ABSTRACT OF
EDUCATIONAL RESEARCH STUDY COMPLETED

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Author of Study Dewey Large

Title of Study A STUDY OF THE ABILITY OF SEVIER COUNTY TO SUPPORT ITS SCHOOLS

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Scope of study: This study proposes to determine the ability of the people of Sevier County to support a program of education in its public schools. The available finances and possible sources of revenue for developing, maintaining, and improving public education within the County have been investigated in an effort to clarify the complete financial aspect of the educational situation. The educational situation and financial conditions of the County have been shown with little attention to other county or city school systems. An attempt has been made to show the existing financial conditions of Sevier County, the present ability to support an educational program and to determine ways of channeling that ability to more effectively meet the needs of the people in a total program of education. The local ability to support schools has been shown.

It is hoped that a consideration of this study by the governing body of Sevier County will bring about an improvement in education for the people of Sevier County, Tennessee.

Findings: In condensing the findings of this study it seems in order to mention the following: More revenue could be produced in a more fair manner. The total expenditures for the school program has increased in a definite trend. Real Estate is valued for tax assessment at the average percentage of its sale value of only 8.7 per cent. Local tax effort is decreasing. Schools and educational activities receive the largest amount of the local tax dollar. The financial structure of Sevier County has been impaired by political partiality. Adequate school housing facilities and equipment have not been provided. Numbers of students are increasing.

This report made by Dewey E. Large

This report approved by Orin B. Graff
Major Professor

(Use reverse side if necessary)

Form G-20

December 15, 1952

To the Graduate Council:

I am submitting herewith a thesis written by Dewey Large entitled "A Study of the Ability of Sevier County to Support Its Schools." I recommend that it be accepted for nine quarter hours of credit in partial fulfillment of the requirements for the degree of Master of Science, with a major in Educational Administration and Supervision.

Irvin B. Goff
Major Professor

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Dean of the Graduate School

A STUDY OF THE ABILITY OF SEVIER COUNTY TO SUPPORT ITS SCHOOLS

33

A THESIS

Submitted to
The Graduate Council
of
The University of Tennessee
in
Partial Fulfillment of the Requirements
for the degree of
Master of Science

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by

Dewey Large

December 1952

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CHAPTER I

INTRODUCTION

This study concerns the relationship between educational and financial issues in Sevier County, Tennessee.

Purpose of the Study

The purpose of this study is to determine the ability of the people of Sevier County to support a program of education in its public schools. The available finances and possible sources of revenue for developing, maintaining and improving public education within the County will be investigated with the intention of clarifying the complete financial aspect of the educational situation. It is hoped that the report of findings in this study will be favorably accepted and used by the Quarterly Court and the Board of Education of Sevier County.

The educational situation and financial conditions of the County will be shown with little attention to other county or city school systems. This writing will not be a detailed financial statement of debit and credit, and liabilities and assets, but will be an attempt to show, through a study of the existing financial conditions of Sevier County, the present ability to support an educational

program and to perhaps determine ways of channeling that ability to more effectively meet the needs of the people in a total program of education.

Statement of the Problem

It can undoubtedly be assumed that any school area can make an effort in direct proportion to its ability to support a system of education. The writer will make no attempt to define a minimum or a maximum educational program for Sevier County, but will portray facts that will determine the local ability to support schools. All phases of finance for education in one county could not successfully be treated in an investigation of this kind, which necessitates certain limitations which will control the range of or field within which this study is effected. Paul Mort says:

> . . . we must hold in mind the pattern of public education in American and we must be as alert as possible to those aspects that are now in flux. The machinery of control and operation is a large determiner of financial practice. By and large, American states have followed the policy of throwing the great weight of responsibility for educational decisions upon state agencies of limited geographical jurisdiction (school districts). This accounting and local reporting. As education increased in scope and cost and as economic changes occurred affecting large numbers of districts differently, these developments inevitably carried in their wake the need for financial equalization among communities and between property and other taxes, all of which tremendously complicated the financial picture.[1]

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[1]Paul R. Mort and Walter C. Reusser, Public School Finance (New York: McGraw-Hill Book Company, 1951) p. xi.

Limitations of the Study

The following points will serve to give direction and mark limitations in a general way during this study:

1. What determines the financial ability of Sevier County?

2. What do statistics of the last few years show as a trend in educational demands and expenditures?

3. What is the relationship of assessed valuation to true evaluation?

4. In what direction is the local tax effort going?

5. How are sources and amounts of revenue related to schools?

This study will be further limited by the kind and amount of data and information available.

Importance of the Study

With all the available material and social resources, it is believed that Sevier County can have an improved educational program. By probing into and showing its financial ability, perhaps the county governing body can be shown what they have, and will decide to improve upon that which exists. The important theme of this study will deal with school finance and its relationships:

School finance has been one of the most critical

problems facing the public schools of the nation in the postwar years. The principal reasons for this difficulty are four fold -- 1. With few exceptions the schools throughout the nation are offering more and better services; 2. The school population is increasing rapidly as a result of the high birth rate during and immediately preceding the war years; 3. School building was almost at a complete standstill during the war and during the depression years; 4. The purchasing power of the dollar has greatly declined in the postwar years.[2]

Income management generally presumes the existing legal framework for financing schools from local and central sources. It is true that good management of existing income makes it easier to obtain a more adequate revenue system; but an improved revenue system cannot be attained easily. Obtaining it requires the cooperative effort of laymen and management everywhere in the state and nation. The most difficult problem is the securing of sufficient income for operation.[3]

For the country as a whole the major portion of school money is obtained from local sources. Usually $66 out of $100 spent for schools is obtained locally by means of tax on real estate. Obviously, the agency that decides the amount of money to be raised locally each year has a very important responsibility.[4]

Today it can be said with considerable assurance that communities spending more for education get more of what promises results desired by people in general. Expenditure level is one of the highly important questions in communities that have provided more in the way of educational support than their neighbors. Such communities had their own specifications, which to them were undoubtedly sufficient. They might point to the larger percentage of children entering college, to the greater

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[2]Survey Report of Public Schools of Davidson County, Tennessee, 1949, George Peabody College of Teachers, Nashville, Tennessee, p. 198.

[3]Arvid J. Burke, Financing Public Schools in the United States. (New York: Harper and Brothers, 1951) p. 407.

[4]National Education Association of the United States. Paying For Schools, March, 1948 (Washington, D. C.) p. 3.

amount of individual attention their children received because of more adequate staffing, to longer school terms, to more adequate provisions of supplies at public expense, to well-kept school buildings, to better holding power in high school, to less in the way of retardation of children, or to a combination of these services. An Ohio layman once told the senior author that he came from a rural community in that state where, down through the years, it had been a tradition to employ the best trained teachers they could find. He then recounted the number of persons of distinction who had come from that small community as a justification for this tradition. . . . .

. . . . . .

. . . Accordingly studies made in the first two or three decades of this century were more concerned with discovering the degree to which states had actually provided minimum terms, well trained teachers, supplies at public expense, custodial service, etc. This doubtless explains the fact Ayres only parenthetically introduces the question of the relationship between expenditure and results in education in connection with his Index Number for State School systems. . . . . It certainly was not surprising to discover that states which spent more money had longer school terms and were reaching more children. . . . .

. . . . . .

We can, however, secure from the data presented in this volume convincing evidence that there is a real relationship between expenditure and results in education. We cannot prove that the higher paid teacher is individually more skilled than the lower paid one, but it can be shown that as salaries increase, attendance improves, and more pupils are found in high schools. It can further be shown that as salaries increase, expenditures for purposes other than salaries also increase and this results in better buildings and equipment.[5]

Formal education in America has evolved from being practiced in private institutions for a select few to being available for everybody in systems of public schools. Early

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[5]Mort and Reusser, Op. Cit. pp. 117-118.

in the history of this nation, wise leaders realized that if democracy was to succeed its very life depended upon proper education for all the people. From this realization and belief came the greatest experiment in mass education in history. Today, every child has an opportunity to obtain an education; regardless of his religion, his color, or his social position, there is a public school open for him.

> In less than two hundred years the United States has grown from a feeble and uncertain beginning to one of the foremost nations of the modern world. In its rapid rise certain institutions, events, and beliefs have added to its growth. Among these are a Constitution providing for a system of representative democracy with free courts, a necessary executive branch of government, a Congress directly responsible to the people. Among the principles we have followed, which have made America great, none has been more important than our belief in free public education and the right of all to equal educational opportunity.[6]

> Between 1870 and the present time, Tennessee has evolved from a relatively obscure agricultural state into an increasingly urban, industrialized state upon which, due to the Tennessee Valley Authority experiment and the atomic energy developments at Oak Ridge, the eyes of all America and of the entire world have turned. Great advances have been made in development and conservation of our rich natural resources and in the promotion of a balanced industrial growth. Wealth and income have expanded, living standards have risen, health has been improved, and educational progress of great magnitude has been made.

> Along with these developments have come greater burdens upon state and local units of government, increasing needs for revenues, more complicated governmental organization, and the requirement of more scientific techniques and more efficient personnel.

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[6] Walter D. Cocking, Chairman of the Board, School Executive, Editorial, November, 1949. p. 5.

Government in Tennessee is now too important to be inefficient.[7]

Sevier County has gone along in this educational movement, but it is to be determined whether the people have or have not had the educational opportunities that could have been and can be made available in the county public school system. Ability plus effort make for accomplishment. Concerned citizens will evaluate the existing educational situation in relation to the possibilities of improvement. This study will serve to bring some important facts to their attention. An efficient, enduring democracy requires that citizens take an active intelligent interest in everything that concerns them.

Related Studies

There is much literature related to the general treatment of school finance and county government, but in the search for helps in the preparation of this writing, very little compiled and published material specifically relative to the financial and educational situations under consideration was found. Brief discussions of printed material which the writer thinks is pertinent will be introduced and other sources of data and information identified.

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[7]James E. Thorogood, A Financial History of Tennessee Since 1870. (Nashville: Tennessee Industrial School, 1949).

1. A Financial History of Tennessee Since 1870:[8] This book helps to give an understanding and promotes a clarification of our present situation by pointing out some of the causes of our having become what we are. A study of this work assisted the writer in attempting to point toward a solution of the problem under consideration.

2. A History of Sevier County:[9] This pamphlet gave the writer some ideas concerning the development of Sevier County.

3. County, City and Town Government in Tennessee:[10] Copies giving information from 1940 to 1950 were found. These studies were conducted by representatives of Tennessee Taxpayers Association and give statistics directly related to the study at hand.

4. Financing Public Schools in the United States:[11] This is considered by the writer as a very up-to-date reference for this study. Postwar trends which are causing and will create serious financial problems are considered. A

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[8] Ibid.

[9] Fred Matthews, History of Sevier County. (Knoxville: Master Printers, 1950).

[10] Tennessee Taxpayers Association, County, City and Town Government in Tennessee. (Nashville: Research Reports, 1940-1950).

[11] Alvin J. Burke, Financing Public Schools in the United States. (New York: Harper, 1951).

background for determining policy and practice in the financing of public schools was obtained before this writing was begun.

5. Public School Finance:[12] This book serves as one of the main sources of the writer's knowledge of the background, structure and operation of school and finance and total understanding of revenues and expenditures for public education. In this study one is made aware of the rapid change in education and that financial organization and operation for schools in a democracy must be dynamic.

6. Rules and Regulations, Tennessee State Board of Education:[13] The limitations, requirements, and expectations of the Sevier County Public School System and its relation to the Tennessee State Program of Education were found in books of this name.

7. Tennessee Annual Statistical Report of the Department of Education:[14] Reports from 1940 through 1951 were available and studied. These reports are published in Nashville, Tennessee, in keeping with the provisions of Chapter 33 of the Public Acts of 1937 and are the annual

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[12]Paul R. Mort and Walter C. Reusser, Public School Finance (New York: McGraw Hill, 1951).

[13]Tennessee State Board of Education, Rules and Regulations (Nashville: Department of Education).

[14]Tennessee State Board of Education, Tennessee Annual Statistical Report of the Department of Education (Nashville: Department of Education).

statistical and financial reports for the public school system of Tennessee for fiscal school years. Information studied in these reports was of both general and specific nature as concerns the problem under consideration.

8. Tennessee, Its Growth and Progress:[15] The value of this book is of historical, legal and geographical nature.

9. Tennessee's Program of Public Education:[16] In 1948 the Tennessee State Department of Education published this study which rates this state's educational program in all aspects and compares the program with the programs of forty-seven other states.

Additional Sources of Data

Other magazines, pamphlets, and articles were examined and studied. Information and data that were absolutely necessary to the making of this study were obtained from the following indicated public offices and office holders of Sevier County:

Sevier County Agent: D. E. Hendrix

Superintendent of Sevier County Public Schools:

Mayford Seaton

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[15] Robert H. White, Tennessee. Its Growth and Progress (Nashville: White Publishing Company, 1947).

[16] Tennessee State Board of Education, Tennessee's Program of Public Education (Nashville: Department of Education, 1948).

Superintendent of Sevier County Roads: Roadman Holt

Sevier County Trustee: Joe Dockery

Sevier County Judge: E. T. King

Sevier County Court Clerk: Ray Miller

Sevier County Register: Xan Davenport

Sevier County Tax Assessor: Asa Delozier

Other contributory statistics and information were obtained from numerous helpful and interested individuals.

Presentation by Chapter Organization

In Chapter I of this writing the purpose, the limitations and importance of the stated problem has been given in the focus of related literature and sources of data and information.

Chapter II gives a description of Sevier County geographically, sociologically, and economically as concerns civil government and point of study.

Chapter III shows Sevier County's school financial situation with direct emphasis upon control, Tennessee Equalizing Program, and total revenue for education.

Chapter IV shows the expenditures for schools in Sevier County in the several itemized catagories of expense and finally in comparison with several other selected Tennessee counties.

Chapter V is concerned with the financial ability

which is shown in detail.

Chapter VI is a study of the present sources of revenue and a consideration of existing properties, concessions, and activities that might be considered as new sources of revenue.

Chapter VII presents the findings, conclusions and recommendations made in this study.

CHAPTER II

DESCRIPTION OF SEVIER COUNTY

Location

Sevier County is located in East Tennessee touching the Great Smoky Mountain National Park, lying between approximately 35° N and 36° 05' N Latitude and 83° 15' W and 83° 50' W Longitude. Its recognized boundaries are those indicated in Figure 1, page 14 of this writing.[1] The area is more than 185,000 square acres. Most of this is rolling or steep terrain. Some of it is covered by Douglas Lake. There is much fertile soil near the French Broad and Little Pigeon Rivers. However, the land around, in, and between Pigeon Forge and Gatlinburg has a higher cash value per acre.

Sociological Description

Population of the county, according to the 1950 census report, is 23,396. Of which only about 3,500 people are residents of the two incorporated towns; 300 of the total population are colored.[2] In 1940 the population was recorded

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[1]Robert H. White, Tennessee Its Growth and Progress (Nashville: White Publishing Company, 1947) p. 104.

[2]Ray Miller, County Court Clerk, Census Report 1951.

SEVIER COUNTY



FIGURE 1.: MAP OF SEVIER COUNTY SHOWING SURROUNDING COUNTIES AND THE THREE TOWNS.

DRAWN FROM ROBERT H. WHITE, TENNESSEE IT'S GROWTH AND PROGRESS, NASHVILLE: WHITE, 1947. p. 1046.

as 23,271.[3] A reasonable explanation for the small increase in population during this decade is that Federal and State projects have required many people to move from their homes; military service has claimed many others; and more industry and more pay in other sections of the nation and world cause great numbers of young men and women to seek professions and jobs outside the county.

People of Sevier County are known to be conservative and reluctant to accept new ideas and change. They are mainly of Scotch, Irish, English, Dutch, and Cherokee Indian descent. There are only a few Negroes in the county; they live in the Sevierville and Boyds Creek areas. These people are interested in their children and seem to realize that through more and better education they can improve their complete standard of living. They like to boast about their county being one of the strongest Republican counties in the entire United States of America. There is no available record either written or oral of an avowed Democrat having received public office through political aspiration. According to the Sevier County Election Commission, the polling of votes is usually about six to one ratio of Republicans to Democrats. No political party other than

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[3]George Stinnett, A Study of the Ratio of the True Value to the Assessed Value of Real Estate in Sevier County, Tennessee. (University of Tennessee, 1949) p. 6.

Republican and Democrat is recognised.

Religion is of great importance to all Sevier Countians. Christianity is the entire religious front with the majority of the populace being "professing" Christians. One United States of America Northern Presbyterian Church, one United States Southern Presbyterian Church, fifty-two Southern Baptist Churches, two Primitive Baptist Churches, fifteen or more other white groups operating with the name of Baptist, one New Salem Baptist Church (colored), one Church of Christ Holiness (colored), twenty-two Methodist Episcopal Churches, one Angelican Episcopal Church, one Roman Catholic Church, two Churches of Christ, and other small groups calling themselves churches attempt to satisfy the religious needs of Sevier County and her visitors.[4] These many so-called religious denominations do not make for unity of purpose in education for democratic living.

Economics

Vocational opportunities are limited in Sevier County at present. In addition to the public service and utility work, enterprises pertaining to agriculture and tourist accommodation are predominant. There are more than 3,400 farms operated by approximately 4,250 farmers and their

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[4]Information found through personal survey of Sevier County Religious Activities.

families producing a gross income of about five million dollars annually.[5] Exceeding agriculture in financial importance is "tourist trade," amounting in gross annual income to an excess of fifteen million dollars.[6] Of functional importance, and to some degree financial, are education (which employees 278 personnel), publicly elected and appointed county and city service positions, one Production and Marketing Association office, one County and City Electric System, five grain mills, sixteen sawmills and lumber plants, one hosiery mill, one building block processing plant, two quarries, arts and crafts producers, and several other small producing and marketing units. Timber is an outstanding natural resource.

Three banks are located in the county and some private money is banked in Knoxville, Tennessee. Most buildings which are new or are being built are the results of loans. These banks are locally owned and do a good business.

Roads are comparatively poor in Sevier County. There are 177 miles of state and federal supported roads and 1500 miles of county roads which should be improved and maintained.[7]

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[5]David B. Hendrix, Sevier County Agent's Report, 1951. Complete.

[6]Hendrix. Loc. Cit.

[7]Roadman Holt, Sevier County Road Records, 1952. Sevierville.

There are 702 miles of rural mail routes.[8] Most imports and exports are by automotive truck since there are no navigable streams and only one railroad over which an ancient locomotive and a few cars make one round trip daily to Knoxville. Poor roads hamper consolidation of schools.

Structure of Civil Government

The county is divided into seventeen civil districts with a justice of the peace elected from each one except the fifth district in which two are elected. The county government is conducted by these men. Their business meetings are presided over by a publicly elected County Judge. Little cooperation is experienced in this group; it seems that each justice wants all the county benefits for his district. The court appears to be progressing in ideas and actions for advancement, but previously, according to interested citizens, it was generally of the opinion that "what was good for Grandfather, was good for us, and what was good for us will be good for our children and grandchildren." Attention is called to Figure 2, which, upon observation will explain civil districts. The fifth and eleventh districts contain more population and classified wealth than any other districts. The county is divided into seven school districts which

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[8]Ralph Murphy, Sevier County Postal Service Record, 1952, Sevierville.

CIVIL AND SCHOOL DISTRICTS OF SEVIER COUNTY.

A.

B.

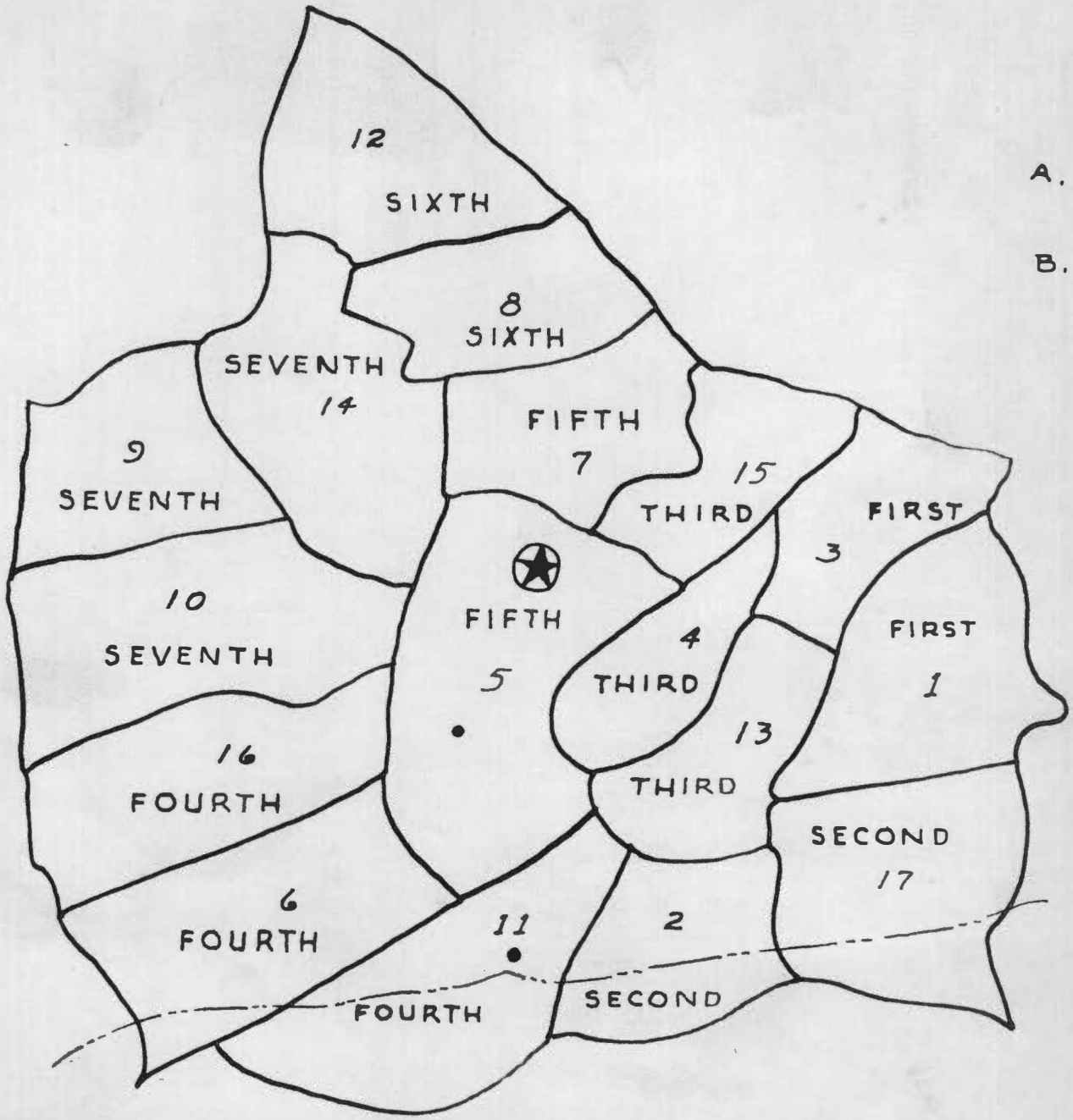


FIGURE 2: MAP OF SEVIER COUNTY SHOWING CIVIL AND SCHOOL DISTRICTS.

A: TRANSPOSED FROM: SEVIER COUNTY P. M. A. MAP SEVIERVILLE, TENNESSEE.

B: NUMBERS INDICATE CIVIL DISTRICTS.
WORDS INDICATE SCHOOL DISTRICTS.

combine and overlap the civil districts.

Point of Study

Money for Sevier County's educational expenses comes from taxes of county, state and federal sources. Some sources and amounts of revenue will be considered. It is believed that research in this study will reveal that the complex and evolving society of today is placing a growing demand upon schools and that in order to meet and keep pace with that demand the current social and economic structure will of necessity have to be modified. Democracy cannot be born and survive in a static condition within schools.

Table I, page 21 shows trends in population in Sevier County. Table I shows the number of residents of Sevier County over the period of time from 1850 to 1950. The numbers were determined by enumeration according to the procedure required by The Constitution of the United States of America to have a census of the people living in its contiental and outlying boundaries with the exception of the population given for the year 1900. The number for the year 1900 was taken from the graph shown as Figure 3, page 22, as was given at the intersection of the running population line with the fixed year line.

It will be noted that there were regular consistent

TABLE I

POPULATION OF REVIER COUNTY FROM 1870 TO 1950 ACCORDING TO CENSUS[a]

Year	Number of People
1850	6,920
1860	9,128
1870	11,068
1880	15,541
1890	18,757
1900[b]	20,400
1910	22,296
1920	22,384
1930	20,480
1940	23,291
1950	23,396

[a]"Facts and Figures From U. S. Government and State Records," Educational Publishers, 1951 (St. Louis, Missouri) p. 5.

[b]The number of people indicated for the year 1900 was not found in tables of statistics but was computed graphically.

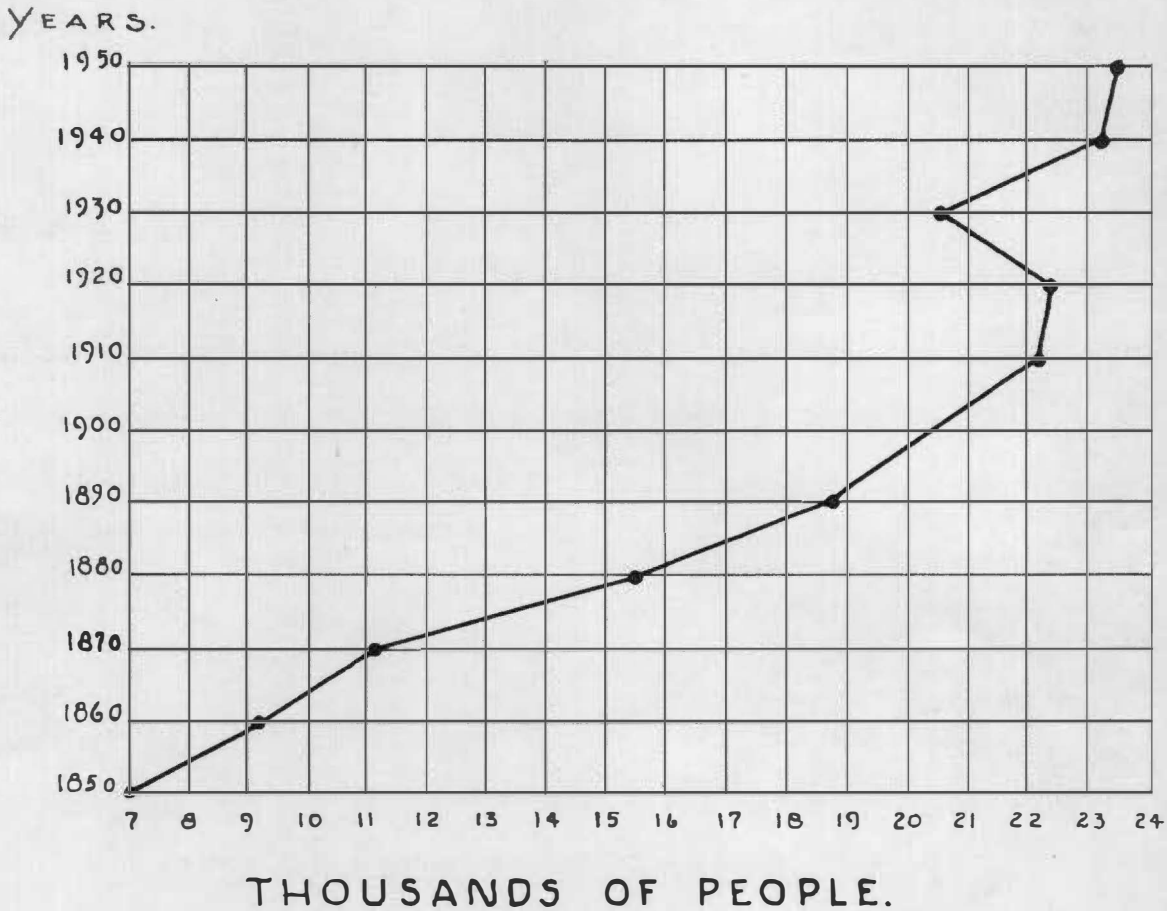


FIGURE 3: POPULATION GROWTH IN SEVIER COUNTY.

increases in population during the first two twenty-year periods. The next ten years began to show the same kind of increase, but the next periods show a reverse of this graphic incline which was perhaps caused by physical, economic, and sociological hardships and crises. Graphically, the last census showed an increasing incline in Sevier County population.

Figure 3, page 22 indicates in graphic form the trend in population in Sevier County from 1850 to 1950.

Table II, page 24 gives the number of teachers showing the kind of certification and permit to teach. Statistics found in the office of the Superintendent of Sevier County Public Schools that they did not show anything other than the kind of certification concerning the qualifications of the teachers in the school system for years 1940 and 1945. In addition to statistics of the same kinds as those shown for years 1940 and 1945, for 1950, the amount of formal academic collegiate training was indicated for each teacher.

The table shows an increase in permit teachers, a decrease in temporary and examination certificated teachers, and only a slight decrease in permanent certificated teachers.

It is of significant value to study the table and graphic Figure 4, expression of Table II supplement. There is no Ph.D. degree among the group and only a few Master's degrees. It can be seen that the majority of Sevier County

TABLE II

TEACHERS' QUALIFICATIONS[a]

Year	Certificate Permanent Professional	Certificate Four-Year Professional	Certificate Limited Transfer Professional	Certificate Permanent Examination	Certificate Four-Year Examination	Permit (Qualified Not Available)	Total All Kinds
1940	131	31	3	2	2	0	169
1945	79	3	0	4	0	72	158
1950	125	0	0	1	1	84	211

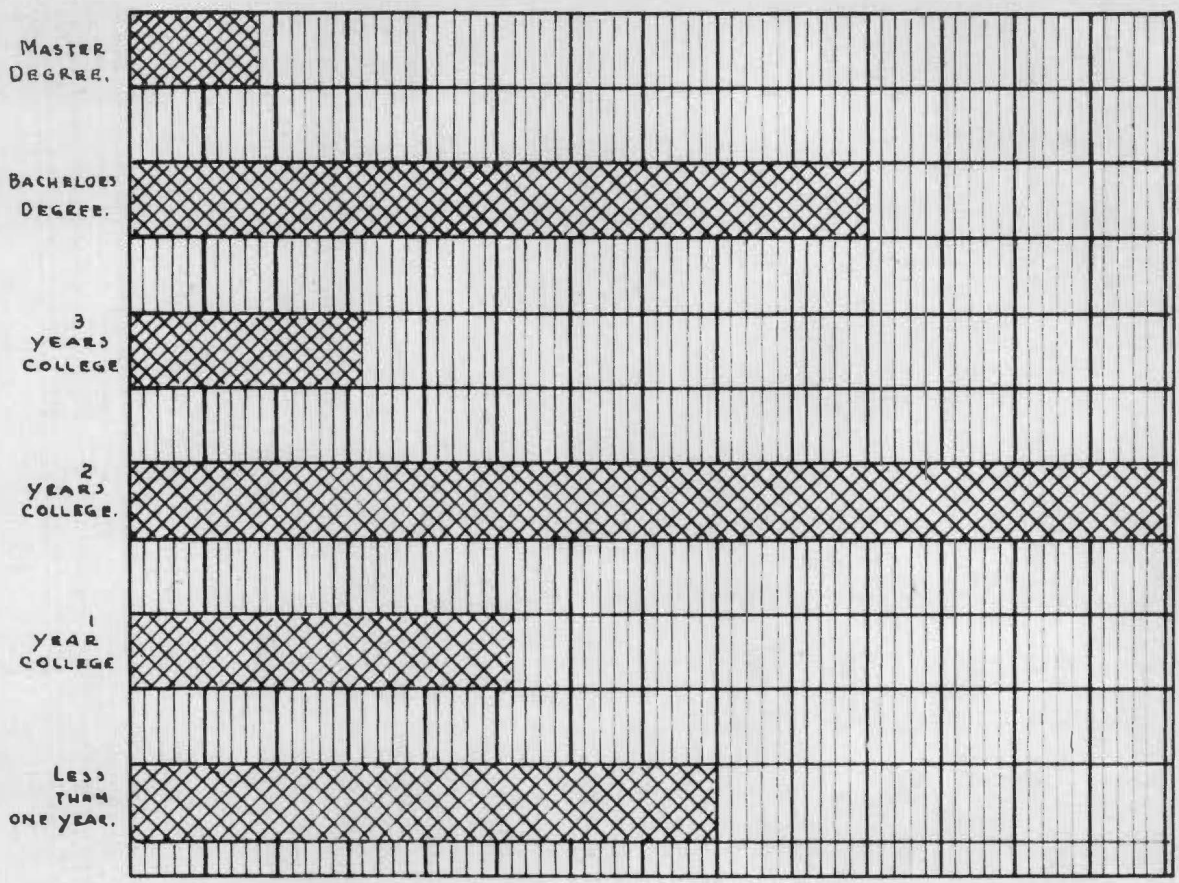
[a]Sevier County Superintendent's Files, School Superintendents' Annual Statistical Report, 1940, 1945, 1950.

TABLE II (supplement)

DEGREES AND TRAINING OF TEACHERS
IN 1950-51 SCHOOL YEAR[a]

Year	Master of Science or Master of Arts	Bachelor of Science or Bachelor of Arts	3-Years College	2-Years College	1-Year College	Less Than 1-Year College
1950	9	50	16	70	26	40

[a]Sevier County Superintendent's Files, School Superintendents' Annual Statistical Report, 1950.



ONE UNIT HORIZONTALLY REPRESENTS ONE TEACHER.

FIGURE 4: GRAPH SHOWING THE FORMAL TRAINING OF TEACHERS IN SEVIER COUNTY SCHOOLS YEAR 1950 - 1951.

teachers have experienced a period of formal and specific educational training.

Figure 4, page 28 is the graphic representation of the amount of formal training experienced by teachers who were employed during the year 1950.

In view of the facts presented up to this point, it appears that a need for studying and clarifying the ability of Sevier County to support its public school system exists. It seems that the application of increased financial support to the program would create an improvement in the educational situation. A consideration of the process of obtaining and using revenue on a local level would make possible improvement with local control and state approval. The local governing officials should become familiar with existing methods of obtaining and using revenue for schools and use, change or improve them to meet the need of education for the people of the county.

In this country, free public education is associated with, and more or less directly dependent upon, the problem of adequate school finance. An effort is being made in this study to find and bring to the attention of those who should be concerned just what exists in the revenues and expenditures on the local level. In the light of this study, it is hoped that school buildings and grounds, equipment and facilities, and quality of instruction can and will be improved.

CHAPTER III

SEVIER COUNTY'S ATTEMPT TO DEAL WITH SCHOOL FINANCE

State-County Finance and Control

The people of a local school community in any state exercise such control over the financial affairs of their school or schools as is delegated to them by the people of the whole state.[1] Local revenue for education, and for everything else in Tennessee is governed to a great extent by taxes on real estate. Sevier County is authorized by law to levy taxes on such things as beer and admissions to entertainments. Taxes of this nature amount to no importance, however, because the county as such, at present, has issued no license for the sale of beer, and there are very few businesses which charge admission. The city of Gatlinburg permits the sale of beer, but the revenue from the sale in the form of taxes to the city is used for purposes other than educational. The State of Tennessee sends Sevier County periodically a part of the state beer tax; this revenue is controlled by the Quarterly Court which may at its discretion apply the whole or a part of the county portion of the State

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[1] Federal Security Agency, Financing of Schools as a Function of State Departments of Education (Washington, D. C., 1941) p. 1.

beer tax to education. Some local monies are obtained from sale of school properties declared surplus in the school consolidation program and from private and organizational donation. State and federal material and financial assistance to school lunch programs is of marked importance. State aid to education in Sevier County makes possible the magnitude of the existing educational program.

In relation to the function of State-County financial arrangements, Sevier County is an equalizing county. The minimum amount of revenue which Sevier County must raise in order to participate in the Tennessee State equalizing fund program is found by applying the index number of percentage of relative ability of .2580% to the figure of $19,500,000.00.[2] This figure represents the minimum amount required by law that all the equalizing systems must provide. When this indicated calculation is effected it is found that $50,317.80 is the amount of revenue that Sevier County is required to raise. No rule, regulation or law has been found that would in any degree restrict or prevent any county from raising more revenue for schools than this indicated minimum.

The only part of local expenditures for education which is not controlled by the state is that part which is in excess of the amount required for recognition and participation in

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[2]Tennessee State Board of Education, 1951-52 Rules and Regulations (Nashville: July, 1951) p. 29.

the state minimum school program. The state does distribute small amounts to the county for exceptional children, teachers' in-service training, and vocational education. The educational program for Veterans of World War II and the Korean Police Action is of outstanding importance, but is usually considered apart from the general education program.

Sevier County in the State Equalizing Program

Sevier County benefits from the equalizing program by having the state supply funds for fixed charges, school plant maintenance, pupil transportation, travel expenses for teachers of home-bound children; travel for teachers rendering service on a county-wide basis, expenses for health education and services, expenses of learning and instructional materials, salaries of teachers and principals, expenses of general control, cost of scholastic population enumeration, salary of one office clerk, travel expenses for the superintendent and the members of the board of education, and the salary of the county superintendent of schools. The total amount of equalizing funds to which this county is entitled is found by subtracting the pro rata share of local funds from the total cost of the minimum program.

The needs and expenditures for service for the minimum educational program are determined according to the Tennessee State Board of Education. Minimum salaries for professional

school personnel are determined by state board rule. The county superintendent's salary is governed by the amount of college education, experience, and the number of pupils in his school program. Total enrollment and number of years of business training determine the salary of the clerk in the county school superintendent's office. Teachers' salaries are based upon training and college degrees and years of teaching experience. Principals' salaries are based upon training and college degrees, years of experience and the number of teachers in their schools. Travel expenses are allocated to be expended in a certain category and are of a fixed minimum amount.

The county obtains assistance in its program of pupil transportation through its relationship as an equalizing education system. Allocated from $45,000,000.00 state public school operation and maintenance fund is $4,990,850.00 for pupil transportation in equalizing counties to be distributed among the equalizing counties as follows: a per capita amount of $10.00 per pupil in average daily transportation during the preceding year. The remainder is to be distributed to the various counties according to the ratio of the average rural population per square mile in the county.[3]

The cost of Scholastic Enumeration: This cost is

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[3]Tennessee State Board of Education, Op. Cit., p. 20.

determined on the basis of per capita amount per census pupil.

Learning and Instructional Materials: School plant operations: School Plant Maintenance, and Fixed Charges: The cost of both these items are based on a per capita amount of A.D.A. of the previous school year. For the 1951-1952 school year, learning and instruction and health education have been fixed at a minimum school year. The per capita amount for school plant operation, school plant maintenance, and fixed charges has been fixed at a minimum of $9.70 per pupil A.D.A., grades 1 through 12 of the previous school year.[4]

Sevier County is required to raise from local sources at least the amount shown by the application of the index of relative financial ability, comply with the state salary schedule, levy a single school tax, meet all the laws of the state and all rules and regulations concerning each item of minimum progress as stipulated by the state board of education.

To enable a county to carry out its minimum program, the state distributes funds to it on the basis of whether it elects to be an equalizing or non-equalizing county. The basis of distribution is quite different for the two types except on the following two major items: (1) capital outlay, and (2) textbooks. The state distributes to the counties, both equalizing and non-equalizing, the $6,300,000.00 capital outlay fund on the basis of the ratio that exists between the estimated true valuation of the property per student in A.D.A., grades 1 through 12, school year 1947-1948 in the county. Allocated from the approximately forty-five million dollars operation and maintenance fund for the public schools of the state is $1,600,000.00 per annum for the purchase of textbooks for all county, city, and special districts at the rate of $2.50 per pupil in A.D.A., grades 1 through 12, of the preceding school year. The state also distributes some smaller funds, in-service training funds, special education funds, etc., to the counties, both equalizing and non-equalizing, on the same basis. However, the $1,600,000.00

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[4]Dr. Kenneth E. McIntyre, Revenue and Expenditures of Local and State School Systems in Tennessee. 1951, p. 4.

> textbook fund is the only allocation of the $45,000,000.00 operation and maintenance public schools which is distributed to the equalizing and non-equalizing counties, and the city and special districts on the same basis.[5]

It is perhaps fortunate for Sevier County students that their schools are in an equalizing system.

In the fiscally dependent and state equalizing educational system the public school program for Sevier County is executed by seven school board members and the superintendent of schools, who are elected by the voters. In addition to these, one attendance teacher, one county librarian, one county lunch-room supervisor, 170 elementary school teachers, forty-two high school teachers, fifteen special teachers, one transportation coordinator, twenty-four school bus operators, and necessary maintenance personnel for 5060 elementary school students and 935 high school students in seventy-two elementary schools and four high schools are elected by the Board of Education. To provide educational experiences for the indicated students, a large amount of money is spent by and for this county in meeting requirements of the minimum program for education in the State of Tennessee. Excepting certain assistance given in only a few specific instances by such organizations as Kuritan Club, Lions Club, Pi Beta Phi Fraternity, and Parent-Teachers Associations, the educational program meets financially only the minimum state requirements.

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[5] Ibid., p. 2.

Revenue for Education

As in other county educational systems, money for Sevier County's educational expenses comes from taxes of county, state, and federal nature. Some sources and amounts of revenue will be considered in Table III and Table IV.

Table III was compiled by the writer from the record tax books of the Sevier County Trustee's Office. The years 1945, 1950, and 1951 were selected so that a post-war picture of revenues from real estate could be seen. Estimated Value were obtained for the indicated years by listing the registered estimated values of all real estate by years and totalling. Assessed Value was found by totalling the assessed values of all taxed real estate. Rate was recorded by year in the Trustee's Rate Book as established by the Quarterly County Court. Collected Revenue was found by adding all taxes from each parcel of taxable property and money in lieu of taxes from Tennessee Valley Authority.

The writer would like to point out that at the same time that the estimated value of real property in Sevier County increased $1,440,134.00, the assessed value was increased only $102.00. During the same period the tax rate was increased ninety-three cents.

The bearing that this data has upon schools in Sevier County will be shown in the relationship of Table III and Table IV to Table V.

TABLE III

TAXES FROM REAL PROPERTY IMPLICATIONS OF EVALUATION AND ASSESSMENTS[a]

Year	Estimated Value	Assessed Value	Rate	Collected Revenue[b]
1945	$11,238,630.00	$3,964,660.00	$3.42	$132,683.73
1950	$12,672,764.00	$3,964,782.00	$4.20	$159,088.60
1951	$12,672,764.00	$3,964,782.00	$4.35	$166,932.77

[a]Source: Record Books Sevier County Trustee's Office 1945, 1950, 1951.

[b]These figures for collected revenue include money paid in lieu of taxes by the Tennessee Valley Authority.

TABLE IV

TAX RATE PER $100.00 VALUE
OF REAL ESTATE (ASSESSED)

Year	Rate	Rate	Amount Alloted to Schools
1944	$3.42[a]	$3.50[c]	$1.47[c]
1945	3.42[b]	3.50[c]	1.47[c]
1946	3.42[b]	3.50[c]	1.47[c]
1947	4.22[b]	4.30[c]	1.47[c]
1948	3.77[b]	3.85[c]	1.47[b]
1949	4.12[b]	4.20[c]	1.37[c]
1950		4.05[c]	1.37[c]
1951		4.35	1.47[c]
1952		4.35	1.37[c]

[a]Tennessee Taxpayers Association, The Fifth Annual Survey of Local Government (Nashville: 1945) Appendix.

[b]Tennessee Taxpayers Association, County, City and Town Government in Tennessee (Nashville: 1949) p. 40.

[c]Sevier County Trustee's Record Books, 1944-1952.

TABLE V

FINANCES FOR SEVIER COUNTY
SCHOOLS FROM LOCAL SOURCES

Year	Local Revenue to Schools*
1945	$30,8[illegible].40 (T.V.A. included)
1950	50,617.04 (T.V.A. included)
1951	57,137.58 (T.V.A. included)

*Source: Record Books Sevier County Trustee's Office 1945, 1950, 1951.

In reference to Figure 5, page 39 which shows the trends implied in Table III: This graphic drawing does not show an exact picture, but is approximate enough to show that assessed valuation and estimated valuation of property in Sevier County not only do not coincide, but also are not parallel.

It remains to be shown that the tax rate is the only filler or buffer that can compensate to a degree the great distance between these two property evaluations which are involved in the process of revenue getting.

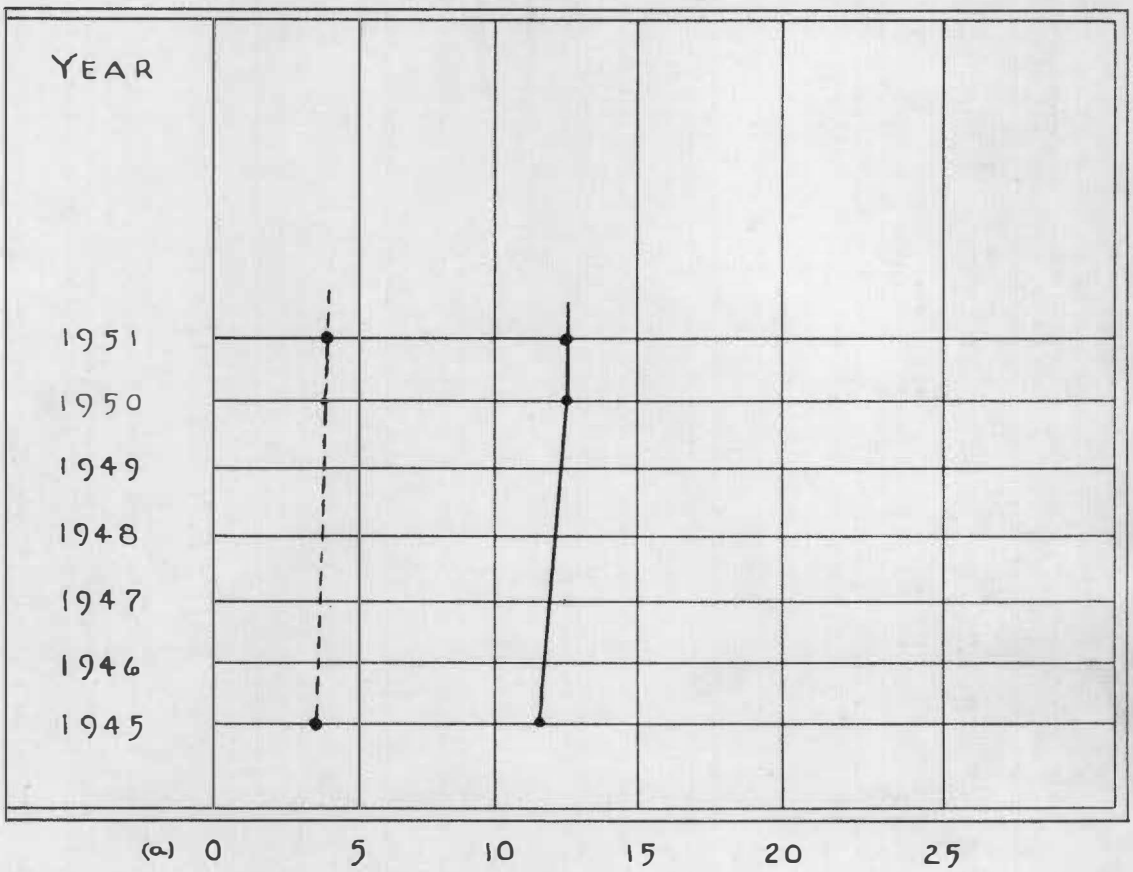
It is hoped that these trends of valuation will eventually become parallel if not coincident.

Table IV shows the tax rate which is the amount paid to the county per $100.00 assessed value of taxable real estate. Church, school, free public recreational area, cemetery, state and federal properties are tax exempt. A difference of eight cents is noticed in the rates reported from the county source and the state source: this is the amount of real property tax paid per $100.00 assessed value to the State of Tennessee.[6]

The rate or amount to schools did not vary as did the general rate. This is shown graphically in Figure 6. The solid lines represent the general rate, and the broken lines

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[6]Source: Sevier County Tax Assessor.



SOLID LINES REPRESENTS ESTIMATED VALUE.
BROKEN LINES REPRESENTS ASSESSED VALUE.

(a) NUMERALS REPRESENT MILLIONS OF DOLLARS OF ESTIMATED VALUE ASSESSED VALUE.

FIGURE 5: GRAPHIC TRENDS OF ESTIMATED VALUES AND ASSESSED VALUES OF REAL ESTATE IN SEVIER COUNTY.

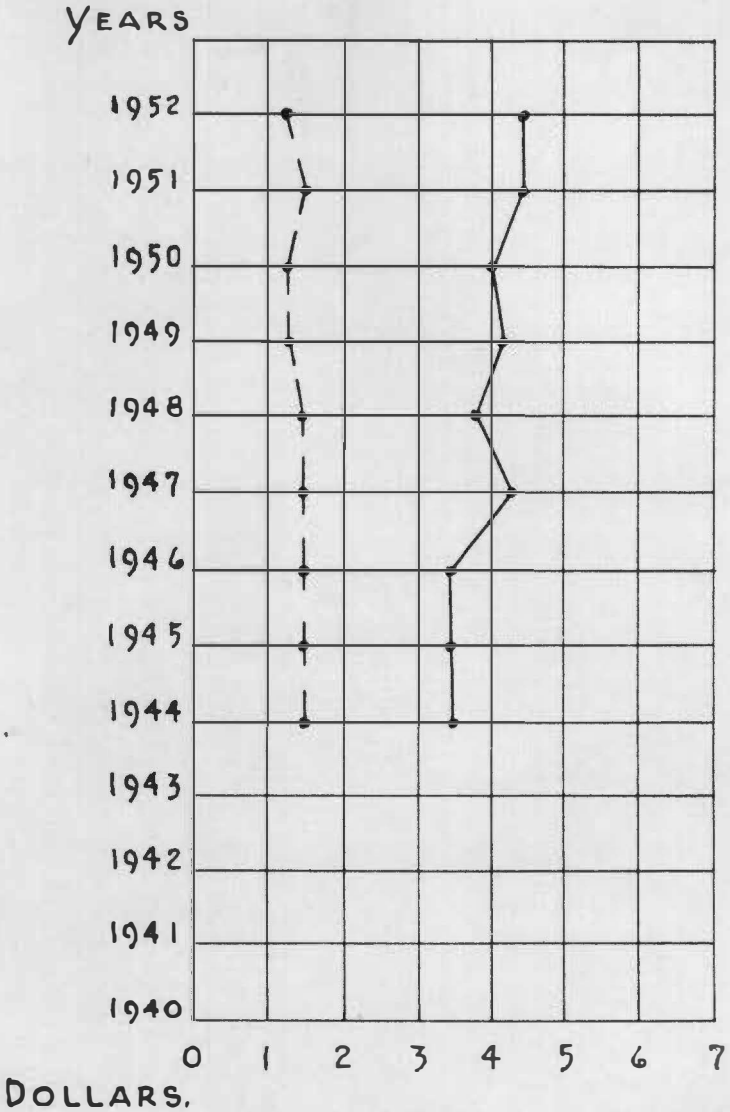


FIGURE 6: TAX RATE TRENDS AND AMOUNT FOR SCHOOLS.

TABLE VI

SUMMARIZED FINANCIAL STATEMENT OF SEVIER COUNTY PUBLIC SCHOOLS FOR SCHOOL YEARS 1950-51, 1951-52[a]

Item or Source	1950-51	1951-52
State (revenue)	$575,577.78	$602,612.67
Federal (revenue)	75,511.03	82,251.86
County (revenue)	57,046.63	64,351.00
Receipts (revenue)	734,665.81	8,352.00
Balance (cash)	172,222.22	29,084.60
Net Receipts	886,888.03	786,658.53
Expenditures (total)	817,098.58	786,658.53
Balance	69,789.45	(No balance shown)

[a]Condensed from Tax Books in Sevier County Trustee's Office, 1950-1952.

indicate the amount for schools.

Table V is related to Tables III and IV in that it shows the amount of the total revenue collected for the entire county that goes to support the local educational program.

The Tennessee Valley Authority contributes an unspecified amount to Sevier County to be deposited in the school fund. The revenue for schools shown in this table embraces those amounts.

Table VI contains numbers which show that revenue for Sevier County Public Schools from local, state and federal sources was more in 1951-52 than it was in 1950-51. During this period non-revenue receipts were reduced in the same proportion. Expenditures show a small reduction. Concerning the "balance," none was shown for fiscal year 1951-52, and the 1950-51 balance did not reflect in the 1951-52 report.

Increased demands upon public funds by the educational system in recent years have caused grave problems to arise and the interference of uninformed people. As a result of this development, the problem of providing adequate schools has become a recognized problem of public control and political policy as well as educational policy.

It seems that adequate school finance is one of the most important aspects in developing and maintaining an adequate school program. The success of failure of an educational program may rest upon its financial support.

In addition to the indicated attempts of Sevier County to deal with school finance, the July 1952 Quarterly County Court effected a bond issue in the amount of $250,000.00 bearing an average of two and one-half per cent interest to be paid entirely from school funds recognized as capital outlay.[7] All these facts demonstrate that there is a desire to facilitate and improve education although no great effort has been or is being made that will burden or increasingly tax the local situation.

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[7]Source: Sevier County Judge's Report. August, 1952.

CHAPTER IV

EXPENDITURES FOR SCHOOLS IN SEVIER COUNTY

Expenditures for education should be considered as an investment in a way of life.

> Civilized life, national survival, stable and efficient government, high living standards and material wealth, and personal happiness and well-being require the right kind of education no matter what form of government or economic system a nation has adopted. Democracy and a private-enterprise economy, however, place a high premium on education for all. The survival of democracy requires the maximum development of individual citizens, widespread knowledge on fundamental issues, great emphasis upon personal integrity and human relationships, and ability to think independently because the decisions and behavior of each citizen affect the right and welfare of all citizens. . . . The willingness of individual men to work for remote objectives, their judgment as to how much to save and in what to invest, their decisions as to occupation and vocational preparation, their decisions as to buying and selling or expending income, and their decisions on other economic matters such as tariffs affect the peace and prosperity of all. . . . .
>
> Survival of our nation in a world of powerful conflicting national groups; the internal security and stability in government and human relationships essential for survival and economic prosperity; the maintenance of a reasonable balance between material, human and cultural values (also essential for survival and economic well-being); the perpetuation of democracy; and continuance and success of a private enterprise economy justify every objective toward which the public schools are working. . . . .[1]

The data and information which follow immediately will guide the thinking concerning and give an insight into the specified expenditures for Sevier County Public Schools as classified.

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[1]Arvid J. Burke, op. cit. pp. 38-39.

General Control

Items that compose the expenditures for general control of schools in Sevier County are specified as the following:

1. Per diem costs of board of education.
2. Salary of Superintendent of Schools.
3. Salaries of other administrative workers.
4. Supplies of office.
5. Mileage allowance for board of education.
6. Commission on county funds for trustee.
7. School census.
8. Other expenses.

In Table VII on page 46 the expenditures for general control of the schools in Sevier County are shown from 1945-46 through 1950-51. In 1947-48 records began to show only expenditures for the entire program of education for grades one through twelve, but the amounts shown for years 1945-46 and 1946-47 will make possible a comparison of elementary expenditures with high school expenditures, if such is desired. Data from annual statistical reports found in the Office of the Superintendent of Public Schools show that the expenditures for items of general control has increased in total from $8,099.67 to $19,670.20 during the period of 1945-46 to 1950-51. Elementary reports and high school reports were combined and are shown as such in total beginning with year 1947-48.

TABLE VII

EXPENDITURES FOR GENERAL CONTROL IN ELEMENTARY AND HIGH SCHOOLS FROM 1945-46 THROUGH 1950-51[a]

Year	Elementary	High School	Total
1945-46	$7,101.57	$ 998.10	$ 8,099.67
1946-47	7,133.85	1,057.15	8,190.40
1947-48			13,784.01[b]
1948-49			14,010.96
1949-50			15,884.35
1950-51			19,676.20

[a]Sevier County Superintendent of Public Schools Annual Statistical Reports 1945 to 1951.

[b]From 1947-48 the elementary and high school reports were combined.

Upon considering facts shown in this table, it appears that general control expenses have grown and will increase as the items of general control demand.

Instructional Services

Instructional services require the greatest outlay of money for educational purposes of all the categorical educational expenditures. The following expenses are found to be included in instructional services:

1. Salaries of teachers on county-wide basis.
2. Salaries of principals and classroom teachers.
3. Salaries to be paid under sick-leave plan.
4. Salaries of clerks and stenographers.
5. Instructional and learning materials.
6. Travel for county-wide teachers.
7. Travel for teachers of home-bound children.
8. Other expenses of instruction.

This item of expense can well be considered the most important expenditure of the total program for education because it is through these services that the situations for learning are provided. Instructional services are directly concerned and connected with providing learning experiences and directions for students and are very important, if not the most important, of all services pertaining to education.

Table VIII shows a drop in expenditures for year 1946-47, but the total picture shows an increase during the period beginning in 1945 and ending in 1951 of expenditures from $195,727.93 to $412,043.25.

The increase in instructional services can, along with inflationary movements, be attributed to the increase of school terms from eight months to nine months, and increase in total school costs, and the slight increase in teachers salaries.

Table IX, page 50, shows the increase of average salary for elementary and high colored and white school principals and teachers from 1945 to 1951. Table IX shows the monthly average salary of colored and white elementary school teachers and of men and women high school teachers.

Colored elementary school teachers received more money per month than white teachers until school year 1949-50.

Figures for school year 1949-50 and 1950-51 show that white teachers are receiving more money per month than colored teachers in elementary schools. The last available figures show the colored and white salaries respectively to be only $187.25 and $206.22 per month.

There are no colored high schools in the county; therefore only statistics concerning white men and women high school teachers are given. Colored high school students are permitted to attend any approved high school and are

TABLE VIII

EXPENDITURES FOR INSTRUCTIONAL SERVICES IN ELEMENTARY AND HIGH SCHOOLS FROM 1945-46 THROUGH 1950-51[a]

Year	Elementary	High School	Total
1945-46	$154,623.94	$41,103.99	$195,727.93
1946-47	140,020.38	40,234.34	180,254.72
1947-48			270,791.90[b]
1948-49			273,715.00
1949-50			364,286.68
1950-51			412,043.25

[a]Bevier County Superintendent of Public Schools Annual Statistical Reports 1945 to 1951.

[b]From 1947-48 the elementary and high school reports were combined.

TABLE IX

MONTHLY AVERAGE SALARIES OF SEVIER COUNTY TEACHERS FROM 1945 TO 1951[a]

Year	Elementary		High School	
	Colored	White	Men	Women
1945-46	110.71	108.79	164.25	154.38
1946-47	133.67	108.54	161.92	156.41
1947-48	132.00	150.16	160.78	149.68
1948-49	132.00	149.88	160.78	149.68
1949-50	170.83	198.69	198.69	180.44
1950-51	187.25	205.22	228.36	190.09

[a]Sevier County School Superintendent's Annual Statistical Reports 1945-51.

assisted in a monetary way by a county warrant of one hundred and fifty dollars value per student annually.

Salaries for men high school teachers have been consistently higher than women high school teachers. The 1950-51 figures for high school men and women teachers show monthly average salaries of only $222.36 and $190.09 respectively.

It is believed that these differences in monthly salaries are caused by the difference in consideration for scholastic and collegiate training and teaching experience.

As is shown, a large amount of instructional costs is accounted for in the item of teachers' salaries. This part of the expenditure program is in proportion as it should be. Along with many other writers Nort and Reusser express this view:

> From the standpoint of efficiency of the school the teachers are by far the most important single factor of those determining the success of the school.[2]

Powell expresses a similar opinion:

> The thrifty taxpayer should look to the size of the enrollment of the school, to the adequacy of the building and grounds, equipment, supplies, and most of all to the worth of the teacher. In the teacher, the amount of training, the length of previous teaching experience, and proven ability, especially in successfully directing fairly large schools are three factors which may be depended upon as indicative of superior teaching power.[3]

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[2] Paul H. Nort and Walter C. Reusser, Public School Finance, (New York: McGraw-Hill Book Company, Inc., 1941) p. 227.

[3] Orrion H. Powell, Educational Returns at Varying Expenditure Levels, (Contributions to Education 573, Teachers College, 1933), Chapter XIX, p. 54.

A reflection of the influence of salary increase can be visualized in Table X, page 53 as indicated by teacher training and certification. Table X reflects the formal professional training possessed by Sevier County Public School teachers for years 1940, 1945, and 1950 respectively, and shows the average monthly salary of all teachers. It can be seen that Permanent Professional Certificated teachers have decreased in number while Permit teachers have increased. In spite of this fact, it is found that the average monthly salary has increased from $77.47 per month in 1940 to $169.21 per month.

Incidental, but of outstanding importance, instructional service is the program for training of Veterans of World War II and Korean Police Action in Institutional On-Farm Training.

Expenditures for Coordinate Activities and Auxiliary Services

Expenditures for coordinate activities and auxiliary services include enforcement of the compulsory attendance regulation, promotion of health, transportation of pupils, and other expenses of the items mentioned in this series. These expenditures have been, for the past few years, increasing and continuing to increase.

Expenditures for coordinate activities and auxiliary

TABLE X

CERTIFICATION AND SALARY OF TEACHERS IN SEVIER COUNTY ELEMENTARY AND HIGH SCHOOLS FROM 1940 THROUGH 1945 TO 1950[a]

Kind of Certificate	Number 1940	1945	1950
Permanent Professional	131	79	125
Four Year Professional	31	3	0
Limited Professional	3	0	0
Four Year Examination	2	0	1
Permanent Examination	2	4	1
Permit	0	72	84
Total	169	158	211
Average Monthly Salary All Teachers[b]	$77.47	$108.32	$139.21

[a]Taken from Sevier County School Superintendent's Annual Statistical Reports 1940, 1945, 1950.

[b]Computed.

services have increased during the period from school year 1945-46 to school year 1950-51 from $16,433 to $81,106.85.[4]

Table XI shows an increase in expenditures for transportation during the period between school year 1939-40, and school year 1950-51 of $43,449.95 and an increase during that time in the number of pupils transported of 1,540 pupils. It would be very difficult to designate any certain year as a typical one, because during this period, no normal or comparative conditions and situations have existed as concerns transportation in any two school years. This collection of data, however, does seem to indicate that expenditures for transportation are increasing in dollars and cents and children to be transported are increasing number. This increasing of number of pupils to be transported could be attributed to the program of school consolidation as well as an increase in child population.

Operation of Plant

Current expenditures which go for such items as wages of janitors and maintenance engineers, fuels, electricity, water, and other operational expenses are considered as operation of plant expenses.

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[4]Information from: Annual Statistical Reports of Superintendent of Bevier County Public Schools, 1940-1951.

TABLE XI

EXPENDITURES FOR STUDENT TRANSPORTATION IN SEVIER COUNTY FROM 1940 TO 1951[a]

Year	Students Transported	Cost of Transportation
1939-40	558	$ 3,652.00
1940-41	568	4,769.32
1941-42	1115	9,074.00
1942-43	1138	13,602.76
1943-44	1035	11,903.00
1944-45	1101	13,013.58
1945-46	1178	15,365.23
1946-47	1247	15,595.00
1947-48	1305	20,299.00
1948-49	1591	27,136.04
1949-50	1865	29,050.76
1950-51	2106	48,818.95

[a]Sevier County School Superintendent's Annual Statistical Reports 1940-1951.

In Table XII, page 57, expenses for operation of plant in Sevier County Schools over a period of six years from school year 1945-46 to school year 1950-51 will be shown. Records do not show expenses classified for elementary schools and high schools after year 1946-47. Data contained in Table XII seem to indicate that operation of plant expenditures increased regularly by approximately $2,000.00 annually school year 1950-51 at which time $82,770.15 seems to be the amount of expenditure increase over the previous year. The increase is shown to be from the amount of $7,643.42 in 1945-46 to $21,476.96 in 1949-50 and $104,247.11 in 1950-51. This huge increase seems to be due, in addition to general price and wage increase, to repair to buildings brought on in large amounts because of neglect during the war years to schools being supplied with electricity, and to more janitors being hired with increased salaries.

The money that has been expended in this item of operation seems to have been almost equally divided between high school and elementary requirements. There are fewer high schools; so it has been possible under this arrangement for the high schools to have the greater proportioned share of the money.

TABLE XII

EXPENDITURES FOR OPERATION OF PLANT IN SEVIER COUNTY ELEMENTARY AND HIGH SCHOOLS FROM 1945-46 TO 1950-51[a]

Year	Elementary	High School	Total
1945-46	$3,840.92	$3,802.50	$ 7,643.42
1946-47	8,624.49	5,112.54	13,737.03
1947-48[b]			17,043.08
1948-49			19,506.69
1949-50			21,476.96
1950-51			104,247.11

[a]Sevier County School Superintendent's Annual Statistical Reports 1945 through 1951.

[b]Figures for Elementary and High School as such were not given after 1947.

Maintenance of Plant

One of the most neglected aspects of school plants is maintenance. The usability and life of buildings and equipment can be increased and lengthened by proper maintenance. Conversely, poor maintenance will lessen and decrease them, thereby increasing the cost of the educational program. Table XIII, page 59, shows the annual school maintenance costs from school year 1945-46 through school year 1950-51. These costs include monies spent for such things as labor, repairs and replacements.

Considering the data, it seems difficult to define any definite trend as might be indicated by this table. Sevier County has very few new school buildings; these are the ones that have been built since the beginning of Tennessee state sales tax. It appears that the amounts spent for maintenance of many buildings could be more economically used. In the main, schools are in a poor state of repair. Teacher, student, and community pride in buildings and equipment could change many circumstances.

Upon looking into Table XIII, it can be seen that these expenditures have soared from $7,101.71 in 1945-46 to $81,800.00 in 1949-50 and down to $34,559.00 in 1950-51. These data alone do not furnish adequate basis for making predictions and making a statement concerning established trend, but when all tables in the presentation are considered

TABLE XIII

EXPENDITURES FOR SCHOOL MAINTENANCE IN SEVIER COUNTY FROM 1945-46 TO 1950-51[a]

Year	Cost
1945-46	$ 7,191.71
1946-47	8,276.38
1947-48	23,102.44
1948-49	26,449.87
1949-50	31,800.00
1950-51	34,539.00

[a]Sevier County School Superintendent's Annual Statistical Reports 1945-1951.

in content, a meaningful expression can be defined.

Fixed Charges

Expenditures for fixed charges include such items as insurance, rent and other fixed charges.

Insurance has not been efficiently selected. The maximum available protection for the amount of premium has prevailed in very few cases which were considered by the writer.

Rent is and has been a small item. But such actions as selling school buildings and property then renting the same pieces of property seems somewhat ridiculous.

Table XIV, page 61, will show the expenditures for fixed charges from 1945-46 to 1950-51. Data presented concerning expenditures for Fixed Charges in the financial program shows that school costs for this item fluctuated considerably during the period from 1945-46 and 1949-51. It seems that this fluctuation has been caused by different considerations and kinds of services. A normal year is not described, but Fixed Charges seem to have been and to be increasing.

Debt Service

Debt service as concerns the Public School Finance Program ordinarily would include payment on loans, notes and

TABLE XIV

EXPENDITURES FOR FIXED CHARGES FOR SEVIER COUNTY SCHOOLS FROM 1945-46 THROUGH 1949-50[a]

Year	Elementary	High School	Total
1945-46	2,583.05	667.45	$3,250.50
1946-47	3,063.98	688.94	3,752.92
1947-48			4,724.89
1948-49			4,874.03
1949-50			6,306.04

[a]Sevier County School Superintendent's Annual Statistical Reports from 1945 through 1950.

warrants, interest on loans, notes and warrants and tax refunds. But, according to the annual reports of the county school superintendent, none of these items are outstanding in the Sevier County Public School Finance Program and no debt service is in effect.

Capital Outlay

One of the most important and most expensive items of the school finance program is capital outlay. Monies classified in capital outlay are spent for purchase of grounds, new buildings and remodeling, new furniture and equipment, the purchase of pupil transportation equipment, and, at the discretion of the county board of education, for the payment of principal and interest on any bonds or other form of indebtedness of a capital outlay nature issued for school purposes at the discretion of the Quarterly County Court, for operation of privately-owned pupil transportation on a contract basis.[5]

Table XV shows annually the total Sevier County expenditures for capital outlay during the period from school year 1945-46 through 1950-51. With the coming of the Tennessee state sales tax of two per cent has come money for increased capital outlay expenditures. Table XV shows the movement of

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[5]Tennessee State Board of Education, Op. Cit., p. 38.

TABLE XV

EXPENDITURES FOR CAPITAL OUTLAY FOR SEVIER COUNTY SCHOOLS FROM 1945 TO 1951*

Year	Total
1945-46	0
1946-47	0
1947-48	$ 84,467.37
1948-49	195,322.68
1949-50	150,305.73
1950-51	215,439.05
Total	$585,534.77

*Sevier County School Superintendent's Annual Statistical Reports 1945 through 1951.

capital outlay from 1945-46 to 1950-51 to be in an increasing direction. Most of this money has been spent for new buildings, which is shown in Table XXII, new equipment, and transportation vehicles. Most of the expenditures under this category have come during the last three years of the period. It is well to remember that during the war years, school programs were definitely handicapped because of the scarcity of building materials and labor necessary to construct buildings or to make repairs on existing buildings. Building materials and labor were channeled into the war effort by government priorities. It can be seen that expenditures during this period increased from $0 to $215,439.05 annually.

New Buildings

One of the outstanding items of expenditure in the category of capital outlay is money spent for construction of new buildings and additions to old ones. For many years prior to 1947, practically no money was available for such undertakings. Repair and maintenance expenditures required the expending of the allocated money. Since the inception of the Tennessee state sales tax, some money has been available, and a building program has been begun in Sevier County. The buildings have been approved not according to a planned program of building, but as necessity forced and politics arranged.

Table XVI shows the building that has been effected since 1947. In addition to the figures shown in this table, $250,458.83 have been obtained through a bond issue at the time of this writing, and is proposed to be spent for the construction of an eight-room elementary school building at Pigeon Forge and an addition to Sevier County High School. It is pledged that this money is to be paid from capital outlay funds that will be received from the State of Tennessee as a result of the sales tax program and Sevier County's participation in the state equalization program.[6] In Table XVI, it can be seen that $590,000.00 is the total amount of money that has been spent for new school buildings and new additions in Sevier County during the period from 1947 through 1951. Upon referring to Figure 1 and Figure 2, which are contained in this writing, the location of these new constructions can be determined. It appears that buildings have been allocated according to political influence and pressure rather than according to greatest need.

Upon investigating Table XVII, it is found that the number of school buildings in Sevier County has decreased from seventy-nine in 1945-46 to a total of seventy-two in 1950-51. The majority of school buildings are frame which will account to a large degree for the large amount of

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[6]Information obtained from Sevier County Court Judge.

TABLE XVI

EXPENDITURES FOR NEW SCHOOL BUILDING FOR SEVIER COUNTY DURING THE PERIOD 1947-1951[a]

Year	School	Grades	Amount Spent
1948	Boyds Creek	1-8	$ 65,000.00
1949	Sevierville Elem.	1-8	79,000.00
1949	Chilhowee	1-8	77,500.00
1950	Jones' Cove	1-8	25,000.00
1950	Pi Beta Phi	1-6	79,000.00
1950	Chilhowee (Add.)	7-8	22,000.00
1950	Sevierville Elem.	5-6	52,000.00
1951	Jones' Cove	1-8	25,000.00
1951	Beech Spring	1-8	100,000.00
1951	Sevierville Elem.	1-8	42,500.00
1951	Chilhowee	1-8	23,000.00
Total			$590,000.00

[a]Sevier County School Superintendent's Annual Statistical Reports 1948-1951.

[b]Computed.

TABLE XVII

SEVIER COUNTY SCHOOL BUILDINGS ERECTED 1945-1951 ACCORDING TO TYPE OF CONSTRUCTION

Year	Number Brick	Number Stone	Number Frame	Total Number
1945-46	4		75	79
1946-47	4		74	78
1947-48	4		72	76
1948-49	4	1	74	79
1949-50	4	1	73	78
1950-51	4	1	67	72

*Sevier County School Superintendent's Annual Statistical Reports 1946-1951.

expenditure for maintenance.

It seems that the reduction in number of buildings can be accounted for by the decreasing enrollment at some places, the flooding of the Douglas Lake area, and the county school consolidation program.

The writer would like to call attention to the totals shown in Table XV, page 63, and Table XVI, page 66. Since expenditures for school buildings are also expenditures for capital outlay it would seem that the total of capital outlay over a certain period of years would exceed the total amount spent for new school buildings. The records found in the Sevier County Superintendent's Office do not conform to this, but the difference is explained by the Superintendent as coming from monies that were designated to be paid in a certain year and were not actually paid in that year.

Sevier County School Expenditures For Promotion of Good Health

When the conditions in general which exist in Sevier County Schools are considered, it seems in order to state that students' health is generally good in spite of and not because of situations that are contributory to the promotion of physical well-being. A small amount, relatively speaking, is contributed to this program by Sevier County, consequently, it is locally accepted that citizens have little or no control

over the service rendered. According to the records investigated by the writer, the health program in Sevier County was completely state supported prior to 1947. Since that time the amounts contributed locally to the program have been $1,864.46, $1,911.40, and $1,678.29 for 1947-1948, 1948-1949, and 1949-1950 respectively.[7]

Sevier County School Lunch Program

Another item of expense which makes for the health of Sevier County school children is the School Lunch Program. One of the prime purposes of the Sevier County Lunch Program is to develop new food habits which will have its long term carry-over into the homes of the parents of our children and into their homes when they reach adulthood. Also, the program is aimed at furnishing a meal priced within the reach of all children in order that each child may have a wholesome lunch every school day.

Assistance of a material and monetary nature is given this program by the federal government through state administration. Reimbursement from federal funds is made monthly to the schools. Seventeen Sevier County schools operate under this arrangement. Money from federal sources for the

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[7]Sevier County Trustee's Records Book 1940-1951.

Lunch Program has been paid to Sevier County in the amounts of $9,493.55, $10,438.84, $10,292.28, and $16,334.00 respectively for the school years 1947-48, 1948-49, 1949-50, and 1950-51.[8]

Expenditure for Institutional On-Farm Training

Sevier County has been very active in providing Vocational Agriculture Training to veterans of World War II and is prepared to continue this program for veterans of the Korean Police Action. The program was begun July 1, 1946 with three classes. Since that date, more than 1,500 trainees have received training in the class room and on their home farms. This program has been carried on by twenty-six instructors and two supervisors. A class is made up of twenty veterans each of which is required to attend annually 200 hours of classroom instruction and 100 hours of supervision on his home farm.

Expenditures for this program are made possible by federal funds through state control. They have been in total in the following annual amounts: $8,697.02, $81,112.24, $56,643.49, $74,935.61, and $62,789.00 respectively for the years 1946-47, 1947-48, 1948-49, 1949-50, 1950-51.[9]

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[8] Sevier County School Superintendent's Annual Statistical Reports 1948-51.

[9] Sevier County School Superintendent's Annual Statistical Reports 1947-51.

A knowledge of the county before and after the program was effected, would be needed to evaluate the efficiency of this program. It appears that much improvement in farming practices has been accomplished during the time this program has existed. This is the nearest thing to an adult education program in Sevier County. It seems that the success of this program would point to establishing a general adult education program in which anybody could participate.

Persons Actively Engaged in Public School Activity

All citizens of Sevier County and everybody else with which they deal are affected by the schools of the county. The writer calls attention again to Table I and to Table XVIII of this writing so that an implication of total number of people concerned may be understood.

In addition to these people, the persons as mentioned in Chapter III, page 28, of this writing are directly engaged in the active program of education.

School census data for 1951 could not be used in the treatment of this subject because of an outstanding discrepancy found by the writer. According to figures found in the Sevier County School Superintendent's Office, there are 3,252 children under school age and 5,039 children of school age making a

total of 9,359 children in Sevier County.[10] However, it was determined from the Superintendent's 1951 Annual Statistical Report, which was compiled in part from the school registers of all Sevier County teachers, that the 1951 current school enrollment was 5,995.[11] Further consideration of this point will be entailed in Table XVIII which will deal with the total net enrollment of students in Sevier County elementary and high schools during the period from 1945 through 1951. This table will give some basis for planning in spite of the fact that it cannot be used with the last school census to make valid predictions. Table XVIII shows that students for Sevier County Schools are increasing in number. This fact coupled with the generally known fact that the cost of everything (including education) is increasing, seems to be an indication that Sevier County must expend increasing amounts of money from some source in order to maintain and improve the educational program.

No formal education beyond the eighth grade is provided for colored children in Sevier County. This accounts for the fact that the numbers of colored high school students are not given in Table XVIII.

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[10] Report of Sevier County School Census 1951.

[11] Sevier County School Superintendent's Annual Statistical Report 1951, p. 6.

TABLE XVIII

TOTAL NET ENROLLMENTS OF ELEMENTARY AND HIGH SCHOOLS IN SEVIER COUNTY DURING THE PERIOD FROM 1945 THROUGH 1951[a]

Year	Elementary White	Elementary Colored	Elementary Total	High School[b] Total	Grand Total
1945-46	4,741	51	4,792	734	5,526
1946-47	4,675	48	4,723	839	5,563
1947-48	4,789	55	4,844	813	5,657
1948-49	4,624	46	4,670	864	5,534
1949-50	4,963	45	5,008	870	5,878
1950-51	4,906	45	4,951	966	5,917

[a]Sevier County Schools Superintendent's Annual Statistical Reports 1945-1951.

[b]There are no high schools for colored people in Sevier County.

Expenditure Per Pupil in Average Daily Attendance

In Table XIX, page 75, a presentation is made of the cost per pupil of education in average daily attendance in Sevier County and nine other counties selected for comparison from West, Middle, and East Tennessee. The total expenditures less the capital outlays were used in order to make possible a more accurate comparison of costs per pupil in average daily attendance. Of the counties considered, Sevier County ranks seventh in cost per pupil in average daily attendance with $113.70. Cannon County in Middle Tennessee ranks first with cost per pupil of $162.52, while Dyer County in West Tennessee rank tenth with $77.56 per pupil. Jefferson County, which is comparable in many respects as concerns physical and social resources and aspects to Sevier County, ranks second with $153.50 cost per pupil in average daily attendance.

Implications of Expenditures

The data and statistics of this chapter portray the expenses that have existed relative to education in Sevier County. In a succeeding chapter, the relationship of these facts to existing revenue will be shown, and it can be determined that only a small part of the $113.70 cost per pupil in average daily attendance is an expenditure of money from a local source.

TABLE XIX

COMPARISON OF COST PER PUPIL IN AVERAGE DAILY ATTENDANCE OF SEVERAL SELECTED COUNTIES IN TENNESSEE FOR SCHOOL YEAR 1950-51[a]

County	Total Expenditures	Capital Outlay	Total Expenditure Less Capital Outlay[b]	Average Daily Attendance	Cost per pupil Average Daily Attendance[c]
Sevier	$ 808,927.35	$215,439.05	$ 593,488.30	5,220	$113.70
Hardin	798,575.60	291,130.62	507,[illegible].90	3,746	135.46
Franklin	789,357.26	79,619.96	709,737.30	5,181	136.9[illegible]
Blount	1,183,891.08	96,249.81	1,087,[illegible]1.27	12,308	88.37
Dyer	794,380.46	290,106.[illegible]	504,273.52	6,502	77.56
Cannon	343,300.85	11,712.25	331,588.60	2,039	162.52
Jefferson	1,234,417.65	632,705.95	601,711.70	3,920	153.50
Henry	687,317.13	34,589.04	652,728.09	3,770	173.[illegible]5
Smith	399,865.69	6,442.77	393,[illegible]15.92	2,627	149.18
Cocke	682,626.55	176,719.82	505,906.73	4,627	109.3[illegible]

[a]Tennessee State Board of Education, Tennessee Annual Statistical Report of The Department of Education (Nashville: Department of Education, 1951).

[b]These amounts were used because of the unequal expenditures of the counties for building programs.

[c]Computed.

Expenditures have increased. Upon using past happenings and considering the existing education situations in comparison with other education systems, it seems that more money will necessarily have to be spent in order to maintain and improve education for Sevier County people. Jefferson County, which in many respects is very similar to Sevier County, spent during the school year 1950-51, $153.50, an amount not concerned with capital outlay, per pupil in average daily attendance. This amount was $39.80 in excess of the amount spent per pupil in average daily attendance in Sevier County during the same school year.

CHAPTER V

THE ABILITY OF SEVIER COUNTY TO SUPPORT ITS SCHOOLS

An attempt will be made to show the ability of Sevier County to support its educational program with attention to monetary value, indebtedness and revenue for schools.

Legal Structure

Many of the financial problems of the local school system arise from the local tax structure. In Tennessee, property valuations for tax purposes are established by local assessors who are elected by the people. The State Board of Equalization has authority to adjust property evaluation to establish a state-wide equality, but no maximum tax rate for state and county taxes is specified. On the average, approximately seventy-five per cent of local school funds are derived from county sources. Most of these come from monies raised in a general property tax. Levies for paying off bonds may be made in addition to the regular school tax levy. Sevier County is fiscally dependent, therefore the Quarterly County Court determines the levies which are made, but tax assessment is made by the local tax assessor and confirmed by a local equalization board.

The county influences the state as concerns the ability to support a local school system properly. In Tennessee

80 per cent of the 2 per cent state sales tax is earmarked for public education. For the state rating, Sevier County ranks low in relative financial ability to support the State Minimum School Program. Its average index per cent is .25804. When this per cent is applied to the specified amount of $19,500,000.00, $50,317.80 is obtained. When the county's index number for distribution, 2.08746874, is applied to the state figure of $63,000,000.00, $131,510.53 is the amount obtained.[1]

Sevier County's ability to support its schools is rated low. Also the ability of the state, within which it is, is rated low.

> Tennessee ranks tenth among the Southern states in assessed valuation of property per child of school age. In per capita income payments to civilian population, Tennessee is in a slightly better position, ranking eighth among the Southern states. It can be concluded, therefore, that in financial ability to support public education, Tennessee ranks lower than the median state in the South.[2]

Sources of revenue in Sevier County are few. Industries are of small number. Utilities are of some importance. In the main, Sevier County's most important source of local revenue is the property tax.

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[1]Tennessee State Board of Education, 1951-52, Rules and Regulations (Nashville, July 1951), pp. 29, pp. 40.

[2]Tennessee State Department of Education, A Study of Tennessee's Program of Public Education (Nashville 1948)

Monetary Value

Just as an impossibility is experienced when an attempt is made to evaluate the worth of an educational program in dollars and cents, a difficult proposition is encountered when the value of a populated area, such as Sevier County, is expressed monetarily. The only method of approach available is the consideration of real estate and utility values. Upon investigating and effecting research in the Sevier County records, the writer has found that even this method can avail only an approximation. However, this approximation is of such nature that it can and will serve as a reliable guide to measuring the financial worth of the county under consideration.

Each of the two incorporated towns and seventeen civil districts must be considered in their entirety in order to arrive at the monetary value of Sevier County. The financial ability can be determined only by finding the value involved. Since the only official source of information available for the determining of the value of Sevier County is in the Sevier County records, it must be realized and remembered that the evaluations of real property, personal property and utilities were largely determined by assessing persons that could have been biased or prejudiced in effecting decisions of valuations. The writer requests that the reader consider that values shown in Table XX are not necessarily the exact or true financial values.

TABLE XX

SUMMARIZATION OF SEVIER COUNTY PROPERTY FOR YEAR 1951[a]

(1) District	(2) Lots	(3) Value	(4) Acres	(5) Value
1	2	$ 50	20,970	$ 76,925
2	37	3,025	5,624	38,625
3	3	250	19,034	140,950
4	19	1,625	17,598	262,550
5	991	169,500	25,859	508,500
Sevierville	349	459,325	27	9,700
6	9	850	15,433	97,625
7	15	1,200	9,920	236,925
8	33	4,775	13,322	198,450
9	55	8,150	13,398	225,750
10	42	4,175	21,865	192,600
11	261	40,300	9,803	74,875
Gatlinburg	798	423,300	692	123,975
12	15	875	7,933	26,325
13	6	400	14,160	62,450
14	7	2,423	13,274	238,775
15	8	725	5,196	39,350
16	5	600	19,346	84,025
17	10	275	3,910	21,425
Total	2,659	$1,121,825	237,364	$2,729,800
Outside Utilities				253,208
Inside Utilities				49,624
Grand Total	**2,659**	$1,121,825	237,364	$3,032,632

[a]Compiled from Sevier County 1951 Tax Books. Sevier County Trustee's Office.

TABLE XX

SUMMARIZATION OF SEVIER COUNTY PROPERTY FOR YEAR 1951 (continued)

(1) District	(6) Personal Property	(7) Total Real And Personal Property
1		$ 76,975
2		41,650
3		141,200
4	$ 3,825	268,000
5	2,600	680,600
Sevierville	24,985	494,010
6		98,475
7	1,100	239,225
8		203,225
9		233,900
10		196,775
11		115,175
Gatlinburg		547,275
12		97,200
13		62,850
14	1,275	242,475
15		40,075
16		84,625
17		21,700
Total	$33,785	$3,885,410
Outside Utilities		253,208
Inside Utilities		49,624
Grand Total	$33,785	$4,188,242

Table XX is a recapitulation of the real and personal property recognized for tax purposes in Sevier County. Column number one indicates the civil districts by number designation and the two incorporated towns by name. "Outside utilities" refers to those public utilities having headquarters at places other than this county. Inside utilities are those public utilities having headquarters within the county and furnishing services for citizens of the county. The total column read horisontally shows the sum of each vertical column except the utility values which are combined with the Total and give the Grand Total.

It was found that building and business lots of all the civil districts were 2,659 in number and shown to be valued with the buildings and businesses thereon at $1,121,825.00.

Two thousand, three hundred sixty-four acres of Sevier County land are valued at $2,729,800.00.

Inside utilities are valued at $49,624.00 while outside utilities are valued at $253,208.00.

Personal property, which in Tennessee is taxable in excess of $1,000.00, was found to be recorded as worth $33,785.00.

The total real and personal property of all the Civil Districts and two corporations was found to be $3,885,410.00.

Upon totaling the value of real and personal property with that of public utilities the value of Sevier County property is $4,188,242.00.

The writer would like to draw attention to the fact that Sevierville with 349 lots and twenty-seven acres of land is shown to be worth $469,025.00, while Gatlinburg with 792 lots and 692 acres of land is valued at only $647,275.00.

It is further noted that in Gatlinburg, a small city in which it is said that one hotel cannot be purchased for one million dollars, no personal property is listed. Personal property is shown for only five of the nineteen county tax areas.

Reference at this point to Figures 1 and 2, pages 14 and 19, respectively, of this writing is requested in order that the value and relationship of Table XX to this writing and county situations may be emphasized.

Although the taxed value of this county is $4,188,242.00, it appears that upon further authoritative and official investigation and action, the monetary value would be found to be in excess of this amount.

In order to better understand the relationship of value, tax, and public service support, the writer feels that an investigation and study of the county tax aggregate considered by tax areas and amounts as designated to specified funds for county services would facilitate the determining of area equality, ability and effort. An attempt to do this will be shown in Table XXI. In 1951, the tax aggregate of Sevier County, as appears in Table XXI, designates the amount of tax

TABLE XXI

COUNTY TAX FROM CERTAIN AREAS TO SPECIFIED FUNDS[a]

(1) District	(2) General County Fund	(3) School Fund	(4) Interest On Bonds	(5) Sinking Fund
1	$ 307.90	$ 1,131.5325	$ 638.8925	$ 869.8175
2	166.60	612.255	345.695	470.645
3	564.80	2,075.64	1,171.96	1,595.56
4	1,072.00	3,939.60	2,224.40	3,028.40
5	2,722.40	10,004.82	5,648.98	7,690.78
Sevierville	1,976.04	7,261.947	4,100.283	5,582.313
6	393.90	1,447.5825	817.3425	1,112.7675
7	956.90	3,516.6075	1,985.5675	2,703.2425
8	812.90	2,987.4075	1,686.7675	2,296.4425
9	935.60	3,438.33	1,941.37	2,643.07
10	787.10	2,892.5925	1,633.2325	2,223.5575
11	460.70	1,693.0725	955.9525	1,301.4775
Gatlinburg	2,189.10	8,044.9425	4,542.3825	6,184.2075
12	388.80	1,428.84	802.76	1,098.36
13	251.40	923.895	521.655	710.205
14	969.90	3,564.3825	2,012.5425	2,739.9675
15	160.30	589.1025	332.6225	452.8475
16	338.50	1,243.9875	702.3875	956.2625
17	86.80	318.99	180.11	245.21
Total	$15,541.64	$57,115.527	$32,248.903	$43,905.133
Outside Utilities	1,012.832	3,722.1576	2,101.6264	2,861.2504
Inside Utilities	198.496	729.4728	411.8792	560.7512
Grand Total	$16,752.968	$61,567.1574	$34,762.4086	$47,327.1346

[a]Compiled from the Sevier County 1951 Tax Books. Sevier County Trustee's Office.

TABLE XXI

COUNTY TAX FROM CERTAIN AREAS
TO SPECIFIED FUNDS (continued)

(1) District	(6) County Road Fund	(7) Health Fund	(8) Institutional Fund	Total County Tax
1	$ 153.95	$ 53.8825	$ 192.4375	$ 3,348.4125
2	83.30	29.155	104.125	1,811.775
3	282.40	98.84	353.00	6,172.20
4	536.00	187.60	670.00	11,658.00
5	1,361.20	476.42	1,701.50	29,606.10
Sevierville	None	345.807	1,235.025	20,501.415
6	196.95	68.9325	246.1875	4,283.6625
7	478.45	167.4575	598.0625	10,406.2875
8	406.45	142.2575	508.0625	8,840.2875
9	467.80	163.73	584.75	10,174.65
10	393.55	137.7425	491.9375	8,559.7125
11	230.35	80.6225	287.9375	5,010.1125
Gatlinburg	None	383.0925	1,368.1875	22,711.9125
12	194.40	68.04	243.00	4,228.20
13	125.70	43.995	157.125	2,733.975
14	484.95	169.7325	606.1875	10,547.6625
15	80.15	28.0525	100.1875	1,743.2625
16	169.25	59.2375	211.5625	3,681.1875
17	43.40	15.19	54.25	943.95
Total	5,688.25	2,719.787	9,713.525	166,932.765
Outside Utilities	506.416	177.2856	633.02	11,014.548
Inside Utilities	None	34.7368	124.06	2,059.396
Grand Total	$6,194.666	$2,931.7694	$10,470.605	$180,006.709

money taken from each civil district, incorporated town, inside utility and outside utility.

It is noted that the amount of tax which went to schools was greater than the amount designated for any other county service. That amount was $61,567.16, but the total county tax was only $180,006.71.

Upon looking into this table in connection with Table XI, the question arises: Is this the best Sevier County can do?

Indebtedness

In order to establish more clearly the financial status of Sevier County, consideration must be given to the debts that are outstanding. This part of this study is primarily concerned with school indebtedness and its administration, but the entire indebtedness of the county should be considered in determining the ability to support schools. When the data and statistical recordings of this study are considered, the major reason that money is not immediately available to finance large scale school and road improvement projects can be determined. It seems that indebtedness in Sevier County is not a retarding factor. An adequate mind and amount of revenue should be foreseen or anticipated before indebtedness is effected.

Upon looking into Table XXI, it can be found that interest on bonds and money placed in the county sinking fund

amounts to $47,327.14, while revenue for schools and roads from local sources amounts to only $61,567.16 and $6,194.67 respectively.

One of the most important matters of financial management of county government is proper acquisition and administration of debt. It involves sound procedures painstakingly and intelligently employed in the authorization and issuance of bonds and the establishment of other county obligations. It seems that the preferred provision for payment of annual interest requirements and the retirement of principal is found in serial annual maturities. Handling of county debt appears to have become one of the most important phases of county financial management and should be better understood. Intelligent planning and appropriate action in both the issuance and the gradual but continuous reduction of indebtedness are essential to sound, economical debt administration.

It appears to be the opinion of authorities that the necessity of effecting a bond issue to cover operations or to fund floating debts is a definite indication of bad financial management. If the county administration cannot arrange to adequately support its usual current operations from existing revenue, it seems there can be no provision under the current arrangement for future debt retirement from such a surplus accumulation of that same revenue as is raised to service and retire bond issues and other acquired debits.

Sevier County's attempt to provide services through bonds is reflected in Table XXII. State sales tax of 2 per cent on sales has helped this county greatly. However, the nature of bonds should be considered. The only outstanding bonds for school purposes which have been issued in this county have been issued with the expressed understanding that Sevier County's share of the State sales tax would relieve the indebtedness. Table XXII shows that Sevier County has made very little effort in the area of accrued debts for school purposes. The schools and roads are just about on the same level of development. State and Federal Aid is received for roads; little evidence can be found of any outstanding benefit having been derived in road improvement from the issuance of the $400,000.00 worth of bonds for roads. For the repayment of this road debt, the county in its entirety is obligated. While the $260,000.00 for high school building are pledged to be taken from school funds.

When investigating Table IX, it should now be assumed that the indicated $250,000.00 is the only amount to be or that has been spent during the period under consideration. Money has been and will be spent from the regular school capital outlay fund for school buildings. The amounts and implications of spending will be pointed out later in this study.

The showing of amounts to be paid on bonds by Sevier County during the next five years will help in guiding the

TABLE XXII

SEVIER COUNTY BONDED INDEBTEDNESS[a]

Year	Kind of Issue	Interest	Amount of Sale[b]	Amount to Be Paid by County
1947	Roads	.03	$300,000.00	Total
1948	Roads	.0225	50,000.00	Total
1949	Roads	.02	40,000.00	Total
1951	Roads	.0225	10,000.00	Total
1952	High School Building Bonds	.025[c]	250,000.00	Pledged to be paid from school funds

[a]Source: Sevier County Judge's Record Books.

[b]These are twenty-year bonds.

[c]Two and one-half percent is the average interest rate.

thinking of interested persons concerning additional amounts that could be spent for maintaining, developing and improving county services with special emphasis upon the committment relative to schools. This relative information can be obtained by studying Table XXIII of this presentation.

A study of Table XXIII which was made by the writer from information received from Mr. E. T. King, Sevier County Judge, reveals that Sevier County indebtedness to be relieved during the next five years amounts to $244,000.00. During this period the county will be receiving State and Federal Aid which will actually increase the ability of Sevier County to support its schools.

Revenue for Schools

Local revenue for Sevier County Schools comes from real and personal property and public utilities. As has already been shown, the majority of county revenue comes from real estate. However, to further expedite this study, revenue receipts in total should be considered. In Table XXIV the total revenue for schools from four categorical sources will be shown for the period from 1945 to 1950. The county's comparative and proportionate effort to support its schools can be ascertained to some degree by studying Table XXIV. When considering the revenue receipts for Sevier County schools from year 1945 to year 1951, it seems that county

TABLE XXIII

SEVIER COUNTY BONDS TO BE PAID
DURING THE NEXT FIVE YEARS[a]

Year	School Bonds	Bonds Other Than School
1952	None	36,000.00
1953	$14,000.00	39,000.00
1954	14,000.00	40,000.00
1955	14,000.00	37,000.00
1956	15,000.00	35,000.00

[a]Source: Sevier County Judge.

TABLE XXIV

REVENUE RECEIPTS FOR SEVIER COUNTY SCHOOLS 1945 THROUGH 1951[a]

Year	County Revenue To Schools	State Revenue To Schools	Federal Revenue To Schools	Other Revenue To Schools	Total Revenue To Schools
1945-46	$85,475.76	$149,180.84	$ 18,904.32	$8,000.00	$234,736.60
1946-47	63,485.82	169,488.83	No record	4,908.50	237,883.15
1947-48	66,952.03	443,597.49	66,952.03	1,501.93	604,468.02
1948-49	61,218.74	467,945.89	58,129.65	0	508,721.11
1949-50	59,189.04	561,499.53	100,846.14	0	721,534.71
1950-51	64,351.00	602,619.67	82,251.26	0	749,221.93

[a]Compiled from Sevier County Tax Books 1945, 1946, 1947, 1948, 1949, 1950.

revenue is rather low in comparison with that of State and Federal sources. During this period, County Revenue decreased from $85,474.76 to $64,351.00; State Revenue increased from $149,180.84 to $602,619.67; Federal Revenue increased from $18,904.32 to $82,251.26; other Revenue decreased from $8,000.00 to $ 0.00; Total Revenue to schools increased from $234,736.80 to $602,612.67.

The trend of county revenue to schools is downward, which, if considered apart from this table, should indicate that the ability of Sevier County to support its schools is low and continuously decreasing. But considering county revenue in relation to and comparison with state revenue and Federal revenue and knowing that the county has increased in wealth, activities and services, it can be seen that such is not the case. It appears that Sevier County has not been exercising its ability to develop, maintain, and support its schools, but is leaving the burden of its school system upon the State of Tennessee.

Chapter Summary

A study of information and expression contained in this chapter will result in an understanding and knowledge of the ability of Sevier County to support its schools. The monetary need of Sevier County education and current effort to meet that need have been shown.

CHAPTER VI

POSSIBLE SOURCES OF NEW OR INCREASED REVENUE FOR SEVIER COUNTY SCHOOLS

Education has ceased to be a private family responsibility and has become a vital public concern; therefore, the major financial support must come from public funds. At present, public school funds are derived almost exclusively on the local basis from property taxes. Other sources of taxes have been used successfully at the state level. It is believed that new sources of revenue can be discovered and successfully utilized. It is further believed that increased amounts of revenue can be obtained from existing sources with no undue hardship being effected. This chapter will deal mainly with the existing sources of revenue and to some extent with possible new sources that could be made to produce revenue.

Comparison of Assessed Value With True Value of Real Estate in Sevier County

In Sevier County's 587 square miles are contained many needs and sources of revenue.[1] The relationship of the true value of property to the assessed value will be shown. The

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[1]Tennessee Taxpayers' Association, County, City, and Town Government in Tennessee, Nashville 1950, p. 30.

information for showing this relationship was found in the records which include the Transfer of Real Estate from July 1, 1948 through June 30, 1950 and the Tax Assessed Valuation Property Record Book for 1950-1951. The information was gathered in order that a comparison of the actual selling price of the property could be made.

Legally studying property revenue the following statements could be made.

> All property of every kind shall be assessed to the actual cash value. The term "actual cash value" is defined to mean the amount of money the property would sell for, if sold at a fair and voluntary sale.[2]

> All property--real, personal and mixed--shall be assessed for taxation for state, county and municipal purposes, except such as is declared exempt, or unless otherwise provided.[3]

It seems, then, that, according to law, all property shall be assessed at its actual cash value unless it is exempted. Some things that are considered exempted are cemeteries, public roads, public property, charter exemptions, property of school and religious institutions, crops, products, and one thousand dollars of personal property per person.

County assessors elected by popular vote for a

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[2]State Planning Commission, A Digest of the Revenue Laws of the State of Tennessee, Bulletin Number 2-1936, p. 16.

[3]Samuel C. Williams, Tennessee Code Annotated, Indianapolis, The Bobbs-Merrill Company, 1934, p. 20.

> term of four years, biennially assess the real property of Tennessee.[4]
>
> Each county assessor shall, on or before the first day of January next succeeding his election, enter into a bond, with two or more good and sufficient securities, payable to the state of Tennessee, in the sum of ten thousand dollars, to be approved by the county judge or chairman of the county court, conditioned that he will, impartially, honestly, and to the best of his knowledge and ability, assess all taxable properties at their actual cash values; impartially and faithfully discharge the duties of his office, obey the requirements of his oath of office and of the assessment laws of the state and to pay to the state all penalties of every character incurred by him (or by his deputy in case of county assessor), and imposed by this chapter, and also to be liable for any willful, or negligent failure by which any property subject to taxation shall be or remain unassessed or be assessed at less than its actual cash value.[5]

County Equalization Board

In Sevier County it is a publicly known fact that favoritism in tax assessment is exercised and that equalization of taxes of different parcels of property on the same tax and rate basis is not effected. A county equalization board does exist although it is not publicly known by its activity. The duties and shifts in authority of this board are pointed out.

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[4]Joseph D. Silverherz, State of New York, Special Report of the State Tax Commission, Number 10, The Assessment of Real Property in the United States, Albany, J. B. Lyons Company, p. 96.

[5]Samuel C. Williams, op. cit., pp. 277-278.

The county board of equalization, which is composed of five members appointed by the quarterly court of the county, reviews and decides complaints of taxpayers, with power to make adjustments on its own motion. Appeals from the decisions of the county boards may be taken to the State Board of Equalization.

. . . . . .

The statutory scope of the state equalization board is wide, extending to adjustments as amongst individual properties, classes, wards, and civil districts, as well as counties. Furthermore, if the complaints filed with the state board are sufficiently numerous to justify such action, the state board may reconvene any county board to act upon these complaints and certify its action.[6]

It shall be the duty of the board to carefully examine, compare, and equalize the county assessments; to eliminate from its lists property exempt from taxation; to hear any just complaints of any party or parties feeling aggrieved on account of excessive assessment of property and if, in their judgment, the property is assessed at more than its actual cash value, it shall be reduced to the actual cash value of the same; to correct any and all errors arising from clerical mistakes or otherwise that may come or be brought to the attention of the board, and the corrections made, if any, shall be entered upon the assessment books, without in any way altering the assessment lists. Said board shall have the power, and is hearby made its duty, to increase or lower the entire assessment roll or any assessment contained therein, so as to equalize the assessment of all property contained therein, and make such assessment conform to the actual cash value of the property described in the assessment. If the property described in said assessment lists or any part thereof shall have been assessed at less than the actual cash value thereof, the value of the same shall be increased so as to conform to the actual cash value thereof; or if any property designated in said assessment lists shall have been assessed at more than the actual cash value thereof, the same shall be reduced so as to conform to the actual cash value thereof; it being the intention of these articles that the county board of equalizers shall

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[6]Silverherz, op. cit., pp. 96-97.

> equalize and compute the value of all the property in the county upon the standard of the actual cash value thereof, estimated at the amount of money the property would sell for at a fair, voluntary sale.[7]

The county equalization board is important, has much delegated power, and could change conditions for the better by effecting a true equalization program.

The members of the equalization board are appointed by the quarterly county court. It could be that these members are selected because they would be favorable to setting property assessments in such a way that certain members of the court would profit by it.

In making this comparison of assessed value with true value of real estate in Sevier County the fifth and eleventh civil districts were studied more thoroughly than the other districts because they seem to be the leading districts as concerns population and property value. The other fifteen civil districts are of such similar characteristics that they were studied together.

The procedure used in making this comparison was executed in the following manner: From the property transfer records the name of the person or persons selling the property, and the name of the person or persons purchasing the property and the actual cost to the present owner were obtained. From the Tax Assessed Valuation of Property Record Book was obtained

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[7] Williams, op. cit., pp. 259-260.

the actual assessed value of the property under investigation. Names will not be shown in this writing.

Upon examining Table XXV, it can be seen that taxes are not assessed on an equalized basis. These twenty cases were selected at random from the real estate transfers during the period from June 30, 1949 to June 30, 1951. The actual cost of real estate to the purchasers was found by studying statistics found in the office of the Sevier County Register of Deeds. The assessed valuation of these same pieces of property was determined from the Sevier County Tax Assessed Valuation of Property Record Book for 1951. The percentage or ratio of the assessed value to actual cost or true value of real estate was obtained by computation. It can be seen that this percentage is higher for lower cost pieces of property than it is for the higher cost ones. The greatest variation in percentage is found to be from .041 to .50. Cases 5, 6, 8, 11, and 18 are assessed at the same figure while they vary greatly in size and actual cost or true value. Only three cases are assessed at the same percentage. The total cost to present owners of the indicated transferred real estate was $269,430.00 and was assessed at $22,475.00 making an assessment of .071.

These findings appear to indicate that many adjustments could be made in the procedure of obtaining revenue from real estate in the Fifth Civil District of Sevier County.

TABLE XXV

IMPLICATIONS OF REAL ESTATE TRANSFERRED BETWEEN JUNE 30, 1949 AND JUNE 30, 1951

Case	Amount of Property[a]	Actual Cost To Present Owner[b]	Assessed Valuation For 1951[c]	Percentage assessed to true[d]
1	5 lots	$ 2,500.00	$ 250.00	10
2	7 acres	850.00	100.00	11.8
3	200 acres	47,000.00	7,500.00	16
4	1 lot	31,000.00	1,600.00	5.2
5	68 acres	22,000.00	1,500.00	6.8
6	142 acres	36,500.00	1,500.00	4.1
7	21 acres	3,000.00	500.00	16.6
8	5 acres	9,000.00	1,500.00	16.6
9	1 lot	300.00	50.00	16.6
10	1 lot	16,000.00	1,000.00	6.2
11	3 acres	21,000.00	1,500.00	7.1
12	1 lot	330.00	50.00	15
13	1 lot	14,000.00	1,400.00	10
14	2 acres	2,000.00	200.00	10
15	1 lot	25,000.00	2,000.00	8
16	1 lot	500.00	200.00	40
17	3 lots	200.00	50.00	25
18	142 acres	36,000.00	1,500.00	4.1
19	1 lot	50.00	25.00	50.0
20	1 lot	600.00	50.00	8.3
Total		$269,430.00	$22,475.00	7.1

[a]Sevier County Register of Deeds Records, 1949-1951.

[b]Sevier County Register of Deeds Records, 1949-1951.

[c]Sevier County Tax-Assessed Valuation of Property Record Book 1951.

[d]Computed.

By studying Figure 1 and Figure 2 of this writing, it can be seen that real estate in the Eleventh Civil District of Sevier County is very valuable for purposes other than farming. In this district many very small industries of the arts and crafts nature prevail in conjunction with the millions of dollars tourist trade. Gatlinburg is the only town in the district and contains much wealth. The district is located on the boundary of the Great Smoky Mountain National Park which thousands of people from all parts of the world visit annually.

Table XXVI gives twenty cases of property transfer selected at random showing the actual cost to present owners, the 1951 assessed valuation and ratio of the assessed value to the true value of the items of real estate considered. The greatest percentage variation in property assessment is from .038 in case 5 to 200 per cent in case 7. Few cases are assessed the same percentage. Case 11 is assessed at the recorded cost. Of the twenty cases considered, the total actual cost of the real estate to the present owners, as recorded, was $228,035.00 and assessed at $17,725.00 or 7.8 per cent of its recorded true value.

Table XXVII deals with property transfers in the fifteen civil districts other than the Fifth and Eleventh Civil Districts of Sevier County. Since these fifteen districts are similar in many respects because of their location, size, and

TABLE XXVI

IMPLICATIONS OF REAL ESTATE TAX ASSESSMENTS IN THE ELEVENTH CIVIL DISTRICT TRANSFERRED BETWEEN JUNE 30, 1949 AND JUNE 30, 1951

Case	Amount of Property[a]	Actual Cost To Present Owner[b]	Assessed Valuation for 1951[c]	Percentage assessed to true[d]
1	1 lot	$31,000.00	$1,200.00	3.9
2	.023 acres	2,500.00	100.00	4
3	1 lot	3,000.00	200.00	6.6
4	1 lot	4,000.00	400.00	10
5	2 lots	20,000.00	1,000.00	5.0
6	1 lot	8,000.00	500.00	6.3
7	1 lot	100.00	200.00	200
8	182 acres	52,000.00	3,000.00	5.8
9	3 lots	10,000.00	800.00	8
10	1.5 acres	12,000.00	800.00	6.7
11	1 lot	100.00	100.00	100.0
12	1 lot	900.00	75.00	8.3
13	3.3 acres	7,000.00	600.00	8.6
14	1 lot	3,000.00	150.00	5
15	1 lot	1,500.00	200.00	13.3
16	1 lot	4,835.00	600.00	12.4
17	1 lot	4,500.00	400.00	8.8
18	.4 acre	3,600.00	300.00	8.3
19	3 acres	53,000.00	7,000.00	13.2
20	1 lot	1,000.00	100.00	10.0
Total		$228,035.00	$17,725.00	7.8

[a]Sevier County Register of Deeds Records 1949-1951.

[b]Sevier County Register of Deeds Records 1949-1951.

[c]Sevier County Tax-Assessed Valuation of Property Record Book 1951.

[d]Computed.

TABLE XXVII

IMPLICATIONS OF REAL ESTATE TAX ASSESSMENTS IN THE FIFTEEN CIVIL DISTRICTS (EXCLUDING THE FIFTH AND ELEVENTH CIVIL DISTRICTS) TRANSFERRED BETWEEN JUNE 30, 1949, AND JUNE 30, 1951

Case	Amount of Property[a]	Actual Cost To Present Owner[b]	Assessed Valuation for 1951[c]	Percentage assessed to true[d]
1	20 acres	$ 175.00	$ 25.00	14.2
2	28 acres	2,700.00	300.00	11.1
3	90 acres	5,200.00	500.00	9.6
4	1 acre	500.00	50.00	10
5	40 acres	200.00	200.00	100
6	64 acres	400.00	175.00	43.8
7	48 acres	1,000.00	175.00	17.5
8	50 acres	450.00	75.00	16.6
9	4 acres	2,000.00	50.00	2.5
10	2 acres	150.00	100.00	66
11	22 acres	500.00	500.00	100
12	7 acres	600.00	50.00	8.3
13	20 acres	2,500.00	100.00	4
14	1 lot	700.00	50.00	7.1
15	1 acres	300.00	25.00	8.3
16	9¼ acres	1,750.00	300.00	17.1
17	22.5 acres	7,500.00	300.00	4
18	1 acre	2,500.00	100.00	4
19	195 acres	15,000.00	4,600.00	31
20	3 acres	5,500.00	400.00	7.3
Total		$49,525.00	$8,075.00	16.3

[a]Sevier County Register of Deeds Records 1949-1951.

[b]Sevier County Register of Deeds Records 1949-1951.

[c]Sevier County Tax-Assessed Valuation of Property Record Book 1951.

[d]Computed.

value and are different from the other two districts in that they are not as efficiently organized for business, are completely rural and have fewer improvements activities, indicative real estate data are combined into one table in an attempt to make a significant implication.

The twenty cases were selected as pertinent data relating to real estate transfers. A study of this data reveals that the dollar value of real estate varies greatly and that the variation is assessed valuation is even greater. The ratio of assessed to true value was obtained by dividing the amount of the assessed valuation by the amount of the actual cost taken as true value. It was found that property assessments ranged from as low as 4 per cent of the true value to as high as 100 per cent. The ratio of the total assessed value of $8,075.00 to the total cost, or true value, of $49,525.00 was .163.

Table XXVIII is a summarization of data and findings of Table XXV, Table XXVI, and Table XXVII of this study. The purpose of this table is to show a county wide picture of the ratio of the assessed value to the true value of real estate.

In the sixty cases considered, it was found that the ratio of the assessed value of $48,275.00 to the actual cost, or true value, of $546,990.00 was .088. It is significant to note that these facts imply that real estate in Sevier County is assessed at only 8.8 per cent of its true value

TABLE XXVIII

SUMMARY OF IMPLICATIONS OF REAL ESTATE TAX ASSESSMENTS IN ALL THE FIFTEEN CIVIL DISTRICTS OF SEVIER COUNTY TRANSFERRED BETWEEN JUNE 30, 1949 AND JUNE 30, 1951[a]

Districts	Cases	Actual Cost To Present Owners	Assessed Valuation	Percentage assessed to true
5	20	$269,430.00	$22,475.00	7.1
11	20	228,035.00	17,725.00	7.8
Other Districts (13)	20	49,525.00	8,075.00	16.3
Total	60	$546,990.00	$48,275.00	8.8

[a]Data summarized from Table XXV, Table XXVI, and Table XXVII.

for purposes of taxation. Contrary to the expressed belief of many local citizens, the table shows that property assessments in the eleventh civil district, in which is located the tourist city of Gatlinburg is not assessed at a lower ratio than other sections of the county. Incidental to this observation and worthy of consideration are findings by the writer during the accumulation of this data which indicate that the recorded prices of many parcels of property transferred have been distorted in that the real estate actually cost more than the amount written into the warranty deeds and permanently recorded, consequently, the consensus of local opinion might be correct concerning property in Gatlinburg. Findings in this table certainly show that inequalities exist in the present tax system of Sevier County, Tennessee.

Table XXIX was compiled from the 1941, 1944, 1947, and 1951 Record Books found in the County Trustee's Department at Sevierville, Tennessee. The purpose of this table is to establish the basis for ascertaining increased or new sources of revenue. Taken at intervals this data shows the number of utilities with their assessed valuation and relationship to the total assessed valuation of all property. The tax rate per one hundred dollars valuation shows an increase. The school levy shows a slight fluctuation.

TABLE XXIX

COMPARISON OF EXISTING REVENUE SOURCES OF SEVIER COUNTY FROM 1941 TO 1951 AT THREE-YEAR INTERVALS[a]

Year	Number of Utilities	Assessed Valuation of Utilities	Assessed Valuation of all Property	Tax Rate	School Levy
1942	25	$90,620.08	$3,655,695.08	$3.50	$1.23
1945	23	163,384.25	3,653,875.25	3.50	1.48
1948	84	275,647.00	3,619,528.42	4.30	1.47
1951	79	302,832.00	4,188,242.00	4.35	1.47

[a]Sevier County Trustee's Record Books, 1942 through 1951.

Utilities and Tourist Assets in Sevier County

Personal property is very rarely considered for taxation purposes in Sevier County and might be an increased source of revenue. Utilities are given inadequate attention, it seems, when known facts are weighed against implications of Table XXIX. During the period considered in this table, the valuation of utilities for taxation increased from $90,620.00 to $302,832.00; but, during that time around the tourist centers, utilities have increased tremendously.

In and near Gatlinburg, five new hotels have been erected that range in size from twenty to eighty rooms. More than twenty new restaurants have been built. Three private hospitals have been erected. Many new businesses and erections have come in use such as numerous homes, apartment houses, theaters, new and used automobile places, filling stations and garages, souvenir shops, grocery and department stores, drugstores, tourist courts and tourist homes. Many "sight-seeing" conveyances and amusements have come into being and are maintained by lucrative incomes from tourist trade. Study of records did not reveal any appreciable increase in real estate evaluation as a result of these establishments and improvements. Perhaps this would indicate an increased and new source of revenue.

CHAPTER VII

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

The study has been concerned with showing the ability of the people of Sevier County to support a program of education for themselves and their children with emphasis upon available finances and sources of revenue. Data has been compiled and presented that show the effort and ability of Sevier County people to meet the needs of their educational program.

Findings

The points outlined for consideration at the outset of this study were resolved as follows:

1. What determines the financial ability of Sevier County? It was found that most finances for schools came from real estate with little from utilities and personal property. Public officials could have produced more revenue in a more equal manner. Tourist accommodations and related gainful activity are not producing revenue to an appreciable amount for education.

2. What do statistics of the last few years show as a trend in educational demands and expenditures? The educational needs and demands have increased greatly. The expenditures have increased by small amounts. Total expenditures for school year 1950-1951 were $817,098.58, including local and state monies.

3. What is the relationship of assessed valuation to true valuation? It was found that an outstanding inequality exists in assessments. Real estate is valued for tax assessment at the average percentage of its sale (or true) value of only 8.7 per cent. In some cases the actual sale price of real estate was not recorded.

4. In what direction is the local tax effort going? Local tax effort is definitely decreasing. Although collected revenue has increased from $132,683.73 in 1945 to $166,932.77 in 1951, real estate values have increased in much greater proportion.

5. How are sources and amounts of revenue related to schools? Sevier County depends chiefly upon state and federal support to maintain its total educational program. Locally four dollars and thirty-five cents are collected as revenue from property owners for each one hundred dollars of assessed value of real estate owned. Of this four dollars and thirty-five cents, one dollar and forty-seven cents in 1951 was the amount allocated to schools and educational activities.

The financial ability of Sevier County has been studied and probed to the extent that anyone, including the governing body of Sevier County, who cares to consider it, can interpret and understand the facts found in this research, evaluate the implications and decide how to improve upon what exists, and propose new sources of revenue for the development and improvement of the local program of education for all county citizens.

Sevier County is favorably located for securing increased finances from tourist trade.

The population is slowly increasing, but the need for improvement in the whole educational program is increasing rapidly as a result of consolidation of schools, increased birth rate, compulsory school law, and changing physical and sociological needs.

More than 50 per cent of Sevier County School teachers have less than four years of collegiate training. The majority of all teachers have, out of necessity, sources of income other than their monetary compensation from the teaching profession. It seems that the application of increased financial support to the education program would result in overall improvement. Sevier County is an equalizing county and barely meets the minimum standards required by the state to receive state aid funds; the county is rated low by the state in its ability to support its schools.

Public education and the total well-being of the people of Sevier County are coincident. This alone would justify increased expenditure of public funds and the increasing of revenue and the finding of new sources of revenue for education. When the taxpayers of this county become fully aware of this and realize the comparatively small effort of the people of the county in that direction, they, perhaps, will provide more liberally for their schools than they are doing at the present time.

When the fiscal statistics of this county are considered, two very outstanding facts are observed. One is that the local property tax, as currently handled, is not an adequate source of revenue to support or improve the present educational program which is made possible only through the Tennessee state equalization program for state-wide education. The other fact observed is that Sevier County property taxes are not equalized and that assessments are made in a very unfair and unprofitable manner. If equalized assessments were made with this rate of levy, or a much lower levy, not only the schools, but also all county departments would be improved fiscally.

Conclusions

Many of the financial problems of the individual school unit arise from local tax structure.

Sevier County obtains the major portion of its local income from taxes on real estate which could be more revenue with less injustice than is now true.

The cost of education in Sevier County has increased; this occurence necessitates the increased expenditure of money.

The cost of education in Sevier County is justifiable in that the educational services which result are indespensable.

The amounts of taxes for schools have fluctuated but increased very little. It seems that the tax effort has not met the service requirement.

The financial structure of Sevier County has been impaired by political partiality. This situation must be improved before the county can progress as it should.

Adequate school housing facilities and equipment have not been provided. These things can be provided in greater amount if and when the revenue getting process is improved.

Relatively less tax effort is made at present than was made several years ago. Effort of this nature should be used to meet the demand of circumstances.

The distance is great between Sevier County's ability and effort to support its schools. The effort should be made to more nearly equal the ability.

Increasing numbers of students are making and will continue to make more buildings and equipment necessary.

The assessed valuation of property is very unequal; this situation should be changed.

The actual property valuation of Sevier County is much lower than it should be; an assessment of 50 per cent of the true value would be fair and would make possible the lowering of the tax rate and at the same time produce more revenue.

The ability of this county to support and improve its public education can be increased by an equalization of its property evaluation and a reorganization of its tax system.

Recommendations

A long-time financial plan should be set up in the county for the schools covering current expense and needs from year to year.

Real estate should be subjected to an accurate program of equalization of value so that it will be assessed more nearly at its true value; this action would provide the necessary funds for improvement of the educational program.

Tax assessors should be qualified in every meaning of the word. Assessors and equalization board members should provide themselves with current information on taxation, not only in Tennessee but in other states. Assessors should study information and changes in costs and values of all kinds of property and have an intelligent working knowledge of related laws and legal functions. They should have a sound and reasonable view of sale prices and not be influenced by a few extreme prices or by personalities. Each piece of property should be thoroughly checked before assessment for taxation is made. Equality in assessments should be insisted upon at all times after all property in Sevier County has undergone a program of unbiased equalization.

Expenditures should be increased for educational purposes.

Educational needs should be ascertained by careful study by qualified personnel.

Economical and efficient expenditure of funds should be effected by the board of education.

The people should be informed of existing situations and made to realize the necessity of development and improvement.

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