referred to funding or program, City B-1 replied,

...there is no equality in funding. The BEP program has tried to achieve equality in our schools throughout the state. They have a good basis but not all school systems are the same with the same needs. Some school systems put money toward capital outlay or classified staff. In our school system, most of our money goes toward teacher salaries and then there is not much left for capital outlay projects or other needs.

The next question for City B-1 concerned consolidation. City B-1 was asked if consolidating the city system with its county system would bring more equality to the school system. City B-1 said,

I think with consolidation you are going to lose some of our identity, not through prejudice, but in certain areas of the city and the county. In this system our salaries are higher than our neighboring county system. I just do not believe our county would raise

salaries to our current city level. Funding in our city for education has not increased since 2001-2002. We just recently found out that our funding for next year will remain the same. The attendance in our system has dropped, and the city will not increase our funding. As many know, expenditures continue to go up; but, without an increase of student attendance, our funding level will remain constant.

City B-1 added, “A fair statement about our city system is our school system financially is struggling.”

City B-2 was the director of finance for a city system. City B-2 had 11 years experience in this position. City B-2 was asked if equality existed in the Tennessee public school systems.

City B-2 replied,

I think the state has worked hard bringing the same level of funding to all school systems. The governor is working hard to bring equality to education and fund it at a level that is fair and equitable to all. In our system, we work hard with our federal programs and title programs to utilize our finances to benefit all the students in our system. This school system is a very small city system. We apply for a lot of grants to help alleviate the lack of funding that we receive from our city. I think Tennessee has come a long way, and I think we are on the right track. I also think we are forerunners in many different aspects. I feel that something needs to be done to equalize all the communities and establish an educational funding base for all systems.

The final question for City B-2 concerned the equity of teacher salaries and if they should become equal throughout the state of Tennessee. City B-2 responded,

I think Tennessee needs to look at a lot of things. But, as far as I’m concerned, the retirement plan is the most important. I am a political person; and, when I go to Nashville, I speak to legislatures about the politics of our retirement system. I think they need to either lower the age or give incentives to invite teachers to retire at an early age. We have the best pot of money of any state. Let’s let people use that money and enjoy their life while they are still young enough to.

City C-1 had served as director of schools in this system for 6 years and had 24 years of educational experience. This interview took place in the central office under very friendly

circumstances. The interview began by asking City C-1 the current perceptions of educational equality in Tennessee. City C-1 replied,

I really believe that funding across the state has gotten closer. I was in a meeting yesterday where there was talk of the state legislatures mandating that a new educational funding formula be brought before the House of Representatives this fall. Most of the people I talk with say that the index or ability to pay is the problem. There are a lot of questions that determine the willingness to pay and ability to pay. It is called Cost Differential Factor (CDF) that determines the area's ability to pay. This is where the issue of funding arises. I think most people feel good about the Basic Education Model except for this component. It has been flawed since the beginning.

It was always about assumptions and the current level of local funding which was deemed to be the ability to pay. It is not. Current level of local funding should be about the willingness to pay and not an assumption. We have gotten away from *willingness to pay* and assumed *ability to pay*. Other than that, I think this system is doing a good job. There are still a lot of discrepancies in programs offered by schools. Part of that has to do with willingness too. This system is willing to put monies into education, and we have more programs to offer. This system has more courses, better technology, and more people than is required by the Basic Education Program. Towns have a way of taxing themselves to provide this opportunity in the upper grades. I do not see a problem in the lower grades. Most of the curriculum is determined by the state. The upper grades are where the disparities come into play.

Equity has come a long way. The Chancellor just dismissed the equity lawsuit last week, but there still is a stray gun by the Coalition for Tennessee's Future. I think that's what the group was called. It was formed a couple of years ago, and they funded the Blitz Study. The Blitz guy, or company, is a consulting group that studied funding issues all across the nation. This group has even been called to testify when lawsuits like we had in Tennessee were heard. The Coalition is paid to come in and conduct studies and testify at these hearings. The study that the Coalition performed in Tennessee found that all school systems in Tennessee were not adequately funded. I heard yesterday that Tennessee was no longer funded at a level of 49th in the nation. This level has dropped now to 51st. Our state is even lower than Puerto Rico. If there is ever another lawsuit in this state, I'm sure this will be brought up.

City C-1 was about school consolidation and the effects school consolidation would have on that school system. City C-1 replied,

I can't speak for all localities. I know here locally – if it was done in such a way where the county school system could be brought up to the level of the city school system; and I don't mean to say the county is behind; I am only talking about salaries and more choices

for students – it could be a wonderful thing. Consolidation is about resources, but typically what has happened is, when you consolidate, there is a leveling out that happens and some get left behind. In most cases, there are some winners but there are also losers. The only way it would work, in my opinion, is that everyone was a winner. I do not know if that will ever happen because it is inherently political.

When asked if anything could be done to equalize teacher salaries? City C-1 responded,

I really believe the state needs to step up to the plate and be the primary funder of education. Until the state steps up and says, “We are going to pay all teacher salaries within a range or a cost-of-living index,” I think salaries cannot be equalized. I like John Morgan; the State of Tennessee controller’s funding idea. When you take the local option sales tax that currently comes to the school system and redistribute it based on average daily memberships, along with a statewide property tax that is collected locally, then revenue can be distributed equally. I think a cost-of-living index needs to be added because of cities like Nashville and Memphis. Sometimes we complicate things too much that can be easily done.

City C-2 was interviewed at the school system central office. This interview was very relaxed because of an existing relationship. City C-2 was the assistant director for the City C school system. City C-2 had been in education for over 30 years and in administration for 12 years. When asked if there were education equality in Tennessee, City C-2 answered,

I think everyone knows that there is a big discrepancy between certain school districts. These districts are usually rural systems and city systems. This is due to funding. I think, if you look in City C-2, you will find that the quality of teachers is real close. This allows the city system to recruit the best teachers from the county and pay those teachers more money. This extra money comes from the city who supplements the city school budget. This gives the city a big edge because of resources and a big advantage. This advantage is starting to get cut because the state is looking at ways to take monies away from city systems. In my opinion, this school system is being punished for being willing to provide the extras. It is just not fair.

City C-2 discussed consolidation of city and county school systems. When informed that consolidation had been discussed in other counties in Northeast Tennessee and opinions varied depending on which school system was being discussed. City C-2 offered,

If school systems were going to be funded at a city level, I would have no problem with consolidation; but what generally happens is that city school system goes out of business and all students suffer. Historically, counties have not been willing to fund education at a level of the city systems. Cities have no obligation to supply money to counties for education. I just do not believe this would improve the quality of education in this county.

The final question asked of City C-2 was if teachers' salaries could be equalized in the state. City C-2 said,

I feel like teachers' salaries should be more in line when you compare one system to another. Now, how you go about doing that, I do not know. There are people a whole lot smarter than me trying to figure it out. I do know that it is not fair for a teacher in Grainger County teaching the same number of students, following the same curriculum and being accountable for the same standards as teachers in this system, and the teacher in Grainger County making \$10,000 less than other teachers in this state. It is just not fair. I would support the state making up the difference proving it does not take money from higher-paying systems to achieve this goal.

When asked if support could be found for a cost-of-living index for salaries or if teachers should become state employees, City C-2 answered,

If teachers are going to become state employees, then a cost-of-living index should be developed. It costs more to live in Nashville or Memphis than in this county. Will it happen? Probably not in my lifetime.

The next interview was with the director of schools from city school system D. City D-1 had 9 years of administrative experience and was named director of schools in the previous year. The interview took place in the central office board room that allowed for a very quiet and secure place. City D-1 was an intelligent, soft-spoken person. City D-1 gave responses a great amount of thought, which was evidenced in the answers. City D-1's view on equality in general was seen in the view of others, that disparity among school systems existed because of teachers' salaries, programs offered to students, and basic funding issues between city and county school

systems. City D-1 described the discrepancy as a problem with the sales tax. In most cases, the first half of sales tax was divided based on ADM (average daily membership) and the second half was dispersed based on point of collection. City D-1 indicated the sales tax was being divided in a fair and equitable way, but City D-1 noted how this could create a problem among governing bodies. “What I am afraid of,” said City D-1, “is that, with new formulas for dispersing monies, school systems could lose monies that have been in place for years. Any time the school systems lose monies, the school system is set back and students lose in the end.”

The consolidation of school systems was another issue discussed. City D-1 noted that consolidating systems was not the answer to equality. Schools were funded by numbers, such as ADM (average daily membership), and the state of Tennessee mandated positions, such as per-pupil teacher ratio, supervisors, and administrative positions. Consolidations would not change these positions. It only eliminated the director of schools position. Furthermore, City D-1 added that counties or governing bodies believed that cities would donate the buildings and buses to the counties in cases of consolidations. Cities could keep their buildings and buses, which would create large startup expenses for counties to house and transport students. It was estimated that consolidation between this city and county could cost this county as much as \$15 million to consolidate the two school systems.

The next issue discussed with City D-1 was teacher salaries, including if anything could be done to equalize teacher pay throughout Northeast Tennessee and the state. City D-1 asserted that,

. . .historically this has been a major problem for many years. Some states report that they have equalized teacher salaries, but I do not know how. Maybe that shows how much I know. I do know that throughout this state all school systems serve different populations in different areas. For example, Memphis and Nashville are very different than Northeast Tennessee, and in most cases the same blanket will not fit the same bed.

Cost of living is another area that must be considered when discussing teacher salaries. It costs more to live in Memphis and Nashville than it does in this city. It just comes down to looking at the big picture.

City D-2 was interviewed the same day as City D-1. The interview took place in the central office board room in a very comfortable environment. City D-2 was a very open and opinionated person. City D-2 had been in this current position for 7 years as budget director. City D-2 had also worked as a budget director in other systems including a county system for 5 years. City D-2 expressed that this allowed a view of both sides of educational governments and the challenges that both types of school systems face.

The interview started with the same question. "Is there equality in education in Tennessee?" City D-2 stated that cities are funded differently and that is why city school systems exist. This city provided an extra \$10 million beyond what the state provided through the BEP model. City D-2 explained that this school system had more because the city government was willing to provide the funds necessary to operate their schools. "I know we have more than a county system," says City D-2. "Equality just does not exist in this county!"

In the state of Tennessee, officials are trying to make things more equitable. Sometimes I think Northeast Tennessee gets left out. I wonder if we have elected officials fighting in Nashville for us. Since the beginning of the BEP model, in the early '90s, many improvements have been added to the formula. I feel the state is trying to be more equal, but the local governments must provide their share too.

"Consolidation is not the answer to equality," says City D-2.

Consolidation only means higher taxes for everyone. The county is charged with providing an education system. Many believe that cities will just continue to provide local monies after consolidation. Cities have no obligation to provide anything. Consolidation also sets back education. One set of teachers declines in pay while others are brought up to their level. School buildings and buses are other issues that must be addressed during consolidation. The cities own these. Do cities donate these items or do counties pick up the tab?

In discussing equality and asked if teachers' salaries should be equalized throughout the state of Tennessee, City D-2 said the only way to do that was to make all teachers state employees. This would allow the state to pay 100% of the salary. City D-2 says,

I do not think that will ever happen nor do I think salaries can be equal. Cities are always going to pay more and try to recruit the best teachers. It is unfair to punish someone for trying to do more!

City E-1 was starting the 5th year as director of schools. City E-1 had a total of 32 years of experience with 18 in school administration. Although the interview had a slow start, it became one of the more informative. The first question referred to perceptions or observations on the degree of educational equality in the state of Tennessee. City E-1 replied,

I think there is a wide disparity in the quality of education that kids receive. I believe that some of that is financial; some of it is local norms; and some of it is family expectations. I think some of it is money, but I think even with the money being equalized there would still be differences based on family pressure. I think that is called academic press toward academic excellence and community expectations; school systems need to deliver whether the money is equal or not. Obviously, in most city school systems, the people and community pressure educators for results.

The next question was, "Should salaries be equalized in the state of Tennessee for teachers?" City E-1 replied,

For outstanding teachers, salary is a factor; but it is not the only factor. It has been shown that many top-notch professionals gravitate toward other top-notch professionals just for the intellectual challenge. So there are places that, even if the salaries were equalized, maybe over time it would equal out; there would still be places where things like working conditions would matter. I mean, even if salaries were equal, good teachers would want to be working in a building that was new, comfortable, and attractive. These teachers would want to be working with other professionals who have the same kind of aspirations and desires. They want to work in a place where there are professional growth activities, including travel and in-house professional development.

Therefore, I do not agree with equalizing teacher salaries. There's going to be local variability. I can never agree for a cap on salaries either. I'm not against the state funding salaries at a higher level, but local systems need the option to add extra money for their employees. Places like this system value education and find ways to go above and beyond the bare minimum. In order for salaries to be equal, a state salary schedule must be mandated and local revenue left out of the equation.

The final question concerned consolidation, or a 95-county state model. City E-1 said,

My personal view is that consolidation sets everyone back because of the ways the numbers are computed. Traditionally, city school systems have higher expectations and a higher willingness to fund education. Cities fund education with millions of dollars more than county school systems. In the case of consolidation, cities have no obligation to fund schools or transfer buildings or materials to the county systems. In my experience, each case of consolidation is worked out on an individual basis. I am not a supporter of it and do not believe in it because I think it hurts the ones who are willing to pay and have the higher expectations.

City school system E-2 was the assistant director of the school system. City E-2 had 24 years of total educational experience with 15 years in administration. City E-2 was interviewed early one morning, in an uncomfortable, windowless office located near the back of the building. The interview by asking City E-2 what the current perceptions of educational equality were throughout the state of Tennessee. City E-2 said,

All students do not receive the same education across the state of Tennessee. The basic education plan or funding program needs reform. In a city like this where the community supports education with a lot of local money, the basic education plan penalizes our city and community because we get less money from the state. I also feel there are discrepancies across the state. Each school system has funding bodies; ours happens to be a city commission. Each one of these local funding bodies has the opportunity to add local support. Some of these local bodies just view education as a more important issue. I think the key word here that I am looking for is that some local funding bodies are more *willing* to support their education system. This creates the differences and the discrepancies for the educational system.

The second question was, "Can teacher salaries ever be equitable or equalized in the state of Tennessee?" City E-2 replied,

Not in my lifetime. It probably can be done, but I think it would be done over a long period of time with due process hearings taking place monthly. Equalizing teacher salaries is probably a good thing, but I know there is competition among high-paying school systems to remain at the top of the ladder. If teacher salaries are ever equalized, I do believe a cost-of-living factor or index needs to be added. It definitely costs more to live in larger cities than it does in some rural counties.

In the final dialogue, City E-2 was asked to elaborate or express views on consolidation and whether or not consolidation of school systems would bring equality to teacher salaries, programs, and education in the state of Tennessee. City E-2 replied,

I don't think consolidation or forced consolidation is a good thing. I think it is something that must involve all local governments and communities. Many people believe that consolidation is a money-saving issue or cost-cutting endeavor. I think that is a huge misconception. It costs basically the same amount of money to educate a child based on the basic education program. This is getting back to what I said at the beginning. The BEP is not fair for all school systems. Consolidation sets education back from a standpoint that there are always winners and losers. The winners are the ones not willing to pay and the losers are the ones who had been willing to pay in the past. If this county and city consolidated, our city students would definitely be the losers in curriculum programs, advanced opportunities, and all extracurricular activities. I just do not think this community is ready or willing to make that step.

County school system A-1 had 35 years of educational experience and was the director of schools in this county. The interview was very relaxed and open. County A-1 was sincere and honest about the thoughts and perceptions of equality in Tennessee. County A-1 noted that, “. . .when the state decided to fund the BEP model it really helped this county.” County A-1's county had always been behind when compared to the cities. Local funding and the lack of funding were the problems. Funding issues created the discrepancy.

The BEP has gotten this system closer to other systems, but without the help from our local government, this school system will always be behind. Sales tax makes the difference. Point of collections is usually inside the city. This allows for the city to reap all the benefits. If this school system received the same amount as the city system, this school system would be just fine.

County A-1 said that, in some ways, the state might be forcing school system consolidation.

There is talk that the state is looking at changing the BEP formula from the county's ability to pay to the school system's ability to pay. If this be the case, then city systems would lose millions of dollars. Some systems might just go out of business and require the counties to educate all of the students. This would set education back years in this state. We are not losing as many teachers as we used to. By adding teachers' salaries to the BEP model a few years ago, our system was able to increase salaries. The salaries are not where they should be, but they are getting better. When you speak of equality, equal opportunity for all students, or fairness, our state and this county are doing better. The problem is, we are not where we should be or I doubt we will ever be there. We must do the best we can with what we have.

County A-2 was interviewed on an afternoon in the middle of the week, where A-2 waited in the central office to conduct the interview in a more private office. County A-2 was the assistant director of schools for this county. County A-2 had 34 years of experience and had been in administration for 14 years.

The interview started by asking County A-2 what the perception of equality was in this county and the state of Tennessee. County A-2 responded by responded,

I think there is disparity in funding for education and inequality in education opportunities. I think the richer systems can provide more for students because those systems have more resources to draw from. The current formula for sending money back to systems favors city systems. This allows for city systems to have more resources. In this county, we have two systems. Twenty-eight percent of the students attend the city system. This allows for those funds to be sent to the city. Plus, the city has a tax for education as well. This tax is property tax as well as sales tax. This ensures that the city has more monies and, therefore, higher salaries and more programs for students. *Adequate* and *willingness* are other words that come to my mind when thinking about equality. In this county, we have the ability to do more than just the basics. The BEP program provides for the basics, but all school systems and counties go beyond what is required by the state.

“In my opinion,” said County A-2, “education needs to be more than just basic or adequate. It needs to be funded to the max!”

The next interview was with the director of schools from County B. County B-1 had been in the field of education for over 30 years and in administration for most of that time. County B-1 was asked about the views on educational equality existing in this county and the state of Tennessee. County B-1 replied,

The sales tax causes the problem or disparity between city and county systems. The second half of all sales tax goes to the point of collection and in most cases that is in the cities. In this county, 75% of the citizens live in the county but they spend their money in the city. This allows the city to get about 90% of the sales tax. In the county, because of municipalities, the county receives about 10% of those monies. This allows the city system to have a tremendous amount of resources.

I personally feel that there are two ways to make education equal in the State of Tennessee. First, there should be one school system per county. There are currently only 38 or 40. In other words, most of the counties have only one school system. The three largest counties, being Knoxville, Nashville, and Hamilton County, already have one system. Education is working there. This would erase the issue of sharing revenue within the counties. Second, I think all school system employees should become state employees. This would equalize salaries and eliminate the recruiting process that currently goes on between school systems.

I do believe that an index needs to be established for areas that have a higher cost of living, but that would open up another can of worms, and right now that can needs to be closed.

County B-2 was the assistant director of schools for this county. County B-2 had been in education for over 40 years and an administrator for more than 30. County B-2 was very thoughtful in responding and was professional. When asked the perceptions of equality in Tennessee, County B-2 replied,

In Northeast Tennessee, city districts have a lot of discrepancies in the amount of funding that is spent per student. This allows city systems to have higher salaries, more materials and supplies, and a broader curriculum. I think in our system we do a good job with what we have. That is not to say that we do not need more money. Lack of money just limits this school system. Cities, because of the tax structure, seem to have a windfall of money. In most cases, sales tax goes to the cities because of the point of collection. This really puts the counties at a disadvantage.

County C-1 was the assistant director of schools in this county system. County C-1 had 33 years of educational experience and had been in this job for 8 years. County C-1 was a very enlightening and informative person. The interview began by asking County C-1 what observations of educational equality had been observed in the state of Tennessee and particularly in Northeast Tennessee. County C-1 responded,

If you are looking on a local basis, there is inequality because of funding from the local government. There are systems that do pay more and have more per-pupil expenditures. It is the city versus county because of taxes. The cities are able to levy the extra tax that helps their educational system. As far as the state is concerned, I think adequacy is a concern that the state doesn't take into consideration. I am on a committee called the Coalition for Tennessee's Future, which is based in Nashville. It is made up of about 15 entities from the state. These entities include the TSBA, TEA, PTA, secondary school administrators, elementary school administrators, and a number of others. This Coalition studies issues such as state funding, per-pupil teacher ratio, and at-risk students. I must say that the governor is trying hard to fund education. We expect more funding and changes in the coming year. The governor has been very good at listening to the Coalition. I give him credit.

The next question that County C-1 discussed was the views of consolidation. County C-1 said,

In our particular situation, I think it is inevitable that it's going to happen at some point in time. I do not know when that will be or whether it will be forced upon us. There is a lot of talk about changing the BEP formula. If the formula is changed to a 95-county system, then cities are going out of business. Counties might not gain as much or, in fact, they may lose; but it's worth mentioning that our county system would gain as much as \$4 million if the funding were based on the school system's ability to pay rather than the counties. Now, there again, these are only things that I have heard. I do not know if they have been proposed. I want a fair and equitable funding formula – one that helps all students in the state of Tennessee. Consolidation will take place whether it is by choice or by will; only the elected bodies know for sure.

The final question for County C-1 was on equalizing teacher salaries. County C-1 had some very interesting views as follows:

I do not know if salaries can ever be equalized. There will always be systems without legislation from the state that have the ability to pay more in salaries. I know in the state of Tennessee that our average salary is getting close to the southeast as far as an average. That's not to say that we need more money, but it's hard to go to taxpayers and say we want to be paid more than what our fellow coworkers in the south are making.

County C-2 was the business manager of this county school system. County C-2 had 12 years of administrative experience in this position. County C-2 also worked for this county government and for the state of Tennessee in a financial position. County C-2 was asked the observations of educational equality in this county and the state of Tennessee. County C-2 said,

I don't think there is anything equitable. I think when you have more counties who have the ability to tax at a high rate then you are going to have more opportunities for these students. My case in point is the Oak Ridges, Maryvilles, and Kingsports in the state of Tennessee. These systems can pay a higher wage and provide more equipment and supplies for their students and their schools. These are the areas that really cause the discrepancies or inequities.

When C-2 noted that teacher salaries were added to the Basic Education Program funding formula in order to try to narrow the salary gap or equalize teacher salaries, the next question became "Should salaries be equalized throughout the state of Tennessee?" County C-2 replied,

The disparity that exists is wide and only systems of low wages were affected by this addition to the BEP formula. The teachers in our system were held at bay. As long as municipalities have the ability to tax additional funds to pay their people, the discrepancies in salaries will always exist. The only way that this can be corrected is for teachers to become state employees and the state pick up the total salaries and benefit package. This is the system in North Carolina.

My sister is a teacher in Greensboro, North Carolina, and she is a state employee. In North Carolina, teachers are paid more for working in an impoverished area. She receives a supplement for teaching in an inner-city school. If the state of Tennessee really wants to get salaries equal, the state needs to fund 95 county school systems throughout Tennessee and make all teachers state employees. This would level the playing field for everyone.

County C-2 led into the next question, which was, “How do you feel about consolidation?” County C-2 said,

I have always supported one school system per county. This is exactly what I was speaking of when I said 95 county school systems. Consolidation has a way of eliminating redundant positions. I think this would allow the state to quit looking at municipalities and look at the whole picture. There are already enough burdens on taxpayers.

County D-1 was the assistant director of schools. County D-1 had 42 years of educational experience and was filled with energy and knowledge. The interview was conducted in the hall of the central office. Because it was in the summer, it was quiet and County D-1 seemed very interested in the interview and subject matter. In fact, County D-1 started the interview by commenting, “I have a copy of your questions, and I want you to know right up front that educational equality does not and will not ever exist in the state of Tennessee or locally!” County D-1 said that educational opportunity was tied to economic base and business. “In this state, many counties have a higher tax base and more resources than other counties.” County D-1 said,

Take Alcoa or Oak Ridge, for example. Their source of revenue is greater than Hancock or Johnson County. Cities or counties with higher resources are going to have higher expectations and they are willing to pay for these expectations! Willingness is the key word. The BEP model is bringing school systems closer to equality, but the local share of monies is the difference. In this county we have the ability to do better, but our local commissioners are not willing to do so. The BEP has made everyone closer, but that is as far as it is going to get.

Views on consolidation and whether or not consolidation would equal or level the educational system in Tennessee was the next question. County D-1 reported that,

I had been on many study counsels looking at consolidation during my career. I do not think consolidation would impact education that much. Many people, including mainly cities, do not want consolidation. Funding is the same for all school systems. Governing

bodies that discuss consolidation do not understand school funding. These bodies see eliminating one high-paying position. There is more to it than that.

County D-1 said it would take the same monies to operate a school system with 2,000 students as a school system with 10,000 students. “The state mandates teaching positions, supervisors, building, etc. The general public does not understand these state mandates.”

County D-1 had some interesting suggestions on equalizing teachers’ salaries. County D-1 noted it could be more equitable, and said the state is working toward that goal.

The problem is counties or school systems with more wealth are always going to pay their teachers more money. The only way to solve this problem is to have a flat state salary base. A flat state salary base would create a problem with local governing bodies losing revenues because the monies would be shared with other counties with less ability to pay.

“North Carolina comes as close to equal teacher pay as I know,” said County D-1. “Most of the teachers’ salaries come from state monies.” County D-1 continued, “At areas with great wealth expect more and they are simply willing to pay for it! That is the bottom line and the whole issue.”

County D-2 was the director of finance for this county system and had 18 years of experience. During the interview, it became apparent that County D-2 had a wealth of knowledge about funding school systems. The responses were short and to the point. County D-2 expressed that equality was not about salaries or money, but equality was about materials and opportunities for students. “The quality of education is better than it gets credit for,” said County D-2. “Sales tax is the problem that creates discrepancy.”

How many times do you see a Wal-Mart or a mall in the county? Cities understand the sales tax and plan for the collection. Counties have small business. These businesses just do not supply the same amount of tax money.

Research Question #7

What are the perceptions of the interviewees regarding the advantages and disadvantages of the Tennessee Basic Education program?

City A-1 was the director of schools and had been in education for 34 years and director for 12 year. The interviewed took place City A-1 in the impressive, beautiful, central office.

The interview began by asking the feelings concerning the Basic Education Program and what it was doing for the students in the state of Tennessee. City A-1 said,

If you think back to '91 or '92 when this thing first started coming in, you can see how it has evolved. It is such a different approach than just sitting down and saying, "Where are we now?" I was around during those times, and part of the BEP wheel is called the foundation program. It was very simple. You got X amount of dollars per child, and everyone got the same amount all across the state of Tennessee. It was done on either attendance or enrollment. It was very simple for the state to control and monitor. Locals could add as much as they wanted and no one objected.

The BEP is so complicated that it is at the peak of defaulting and no one realizes that. I think we have seen recently that the BEP files come and go. The state runs all of the numbers and says it comes out this way. If it doesn't come out the way someone wants, the state amazingly goes back and reruns the numbers and it comes back the way those people want. That makes me suspicious. There is no way to follow the data. It is just too complex. So my point would be, we are going to have to come up with a simpler model to make things work. I prefer the foundation model over the BEP model because of simplicity.

City A-2, the assistant director of this city school system, was interviewed early one morning at the central office. City A-2 had 34 years of educational experience with 27 years as an administrator. City A-2 was a very nice, respectful and professional individual who put thoughtfulness and consideration which was put into the responses. The interview by asking what the view or perceptions were concerning the BEP formula and if the BEP formula provided advantages to this school system. City A-2 said,

It is hard to find advantages, but one of them is this school system gets a lump sum of money and it is up to us how we actually use the money. It is easy for this system to take the money and just buy textbooks, materials, and supplies. This school system spends more on materials and supplies than probably anyone in Northeast Tennessee. This system also spends more on salaries. I do not know if this is the only advantage, but as far as the money part I don't know if it's an advantage or not. One disadvantage that I see is when the state tells us they are going to give a 2% pay raise. We have more teachers than the BEP funds. We have to use local money to provide the raises to the other teachers that are not funded by the BEP model. So, to me, there are not a lot of advantages with the BEP model. This may be selfish, but I am looking at it from our system's standpoint.

These answers led the interview to the next question, which was, "If you could change the BEP funding formula in any way, what changes would you make?" City A-2 said,

I have never really thought how I would change the formula, but I definitely would want to make sure that local money could be subsidized with state money. I think there needs to be equal money from the state, so that means the state would need to increase the amount going into salaries and other materials and supplies.

There is no question the cost of living is higher in this city than some other counties within the state. You look at property value and you look at taxes, and it only makes sense to me that the state provides the same amount to everyone. I would either change it totally or I would ask the state to look at cost of living and property tax rate to determine an equal or fair funding model.

City B-1 participated in the interview early on a Friday morning in City B-1's office.

City B-1 had 32 years of educational experience and 9 as a supervisor in the central office. The interview question began with: "Is the BEP program fair for this city system and the state of Tennessee?" City B-1 replied,

Having dealt with it for two years, I guess I'm not a good judge. It seems to me that the BEP model has a good basis. I think that you are going to have to make sure your attendance data is accurate and is reported the same way for all school systems. The attendance data is the driving factor for this funding. There are changes that could be made to the BEP model. The first change I would make is including teacher salaries into the model. All school systems' average salaries should be closer than what they are. This is an individualized feeling, but something is just not fair about people doing the same job and some earning a greater amount of money.

Second, this school system is struggling financially. The city has not had a local increase since 2001-2002. The cost of products and materials, or doing business, continues to rise. It is just not fair for the students in this system or any students in this state to suffer because of lack of funding. BEP needs to be increased and increased substantially.

City B-2 was the director of finance in this city system. City B-2 had 11 years' experience in this position. City B-2 was asked if the BEP formula were fair and what were the advantages and disadvantages of this funding formula. City B-2 said,

I think the BEP formula is fair for all students. I have worked with it from the beginning and have had a lot of workshops concerning the funding formula. I think that we should use more of our money for buildings and salaries. As it is now, most of our money goes for materials and supplies.

If I could change this formula, I would add a salary component to it. Teacher salaries are not equal in this state. For an example, Oak Ridge and Maryville, Tennessee pay a tremendous amount of money more for salaries than this city school system. Being a former commissioner in this county, I have seen the small-town aspect of city government. The common citizen does not want to provide local money to schools. Politics comes into play too much in school funding.

City C-1 had been the director of schools in this system for only 6 years; however, City C-1 had 24 years of educational experience. This interview took place in the central office under very friendly circumstances. The first question concerned the BEP formula and whether it was fair or equitable to the students of Tennessee. City C-1 replied,

No, it is neither. As far as equitable, the Chancellor just dismissed the equity lawsuit last week. There is a stray gun in this situation. It is called the Coalition for Tennessee's Future. This group was formed a few years ago and funded the Augen-Blitz Study. This group is a consulting group that studies funding issues all across the nation. They are called to testify in lawsuits such as the one we had in Tennessee. This study found that no school system in Tennessee was adequately funded. I heard yesterday that Tennessee is no longer 49th in the nation in school funding. Tennessee has dropped even below Puerto Rico and has dropped to 51st. This leads me to believe that the BEP or the state is not adequately funding schools.

The BEP formula has significantly hurt our school systems over the last couple of years. Early on, when the BEP first came about, everyone got more money and that was the way it was designed. As time has past, this school system does not get as much BEP funding as some other systems. Our school system is suffering because some of the money that the BEP formula has moved to the at-risk category.

It can also be said that city school systems hurt themselves because of our willingness to provide more local money than many county systems. The assistance that we have gotten and counted on from the BEP just hasn't been there the last couple of years. It has made a hardship on our school system and our local town to come up with local funds.

The next question asked of City C-1 was what changes needed to be made to the BEP formula. City C-1 said,

Well, first of all, studies show that no school system in the entire state is being funded adequately. It is really hard to say that you have to take money from someone and give it to someone else. The only change that I think that I would make is the state needs a definition of what local funding is. In other words, "What is willingness and what is ability?" There is data to back this up and, even in the newspaper a few months ago, the Niswonger Foundation said, "Our county has the ability to support education but it's just not willing to do so."

City C-2 was interviewed in a relaxed manner at the school system central office. City C-2 was the assistant director of schools for City C school system. City C-2 had been in education for over 30 years and in administration for 12 years. The interview process began by asking City C-2 if the BEP formula was fair for this school system and the state of Tennessee.

City C-2 replied,

I don't know if I have enough background of the total BEP funding formula to answer the question, but I guess it is from what I know about the formula. It seems to be somewhat fair. As I understand it, the BEP formula is based on your enrollment. Anytime that you talk about enrollment, it has to be fair. I know that our director says from a financial standpoint the formula has caused us to lose state funding and, of course, I am concerned about that. Anytime a school system loses money it only sets that school system back. As you and others are well aware, our city system has been willing to go the extra mile when funding our schools. I would just like to see the state do the same thing instead of expecting cities to make up the difference or be in a burden to keep up the current pace.

The next interview concerning the Tennessee Basic Education Program was with City D-1 in the board room of the central office. City D-1 was the current director of schools in the city system and had 18 years of educational experience. This interview was very informative; the director was very intelligent and filled with knowledge concerning the Basic Education Program. City D-1 said,

I think there is a certain level of adequacy in the state of Tennessee, and I am just not sure that it provides the full needs for any student, city or county. Tennessee currently ranks 48th or 49th in the nation in school funding. So I don't feel that Tennessee is doing all that it can to fully fund schools in the state.

The BEP formula has been very positive for our city system. The only problem is that over the past couple of years it has taken local money that we provided and reclassified it as their own. This is a problem. I do not believe that any formula that takes away money from my system, which hurts my students in order to help others, is appropriate. I have heard from Nashville that there is talk about restructuring the formula from the counties' ability to pay to the school systems' ability to pay, and I totally disagree with this. I have estimated that this would cost my system roughly \$6 million.

I do not have a problem with addressing the counties' ability to pay because this is the fairest way. If cities want to provide extras and counties do not, then that is a political issue. I just do not want to see the state take a Robin Hood approach in funding all of the schools in this state.

For the most part, the BEP formula has been fair to my system and, in my opinion, all systems throughout the state of Tennessee. It has brought everyone closer together as far as school funding. I believe we will never have full or total equity.

The second interview of city school system D was also conducted on the same day as the one with city D-1. This interview was with the director of finance for this city system. This person had 20 total years of school system budget experience. D-2 not only worked as a city budget director but also worked as a county budget director. D-2's ideas on the Basic Education Program were somewhat unique. City D-2 said,

As far as the state goes, I think state funding is much better than it was before the Education Improvement Act of '92. I still think it has a long way to go. The state of

Tennessee ranks 49th in the nation as far as school funding goes. The BEP formula has provided unit cost, growth factors, and inflationary items that help school systems keep up with the cost of doing business throughout the year. Schools have never had that before, but schools are still not funded to the level that they should be. State mandates come down from Nashville without funding; it is up to local monies to provide for these increases.

The BEP has provided money to our school system to hire teachers, improve technology, and, overall, improve the instructional experience. I has been a wonderful program. Our state, through the BEP formula, is trying to make funding more equitable. I was working as a budget director in another county when the BEP formula was first introduced. This formula provided so many extras for that county. These extras included technology and instructional items. I personally think the BEP formula is fair for Tennessee schools. It is not what it should be. I do believe it provides an adequate education in this city. I am afraid that eventually this formula is going to take a Robin Hood approach throughout the state of Tennessee. Currently there is talk in Nashville of a change in the BEP formula. This change would consist of a fiscal capacity model of the school system's ability to pay, rather than the county's ability to pay. This would cost city systems millions of dollars.

“I do not believe it is fair to punish school systems that are willing to go above and beyond what is asked of them financially,” added City D-2.

City E-1 was starting a 5th year as the director of schools in this city system. City E-1 had 32 years of educational experience and 18 in school administration. This interview started out slowly but ended as very informative. The first question in this interview was, “What are the advantages or disadvantages of the Basic Education Program in Tennessee?” City E-1 replied,

The advantages of the Basic Education Program in theory establish what the Basic Education was. At least in some places it brought them to a basic level. In some places it also added music and art teachers and reduced class size. The basic education program provided positive things for the state, but it has never been billed as more than a basic education. Since its inception, 14 years ago, I think the basics are no longer good enough.

No Child Left Behind has mandated that 100% of all teachers become highly qualified and that every student have more than a basic education. What I mean by this is, funding a basic education and expecting a world-class education is a mismatch. I just read this week that a recent study ranked Tennessee 51st in the nation in funding education. This even puts us behind the District of Columbia.

Another disadvantage of the BEP model is the physical capacity model. This model already calls itself a behavioral model. In other words, how much a school system pays is defined as the system's ability to pay. This worked for a year or two, but each year it has expected each system to pay more. The more a system pays, the more it is expected to pay. I think this has been a fundamental flaw in the basic education model since its inception.

Last week in our local newspaper, the governor said that education was going to be looked at in the upcoming year. The BEP model is going to be changed and, I believe, restructured in major ways. Change is coming for the way schools are financed in Tennessee.

The first question asked was to comment or discuss the advantages and disadvantages of the Basic Education Program. City E-2 said,

The formula, as it is, was designed to reduce class size. We have a certain mandated number of students per grade, and this is a good thing. Limits can be good and the basic education program brought limits, especially in the primary classes. This, overall, improved the quality of education; it just makes sense to lower class size.

The disadvantages outweigh the advantages of the basic education plan. This funding formula really needs to be reformed. It hurts our city and community as a whole. The BEP penalizes our community for being willing to spend more money locally. I hear our director talk often about our local input into our budget. Equality is about everyone being equal. If this be the case, how can one system put in 50% of local money into the budget and another school system put in 10% of local money into the budget. It is time for a change, and I hope the governor in the upcoming year will address these needs.

The next interview was with County A-1. County A-1 was currently the director of schools and in administration for 25 years. This respondent was very genuine and sincere.

County A-1 said that the county appreciated the BEP formula and all that it had done for the County School System A. County A-1 also added,

All county systems experience the same type of problems when it comes to the Basic Education Program. The BEP has helped a great deal, and I don't want to minimize that because our legislatures, and particularly our governor, have tried to fund the program and maintain and increase the funding throughout the years. Without the BEP formula, which we depend on greatly, our revenues would be cut drastically because of lack of local funding.

In Nashville a committee is looking at possible changes to the BEP funding based on school systems' ability to pay rather than counties' ability. This would benefit not only County A but other counties as well. The negative side of this is, cities will lose funds. When school systems lose funds, students lose.

“I don't want anybody to lose,” said County A-1, “but I certainly would not turn down any monies that would come our way as a result of some legislature's finding a way to truly make the BEP funding formula equal.”

In the past few years, the BEP formula has helped us achieve a higher teacher salary. This boost from the BEP formula has helped County School System A to retain teachers. County School System A is like other school systems; we lose teachers to higher-paying jobs every year. The formula has also added monies to fund educational programs, such as extra teaching positions in the specialist areas. These specialists include guidance counselors, physical education teachers, and art/music teachers.

County A-2 participated in the interview on an afternoon in the middle of the week.

County A-2 was waiting in the central office prior to moving to another office for the interview.

County A-2 was the assistant director of schools for this county. County A-2 had 34 years of experience and had been in administration for 14 years. County A-2 was asked if the BEP program was a fair way to fund schools in the state of Tennessee. County A-2 said,

I do think the BEP formula is superior to the old foundation formula which we used to operate. My personal feelings are that we need to have increased funding of the BEP for all systems. I do think we still have a way to go in this matter of equality. Adjustments need to be made to the formula, but I do not favor the Robin Hood approach, where you take something from the richer systems and add to the poorer ones.

The next question was, “What are the advantages of the BEP program to this school system?”

The BEP program has helped us. First of all, when salaries were included, as in the lawsuit, it helped supply money to increase our teachers' salaries. Our salaries are not as great as our neighboring system's, but they have improved in the last few years. This

salary improvement makes us more competitive with our neighboring systems, especially in the starting salary.

The BEP helped us in other areas too. Our school system has been able to add positions that we would not have been able to add without the BEP. The BEP has also helped add teaching supplies, textbooks, and specialists to our system, such as counselors and nurses. The non-instructional component of the BEP has helped us to purchase school buses and with capital outlay projects such as roofing. The only problem I have with it is that if it were fully implemented we would be able to keep up with inflation. At the current time, we can only provide students with the things that are needed.

Probing further, A-2 was asked, “What changes to the BEP formula could be made?”

County A-2 replied,

One thing I would change is just the funding formula in general. It is not a spending formula; it is a funding formula based on some numbers that suggest the number of teachers based on the number of students. I do not know of any school system that operates strictly on the number of BEP teaching positions that are funded according to that formula. Every school system uses more of their instructional money to hire additional personnel, or they look to local money for help in this area.

The BEP formula causes us problems with our county commission. The county commission says that the BEP provides what is necessary. In this school system, we have four high schools. This school system tries to maintain all of these schools at a high rate. The BEP does not provide funding for each school in general.

County B-1 was the director of schools in this school system. County B-1 had been in the field of education for over 30 years and in administration for most of that time. The first question to County B-1 was to ask for an explanation of the views of the BEP program on this school system. County B-1 said,

I think the BEP has been good for the state of Tennessee. It has been much better than the old foundation program that addressed funding for all of the educational needs in a school system except teacher pay. The BEP addresses all of the different components that are in the day-to-day operation of a school system. What it has not done is address the teacher salary component, and that is where it is lacking.

Most county school systems will tell you about the same thing that I am telling you. The BEP really helped them as far as materials, supplies, capital outlay, equipment, and

adding teaching positions; but they will also tell you that it has not addressed teacher salaries. Rural school systems across this state struggle to meet the salaries of their counterparts in the city. The BEP has been a real boon to education in this state, and it has addressed a lot of funding issues; but the one thing that needs to be addressed is teacher salaries.

The next question to County B-1 concerned changes or modifications to the BEP formula. “The BEP formula is not adequate,” said County B-1. “If it were adequate, Tennessee would not be ranked 48th or 49th in the nation in educational funding.”

I would change a couple of things if I had the opportunity. You currently have three different divisions in the BEP formula. One is the instructional component; two is the classroom component, and, three, a non-classroom component. Statewide, the instructional component is funded at a percentage of 65/35, the state being the 65%. The classroom component is 75/25, and the non-classroom is 50/50. What this tells me is, the fiscal capacity model needs to be addressed.

The way it is written now, city systems are funded at the same fiscal capacity model as county systems. This is unfair because it takes the city and the county into the same account. This capacity model should be on a system rather than a county level. This would address the matching funds of each component that I listed. If I could change anything, I would change this first.

The second thing I would do is change the various sets of components. For example, the state will fund one library for so many students. In some cases, there are not enough students at one school to equally fund this position. Therefore, local money is needed to pick up the extra. This would be very difficult and very time consuming, but it could be done. I would suggest funding positions based on school system enrollment rather than school enrollment.

County B-2 was the assistant director of schools for this county. County B-2 had been in education for over 40 years and an administrator for over 30 years. County B-2 was very thoughtful in responses and very professional. The interview began by discussing the BEP formula. County B-2 said,

I think the state is moving in the right direction. I am just not sure that this formula is providing an equal education to all students in all systems. The BEP formula has made improvements for our school system. It provides allocations based on district

information and allows the system to purchase more materials and supplies with its resources. Money from the BEP program is provided based on ADM (average daily membership). This money has helped provide textbooks and materials that are used everyday in the classroom. This has been a real advantage, not only for our school system but one of the real big advantages of the BEP.

I do not know of any disadvantage to the BEP. There is a lot of discussion about funding the BEP based on school systems' instead of counties' ability to pay. In my opinion, this would cause information to be inadequately sent to the state. I am not for sure that changes should be made to the formula. In my experience, political influences have a way of changing formulas to suit the needs of larger or richer school systems.

County C-1 was the assistant director of schools in this county system. County C-1 had 33 years of educational experience and had been in this job for 8 years. County C-1 was a very enlightening and informative person. County C-1 was a committee member of the Coalition for Tennessee's Future, which was addressed in this study in the literature review of Chapter 2. The interview began with the question, "What do you think the advantages of the BEP have been for your school system?" County C-1 said,

I think a lot of times that people forget exactly what the first letter in the BEP stands for, and it stands for *Basic*. I think the way it has been funded and is going to be funded from the state; the state gives you the minimum. This causes the problem because patrons want to see more than a basic program. County governments such as this county think the basics are all that is needed, and local funds are hard to come by. The general public and elected officials see programs as being adequate. As we all know, every school system provides more than just the basics. Others can do it better because of increase in local revenue.

County C-1 said, "Another problem that I see with the BEP formula is, school systems receive funds based on the counties' wealth."

This county is one of the wealthiest counties in the state. We do not see a lot of BEP money. With our county government's unwillingness to provide local funds, our school system struggles at times. There is not much as an educational system we can do about this but to try to educate the general public on the total education funding system.

County C-2 was the business manager for this county school system. County C-2 had been in this job for 12 years and worked for the county government and the state of Tennessee in financial positions. The first question asked was, “What do you think the advantages and disadvantages of the BEP funding formula are?” County C-2 said,

I have been an opponent for many years. I really cannot think of any advantage because no one really understands the mechanism. From the onset, the BEP model was referred to as the Robin Hood bill. I have heard of directors that have so much money they did not know how to spend it all. And in this school system we have struggled because of the tax report and what Nashville calls our “ability to pay” or fund schools. Our county commission views the BEP funding as what schools need to operate. Our county commissioners also are hesitant to raise property taxes because in their eyes it puts too much of a burden on their constituency. I know there are advantages out there to the BEP formula, but I am just not a proponent of it.

County D-1’s interview took place in the hall of the central office. County D-1 was the assistant director of schools and had more than 40 years’ educational experience. County D-1 said,

The BEP is a wonderful thing. I have been through three school funding models in my educational career. I doubt that you will talk to anyone that has the knowledge that I have concerning school funding.

The BEP formula has gotten everyone closer as far as equality. The formula has provided many extras for our system that we would otherwise not have had. When the model was first introduced, we used a lot of money to upgrade technology and instructional equipment. The BEP formula is not where it should be, but the funding is getting school systems closer.

The problem that I have with the BEP formula is what I call “the wealth index or the counties’ ability to pay.” This county has the ability to pay, but it does not have the willingness to pay. The economic index does not take this into consideration.

“The BEP is supposed to provide an adequate education for all students and, for the most part, I think it does,” said County D-1.

County D-2 was the director of finance for this system. County D-2 had 18 years of experience as a finance director. During the interview, it was obvious that County D-2 had a wealth of knowledge about school-system funding. County D-2's responses were short and to the point. County D-2 discussed the BEP formula and thoughts on how it has affected this county system. County D-2 said,

I think the BEP formula has helped this school system because the formula has put a lot of things into the county assistance that they would have been otherwise unable to provide for students. The addition of the teacher salary component was major in this county.

The problem that I have with the BEP formula is, we never know from year to year how much local money will be required to fund our budget. Last year our budget consisted of 32% local money. This year it could be 30% or it could be 35%; we never know until the last minute.

It is hard for us to get local money from our commissioners or our community. Our teacher salaries need to be improved. The BEP formula needs to provide funding for salaries. One advantage of the BEP formula has been the addition of teaching positions, especially in the specialist area. This area includes art, music, guidance counselors, and physical education. With the addition of the BEP, this system probably has added 30-40 positions.

I keep hearing that changes are on the way. I just wish they would talk to people who deal with the BEP formula on a day-to-day basis before these changes take place.

CHAPTER 5

FINDINGS, CONCLUSIONS, RECOMMENDATIONS FOR FUTURE RESEARCH, AND IMPLICATIONS FOR PRACTICE

The purpose of this chapter is to summarize and explain the underlying results of the research project and to describe and identify the key issues in comparing city school systems versus county school systems in the state of Tennessee and particularly in Northeast Tennessee. Issues that were identified in this study were the overall funding of school systems in Tennessee, which included the Basic Education Program as well as local monies for city school systems and county school systems. The areas of per-pupil expenditures, teacher salaries, and student achievement were examined numerically by using the SPSS for Windows computer software. The perceptions of education equality and the Basic Education Program in Tennessee were researched by qualitative methods through interviews. The review of literature stated that school funding and financial equality did not just occur over the last 30 years but have been a factor with us since school districts were established in the 1800s (Hadderman, 1999). The findings, conclusions, and recommendations for future research are presented in the order of the research questions, which are located in Chapter 1.

As designed, data were collected both numerically (quantitatively) and individually (qualitatively) through interviews and observations (Creswell, 2003). The quantitative data for this study were collected from the Department of Education website and the Tennessee Education Association website. The population of this study included 62 school districts across the state of Tennessee, including 35 city school systems and 27 county school systems. School system data from the system report card and TEA websites were used to compare city school

systems versus county school systems, student achievement, teacher salaries, and per-pupil spending. Statistical analysis of this data involved using SPSS for Windows. The unit of analysis for this study was the school system. Teacher salaries were measured as the school systems' average teacher salary. The measurement of per-pupil spending in this study was the school systems' funded average daily membership (ADM). Student achievement in math and reading/language was measured as the percent of students in the school system that scored in the advanced proficiency level for each of these subjects.

Qualitative data were collected from 18 interviews throughout Northeast Tennessee. The director of schools was given top priority. In the event the director of schools was not available, high-ranking administrators from each school system were interviewed. The participants interviewed consisted of six directors, seven assistant directors, four directors of finance, and one supervisor of federal programs. Three directors of schools did not participate in the interview. Two directors' reasons for not participating consisted of time constraints, and one director cited lack of knowledge about the Basic Education Program in this state. These directors suggested other participants from their school system to participate in the study. Individual interviews were conducted using an open-ended question method to inquire about the key issues in this study. All interviews were tape recorded and transcribed into a written copy and placed in a field notebook. Major themes emerged from this process of data analysis. These themes included perceptions of educational equality in Tennessee, school system consolidation, teacher salaries, and the advantages and disadvantages of the Basic Education Program. Conclusions and recommendations for future research are included in this chapter after the findings.

Research Question #1

What differences currently exist between city and county per-pupil spending, average teacher salaries, and student achievement in math and reading/language?

The primary focus of this research question was to determine if there were differences between city and county school systems in terms of per-pupil spending, average teacher salaries, and student achievement in math and reading/language. The comparison of the 35 paired city and county school systems in Tennessee for per-pupil spending showed there was a significant difference between city and county systems. The mean per-pupil spending for city school systems was \$7,086.09 and the mean for county school systems was \$6,282.63. The difference between the two means was that city school systems spent slightly over \$800 more per student than county systems. There was a significant difference between city and county school systems' average teacher salaries. The mean average teacher salary of \$41,770.97 for city school systems was higher than the average teacher salary of \$38,747.40 for county school systems. This was a difference of over \$3,000.

There was a significant difference between city and county school systems on student achievement in math. The mean percentage of city school system students who scored in the advanced proficiency level in math was almost 4.7 percentage points higher than the mean of county system students. The mean percentage for students in city systems was 45.94 and the mean for county students was 41.29. There was not a significant difference between city and county school systems' student achievement in reading/language. The mean percentage of students who scored in the advanced proficiency level for city school system students was 42.80 and the mean for county school system students in reading/language was 39.20, a difference of 3.6 percentage points.

Five pairs of city and county school systems in Northeast Tennessee were also compared. There was a substantial difference between city and county school systems' per-pupil spending in Northeast Tennessee. The mean per-pupil spending for city systems was \$7,758.20. The mean for county school systems' per-pupil spending was \$6,454.40. This represented a difference of slightly more than \$1,300 spent on students in city school systems than in county school systems in Northeast Tennessee. There was also a significant difference in teacher salaries between city and county school systems in Northeast Tennessee. The mean salary for city school system teachers was higher ($M = \$44,382.04$) than the mean for county school system teachers ($M = \$38,505.20$), a difference of almost \$5,900.

There was a significant difference between city and county systems on student achievement in math and reading/language in Northeast Tennessee. For math, the mean percentage of students who scored in the advanced proficiency for city school systems was higher ($M = 56.0$) than the mean for county school systems ($M = 40.4$), a difference of 15.6 percentage points. For reading/language, the mean percentage of students who scored in the advanced proficiency level for city school systems was higher ($M = 51.0$) than the mean for county school systems ($M = 39.2$), a difference of almost 12 percentage points.

Research Questions #2, #3, #4, and #5

What, if any, are the relationships between type of school system, per-pupil spending, teacher salary, and student achievement in math and reading/language?

Using a two-step hierarchical regression model for each of the four research questions, the relationship between type of school system at Step 1 was examined and the change, if any, in that relationship at Step 2 after a control variable (either per-pupil spending or teacher salary)

was included in the regression model. Table 6 shows the correlations and regression coefficients for each of the four regression models. It should be noted that correlations in the table between type of school system and the student achievement measures were identical to the regression coefficient for type of school system at Step 1 of the regression model.

In the regression model for math using per-pupil expenditure as a control variable, the *Beta* coefficient for type of school system at Step 1 was -.24. However, the coefficient for type of school system at Step 2 was -.01. The relationship between type of school system and student achievement for math disappeared between Steps 1 and 2 when per-pupil spending was included at Step 2.

In the regression model for reading/language, using per-pupil spending as the control variable, the *Beta* coefficient for type of school system at Step 1 was -.21. The *Beta* coefficient for type of school system at Step 2 controlling for per-pupil spending was .05. Again, with the introduction of per-pupil spending in the model at Step 2, the relationship between type of school system and reading/language diminished substantially.

The regression model for math controlling for teacher salary showed the relationship between type of school system and math at Step 1 (without controlling for teacher salary) was -.24. At Step 2 (after controlling for teacher salary), the relationship between type of school system and math disappeared ($\beta = .01$).

Finally, in the regression model for reading/language using teacher salary as the control variable, the correlation for type of school system and reading/language at Step 1 was -.21. At Step 2 (after controlling for teacher salary), the relationship between type of school system and reading/language diminished substantially ($\beta = .05$). Table 6 represents the comparison of

correlations and regression coefficients for the four multiple regression models. The results of these multiple regressions were discussed in Chapter 5.

Table 6

Comparisons of Correlations and Regression Coefficients for the Four Multiple Regression Models

Regression Model 1		Math	
	r	β at Step 2	
Per-pupil spending	.50	.50	
Type of school system	-.24	-.01	
Regression Model 2		Reading	
	r	β at Step 2	
Per-pupil spending	.54	.57	
Type of school system	-.21	.05	
Regression Model 3		Math	
	r	β at Step 2	
Teacher salary	.60	.61	
Type of school system	-.24	.01	
Regression Model 4		Reading	
	r	β at Step 2	
Teacher salary	.61	.63	
Type of school system	-.21	.05	

The interpretations of these findings were guided by a logical causal model called The Elaboration Model (Babbie, 1989). The Elaboration Model was used to evaluate what happened to the relationship between type of school system and the criterion variable (either math or reading/language) after a control variable (either per-pupil spending or teacher salary) was introduced. According to Babbie, when a relationship between two variables diminished or disappeared after a control variable was introduced, the meaning of the finding was based on the time order of the control variable relative to the predictor variable (type of school system) and criterion variable (either math or reading/language). When the control variable was an antecedent variable, occurring in time prior to the predictor and criterion variable, the original relationship was spurious. On the other hand, if the control variable were an intervening variable, intervening between the predictor and criterion variable, the original relationship was not spurious. Instead, the relationship between a predictor variable and a criterion variable was *interpreted*. That is, the intervening control variable was the mechanism through which the original relationship occurred (Babbie). In other words, the relationship between type of school system and the criterion variable (either math or reading/language) disappeared in Step 2 of the regression models, not because the relationship was spurious or because there was no relationship. Instead, the coefficient for type of school system in all four regression models disappeared because: (a) Type of school system was related to both per-pupil spending ($r = -.47$) and to teacher salary ($r = -.41$), and (b) the control variable (per-pupil spending or teacher salary) was an intervening variable between type of school system and student achievement (either math or reading/language). These findings support the following conclusions: (a) The relationship between type of school system and student achievement was not spurious, and (b) the control

variables (either per-pupil spending or teacher salary) were the mechanisms through which the relationship between type of school system and student achievement is interpreted.

Although the relationships between either per-pupil spending or teacher salary and student achievement were not the focus of this study, it was interesting to note that in each of the regression models, the relationships between these variables and student achievement remained virtually unchanged when the type of school system was used as the control variable. In this case, the type of school system was an antecedent control variable. According to Babbie (1989), when the relationship between a predictor (either per-pupil spending or teacher salary) and a criterion variable (student achievement) remained the same after the introduction of an antecedent control variable (type of school system), this was called replication. That is, the original relationship between the predictor and criterion variable was replicated. In terms of the variables used in this study, the relationship between the predictor (per-pupil spending or teacher salary) and student achievement remained the same, or was replicated, for both city and county school systems.

Several major themes emerged from this mixed-methods study. Quantitative findings for per-pupil spending, teacher salaries and student achievement were presented. Through interviews with open-ended questions, perceptions of educational equality, and the advantages and disadvantages of the Basic Education Program in Tennessee, the themes that emerged were the overall level of equality in Tennessee. Other themes included the equalizing of teachers' salaries and consolidation of local city and county school systems. Conclusions and future research proposals followed the findings in this study.

Research Question 6

What are the perceptions of the interviewees regarding the degree of education equality between city school systems and county school systems?

The focus of this research question was to gather the views or perceptions of high-ranking administrators from Northeast Tennessee on educational equality. Interviews were conducted with 10 high-ranking school administrators from city systems in Northeast Tennessee. The views of these administrators were basically the same but worded differently. City A-1 said, “The numbers say there is not educational equality. This system spends \$1,500 more per child than our surrounding systems.” City A-2 added, “From the state’s perspective, it is probably more equal than ever. From a city administrator’s perspective it is probably as unequal as it has ever been.” City B-1 and City B-2 asserted, “The state has worked hard to achieve educational equality, but all school systems are different. Systems have different needs and need to be funded differently.” City C-1 reported that funding had gotten closer across the state. City C-1 said, “The Cost Differential Factor caused the problem.” This factor is what determined the county’s ability to pay. This factor lead to discrepancies and did not take into fact that some governing bodies were more willing to fund or to provide local resources for schools. City C-2 put it in these words, “I think everyone knows there is a big discrepancy between city and county school systems.” City D-1 and City D-2 had another way of discussing educational equality. City D-1 said,

Disparity among school systems exists because of teachers’ salaries, programs offered to students at schools, and funding issues between school systems. The funding issues are because of the sales tax and how the tax is dispersed. The second half of all sales tax is divided based on point of collection. This gives the cities a big advantage because most sales tax is collected inside the city limits.

City D-2 summed up the view of educational equality this way,

Cities are funded differently and that is why city school system exists. This city provides millions of dollars to this school system. Cities have always been willing to provide the extras that counties do not. Equality just does not exist!

City E-1 said,

There is a wide disparity among the quality of education in this state. I believe some of those disparities are financial, some of it is local norms, and some of it is family expectations. If money were equalized, there would still be differences based on family pressures.

City E-2 said, "All students do not receive the same education across the state. The Basic Education Program needs to be reformed."

Eight interviews were conducted from county school systems across Northeast Tennessee. These county school leaders were asked the same questions as the city school system leaders. This question was, "What are your views or perceptions of educational equality in Tennessee and Northeast Tennessee?" County A-1 said,

When you speak of equality, equal opportunity for all students or fairness, our state and this county are doing better. The problem is we are not where we should be or I doubt we will ever be there. We must do the best we can with what we have.

County A-2 responded,

I think there is disparity in funding for education and inequalities in educational opportunities. I think the richer systems can provide more for students because those systems have more resources to draw from. The current formula for sending monies back to the school systems favors city systems.

County B-1 replied,

The sales tax causes the problem or disparity between city and county school systems. The second half of all sales tax goes to the point of collection and, in most cases, this is in the cities.

County B-2 said,

There is a lot of discrepancy in the amount of money that is spent on students between city and county school systems. This allows city systems to have higher salaries, more material and supplies, and a broader curriculum.

County C-1 responded,

If you are looking on a local basis, there is inequality because of funding from the local government. There are systems that do pay more and have more per-pupil expenditures. It is cities versus counties because of taxes.

County C-2 said,

I do not think there is anything equitable. I think when you have more counties who have the ability to tax at a high rate then you are going to have more opportunities for these students. My case in point is the Oak Ridges, Maryvilles, and Kingsports in the state of Tennessee. These systems can pay a higher wage and provide more equipment and supplies for their students and schools. These are the areas that really cause the discrepancies or inequalities.

County D-1 said,

I have a copy of your questions and I want you to know right up front that educational equality does not and will not ever exist in the state of Tennessee or locally! Educational opportunity is tied to economic base and business. In this state many counties have a higher tax base and more resources than other counties. Alcoa and Oak Ridge are examples. Cities and counties with higher resources are willing to fund education and have higher expectations. Willingness is the key word!

County D-2 expressed the idea that

...equality is not about salaries or money, but equality is about opportunities and materials for students. The quality of education is better than it gets credit for being. Sales tax is the problem that creates these discrepancies. How many times do you see a Wal-Mart in a county?

Consolidation of School Systems

City School System A was totally against consolidation. City A-1 said,

I see consolidation as having a negative effect on this school. Consolidation is always a step backward for someone. Nothing positive comes from consolidation.

City A-2 added,

Consolidation would hurt this school system. This school continues to grow each and every year. It would help the county, but the county should also remember how many monies that the city provides for education.

City B-1 was concerned for the identity of its school system. City B-1 said,

I think school systems lose their identity, not through prejudice but in areas of the city and county. In this county I do not believe that our commissioners would raise the taxes to fund education to the level we are at now.

City System C indicated that consolidation was a wonderful thing if no one loses.

Typically, there are winners and losers. Consolidation should be about resources and more choices for students. In my opinion, everyone should be a winner. Consolidation in this city will never take place because of politics!

City D did not support consolidation as the key to equality in Tennessee. City D-1 said,

Schools are funded by numbers such as ADM (average daily membership). Consolidation does not change these numbers. Furthermore, counties believe that cities will donate buildings or buses. This might not be the case. Also, cities are under no obligation to provide funds to schools.

City D-2 said, "Everyone pays higher taxes after consolidation." City E noted that consolidation was only a huge misconception.

Many believe that consolidation is a money-saving issue. It costs the same amount to educate students no matter which school system the students attend. Consolidation only sets back the education process. There are winners and losers. The winners are the ones

who are not willing to pay for education, while the losers are the ones who have funded education at a high level.

The high-ranking administrators from county systems had mixed views on consolidation.

County A said,

In some ways the state may be forcing system consolidation. There is talk that the BEP formula may change from a county ability to pay to a school system ability to pay. If this be the case, the cities would lose millions of dollars. Some city system would go out of business. This would set back education in Tennessee by years.

County B was in favor of consolidation of school systems.

There should be one school system per county in Tennessee. Right now there are only 38 or 40 city systems. The three largest counties in Tennessee, Knoxville, Nashville, and Hamilton counties have one system. Education is working in those counties!

County C indicated that consolidation was inevitable. "I do not know if it will be forced upon us or consolidation by choice, but consolidation will take place because of funding." County C-2 said,

I have always supported one school system per county. It saves taxpayers money and eliminates positions. It would allow the state to quit looking at the municipalities and look at the whole picture.

County D had a different view of consolidation than the other county administrators. County D said,

I do not think consolidation would impact education that much. Funding is the same from the state for all students. Governing bodies who discuss consolidation do not understand school funding. There is more to funding and consolidation than eliminating positions!

Teachers' Salaries

In the state of Tennessee fiscal budget of 2003-2004, teachers' salaries were added as a component to the basic education program (Tennessee Education Association, 2003). The state appropriated \$27 million to increase salaries for 17,000 teachers in 75 school systems. This was to close the gap in teachers' salaries throughout Tennessee (TEA). Through the interview process, ten high-ranking school administrators from city school systems and 8 high-ranking school administrators from county school systems were asked if teachers' salaries could be equalized and, if so, how this could be done. The following were their responses.

City A-1 and City A-2 had varying opinions about salaries. City A-1 said,

It is faulty thinking to assume it is the state's responsibility to equalize teachers' salaries. I believe the salaries should be equal but with local money. In this city, the citizens pay two property taxes. They expect more and the citizens get more. The more being better education and services from the city.

City A-2 said,

Salaries are not equal, nor will they ever be. It is my personal belief that salaries should not be equal. The only way to make them equal is to have a state school system. In this case there should be a supplement or cost-of-living difference for larger cities or inner-city teachers.

City B did not have much to say about teachers' salaries except that the retirement program is more important than salaries. "In this school system most of the money goes to salaries anyway." City C had a much different approach than City A or B. City C said that the state needed to be the primary funder of education and that teachers' salaries should be much more in line when comparing school systems. City A-1 said, "I like John Morgan's idea on funding education. Divide sales tax and a state property tax equally based on ADM (average daily membership)." City D said that teacher salaries have been a problem for many years. City D

said salaries cannot be equalized unless all teachers became state employees. “Some states report that their teachers’ salaries are equal; I do not know how or do I see it happening in Tennessee,” said City C-2. City School System E was against the equalizing of teacher salaries.

City E-1 said,

Good teachers would still want to migrate to new buildings with staff development and high expectations for their students. The only way to equalize salaries is to place a cap on salaries. I am not against the state funding salaries at a higher level, but places like this one expect more than the basics and are willing to pay for it.

County A did not have much to say about teacher salaries. County A expressed that by adding teacher salaries to the BEP formula; their system was able to increase teacher salaries.

“We are not where we should be, but the salaries are getting better,” said County A-1. County B had a much different opinion than County A. County B said, “All teachers need to be state employees and that salaries should be equalized immediately.” County School System C had the same opinion as County B. County C said,

I do not know if salaries can ever be equalized in this state. Currently, the Tennessee average salary is getting close to the southeastern average for teacher salaries. That is not to say that we do not need more money; it only says that taxpayers will not want to pay more than our fellow co-workers in the south. As far as a plan to equalize teacher salaries, I think all teachers need to be state employees, and the state should pick up all of the salaries and benefits. This would eliminate all problems of teacher equalization.

County D suggested the state should have a flat state salary base. “North Carolina has come as close as anyone in equalizing teacher pay,” said County D-1. “The problem in Tennessee is that some counties and cities have a higher tax base and more wealth. This causes the discrepancies.”

Research Question #7

What are the perceptions of the interviewees regarding the advantages and disadvantages of the Tennessee Basic Education Program?

The Tennessee Basic Education Program was established after the suit *Tennessee Small School Systems v. McWhorter* was filed in 1988. Through the years, many additions and deletions were added to or taken away from the plan. In 2005, the Basic Education Formula was the chief funding source for school system funding in the state of Tennessee. Over a 6-week period, 18 interviews were conducted with high-ranking school administrators from city and county school systems in Northeast Tennessee. During the interview, each respondent were asked questions concerning the advantages or disadvantages of the Basic Education Program. The following was the findings from the responses of the participants.

City A was not very supportive of the BEP funding formula. City A-1 said,

I have been around since the BEP evolved. It is so different now since the beginning. This formula is so complicated that it is at the peak of defaulting and no one realizes it. The problem is, once the state runs the numbers and someone is unhappy, then the state runs the numbers again and makes that group happy. That is amazing and makes me suspicious!

City A-2 said,

It is hard for me to find advantages to the BEP program. From a system standpoint, the formula gives us money but it is on our ability to pay. This allows this system to receive less money than other systems.

City A noted the state needed to return to a funding process that allowed each school system to receive the same amount of monies based on average daily membership of the students. City B

assessed the funding formula as fair at this time. City B would like to see teachers' salaries added as a major component. City B-2 said,

Teacher salaries are not equal in this state. The state, by adding salaries as a major component, could help smooth out this situation.

City C was very upset with the BEP formula. City C-1 said,

I heard yesterday that Tennessee has now dropped to 51st in the nation in school funding. This leads me to believe that neither the BEP nor the state is adequately funding schools. This formula has significantly hurt our school system over the last couple of years. In the beginning everyone got money and that is the way it was designed. As time passed, school systems that were willing to provide extras started losing money. The assistance from the BEP is just not there anymore.

City D had a totally different view of the BEP than City C. City D said,

The BEP has been very positive for this school system. The BEP has provided money to hire teachers, improve technology, and the overall instructional expense of running a school system. The BEP has not provided enough money to keep up with other states. Tennessee is 49th in the nation in spending for education. This is just not acceptable. The BEP has also hurt this system from the standpoint that it takes money away from us. I do not believe that any formula which causes school systems to lose money is fair. This school system is and has been punished for having the willingness to provide extras. That is just not fair!

City E said,

The disadvantages outweigh the advantages of the Basic Education Program. This formula was designed to limit the number of students in each classroom. This is a good thing because it did improve instruction. However, throughout the years, many forget that the BEP was billed as a basic education. The basics are no longer good enough. Tennessee is now 51st in the nation in educational spending. With the expectations of the *No Child Left Behind Act*, this is just not good enough. Tennessee wants a world-class school system, and they only fund the basic education. It does not make sense.

The next disadvantage is the physical capacity model. This has been a flaw since the inception of the BEP model. What this capacity model does is to punish or limit school systems for being willing to provide the extras. The more a system pays, the more the system is expected to pay. This is not fair either. The BEP model is going to be restructured in the near future. Changes are coming in the way Tennessee funds schools!

The majority of county schools were very appreciative of the BEP model. County A commented,

All county school systems experience the same type of problems when it comes to the BEP. The BEP has helped a great deal, and the governor has tried to fund the program and increase the funding throughout the years. Without the BEP, our revenue would be cut drastically because of local funding. In Nashville there is talk that a committee is looking at possible changes where the BEP funding would be based on the school system's ability to pay rather than the county's ability. This would help our school system, but it would put many cities out of the school business. I do not want to see anyone lose, especially students!

The BEP has achieved higher salaries for teachers in this county. This has helped us recruit and train teachers. For this I am very grateful. My personal feelings are that the BEP needs to increase funds in all areas.

County B was very thankful for the BEP and what it had accomplished for this county system. County B-1 said,

I think the BEP has been good for the state of Tennessee. It is much better than the old foundation model. The BEP addresses all of the educational needs of a school system except teachers' salaries. A component for teachers' salaries needs to be added to the formula. The BEP has really helped us as far as materials, supplies, capital outlay, and adding teaching positions. What it has not done is keep up with the other states. Tennessee is ranked 49th in the nation in educational funding.

In my opinion, two changes need to be made in the formula. First, the fiscal capacity model or the county ability to pay needs to be changed to the school system ability to pay. This equalizes funds between city and county systems. Second, changes need to be made in the components. Currently, the state funds money based on the number of students in a system. What I would suggest is, fund school systems based on the students on a school level. This would eliminate the needs of more local funds. This would also help in projections for teaching positions such as Art, Music, and other specialty areas.

County C was not satisfied with the BEP program. County C-1 said,

I think a lot of times that people forget exactly what the first letter in the BEP formula stands for, and that is *Basic*. I think the way that the formula has been funded and the way the state is going to fund the formula is just the minimum level. All I know is, this

school system provides more than the basics. Another problem with the BEP is, systems receive monies based on the counties' wealth. This is a rich county and we receive very little BEP money. With our county government being unwilling to provide local dollars, this school system struggles!

County C-2 said, "I have been an opponent of the BEP for years. The BEP has no advantages. It hurts this county."

County D was very thankful for the BEP. County D-1 said,

The BEP is a wonderful thing! I have been through three funding models, and I doubt that you will talk to anyone who has the knowledge that I have concerning school funding. The BEP has gotten everyone closer to equality. The formula has provided many extras, such as art and music teachers, as well as guidance counselors. Our system would not have had this position without the BEP. The problem I have with the BEP is the wealth index. This is the county's ability to pay. This county has the ability to pay but not the willingness. The BEP is supposed to provide an adequate education for everyone and, for the most part, I think it does.

Conclusions

Differences Between City and County Per-Pupil Spending, Average Teacher Salaries, and Student Achievement in Math and Reading/Language

In the analyses of the paired city and county school system data, this study showed that city school systems in the state of Tennessee and in Northeast Tennessee spent on average more monies than their county school system counterparts. In the state of Tennessee city school systems per-pupil spending was \$800 more per child than in county school systems. In Northeast Tennessee, city school systems spent roughly \$1,300 per child more than county school systems did.

Teacher salaries for the city school teachers were also higher than their county school system counterparts. In the state of Tennessee, city school system teachers earned \$3,000 more

on average than county school system teachers. In Northeast Tennessee, city school system teachers earned on average \$5,900 more than county school system teachers.

Student achievement levels in math and reading/language were higher in city school systems than in their county school system counterparts in Tennessee. In Tennessee, the mean percentage of students in city school systems who scored in the advanced proficiency level for math was 4.7 percentage points higher than their county school system counterparts. In Northeast Tennessee, the mean percent of students who scored in the advanced proficiency level in math for city school systems was 15.6 percentage points higher than their county school system counterparts. In reading/language, in Tennessee, the percentage of city students who scored in the advanced proficiency level for reading/language was 3.6 percentage points higher than their county school system counterparts. In Northeast Tennessee, the percentage of students' in city school systems that scored in the advanced proficiency level for reading/language was 12 percentage points higher than county school system students.

Relationship between Type of School System and Student Achievement in Math and Reading/Language

Statistical data showed that while the relationship between type of school system (city or county) and student achievement was not statistically significant, there was nonetheless a non-zero relationship between type of school system and student achievement in math ($r = -.24$) and between type of school system and student achievement in reading/language ($r = -.21$). For both math and reading/language, city school systems had higher student achievement than county school systems. When variables, such as per-pupil spending or average teacher salaries (intervening variables), were controlled, the relationships between type of school system and

each student achievement measure diminished or disappeared completely. According to Babbie's Elaboration Model (1989), when the original relationship between two variables diminished or disappeared with the introduction of an intervening control variable (such as per-pupil expenditure or average teacher salary), the original relationship was not spurious. Instead, the control variable was the mechanism through which the original relationship was interpreted. In other words, city school systems had higher student achievement in math and in reading/language because they had higher per-pupil expenditures and higher average teacher salaries.

Perceptions of Educational Equality

According to one interview, there was no equality in education and all one had to do was look at the numbers. City administrators admitted that students did not receive the same quality of education. There were wide discrepancies among programs offered to students, teaching salaries, and student achievement. The state of Tennessee, through the Basic Education Program, was trying to achieve educational equality. School funding from the state of Tennessee had gotten closer, but city administrators were upset with the Fiscal Capacity Model of the Basic Education Program. These city administrators expressed the view that the capacity model punished their system for being willing to fund the extra school monies that cities provided. City administrators indicated their taxpaying citizens were willing to provide the extra funds to the school system but the Fiscal Capacity Model of the Basic Education Program punished their school system for that higher expectation.

County school system administrators were more outspoken than city administrators when speaking of educational equality. Many county administrators acknowledged educational

equality for students was better because of the Basic Education Program. These administrators express doubted that educational equality or opportunity for students would ever exist. These county administrators noted that the richer systems could provide more opportunities because of more resources available to their system. These extra resources were believed to come from the sales tax. County administrators contended the sales tax created the discrepancies between city and county school systems. In most cases, the second part of all sales tax was returned to the point of collection. This return of sales tax was usually to the cities. As one county system administrator stated, “Educational equality does not and will not ever exist in the state of Tennessee or locally here in Northeast Tennessee. Educational opportunity is tied to economic base and cities’ and counties’ willingness to fund education.”

School System Consolidation

City administrators contended that consolidation of school systems held back the growth process of students and school systems. Consolidation was about numbers and programs. Consolidation did not change the number of students or teachers, nor did it bring more resources or more choices for the students. Consolidation, according to one city administrator, was a huge misconception. Putting school systems together was not a money-saving issue. Consolidation only set back the educational process. There were always winners and losers in consolidating. In most cases, the losers were the ones who had the higher expectations and the most willingness to fund education.

County administrators expressed the belief that the state may force consolidation through changes to the Basic Education Program. Many county administrators already favored a 95-county school system for the state of Tennessee. Changing the Basic Education Program to fund

only one system per county would put cities out of the school business. County school administrators did not want city systems to go out of business but wanted the states to fund school systems on each system's ability to pay. County administrators asserted this would create educational equality for all teachers and students.

Teacher Salaries

The majority of city administrators interviewed assented that salaries were not equal and they never would be. One city administrator said salaries needed to be equal but with local monies. Most city administrators conceded that salaries could not be equalized unless a state school system was established or all teachers became state employees. In each case city administrators indicated there should be a cost-of-living index to offset the price of living in larger cities. One city administrator was totally against equalizing of teacher salaries. This administrator felt that good teachers would still migrate to other systems for new buildings and higher expectations along with a great staff development program.

The majority of county administrators said that equalizing teacher salaries should begin immediately. Many of the county administrators favored teachers' becoming state employees or having a state flat salary base, as in the state of North Carolina. One county administrator said that salaries could not be equalized because of taxpaying citizens. This county administrator cited the fact that the average teacher salary in the state of Tennessee was near the average of the Southeastern part of the United States. This administrator said teachers deserved more money but it was hard to ask for money from taxpayers when the salaries were close to the average of surrounding states.

Advantages/Disadvantages of the Basic Education Program

City school systems were not satisfied with the Basic Education Program. City administrators stated that the Basic Education Program funded a basic education and their school systems were being punished by the Basic Education Program for being willing to fund more than a basic education. City administrators stated that the fiscal capacity model allowed the BEP to fund less money to city systems because of local money supplied by city government. Evidence from the interviews indicated that Tennessee dropped to 51st in the nation in educational funding. City administrators stated this was not adequate and the BEP needed to be restructured in order to provide more revenue to their school system based on the average daily membership of students in their system.

The majority of county school system administrators indicated agreement that the Basic Education Program was fair and they were very appreciative of what it had done for their school system. County administrators said that the BEP allowed for more teaching positions, materials, supplies, capital outlay projects, and somewhat higher teacher salaries. The majority of administrators stated the Basic Education Program needed to be changed. The change to this model was what was referred to as a *Fiscal Capacity Model* or *Wealth Index*. This capacity model was based on the counties' ability to pay. Many county administrators wanted this capacity model changed to the school systems' ability to pay or something other than the counties' ability to pay. County D said, "The current wealth index punishes school systems that have the ability to pay but their governing bodies are unwilling to pay."

Recommendations for Future Research

This study consisted of a review of literature for the past 30 years. Statistical data from the Tennessee Department of Education website and the Tennessee Education Association website were statistically analyzed for per-pupil spending, teacher salaries, and student achievement. Eighteen interviews were conducted from high-ranking school administrators from city and county school systems throughout Northeast Tennessee. Information from these interviews was gathered on the key issues of perceptions of educational equality in Tennessee, teacher salaries, school system consolidation, and the advantages and disadvantages of the Basic Education Program. From the findings of this study, recommendations for future research were found.

High-ranking administrators from city and county school systems agreed that educational equality does not exist in the state of Tennessee or Northeast Tennessee. A majority of these high-ranking administrators cited that discrepancies among city and county school systems occurred because of the distribution of local sales tax and the point of collection of these taxes. State legislatures and local elected officials need to review the current tax laws and structure of distribution of local sales tax dollars. A study could be conducted comparing the percent of local funds that make up city and county school system budgets throughout the state of Tennessee.

City and county school systems high-ranking administrators almost all agreed that changes need to be made to the Basic Education Program and its Fiscal Capacity Model. City administrators claimed that the Basic Education Program was punishing their school system for having the willingness to provide extras to their students and schools. County administrators expressed concern that city school systems should not receive the same amount of funds based on the counties' ability to pay or the fiscal capacity. Administrators from both systems agreed

that teacher salaries could be added as a component to the Basic Education Program. Further studies could be completed concerning all aspects of the components of the Basic Education Programs and the Fiscal Capacity Model. Other suggestions for studies could be what impact on state funding would occur if teacher salaries were added as a component to the Basic Education Program and the Fiscal Capacity Model be changed from a county's ability to pay to a school system's ability to pay.

Consolidation was not an issue that many city and county administrators wanted to discuss nor did they accept that it would help resolve equality in education in the state of Tennessee. A future study for the issue of consolidation of school systems would be a survey of all high-ranking school system administrators of the state of Tennessee along with elected state and local governing bodies from each county and city.

Implications for Practice

To address educational equality, student achievement and teacher salaries in the state of Tennessee, recommendations are as follows:

- 1) Establish a state property tax. This tax would be required on all property in the state of Tennessee.
- 2) Extend the school year by five days. These five days would be used for required staff development for all teachers.
- 3) Create academies for teachers of students with low test scores. In these academies teachers would review student performance indicators, teaching strategies, lesson plans, and assessment skills to use in their classrooms.

- 4) Counties that are comprised of dual systems might apply for extra monies from the state property tax to equalize teacher salaries between the dual systems.

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APPENDIX

Letter to Participants

Timothy W. Harrison
708 Franklin Street
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tharrison37745@yahoo.com

Dear Participant:

My name is Timothy W. Harrison. I am the principal at West Pines Elementary School, in northern Greene County. I am also a doctoral student in the ELPA program at East Tennessee State University. To complete my degree I am doing a dissertation entitled **Perceptions of Educational Equality in Tennessee: A Comparison of City School Systems vs. County School Systems in Northeast Tennessee**. In order to complete my research in a mixed-methods research design, I am asking for permission to interview you in this research. I am very hopeful you will participate in this study. The results of this interview will remain confidential and fictitious names will be used in the paper. Participation is voluntary and there will be no consequences for non-participation. However, it would be greatly appreciated for your assistance in this project.

A list of preliminary questions is attached for your review. I may change or add to those questions based on your own answers or the answers of previous interviewees. The interview will last no longer than thirty minutes based upon your answers. Enclosed for your convenience is a self-addressed stamped envelope for your reply. Please list the two people to contact along with their telephone number and/or email address.

You will be asked to participate in an audio-taped interview with the researcher. The researcher will use an open-ended interviewing style and will utilize a list of interview guide questions to conduct the interview. The interviews will take place at the most convenient location possible for you. An introductory letter will be sent to you to obtain permission.

There are no known or anticipated risks to you. However, some question can provoke feelings of discomfort.

Any potential benefit to the participant would arise from that individual's reflection upon the interview questions and his/her personal reaction to those items. The benefits of the study would be a better understanding of the BEP Funding Formula and comparisons of city and county school systems per-pupil spending and report cards.

You may choose not to answer any questions that provoke feelings of discomfort. You may refuse to participate or discontinue at any time without penalty or loss of benefits that you might otherwise be entitled to.

If you have any question or concerns about the research and want to talk to someone independent of the research team or if you cannot reach the study staff which is Tim Harrison (423) 234-3107 (school), 423-638-6695 (home), 423-555-9229 (cell), you may call an IRB Coordinator at (423) 439-6055 or (423) 439-6002 or Dr. Terry Tollefson who is the chairman of this dissertation and he may be reached at (423) 439-7617.

Sincerely,

Timothy W. Harrison

Revised on 3/27/2006
5/1/2006

Perceptions of Educational Equality in Tennessee: A Comparison of City School Systems vs. County School Systems in Northeast Tennessee

Preliminary Interview Questions

1. What are your current observations on the degree of educational equality existing in Tennessee public schools?
2. To what extent do you think the current Basic Education Funding program provides an adequate education for all Tennessee city and county students?
3. What effects has the BEP funding formula had on your school district or school?
4. To what extent do you believe the BEP funding formula is fair for your school district or school?
5. What changes, if any, do you think are needed in the BEP funding formula in order for your school district to provide an adequate education and/or services to students?
6. What effects do you think school system consolidation would have on the degree of equality of educational opportunities in your city or county?
7. In your opinion what can be done to equalize teacher salaries throughout the state of Tennessee?

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VITA

TIMOTHY W. HARRISON

Personal Data: Date of Birth: February 8, 1960
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 Tisha Cox Harrison
Children: Timothy Wade Harrison, Jr.
 Terran Catheryn Harrison

Education: Tusculum College, Greeneville, Tennessee;
 Bachelor of Arts, 1982

 East Tennessee State University, Johnson City, Tennessee;
 Master of Education, 1986

 Lincoln Memorial University, Harrogate, Tennessee;
 Educational Specialist, 2002

 East Tennessee State University, Johnson City, Tennessee;
 Educational Leadership and Policy Analysis, Ed.D., 2006

Professional
Experience: Greene County School System
 Newmansville Elementary School, Teacher/Coach, 1983-1989
 Nolachuckey Elementary School, Special Education Teacher/Coach,
 1989-1994
 West Greene High School, Special Education Teacher/Coach,
 1994-2002
 West Pines Elementary School, Principal, 2002