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The Transfer of Section 6 Schools

A Case by Case Analysis

Susan Bodilly, Arthur Wise, Susanna Purnell

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A Case by Case Analysis

Susan Bodilly, Arthur Wise, Susanna Purnell

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PREFACE

This report examines issues surrounding the transfer of Department of Defense “Section 6” schools—schools run by the federal government on military bases—to state and local responsibility. It reports on case study analyses of six Section 6 schools. The report describes how those affected by such a transfer feel about it and notes factors that will facilitate or impede transfer. The study reviews alternative transfer options including no transfer, a contractual arrangement, coterminous districts, full transfer, and an assisted transfer. The report emphasizes the values that must be brought to bear in weighing the pros and cons of transfer decisions and options.

The research was sponsored by the Office of the Assistant Secretary of Defense for Force Management and Personnel, Director of Dependents Support Programs. It was conducted within RAND's National Defense Research Institute, a Federally Funded Research and Development Center supported by the Office of the Secretary of Defense. The Defense Manpower Research Center conducted the research in cooperation with RAND's Education and Human Resources Program.

A-1

SUMMARY

Section 6 schools educate military dependents living on eighteen bases in the United States. These bases are located in communities that in the past were judged unable to provide a suitable education to base children. "Suitable education," however, has never been defined, nor have standards for its determination been established.

The base schools are known as Section 6 schools after Section 6 of Public Law 81-874, 1950, which made the federal government responsible for the operation and maintenance of the schools. The law provided for the dissolution of the Section 6 schools by transfer to state and local authority when the local education agency (LEA) could provide a suitable education. According to the originating law, the Secretary of Defense and the Secretary of the military department concerned, after consultation with the appropriate state agency, must determine that the LEA can provide a suitable education before a transfer can occur.¹ During the history of the schools approximately three-quarters of the original one hundred schools have been transferred.

Periodically, Congress has reviewed the status of the remaining eighteen schools to determine whether transfers are appropriate. In 1986, after the most recent review, Congress mandated that the Department of Defense develop a plan for the orderly transfer of the schools, not later than 1990. This request for a transfer plan is based on philosophical and financial grounds. Education is the responsibility of state and local governments; therefore, some argue, the federal government should not directly finance or administer schools. Furthermore, the transfer of the schools could reduce the federal budget.

The Department of Defense answered the Congressional mandate by recommending analyses of site specific conditions at each Section 6 base. As part of this effort DoD asked RAND to analyze the issues posed by transfer.

The Congressional mandate and DoD's interpretation of it has shifted the burden of proof on decisions about transfer. Under the original, and still applicable legislation, the burden of proof to effect a transfer fell on the transfer supporters. The continued existence of the

¹The law was originally administered by the Commissioner of Education, so the law referred to his decisionmaking authority. However, the Secretary of Defense now administers the program and must decide the transfer issue. In this report we have substituted Secretary of Defense for Commissioner of Education where appropriate.

Section 6 schools was justified on the original findings that created the schools. The mandate, however, has changed this. At best, the burden of proof *against* transfer now rests with those who wish to preserve the Section 6 schools.

Our approach is to look at each Section 6 school and the relevant LEA(s). Thus, we look at (1) how ready a particular site is for transfer; (2) what transfer mechanism or option is appropriate at the site; and (3) means to remove impediments to transfer. To place this study in perspective, there are 36,000 Section 6 school children; 17 school districts; and a budget of \$138,000,000. Most school-age military dependents in the United States attend public schools in school districts bordering on military bases. The quality of education these children receive is not the subject of this study. Section 6 school children represent only 2 percent of all military dependent children, but the schools they attend are a highly valued benefit for those military parents able to take advantage of them.

To perform the analysis we made case studies of six schools determined by the Department of Defense: Fort Benning and Robins Air Force Base in Georgia, Fort Knox in Kentucky, Fort Campbell in Kentucky and Tennessee, and Fort Bragg and Camp Lejeune in North Carolina. We collected information from federal, state, and local governments and from base representatives, parents, and employees. The analysis contains both factual information as well as the perceptions and opinions of those who would be affected by a transfer.

TRANSFER DECISION

Section 6 school transfers will affect diverse groups including: military parents and children, employees of the schools, base commanders, local education agencies, and local children. Examination of the transfer question exposes issues which will affect each Section 6 school location and concern each interest group in differing measure. These issues include: maintaining the education program of Section 6 children, financial viability of transfer, loss of educational input by base parents, transfer of facilities, base administration concerns, and employee status after a transfer. The text explores each of these issues in turn. The analytic result is a list of factors indicating the relative readiness of a site for transfer.

Concerns identified by various parties to a transfer at the sites reviewed are noted below. They are not necessarily applicable to all Section 6 sites.

First, base personnel, especially parents, think that the transfer decision should be based on whether the LEA can maintain the current Section 6 educational services after the transfer occurs. All personnel connected with the Section 6 schools reviewed believe that the education program offered to the Section 6 children will decline if a transfer occurs. This perception is supported by the following.

- Section 6 schools tend to be located in the southeastern United States where funding for education is low, and educational achievement indicators, while improving in recent years, are still the lowest in the nation.
- Section 6 schools have achieved a high level of school-community cooperation. On some bases (e.g., those with rapid deploying units), the sense of community is highly valued by families and commanding officers.
- Section 6 schools offer education programs geared to the needs of military children. They offer additional individualized services not found in the relevant LEAs as well as special education programs which parents appear to regard highly. LEAs cannot provide the type and level of services currently provided by the Section 6 schools.
- At some bases, the base parents thought that the LEA would use base children exclusively to meet LEA desegregation plans or to solve capacity problems, thus alleviating the need to use community children for the same purposes. Some parents assert that this has occurred in the past and at least one LEA supervisor indicated he would bus base students rather than local children to avoid voter complaints. Base parents have little political power in the local community. Court-ordered busing for integration purposes is a possibility at Fort Benning, Fort Campbell, and Fort Bragg, whereas busing to alleviate overcrowding is a possibility at many sites.
- Base parents are concerned that Impact Aid funds, received by the local communities for the education of base children, will be used for other educational purposes. This is possible due to the discretionary nature of the funds.

Second, state and local governments think a transfer decision should be based on whether the current education program in the LEA can be maintained after a transfer. The primary factor affecting state and local willingness to take on the responsibility of Section 6 children will be their ability to maintain adequate education funding levels supported by federal sources such as Impact Aid. State or local officials

are financially wary of transfer because Impact Aid may be inadequate to cover costs and they perceive the future of the program to be uncertain. Furthermore, other resources may be stretched by a transfer, including personnel and facilities. The ability of the LEAs to attract and retain qualified personnel, most of whom will likely be former Section 6 employees, will be key to a successful transfer.

Third, a major Congressional concern is the ability to transfer the Section 6 school facilities. States and LEAs will accept transfer of these facilities as long as they are in good condition, without future financial encumbrances, and access and title problems can be worked out. The funding for the repair and maintenance of these buildings prior to transfer may fall primarily on the federal government and will amount to approximately \$93 million, according to DoD sources.

Fourth, base parents are concerned over the loss of their influence on the education of their children if a transfer occurs. Few military personnel register to vote in the LEAs involved and military personnel are forbidden by law from holding civil office. LEAs, however, can provide some kind of representation to base parents such as nonvoting membership on the board or advisory councils.

Fifth, base commanders voiced concerns over the impact of transfers on the administration of the base, including additional security problems, administrative burdens, negotiation of access rights, and loss of control over activities on base. These concerns, though real, have been handled at other bases by negotiated arrangements. However, base commanders are concerned about the impact of transfer on the morale of the military. The Section 6 schools are a special benefit offered to the military family, and loss of this benefit may affect retention and morale.

TRANSFER OPTIONS

Several transfer options may be considered: no transfer, contractual arrangements, coterminous arrangements, normal transfer, and assisted transfer:

- The *no transfer* option maintains the status quo. It is suitable for those Section 6 schools that still meet the criteria of the Public Law—surrounding communities cannot provide a suitable education.
- Under the *contractual* option, the federal government contracts with the Local Education Agency to operate and maintain the Section 6 school. The federal government retains some part of the financial burden, but is not involved in the direct operation

of the school. Contractual arrangements are used now for six school systems receiving Section 6 funding.

- Under a *coterminous arrangement*, the Section 6 school system becomes a state-recognized public school system with boundaries coterminous with the base. It then becomes eligible for state funds and Impact Aid funds, but has no local tax base. The adjacent LEA is not involved in the funding or operation of the coterminous district. Four bases have this type of arrangement.
- Under a *normal transfer*, the Section 6 system is incorporated into the LEA. The LEA is eligible for Impact Aid funds, but maintains the schools, by and large, through state and local funding sources. The federal government has no financial obligation to the schools and has no direct or indirect involvement in the operation and maintenance of the schools.
- In the *assisted transfer*, a transfer takes place, but federal funds in excess of Impact Aid, or state funds, are available to ensure that the LEA is able to provide a suitable education to its students. The federal obligation is reduced, but not removed. The federal government is not directly or indirectly involved in the operation of the schools. This is a newly developed option and is not in use at any base.

Each of these options is explored in the text. Pros and cons are explicitly outlined. Assuming a transfer is to occur, three options offer reasonable solutions: a full transfer, an assisted transfer, and a contractual arrangement with state funding. Of the three, the contractual arrangement is the least acceptable because it does not provide for transfer of facilities or remove the federal responsibility for the schools. The coterminous option leaves many problems unsolved. Although the coterminous option presents a politically attractive solution, it is illegal in certain states, resisted strongly by all states, and presents long-term funding difficulties. Coterminous districts would not have access to some state funding programs or access to local sources of revenue. However, in some rare instances this option may be appropriate.

ACTIONS TO REMOVE IMPEDIMENTS

We applied the decision framework and the transfer option analysis to each of the sites visited. The results are detailed in Section XI and the case studies themselves are found in Appendix A. Impediments to transfer at each site may make immediate transfer difficult. The federal government can ameliorate or remove some of the impediments to transfer and encourage site readiness by:

- Creating a Section 6 subsidy as a stable funding source for LEAs and as an additional source of revenues when Impact Aid is inadequate. This would require a change in law. Alternatively, it can open negotiations with state governments for equitably sharing the transfer burden based on analyses forthcoming from the Office of Economic Adjustment.
- Committing construction funds to ready facilities for transfer or developing agreements with states and LEAs for shared funding of new facilities off-base.
- Developing arrangements between the bases and the LEAs to provide base security and control, neighborhood schools, and parent participation in LEA affairs.

Finally, the federal government will need to develop a strategic plan for the transfer of Section 6 schools, if it chooses to proceed. The plan should address the precedent-setting attributes of the first system to be transferred under the new mandate and define the requirements for a diversified, well-qualified negotiating team—the key to successful transfers.

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I. INTRODUCTION

Section 6 schools were created to educate children of military personnel living on bases in the United States in communities that could not provide a suitable education for the military dependents. The base schools resulted from Section 6 of Public Law 81-874, 1950. Schools had existed on bases prior to this, however, their funding was irregular and unsystematic. The law created a programmatic responsibility on the part of the federal government for the operation and maintenance of the schools.

The enabling legislation provided for the dissolution of the Section 6 schools by transfer to state and local authority. Section 6(a)(2) states that once a Section 6 arrangement has been made "it shall be presumed that no local education agency is able to provide suitable free education for the children residing on such installation, until the Commissioner and the Secretary of the military department concerned jointly determine, after consultation with the appropriate state agency, that a local educational agency is able to do so."¹ Under this provision, many schools were transferred to state and local responsibility.

Periodically, Congress has reviewed the status of the remaining eighteen schools to determine whether further transfers are appropriate. In the 1980s, Congress renewed this effort in response to opposition to the program at the federal level on fiscal and philosophical grounds.² First, there is a desire to have state and local authorities assume some of the responsibility for funding and operating base schools. In the United States, education is traditionally the responsibility of state and local governments; therefore, some argue, the federal government should not directly finance or administer schools. Second, a transfer could produce federal cost savings. Third, DoD administration of educational programs causes Congressional concern over the potential of having to trade defense needs against educational needs in the budget process.

In 1986, Congress took strong action to transfer the schools. It incorporated into the Military Construction Authorization Act of 1986

¹The law was originally administered by the Commissioner of Education. The Secretary of Defense now administers the program. We have substituted the Secretary of Defense for the Commissioner of Education where appropriate.

²For instance, Congress recently ordered the General Accounting Office (GAO) to review the status of the remaining schools. The GAO report recommended transfer of all eighteen schools under a single transfer arrangement. U.S. General Accounting Office, *DoD Schools: Funding and Operating Alternatives for Education of Dependents*, GAO/HRD-87-16, December 1986.

a request to the Secretary of Defense to submit a plan "which provides for the orderly transfer, not later than July 1990, of all Section 6 schools to the appropriate local school districts of the state in which such schools are located."³ DoD complied with this mandate by submitting a plan outlining a case study approach to transfer and recommended analysis of specific conditions at each site.

The Congressional mandate has caused a subtle shifting in the perspective taken by the Section 6 school community. Under the original legislation, the burden of proof to effect a transfer fell on the transfer supporters. The continued existence of the Section 6 schools was justified by the original findings that created the schools. The mandate, however, has changed this. At best, the burden of proof *against* transfer now rests with those who wish to preserve the Section 6 schools.

DoD asked RAND to analyze the transfer issues using a case study approach, identifying and analyzing the issues posed by transfer in the following Section 6 schools: Fort Benning and Robins Air Force Base in Georgia, Fort Knox in Kentucky, Fort Campbell in Kentucky and Tennessee, and Fort Bragg and Camp Lejeune in North Carolina.

We used the following approach. First we focused on the characteristics of the Section 6 school and candidate LEAs. Then we identified factors that impede or facilitate transfers at each site. And finally, we sought possible solutions to the identified impediments. As a result, each case study presents three findings: (1) how ready a particular site is for transfer; (2) what transfer mechanism or options are appropriate at the site; and (3) possible means to remove impediments. The analysis does not attempt to justify the existence of the current Section 6 schools.

TRANSFER ISSUES AND OPTIONS

Section 6 school transfers will affect military parents and children, employees of the schools, base commanders, local education agencies, and local children. Examination of transfer reveals many issues which will affect each Section 6 school location and each interest group differently. The issues include:

- Will the LEA provide the same level of educational services as now provided by the Section 6 schools?
- Will the LEA be able to maintain the education program currently offered to community students after a transfer or will lack of resources force it to reduce its program?

³Public Law 99-167, *Military Construction Authorization Act*, Section 824, 1986.

- Can the Section 6 school facilities be transferred? Who will pay for any needed repair and renovation costs and for future maintenance?
- Will base parents be allowed representation in political processes that influence their children's education?
- Can concerns of base administrators such as security and logistics be addressed in a transfer?

Several transfer options may be considered at each site: no transfer, contractual arrangements, coterminous arrangements, normal transfer, and assisted transfer. The applicability of these options to a site depend on the conditions at that site. In addition, the acceptability of an option may feed back into the transfer decision. That is, if no feasible transfer option provides for suitable conditions after transfer, the transfer decision should be reconsidered.

METHODOLOGY

RAND was asked to address two analytically distinct questions: (1) the extent to which a site is ready for transfer and (2) what type of transfer option might be appropriate to that particular site. As in many governmental decisions, agreement on objectives (transfer at a particular site) cannot be easily separated from the objective's implementation (how to transfer). Figure 1 shows how the research efforts proceeded in parallel.

The approach employed in this report was case study analysis. This analysis had two outputs: general, non-site specific, information about transfer issues and site-specific information. General information on transfer and option issues was gleaned from the case studies. Analysis of this information identified: (1) factors for determining the readiness of any site for transfer and (2) factors for choosing specific transfer options. Case studies analyze the readiness factors and the implications of different transfer options at each site. These separate efforts are integrated into a ranking of the comparative readiness of each site for transfer and the appropriate transfer option for the site.

To perform our case study analysis, we collected information from the Department of Defense, General Accounting Office, and Department of Education on the Section 6 schools as well as on related federal programs. We gathered information and opinions from the state commissioner or state department staff in each of the four states. Similarly, at the local level we talked to the leadership of the public school districts adjacent to each base, including the superintendent, staff, representatives of the school board, and in some instances,

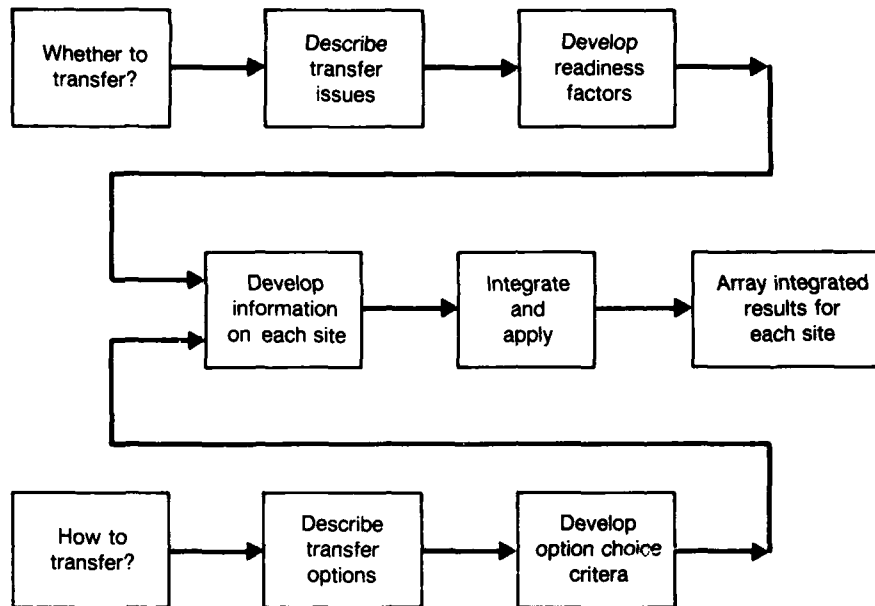


Fig. 1—Parallel research efforts

concerned citizens and local elected officials. At the six bases, we gathered information from the base commander or chief of staff, the Section 6 school superintendent and administrative staff, as well as representatives of the teachers, school board, and parents. Finally, we interviewed a number of LEA superintendents in districts that had experienced transfers or had contractual or coterminous arrangements.

Perceptions of interested parties are particularly important to this study. Key issues, such as quality or suitability of education, are difficult to quantify. Suitable compared to what? Determined by whom? These intangibles are addressed by the display of gross indicators commonly used in education circles and by descriptions of the perceptions of the various parties involved. In the text we attempt to discern between opinion and fact, but the reader should be aware that questions regarding education generally revolve around values held by the public and are not easily reducible to accountant's terms.

ORGANIZATION

The body of this report contains an analysis of the issues that are common to the Section 6 schools studied and a general analysis of the transfer options. Appendices analyze the specific circumstances and issues of the six Section 6 schools.

Section II provides background on the Section 6 schools, including the history of the program and the current debate concerning the transfer plan. Next, a series of sections examines issues common to all sites that are important in determining whether a site is ready for transfer. These include: maintaining the education program (Sec. III), LEA and state resources concerns (IV), facilities transfer issues (V), the loss of education governance by base parents (VI), and base administration concerns (VII). Section VIII converts the issues into a framework for decisionmaking, providing a set of factors indicating whether or not a site is ready for transfer. Section IX describes the transfer options, with the pros and cons of each. Section X demonstrates the financial viability and implications of transfer from the point of view of each government involved. Section XI provides the results of the case study analysis, applying the transfer decision framework and the transfer options to each site in a rank ordering. Conclusions are given in Section XII.

Appendix A provides separate case studies for each of the sites reviewed. Appendix B summarizes implications for the employment status of current Section 6 employees.

II. BACKGROUND OF SECTION 6 SCHOOLS

At one time there were approximately one hundred schools on military bases in the United States; now eighteen remain in nine states plus Puerto Rico.¹ Table 1 lists the bases with Section 6 schools or Section 6 arrangements by the associated service and state. These schools educated approximately 36,000 military dependents in FY1987 at a cost to the federal government of approximately \$138 million.² Six of the bases have contractual arrangements between the DoD and state and local districts. The remaining military dependents in the United States are educated by the local school districts with local, state, and federal funds. In 1985 there were approximately 1,649,956 children claimed as military dependents.³ Those served by Section 6 schools make up little more than 2 percent of all military children at any given time.

LAW AND HISTORY OF THE SECTION 6 SCHOOLS

The military has been concerned about the education of military dependents since the early 1800s when wives and children accompanied soldiers to frontier posts. Historically, arrangements were made to educate dependents either in schools on the post or in an adjacent public school district. Post schools were financed through a variety of sources, including service discretionary funding, post exchange profits, donations, tuition, and occasionally, direct Congressional appropriation.

The enactment of Public Law 81-874 in 1950 established a reliable source of federal funding for post schools. Under Section 6 of the Act, the Congress may annually appropriate funds for children residing on federal property if either of two conditions exist:

- If no tax revenues of the state or any political subdivision thereof may be expended for the free public education of such children; or

¹The school in Puerto Rico is similar to those overseas in that the surrounding community is not English speaking. Few educational alternatives exist for military dependents, and we do not consider Puerto Rico as a candidate for transfer. It will not be discussed further.

²DoD budget as of January 1987.

³*Uniformed Services Almanac 1987*, Uniformed Services Almanac, Inc., Washington, D.C., 1987.

Table 1
SECTION 6 SCHOOLS AND ATTENDANCE, FY1987

Base	Section 6		Special Arrangements		
	State	ADM ^a		State	ADM
Army					
Benning	GA	3350	Levenworth	KA	328
Bragg	NC	4723	Highland Falls	NY	214
Campbell	KY/TN	4113			
Jackson	SC	1007			
Knox	KY	4082			
McCellan	AL	511			
Rucker	AL	1230			
Stewart	GA	1579			
West Point	NY	896			
Navy					
Antilles	PR	3521	Governors Island	NY	460
Dahlgren	VA	157	Crater Lake	OR	8
Marines					
Laurel Bay	SC	1156			
Lejuene	NC	3738			
Quantico	VA	1184			
Air Force					
England	LA	639	Hanscom	MA	595
Maxwell	AL	530	Bedford	MA	150
Myrtle Beach	SC	700	Dover	DE	1157
Robins	GA	846			
		33,945			2912

SOURCE: Department of Defense, Assistant Secretary for Force Management and Personnel, Director of Dependents Support Policy, Budget Files for FY1987.

^aADM = Average daily membership.

- If it is the judgment of the Secretary,⁴ after he has consulted with the appropriate state education agency, that no local education agency is able to provide a suitable free public education for such children.

⁴Originally the law referred to the Commissioner of Education, later replaced by the Secretary of Education. According to a Department of Justice opinion, when the schools were transferred to the Department of Defense, the Secretary of Defense became responsible. In citations we have substituted the Secretary of Defense for the Commissioner of Education.

The law further provides that for any Section 6 school in existence on January 1, 1955 or thereafter created, it will be assumed that the education provided by the local education agency is *not suitable* until the Secretary of Defense and the Secretary of the military department concerned jointly determine, after consultation with the appropriate state education agency, that a local education agency is able to provide a suitable education.⁵ The law does not define suitable, thus giving great leeway for interpretation of its meaning.

This legislation also established guidelines for school administration. First, it required that an individual school's funding be based on comparable districts within the state. Therefore, all the Section 6 schools base their per-pupil expenditures (PPE), teacher certification, procedures, teachers' salaries, and curriculum on state guidelines and comparable state school districts' expenditures. Unlike the unified criteria and centralized hiring practices applied to schools run by the Department of Defense for military dependents overseas (DoDDS), the Section 6 schools exist independently. Second, the law now requires that each base school system be governed by an elected school board. Originally the base commander appointed the school board. Since 1979, each base school board has independently hired personnel and set school policy. The base commander still exerts influence over school affairs by virtue of his control over base activities, base housing, and review of school board minutes.

The independence of the Section 6 schools, combined with the absence of legislative definition or criteria for "suitable education," make each school system unique. A number of these schools predate the legislation; they already existed as post schools and in 1951 they qualified for Section 6 funding.⁶ Many of the posts qualified because the base was located in a rural area and there was no alternative education available. Others qualified because the existing education was unsatisfactory or the local community either could not afford to or refused to educate base children. In 1954, with the desegregation of the services, local communities near bases were scrutinized for segregation practices. Some Section 6 schools were created at this time so that military children living on bases would not have to attend segregated local schools. Suitable education, in these instances, was interpreted to mean racially integrated.

⁵The latter is known as the Quantico amendment. In the early 1950s, the Quantico Marine base was slated for transfer to the LEA. Quantico personnel organized an opposition and managed in 1955 to have language added to the law which required approval of the military service affected before a transfer could take place. The military service then refused the Quantico transfer and it remains a Section 6 school.

⁶The majority of base schools we studied fall into this category.

By the end of the 1960s, the number of Section 6 schools had been reduced by approximately 75 percent. The successful implementation of integration policies in many instances allowed base schools to rejoin their former LEAs. In other cases, commercial and residential development adjacent to the base resulted in the LEA being able to provide a viable educational program. Most base school systems were very small, and transfer to a larger system often provided increased educational opportunities. Moreover, the Department of Education actively lobbied states and LEAs to acknowledge financial responsibility for educating children of military personnel living on base. Whereas most Section 6 schools have been transferred to LEAs, the last transfer from a still existing base was 15 years ago in 1973.⁷

THE CURRENT CONTROVERSY

Probably the most significant change in the history of the Section 6 program was the transfer of funding and administration from the Department of Education (ED) to the Department of Defense. In the process of separating the Department of Education from the Department of Health, Education, and Welfare during the Carter Administration, a proposal was made to turn the Section 6 program over to the DoD. With the advent of the Reagan Administration, the Office of Management and Budget (OMB) began campaigning to abolish the program altogether. Some members of Congress and their committee staffers had a similar view and initially the budget for FY1982 contained no funds for Section 6 of Public Law 81-874. However, compromise was reached in the Omnibus Reconciliation Act of 1981 which transferred the schools to the DoD and allowed the use of DoD budget funds for the schools' operation.

In addition to taking over responsibility for the operating cost of Section 6 schools, the DoD also became a source of capital improvement for the Section 6 facilities, built and maintained under the authority of the Commissioner of Education.⁸ However, for the last decade Congress has seriously underfunded this program, resulting in backlogs of school construction proposals and major maintenance needs. Currently, the principal facilities funding available for Section 6 schools is contained in the military construction budget. This circumstance precipitated some Congressional opposition to all DoD

⁷In Florida, Tyndall AFB schools were transferred to the Bay County LEA. In 1977, the schools at Craig AFB were closed along with the base.

⁸Public Law 81-315 authorized the construction of facilities on federal property for educational purposes.

support of Section 6 schools on the grounds that funds for military construction were being used for education facilities.

This opposition was incorporated into the Military Construction Authorization Act of 1986, in which Congress required the Secretary of Defense to submit a plan "which provides for the orderly transfer, not later than July 1990, of all Section 6 schools to the appropriate local school districts of the state in which such schools are located."⁹ DoD complied with this mandate by submitting a plan that outlined its case study approach to transfer.

From the DoD viewpoint, a transfer may not take into consideration important aspects of the program. First, the eighteen school systems may not have been transferred because the original circumstances still exist. Second, an abrupt change in the status of the schools could adversely affect both troop morale and community/base relations. Finally, DoD representatives stated that simply shifting school sponsorship to the state and local level should not become, in and of itself, the policy goal. Rather, they argue that only changes that responsibly address the benefits and costs to all the parties concerned should be considered.

There is some confusion at the federal level over the range of options open to the DoD in transferring schools. The language mandating the plan seems to imply that all schools must be transferred. The DoD, however, takes a different view. The mandate did not revoke the Section 6 authority or the language that requires finding a suitable education prior to transfer. In fact, all the enabling legislation allowing the Secretary of Defense to create more schools is still in force.

Our analysis cannot determine the outcome of the debate. Rather, we take the broadest view in discussing options. Thus, the no transfer option is considered, along with others, to provide the decisionmaker, whether legislative or executive, with ample information upon which to base a decision.

Finally, it has been argued by some that the fact that the majority of military children live off-base and receive their education from the local community is *prima facie* evidence that the relevant LEA is providing a suitable education. The off-base children greatly outnumber those receiving education from base schools and they receive their education from precisely those communities deemed legally unable to provide a suitable education to children living on base. This paradoxical situation results from the language of the law, which allows only children living on-base to attend Section 6 schools. This by-product of the

⁹Public Law 99-167, *Military Construction Authorization Act*, Section 824, 1986.

law cannot be used, without other evidence, to demonstrate the contention that a suitable education is being provided by the LEA. After all, off-base military parents as well as civilians may be dissatisfied with the education program provided by the LEA. Many off-base military personnel may be anxious, but unable, to move into base housing to have access to Section 6 schools. Thus, we examined conditions in the LEA and base at each site.

III. MAINTAINING THE EDUCATION PROGRAM

During the course of our interviews, the single most repeated concern by interested parties from the Section 6 schools was whether the Section 6 children would receive the same quality of education from the LEA that they do now from the Section 6 schools. This concern was voiced strongly by base parents, base teachers, the Section 6 boards of education and superintendents, and representatives of base commanders. These groups thought a transfer decision should be based on a comparison of educational quality between the Section 6 schools and the LEA and an assessment of whether the LEA provides a quality education. At every site visited, such groups voiced the opinion that: (1) the LEA schools do not provide an adequate education, (2) the Section 6 schools provided a high quality of education, and (3) therefore, transfer to the LEA would reduce dramatically the education level received by Section 6 children. The opinions offered by these groups may be common to those offered by all military parents and are not unique. Nevertheless, the position may be more keenly held at these bases due to perceptions of greater differences between Section 6 schools and LEAs at these sites.

This section explores these groups' perceptions and any factual basis for them. At each site we asked the groups why they believed the quality of education would suffer, and note their reasons and counter arguments. We could not definitively determine whether the LEAs do in fact provide a suitable education. As mentioned before, the determination of suitable is most difficult because no universally accepted definitions exist.

STATISTICAL INDICATORS OF EDUCATIONAL QUALITY

Military associated with Section 6 schools at each site were surprisingly well aware of how the LEA or state compared to other LEAs or states using standard education statistics. Section 6 parents especially were aware of these rankings. Many parents said that when notified of a new assignment the first thing they do is review the statistics to determine whether the local schools will be suitable. If the statistics show the LEA to have a low ranking compared to other LEAs, the military parents begin the search for educational

alternatives such as on-base housing to qualify for Section 6 schools or enrollment in private schools.

Some of the data collected by national education groups is summarized below. Many of the statistics deal with per-pupil expenditures (PPE). Although expenditures are related to quality of education, the relationship is far from exact. There may be many reasons for a district having a lower PPE than others. For instance, larger districts can take advantage of economies of scale; therefore, their PPE will be lower than those of smaller districts, while providing the same level of education. Another reason may be regional differences in pay scales. Nevertheless, the impression left by financial and achievement statistics, from the perspective of the Section 6 community, is that some LEAs provide unacceptably low levels of education, especially in the South where level of financing and other educational statistics lag behind that of the rest of country.

Funding Indicators

Table 2 shows indicators of state funding, including the per-pupil expenditures for the eight states with Section 6 schools and the ranking of the states on a national basis. For the four states that are the subject of the case studies the following can be said:

- All four states have a PPE lower than the national average and lower than the national median.
- All four states are below the 20th percentile rank nationally. Tennessee and Kentucky rank among the lowest 10 percent of states in the country.
- All four states contribute less than the national average in terms of expenditures as a percent of income per capita for education. Tennessee and Kentucky are below the 20th percentile nationally.
- All four states have a greater than average dependence on federal funds for education, funds distributed based on indicators of poverty.

It should be noted that this is not characteristic of all Section 6 sites. Other states with Section 6 schools rank higher in national comparisons: see New York and Virginia.

Table 3 shows the per-pupil expenditures for the states and counties which are the subject of the case studies and their decile rank within their own states. Indicators for some of the counties are comparatively low. For instance, the Kentucky counties rank in the fourth and fifth deciles; over 50 percent of the counties in the state provide higher

Table 2

INDICATORS OF STATE FUNDING EFFORT

State	Per Pupil Expenditure 1985		Per Capita Income 1985		Expenditures as a Percent of Income/Capita		Federal Funds as a Percent of Revenues	
	\$	(Rank)	\$	(Rank)	1985	(Rank)	1985	(Rank)
Alabama	2,325	(50)	10,673	(46)	21.8	(43)	12.4	(2)
Georgia	2,657	(42)	12,543	(32)	21.2	(47)	8.5	(15)
Kentucky	2,390	(46)	10,824	(45)	22.1	(41)	12.8	(3)
Louisiana	2,905	(37)	11,274	(39)	25.8	(23)	10.4	(10)
New York	5,492	(2)	16,050	(7)	34.2	(4)	5.0	(37)
North Carolina	2,625	(43)	11,617	(38)	22.6	(37)	9.2	(12)
South Carolina	2,591	(44)	10,586	(47)	24.5	(37)	10.1	(11)
Virginia	3,155	(31)	13,867	(12)	21.7	(44)	7.0	(24)
U.S. average	3,449				24.9		6.5	

SOURCE: U.S. Department of Education, *State Education Statistics*, Office of Budget and Evaluation, February 1987.

PPEs in a state which ranks 46th out of 50 in the nation in PPE. Two of the counties in North Carolina—Cumberland and Onslow—rank very low within their state. Although the counties in Georgia and Tennessee provide PPEs greater than most other counties in their respective states, none of the counties or states approach the national average PPE.

In addition, Table 3 shows the PPE of county schools adjacent to the Section 6 schools. In every case the Section 6 schools have a higher PPE. In Kentucky and Tennessee the PPE of the Section 6 schools are significantly higher. Interviews suggest that higher expenditures indicate a broader education program, although lower enrollments in the Section 6 schools may also contribute to high expenditures due to the diseconomies of small scale.

The low levels of funding in the southern states contribute to the perception that southern states invest less in their education programs than other states. However, low funding levels could result from lower costs and standards of living. In other words, the states might fund at lower levels, while still providing a high level of education, because education costs less in these states. This contention is supported by earnings indexes.

Table 3
PPE INDICATORS OF FUNDING

Location	Per Pupil Expenditure	
	\$1985	(Rank) ^a
Georgia	2,657	(42)
Fort Benning	2,788	—
Chattahoochee County	2,669	(10)
Muscogee County	2,586	(9)
Robins AFB	2,839	—
Houston County	2,181	(6)
Kentucky	2,390	(46)
Fort Knox	3,270	—
Meade County	1,786	(5)
Hardin County	1,745	(4)
Fort Campbell	3,022	—
Christian County	1,779	(4)
North Carolina	2,625	(43)
Fort Bragg	2,913	—
Cumberland County	2,355	(2)
Fayetteville City	3,062	(10)
Camp Lejeune	2,822	—
Onslow County	2,273	(1)
Tennessee	1,930	(47)
Fort Campbell	3,022	—
Montgomery County	2,113	(8)
U.S. average	3,449	—

SOURCE: U.S. Department of Education, *State Education Statistics*, Office of Budget and Evaluation, February 1987, and unadjusted local school district data provided by state education agencies (see References).

^aStates are ranked on a national basis with 1 being highest and 50 lowest. Counties are 10 = highest 10 percent of ranking or in 90-100th percentile.

Indexes of earnings of state and local government employees indicate that those in the South earn less than their counterparts in other regions of the nation.¹ Local employees in the South earn

¹Average monthly earnings of government employees in October 1985 were as follows. Local level: Northeast, \$2,026; Midwest, \$1,837; South, \$1,609; West, \$2,190; and U.S. local average, \$1,865. State level: Northeast, \$2,028; Midwest, \$1,921; South, \$1,911;

approximately 14 percent less than the national average. State employees earn approximately 1 percent less. The low level of earnings for local employees in the South directly affects the school budgets because salaries comprise a high percentage of school budgets. The significantly lower government employee earnings in the South could be expected to reduce school budgets to approximately 90 percent of the national average. Thus, earnings indexes support the contention that education could cost less in the southern states. Lower salaries offered may make these schools less competitive in terms of teacher recruitment.

Educational Achievement Indicators

The South significantly lags the rest of the nation in indicators of educational achievement. The four states covered in our case studies have low graduation rates compared with the rest of the country (see Table 4) and have lower than the national average graduation rate. Indeed, the four states rank below the 20th percentile. As with PPE, this is not true for all states with Section 6 schools. Virginia, for instance, falls in the middle of the state ranking.

Table 4

GRADUATION RATES OF STATES

State	Graduation Rate, 1985	(Rank)
Alabama	63.0	(44)
Georgia	62.6	(46)
Kentucky	68.2	(36)
Louisiana	54.7	(50)
New York	62.7	(45)
North Carolina	70.3	(34)
South Carolina	62.4	(47)
Tennessee	64.1	(41)
Virginia	73.7	(27)
U.S. average	70.6	

SOURCE: *State Education Statistics*, U.S. Department of Education, Office of Budget and Evaluation, February 1987.

West, \$2,228; and U.S. state average, \$1,935. *Statistical Abstract of the United States, 1987*, Department of Commerce, Bureau of Census, 1987, Table 473.

Data reported in the *Digest of Education Statistics, 1985-86* provide further support. The National Assessment of Educational Progress for all ages shows the southeastern states to be consistently the lowest in the nation on scores of pupil achievement in all school subjects (Table 5).

Achievement test scores comparing Section 6 schools with LEAs are generally not available in a common test. Moreover, it is not clear what such a comparison might mean.

- Transient Section 6 students usually have attended several schools. It could be misleading to credit achievement test scores as reflective of a particular Section 6 education program.
- The local communities also have many off-base military dependents who are transient. Thus the LEA may not be responsible for the test results of those children.

SURVEY OF PARENTS' PERCEPTIONS

The above data provide some evidence for the perception by the base community that the education provided by the relevant LEA may not compare favorably with that in the majority of districts in the country. However, it may still compare favorably with that provided by the Section 6 schools. Parents have often had experiences in both school systems. Several bases do not have the full grade span, and thus base children at certain grade levels attend LEA schools. In addition, while families wait to move into base housing, children may attend LEA schools.

Base parents believe that the LEAs relevant to the six bases studied do not provide as adequate an education as the Section 6 schools. To explore the issue further, we asked base parents at each Section 6 school to rank the quality of education provided in the Section 6 schools, the LEA, the state, and the nation. The question was taken from the annual Gallup Poll² of public attitudes toward public schools:

- "Students are given grades of A, B, C, D, or Fail to denote the quality of their work. Suppose the public schools themselves, in this community, were graded in the same way. What grade would you give the public schools . . . ?"

²Alec M. Gallup, "The 18th Annual Gallup Poll of the Public's Attitudes Toward the Public Schools," *Phi Delta Kappan*, September 1986, pp. 46-47.

Table 5
NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS, 1975-1982

Age	Reading/ Literature Comprehension (1979-80)	Music (1978-79)	Art (1978-79)	Citizenship (1975-76)	Social Studies (1975-76)	Science (1976-77)	Mathematics (1981-82)
Age 9							
National means	58.2	57.3	41.2	62.1	63.3	50.7	56.4
Northeast	60.8	58.4	42.0	63.3	64.6	52.3	59.0
Southeast	56.0 (-2.2) ^a	54.8 (-2.4)	40.2 (1.0)	60.5 (-1.6)	61.5 (-1.8)	46.5 (-4.2)	52.9 (-3.5)
Central	59.3	58.4	40.9	62.2	63.8	52.0	55.0
West	57.0	57.3	41.7	62.4	63.3	51.0	55.9
Age 13							
National means	74.0	52.3	47.0	63.2	62.9	49.1	60.5
Northeast	75.4	52.1	48.5	65.0	64.6	51.2	64.4
Southeast	71.3 (-2.7)	51.0 (-1.3)	45.8 (-1.2)	61.2 (-2.0)	60.7 (-2.2)	46.1 (-3.0)	56.2 (-4.3)
Central	76.3	53.6	46.6	64.4	64.4	50.7	61.9
West	73.1	52.6	47.1	61.9	61.6	47.6	59.0
Age 17							
National means	79.1	50.0	50.6	67.4	67.6	53.5	60.2
Northeast	79.3	49.8	51.5	68.2	68.5	55.7	62.8
Southeast	77.1 (-2.0)	48.1 (-1.9)	48.6 (-2.0)	65.2 (-2.2)	65.2 (-2.4)	49.4 (-4.1)	56.7 (-3.5)
Central	79.6	50.9	50.8	68.3	68.5	54.7	62.1
West	80.2	50.9	51.6	67.5	67.8	52.7	58.4

SOURCE: *Digest of Education Statistics*, U.S. Department of Education, 1986-1987, Tables 17, 18, and 19.
^a() - percentage points below national means.

The Gallup Poll respondents have consistently:

- Graded the schools in their own community higher than schools nationally.
- Graded the schools their children attend higher than others in the local community.

Section 6 parents responded differently. They consistently:

- Graded Section 6 schools extremely high compared to grades Gallup Poll respondents gave local schools (100 percent rated Section 6 schools A or B compared to Gallup Poll results in which 41 percent rated local schools A or B).
- Graded local schools lower than Gallup Poll respondents graded local schools (75 percent of Section 6 respondents graded local schools C or lower, whereas only 44 percent of Gallup Poll respondents did).
- Graded state schools lower than schools in the nation as a whole.
- Graded schools in the LEA lower than schools in the nation as a whole.

The informal survey shows that base parents are very supportive of the Section 6 schools, more so than most parents are of the schools their youngsters attend. Furthermore, they are more dissatisfied with local community schools than are most parents.

REASONS FOR BASE PARENT SUPPORT OF THE SECTION 6 SCHOOLS

Education statistics explain some of the reason for the base community's concern. However, they do not explain why the community supports the Section 6 schools so strongly. On-site interviews with base parents and Board of Education members probed for the reasons for the high regard for Section 6 schools. The reasons fall into three groups: (1) the Section 6 schools provide more individualized attention to the special needs of the transient Section 6 population; (2) the Section 6 schools provide broader education program and services; and (3) the Section 6 schools provide a focus for community life.

Special Needs of Transient, Military Children

Military children follow their parents from base to base according to military assignment, which normally changes every two to four years. Children thus move from school to school every few years—turnover rates in base schools averaged between 25 and 40 percent per year.

The Section 6 schools, with a population solely of these children, have oriented their educational programs to make the moves less disruptive. The schools offer each incoming child immediate counseling, and perhaps testing, to determine the child's educational standing and special needs, allowing proper placement in the class. In addition, parents believe that classes are conducted so that children receive individual attention according to their needs.

Local communities are also made up of large numbers of military dependents, with similar disruptive move patterns. Turnover rates in the schools adjacent to the base can run as high as those in the Section 6 schools. But it is the belief of Section 6 supporters that the local communities do not offer the same types of support. Children are treated more "by the numbers" and not given the individualized attention provided by the Section 6 schools. Local school districts are set up to meet the needs of the established children in the community, not the transient military child.

State and local education requirements, if strictly enforced, may place undue hardships on military children. For instance, high school graduation may require completion of a state history course. The military child transferring from out of state in his or her final high school years may not be easily able to fill this requirement. That same child, moreover, may have completed courses in *state history in one or more* other states. Without flexibility in the local education program, that child may be held back from graduation.

Flexibility is also important to military children in counting the days required for graduation to the next grade. Often times, military parents have no choice in when moves are made or when vacations are taken; time off does not necessarily line up with school vacations. Thus, it is not uncommon for military children to miss classes in the middle of the school year. Section 6 schools provide extra study packages for these children so that they do not fall behind. In a LEA, however, children may not be provided this benefit and may, in fact, be held back a year because of minimum school attendance requirements at the state level.

Base parents did not wish their arguments be taken to mean that military dependents have more problems or are more special than non-military dependents. The Section 6 education provided is simply more individualized and focused on the unique attributes and experiences of military children than that available in the LEAs. In addition, the parents noted that their concern is especially for the elementary school children who have a more difficult time dealing with moves.

As final proof of the value of Section 6 education to the military parent, representatives cited the long waiting lists for on-base

housing—perhaps six to 18 months. Parents stated that high regard for base schools is the primary reason for living on-base in these communities. Parents choose on-base housing even though off-base housing may be affordable and an attractive investment. Parents are often willing to subject themselves to an additional move to take advantage of Section 6 schools.

Education Program and Services

Section 6 schools attempt to meet all the state education program requirements, as do LEAs. However, the Section 6 schools may offer a broader program than that required by the state or offer the programs well in advance of the state imposition of requirements. Generally, Section 6 schools offer courses in addition to the state-mandated courses. They may also provide more services. For instance, each Section 6 school has at least one counselor. Each child is screened when entering the Section 6 school for placement. If determined to have special needs, the child is immediately entered into an appropriate program. Most base schools have nurses. The base systems tended to have kindergartens and are often connected to day care programs run by the base.

At most bases we heard strong support for the special education programs offered by the base schools. Federal dollars allow certain base schools to provide immediate individual attention to special education children. These bases are identified in service literature as able to provide special services to handicapped students, whose parents are allowed preferential assignment to bases with these schools. Parents with such children are rightfully concerned about the fate of the schools providing strong family support.

We asked superintendents in the LEAs what kind of programs and services they provided. Although the LEAs attempt to provide services similar to those on the base, they may have neither the resources nor the capabilities to provide them. Most of the LEAs did not provide a nurse or counselor in each school or routine screening other than review of the transferee's record. In addition, LEAs often lack the resources or flexibility to place mid-year transfers into an appropriate special education program.

Community Focus

Section 6 school education programs have another feature cited by the base community as important. As part of a tight-knit community,

base schools provide military parents with a feeling of control because they can elect a school board. The Section 6 schools are connected to family support services on base and to base-wide activities such as anti-drug programs.

Part of military life on bases is strong support for volunteerism. The Section 6 schools have active volunteer programs that encourage parents to act as aides in classes and to provide extracurricular activities. This has the side benefit, of course, that the schools are able to provide services that they could not afford if they had to pay for them. In addition, active participation of parents in voluntary programs gives them a greater feeling of belonging to a community and participating in their children's education. This community spirit is further encouraged by base commanders who make the schools a focal point for base activities.

SECTION 6 CHILDREN AND LEA ADMINISTRATIVE CONVENIENCE

At several bases, parents and school supervisors brought up an additional concern about how children may be treated by the LEA in attempts to reduce overcapacity in schools or to meet court-ordered busing for integration purposes. Military parents, like most parents, do not want their children bused throughout the county to meet LEA policy requirements. They prefer that their children attend "neighborhood schools." The closeness of base schools means base children can be supervised, will require less busing on potentially unsafe roads, and can attend afterschool activities without needing to be driven by the parent. These are seen as positive benefits, particularly for elementary school children.

In several cases, LEAs which agreed to educate base high school students bused the students far beyond the nearest high school. Base children may be bused for administrative convenience without disturbing the political equilibrium of the community. Parents believe this occurs because they cannot adequately participate in the democratic process of the community.

COUNTER ARGUMENTS

Although base communities argue against transfer, the case is not one-sided. There are several counter arguments supporting transfer. Their applicability varies by site.

First, some LEAs adjacent to Section 6 bases have experienced substantial economic growth, meet new state requirements, and are now able to provide suitable education. The base parents may be unaware of the progress made by these schools. In the case studies, we examine state education programs and the economic and financial standing of the LEAs.

Second, transfer of Section 6 schools may result in broader educational opportunities for both base and LEA children. Many Section 6 schools, because of their small enrollments, have small classes. For instance, a number of high schools may be able to offer a full complement of courses only with difficulty. Fort Campbell has approximately 750 students in grades 9 through 12, with from 125 to 250 students per grade level. This low enrollment makes it difficult for the school to offer the broad program appropriate for high school students. Fort Knox and Camp Lejeune have similarly small high school enrollments. Transfer of high school students will, in some cases, provide them with a broader program at lower cost. This argument is less applicable to lower grade levels where school sizes in the LEA and base communities are more equal and where subject specialization does not exist.

In addition, larger enrollments in LEA schools resulting from transfer may allow the consolidation of programs. The major assumption here is that PPE funding levels would remain constant over the transfer. Separate vocational or special education programs could be consolidated and run more efficiently under a transfer, if the assumption holds.

Third, if a transfer takes place and teachers from the Section 6 schools are hired by the LEA, the high quality they now bring to the Section 6 schools will be transferred to the LEA. This argument raises an important transfer issue. The ability of the LEA to hire and train adequate numbers of teachers and staff is important in maintaining quality of education after a transfer. Thus, the decision to transfer must in some ways be contingent upon the LEA's ability to hire teachers and staff, probably from the Section 6 schools, to maintain the educational level. The likelihood of transferring teachers and staff from Section 6 schools to LEAs is treated in App. B, along with employee concerns about their status in a transfer.

Fourth, some have argued that the Section 6 schools provide an exclusionary education. Military children are isolated from the rest of the American community. The benefits of isolation may be precisely why base parents support the schools. In a closed or isolated community, there are likely to be fewer social problems such as drug use and delinquency. But isolation has costs, such as graduating children who are ill-equipped for life in the broader community. Thus, nonbase

interviewees argued that the Section 6 children would be better off entering the mainstream of public education in America.

SUMMARY

Statistical data provide some support for base communities' concerns over the effect of transfer on the quality of education for their children. The states and LEAs associated with the six bases in the case studies do not rank highly in comparison to other districts or states in the nation.

The intangible programs of Section 6 schools, with individualized attention, volunteerism, and community support, are perceived to be better than adjacent LEA programs. The extra services are possible because the schools are specifically geared to a particular kind of child. That type of service is not available in most local communities because the LEAs must serve children from diverse backgrounds. Transfer of Section 6 schools to the local communities would reduce these educational benefits. Because the benefits cannot be measured makes them no less real to military parents and other supporters. Parents perceive that the target LEAs do not offer a suitable education. They argue strongly that the conditions which caused the creation of the Section 6 schools examined here still exist.

IV. LEA AND STATE RESOURCE CONCERNS

Whereas the services and military parents are concerned about the effects of transfer on their children, state and LEA representatives are concerned about the effects of a transfer on the education levels in their communities. They think that a transfer decision should be based on whether the LEA can maintain its education program after a transfer without undue financial or other hardship. In their view, the most direct effect of a transfer will be to increase their financial burden which, if uncompensated for by additional revenues, will reduce the level of education they can afford to offer both base and community children. Although this is a questionable legal basis for refusing to educate Section 6 children, such jurisdictions may choose to fight a transfer if it would negatively affect their finances.

This section explores the financial concerns of the state and local governments. It discusses their fund-raising capacity and a major alternative source of funding for them: federal Impact Aid. In addition, it raises another resource issue—the ability of communities to absorb additional children without imposing other costs.

FINANCIAL RESOURCES OF LEAS AND STATES

Three levels of government—federal, state, and local—share the financial burden of education, as shown in Table 6. The specific share of the burden varies according to state laws and local tax-raising ability. If a transfer occurs, the state and local government must increase their own revenues to meet their continuing share of the PPE for the new Section 6 students. Thus, for instance, Houston County, Georgia, would need to generate \$502 per Section 6 pupil transferred, assuming the other levels of government maintain their current share of funding.

Some argue that military bases bring economic growth to communities in the form of jobs and that this compensates them for the presence of the base in the community. The thrust of the argument is that the community receives tax revenues from this growth that will cover the additional cost of educating base children. However, under present school finance laws, local communities are not compensated for the additional educational costs of base children.

Transfer poses substantial problems for the local community because of the tax structure common throughout the United States. Local communities raise the majority of their revenues through

Table 6
GOVERNMENT BURDEN FOR EDUCATION,
SY1984-1985

County	PPE	Source of Revenues (Percent)		
		Federal	State	Local
Georgia	\$2,356	5.9	55.2	38.9
Chattahoochee	\$2,669	24.6	58.0	17.3
Houston	\$2,181	12.5	64.4	23.0
Muscogee	\$2,586	8.7	56.6	34.8
Kentucky	\$1,987	11.7	64.5	23.8
Christian	\$1,779	14.0	71.3	14.1
Hardin	\$1,745	13.2	71.9	14.9
Meade	\$1,786	11.0	71.9	17.1
North Carolina	\$2,574	9.3	65.5	25.2
Cumberland ^a	\$2,355	11.2	66.0	22.8
Onslow	\$2,273	9.8	69.2	21.0
Tennessee	\$2,110	10.7	42.8	46.5
Montgomery	\$2,113	9.3	40.0	50.8
United States ^b	\$3,457	6.6	49.3	44.1

SOURCE: Unadjusted local school district data provided by state education agencies. State and national data provided by U.S. Department of Education; see References.

^aBefore merger with Fayetteville City.

^bData from the National Education Association (NEA).

property taxes. Additional, but minor, sources are utility, wheel, and sales taxes. Local communities do not usually have the ability to assess income taxes. Base parents, however, do not pay most of these taxes. Living on base means they do not own taxable property and do not use local utilities. They may pay sales taxes, but these will yield limited revenue from military personnel who buy commodities from the Post Exchange or Commissary which are not subject to local taxation.

The local community must rely on its own taxpayers by raising the tax rates. This means local taxpayers will be paying for the education of base children. Furthermore, raising tax rates is politically difficult. Many communities have tax caps, legal limits to tax rate increases, or already high rates. Localities therefore argue that they are being unfairly burdened by the federal government when asked to educate Section 6 children without federal compensation.

State governments are not in the same position as local governments. First, they have a large community over which to spread the necessary tax increase. Second, they have broader sources of taxation—states collect taxes on income and sales that localities do not. The states do receive tax revenues from bases, although local communities do not. This is especially true for sales taxes; less so for income tax. Military personnel pay income taxes to their state of legal residence. If they are not registered in the state, they do not pay the state's income taxes. Nevertheless, the states are usually able to capture some portion of the economic benefits of the base.

That the state captures some of this benefit does not mean it is returned to the local community for the education of Section 6 children. State educational funding is distributed according to formulas that usually will provide the normal state share of PPE to the local community for the education of base children; however, it does not usually cover any part of the local share. Changes in law would be necessary.

Thus, both state and local governments worry about the impact of transfers on the local community. Representatives of the state governments we talked with said that they would have to be assured that the localities involved would not be made financially worse off in a transfer before the state would accept the children. Localities agree.

The question then is, where else can funds come from? The obvious answer from the point of view of the state and localities studied was that additional funds should come from the federal government. After all, the inability of states and localities to tax the military on the base is due to federal legislation. State and local officials argue that if the federal government will not allow the military to be taxed to support their children's education, then the federal government itself should contribute to their education. If federal legislation is not changed, additional federal funds would come from the Impact Aid program designed for just such circumstances.

ALTERNATIVE FEDERAL ASSISTANCE: IMPACT AID

Public Law 81-874 created Impact Aid for communities affected by a federal presence. The rationale behind Impact Aid is that federal ownership of property within a community denies that community property tax revenues. In addition, a military base with a commissary and post exchange may deny the community sales tax revenues. Nevertheless, the community does use its tax dollars to support the federal presence. Thus, communities with a federal presence may apply for Impact Aid,

which provides them payments in lieu of taxes for the education of "federally connected children." Payments are made on a per child basis for federally connected children, defined as:

- Section 3A. Children whose parents work and reside on federal property such as military dependents living on the base.
- Section 3B. Children whose parents work or reside on federal property, but not both, such as military dependents whose parents work on a base, but live in the local community.

Communities with over 20 percent of A or B children are known as Super A or Super B districts. They are paid at a significantly higher per pupil rate than Intermediate districts (15 to 20 percent A children) or Regular districts (those with less than 15 percent of A children or less than 20 percent B children). A children receive a higher per pupil amount than B children because of the greater reduction in tax revenues associated with them.

The funding formula is such that districts will be more willing to accept Section 6 children if it qualifies them for Super A status. If it does, then all A children in the district will receive funding at a greatly increased per pupil rate, not just the new Section 6 school children. For instance, in FY1987 if a district qualified for Super A funding, the federal government would have paid \$1,678 per A child with a parent living on a military base and in the uniformed services. In contrast, if the district qualified for Intermediate A funding, it would have received \$1,259 per child. If it qualified for Regular A funding, it would receive only \$629 per similarly categorized child. Super B funding is about \$151 dollars per child with a parent in the military, but who lives off-base.

The additional category A funding received by an LEA after a transfer may more than cover the local contribution per pupil. Thus, in some districts transfer may result in a windfall gain. On the other hand, transfer may change the category B status of some districts by increasing the number of students, resulting in a windfall loss to the district.

Finally, the federal dollars are given directly to the LEA and are discretionary; thus, although they are a highly valued source of revenue from the LEA perspective, the Impact Aid funds received for the military children do not have to be spent on those children. They are spent as the LEA sees fit.

Impact Aid Status

Table 7 shows the breakdown of federally connected children for the six cases studied. In the communities in question, LEAs are already educating many of the children of military dependents. In several cases, where the Section 6 school does not have the full K-12 range, for instance in Muscogee and Cumberland counties, the LEA is educating high school students from the base.

The resulting financial burden is somewhat offset by Impact Aid payments from the federal government. Table 8 shows the current Impact Aid status of the LEAs studied and the change in status if a full transfer took place, assuming only one county would receive all the base children.

For a transfer to be acceptable to a state or LEA, there must be reassurances that federal funds will be forthcoming, from Impact Aid or other sources, to offset the increased financial burden. However,

Table 7

ENROLLMENTS AND FEDERALLY CONNECTED STUDENTS, FY1987

Location	Membership	Impact Aid Category A		Impact Aid Category B		Total Federally Connected Children	Percent
		Military	Other	Military	Other		
Fort Benning	3,350						
Muscogee	29,718	601	1	3,019	4,317	7,938	27
Chattahoochee	477	0	0	59	33	92	19
Fort Bragg	4,723						
Cumberland	43,661	759	119	10,932	5,920	17,730	41
Fort Campbell	4,113						
Clarksville, TN	14,030	38	9	3,126	1,839	5,012	36
Christian, KY	9,278	0	0	551	802	1,353	15
Fort Knox	4,082						
Hardin	11,619	0	0	2,147	1,858	4,005	34
Meade	3,497	0	0	243	657	900	26
Camp Lejeune	3,738						
Onslow	15,893	6	0	4,680	1,758	6,444	41
Robins AFB	846						
Houston	14,725	448	45	1,020	4,647	6,160	42

SOURCE: U.S. Department of Education, Division of Impact Aid, *Application for School Assistance in Federally Affected Areas*, Filings for FY1987.

Table 8

IMPACT AID CATEGORY A STATUS

Location	Current Status	Transfer	
		All Section 6 Students ^a	Change in Status
Fort Benning			
Muscogee	Regular	Regular	No
Chattahoochee	—	Super	Yes
Fort Bragg			
Cumberland	Regular	Regular	No
Fort Campbell			
Clarksville, TN	Regular	Super	Yes
Christian, KY	—	Super	Yes
Fort Knox			
Hardin	—	Super	Yes
Meade	—	Super	Yes
Camp Lejuene			
Onslow	Regular	Intermediate	No
Robins AFB			
Houston	Regular	Regular	No

SOURCE: U.S. Department of Education, Division of Impact Aid, *Application for School Assistance in Federally Affected Areas*, Filings for FY1987.

^aAssumes each county accepts all base children, whether they reside in the county or not.

Impact Aid has been subjected to budget cutting attempts in the last few years. In particular, the Office of Management and Budget (OMB) and the Department of Education (ED) have advocated elimination of the program. Congressional supporters have maintained the program; however, the nature of the program has changed. Table 9 shows Impact Aid funding in actual and adjusted dollars. Four trends are evident:

- The A category funding has remained fairly stable in real dollars.
- The B category funding level has become increasingly erratic.
- The ratios of funding of A categories to B categories have shifted dramatically. Once the largest portion of funding went to B children, now 80 percent goes to A children.

Table 9
IMPACT AID APPROPRIATIONS
(In millions of dollars)

FY	Section 3A	Percent	Section 3B	Percent	Section 3
					Total
1976	224.3	40	331.5	60	555.8
1977	289.0	46	334.0	54	623.0
1978	318.0	48	339.0	52	657.0
1979	343.0	52	320.0	48	663.0
1980	399.0	59	277.0	41	676.0
1981	395.5	64	222.9	36	618.4
1982	347.3	81	81.6	19	428.9
1983	420.0	97	15.0	3	435.0
1984	457.5	86	77.5	14	535.0
1985	513.0	80	130.0	20	643.0
1986	513.0	80	130.0	20	643.0
Adjusted to 1986 dollars					
1976	431.8	40	638.1	60	1069.9
1977	522.6	46	604.0	54	1126.5
1978	534.1	48	569.4	52	1103.5
1979	517.8	52	483.1	48	1000.9
1980	530.6	59	368.4	41	899.0
1981	476.5	64	268.6	36	745.1
1982	394.3	81	92.6	19	486.9
1983	461.9	97	16.5	3	478.4
1984	482.6	86	81.8	14	564.4
1985	522.6	80	132.4	20	655.0
1986	513.0	80	130.0	20	643.0

SOURCE: U.S. Department of Education, Division of Impact Aid, Historical Files, 1987.

- Impact Aid has grown only slightly in the past few years. In real dollars or purchasing power Impact Aid has dropped by 40 percent since 1976.

Perceptions of Impact Aid

The representatives of state and local governments we talked with were universally skeptical of federal promises of Impact Aid or any other assistance. They all said that Impact Aid was increasingly unstable, was being denied in the B categories, and was so underfunded

that it no longer provided the necessary funds to cover the federal impact on the tax-raising ability of the community. Thus, they could not count on the federal government to provide stable, long-term funding that was necessary to provide a minimum quality education to military children. Without this funding, the quality of education in the LEA would decrease, not just for Section 6 children, but for all children. Although the above four trends do not show instability in the A category, representatives noted that the entire program has been threatened. Its future is perceived to be uncertain given the attempts by Congress to remove it from the budget and the committed resistance to the program shown by the Administration.

In addition, unlike most other education programs, Impact Aid is not "forward funded." For the school year beginning in fall 1987, communities do not apply for Impact Aid until January 1988, and do not receive it until spring of 1988, within a few months of the end of the school year. But LEAs must make up their budgets for that school year in the spring of 1987—a full year before they see the funds. This method of funding contributes to poor planning and means the LEAs must spend the funds quickly and perhaps inefficiently.

Because of these conditions, representatives of each district that we contacted said they very conservatively estimate Impact Aid funds. Some no longer include Impact Aid funds in their budget proposals. If the funds finally come through, they are treated as a windfall.

These problems are not exclusive to the Impact Aid program. The representatives we talked with said that all education programs have suffered under the current Administration, which has made several attempts to severely reduce education funding. These attempts have been stopped by Congress. However, the federal share of the education budget has dropped over the course of the last few years.

In the past, the transfer of Section 6 schools to local control was attractive to LEAs because of the possible increase in funding they would receive. Federal funds, and Impact Aid funds in particular, are now perceived as unpredictable. Thus, Impact Aid funding is an uncertain bargaining chip for the federal officials charged with negotiating transfers. Instead, many state and local officials indicated more substantial arrangements would be necessary to protect localities from the funding vagaries of the federal government.

OTHER RESOURCE CONSTRAINTS

Other resources may also be stretched by transferring Section 6 children. Building capacity, teachers, and administrative staff may all be affected.

LEAs in rural areas may have low supplies of qualified teachers. After a transfer it would be difficult to immediately attract qualified teachers to maintain the level of education. Although Section 6 teachers and staff may be offered positions, they may not choose to work in the LEA (see App. B). The LEA must be prepared ahead of time to increase its personnel, necessitating resources and planning.

Administrative capability is another resource constraint. In several instances, such as in Hardin and Meade Counties in Kentucky, the addition of Section 6 children to the LEA would substantially increase the administrative burden. Again, they may choose to hire Section 6 employees, but there remains a learning period as new staff adapt to the LEA that may result in a temporary lowering of administrative competence.

The situation is somewhat paradoxical. Those LEAs that would gain the most Impact Aid funds through a transfer by qualifying for Super A status are those who most lack the capability to accept a transfer due to limits on other resources. It is the smallest LEAs that would receive the most funds per pupil. Their very smallness may limit their ability to expand to meet the needs of an additional 20 percent or more new students.

Many of the resource concerns can be overcome by Impact Aid. However, as already discussed, Impact Aid is not forward funded. Thus, LEAs would not receive additional funds for planning and transition until well after the transfer took place. A major factor in the smoothness of transfer will be the planning and timing of the change. Representatives from LEAs stated that if a transfer was going to take place, they would need time to adjust and plan for the actual change and forward funding of federal assistance. Simply dumping the Section 6 children onto the LEA in one year would prove disastrous.

V. FACILITIES TRANSFER ISSUES

A major point of contention in a transfer may be the status of Section 6 school facilities. The issue has several components: the legal ability of the LEA to accept facilities, the condition of the buildings and the willingness of the LEA to accept them, and the long-term maintenance of the facilities. Facilities transfer is controversial for two reasons: Congressional involvement and poor past upkeep of facilities.

FACILITIES CONTROVERSY

Most Section 6 facilities were built with funds authorized under Public Law 81-815, passed in 1950. Section 10 of this law authorized the Commissioner of Education (now the Secretary) to construct school facilities on federal property when they were otherwise unavailable. When the schools were transferred to the DoD, authority for construction of school facilities was also passed to the DoD under Title 10 Section 2008 of the U.S. Code. Currently both the DoD and Department of Education have the authority to provide funds for the upkeep and maintenance of buildings originally built with Section 10 funds. The DoD may use special funds appropriated by Congress for this purpose or its own military construction funds.¹

Transfer of the facilities to state and local control is a primary objective of Congress. Because it has severely limited the funds appropriated under Public Law 81-815, ED has not been able to properly maintain the buildings. This has led the DoD to use its own military construction (MILCON) funds for Section 6 school improvements. This use of MILCON funds is a primary reason Congress has demanded a transfer of schools. The Congress does not relish making education/defense tradeoffs within the DoD budget; therefore, it has refused to allow the DoD to use MILCON funds for the schools until DoD develops a full and detailed transfer plan. Thus, a transfer of children and their educational requirements without the transfer of facilities would not address one of the main concerns of Congress.

¹Which department has actual ownership or title to the buildings is subject to confusion. Apparently, and this may change at any time, ED still has title to the school buildings. In the past, ED has disallowed use of these buildings for other than educational purposes.

Section 6 supervisors and LEA leaders are cognizant of the poor upkeep of some of these buildings. In particular, all seem to be aware of the circumstances surrounding the transfer of Fort Belvoir to Fairfax County in the late 1960s, where the facilities were not transferred. Interviewees claim that the buildings have become run down because of lack of funding. Fairfax County agreed that, for certain grades, base children would attend only base schools. The county, therefore, provides the education of the children, but is forced to allow the military children to remain in inadequate structures. LEAs and Section 6 supervisors have heard about this case and are anxious to avoid a repeat. The facilities transfer issue is prominent in transfer discussions.

NEED FOR TRANSFER

A transfer could take place without consideration of the facilities under one condition: if the receiving district had ample space in its schools to accommodate the newly entering Section 6 students. Under this condition, the facilities would not be needed by the LEA. They could revert to federal stock or be used for other purposes. However, the likelihood of this occurring is not large.

Most of the LEAs we talked with have barely adequate classroom space now. Acceptance of the Section 6 children would not be possible without additional facilities, either from transfer of the current Section 6 schools or from building new schools. Pressure for increased space has come from several sources depending on the community: the baby boomlet, economic growth, and increasingly strict state education program requirements. The latter include state limits on maximum student/teacher ratios allowed, special education programs which require separate facilities, and increasing classroom size requirements. Many of the LEAs we talked with use temporary classrooms to meet these capacity requirements. Explicit information on each LEA is given in App. A.

LEGAL RESTRICTIONS ON ACCEPTANCE OF FACILITIES

Although LEAs may need additional facilities before accepting Section 6 children, state laws impose limits on what facilities they may acquire. Laws in each state reviewed require fee simple title to the buildings and perhaps surrounding acreage before a transfer can be accepted. (Fee simple title is full transfer of ownership and access rights without any restrictions. The owner is entitled to the entire

property with unconditional power of disposition.) This type of transfer may be difficult due to the legal status of the base and base property.

In addition, all states require that the LEAs have guaranteed access to school buildings to which they have title. Without this, a transfer of facilities is not possible. The base commander may, however, desire to restrict access due to closed base policies or military operations. Such a restriction is legally unacceptable to the states and LEAs.

If any of the above legal restrictions cause problems, alternatives may be available. As an alternative to fee simple title, state representatives have indicated that long-term leases have been developed or can be developed to allow the federal government ownership of the land, but the LEA title to the facilities. For instance, the federal government would lease the land to the LEA or state at no cost under a long-term agreement ranging from 25 to 99 years depending on state requirements. The LEA or state would accept the title to the buildings and agree to use them only for educational purposes.

Other arrangements have been made to handle title and access problems. For instance, at Fort Benning the LEA bought land on the perimeter of the military reservation and erected a high school. The county has its own access road to the school. Thus, access and security are not a problem for the base commander or for the LEA. This was acceptable to the base because the LEA agreed to educate base high school students at the new school.

CONDITION OF THE BUILDINGS AND COST OF REPAIR

Before acceptance of a transfer, assuming no legal problems, LEAs will want to be assured that the facilities are in reasonable shape. Representatives of each LEA stated they cannot or will not take title to buildings that do not meet state codes or are in need of repair. Their posture is that they should not have to incur the financial liability. State codes usually require specific square footage of classroom space and acreage per student. In addition, special facilities are sometimes required and fire and safety regulations must be met.

Meeting codes should not be a problem in most cases. Section 10 of Public Law 81-815 required that the schools built with those funds meet state school codes at the time they were built. Problems will occur if codes have changed dramatically and the buildings are now obsolete. However, most states "grandfather" their building codes; schools built prior to a change in code do not have to meet all the codes. They usually do have to meet safety and fire codes. Otherwise new codes apply to newly constructed buildings.

The condition of the buildings may prove to be an obstacle. A recent survey by the DoD, mandated by Congress, estimated the current backlog of maintenance and construction needs for these schools.² It shows a total of 72 Section 6 schools on 22 installations. Of them, 47 have current construction, repair, or rehabilitation requirements. The total estimated cost to the DoD for correcting the problems is \$93 million. Table 10 shows the breakdown.

These school needs are the burden of the federal government, whether or not transfers occur. Federal responsibility does not appear to be in dispute. What may be in dispute are additional renovations that the LEA may require before transfer. Such additional requests may be subject to negotiation.

Finally, the renovation and transfer of the buildings may not be satisfactory to the LEAs, which may prefer to build from scratch. This may become an issue under several circumstances: access or title problems are evident, the costs of renovation and upkeep are prohibitive compared to new construction, or the LEA is growing and must build anyway. Under these conditions it may be sensible on the part of the federal, state, and local governments to agree to new construction at the perimeter of the base or off-base. The federal government can

Table 10

PRELIMINARY ESTIMATES OF DoD SECTION 6
SCHOOL NEEDS AND COSTS
(In millions of dollars)

Category of Need	Number of Schools Reporting	Cost
Health/safety	36	\$21
Capacity	30	33
Law/standards/regulations	35	39
Total	47	93

SOURCE: Department of Defense, Assistant Secretary of Force Management and Personnel, Office of Economic Adjustment, DoD School Facilities Survey, August 1987.

²Department of Defense and Department of Education, *Construction, Repair, and Rehabilitation Needs of Dependent School Facilities Located on Military Installations in the United States*, Office of the Secretary of Defense, Office of Economic Adjustment, Washington, D.C., September 1987; widely known as the Dole Report.

agree to share some part of the construction costs for new schools in the local community if Section 6 children are educated there. Arrangements such as this are currently being worked out at Colts Neck, New Jersey, and Kingsbay, Georgia. Funding may come from the MILCON budget or from Section 10, Public Law 81-815 if authorized by Congress.

FUTURE COSTS

Although mechanisms exist to deal with the current costs of facility repair, some LEAs worry about future costs of upkeep and the possibility of new construction needs. Given a fee simple title transfer of facilities, the buildings and their maintenance would become the sole responsibility of the LEA. In addition, assuming the LEA accepted the Section 6 children, it would then be responsible for any future building needs associated with these children. For some LEAs this may prove overwhelming.

LEAs obtain construction and maintenance funds from the state government or from the local bonding authority. Bonds are subject to voter approval, legal authority limits, and market approval. The LEAs in question would be taking on a future bond indebtedness without acquiring a tax base with which to pay off the bonds. LEAs interviewed said this might place them in a precarious position in the future and they may require federal guarantees before accepting transfer. Bonding limits and the fiscal capacity of the LEAs surveyed are noted in App. A. For those LEAs facing both short-term and long-term limits, facilities issues will take on extreme importance.

VI. LOSS OF EDUCATION GOVERNANCE BY BASE PARENTS

The loss of political input into the education governance of their children's schools is frequently cited by base parents as a negative effect of proposed transfers. Currently, under DoD regulation all parents of Section 6 students qualify to vote and run in Section 6 school board elections. However, as discussed below, once Section 6 schools merge with the LEA, only a miniscule number of base parents would qualify to do either. Base parents, therefore, say they will lose influence over their children's education if Section 6 schools are transferred. The issue has two components: inability to vote and loss of the ability to obtain office.

A major reason for the inability to vote is that military personnel and their spouses generally are not legal residents in the local communities. Base leaders at all the sites we visited indicated that only a small percentage of the military and spouses serving the base declare residence there. However, as Table 11 shows, in almost every school district, voters must declare not only state but county residence in order to vote. The military and their spouses are not prevented from registering in any of these counties. Most, however, prefer to keep their residency in other states for economic reasons or for convenience. The military population is transient enough that it would be forced to re-register at a new locale every one to three years. Most prefer to keep one state of residence over their military career.

Although military parents can vote if they choose to register, they may be prevented from running for or being appointed to office in the education governance structure. Title 10 Section 973(b) of the U.S. Code prevents military personnel from holding civil office. This is further explained in the DoD Directive 1344.10, clause D 382. Thus, upon transfer to a local community military personnel will lose their right to hold public offices governing their children's education. Military spouses, however, are free to run for political office.

If the military spouse chose to register, he or she might find that stringent residency requirements apply to those wishing to run for an LEA school board position. Because military personnel usually serve tours of only two to three years, both parents would likely be transferred to another base before the spouse could qualify to run.

The likelihood of election, should base parents qualify, is further frustrated by other characteristics of school board selection. First, the

Table 11
COUNTY VOTING AND SCHOOL BOARD REQUIREMENTS

County	Voting Requirements	School Board Membership Requirements	Method of School Board Selection	Can the School Board Levy Taxes?
Muscogee	County resident	County resident six months	At large Grand Jury	No
Chattahoochee	County resident	County resident one year	Party primary General election	No
Houston	County resident	Pay qualifying fee Citizen Kentucky three years	General election	Yes
Hardin	County resident 30 days	Citizen Kentucky three years County resident one year 24 years old	General election	Yes
Meade	County resident 30 days	Citizen Kentucky three years 24 years old 8th grade education	General election	Yes
Christian	County resident 30 days	Citizen Kentucky three years 24 years old High school graduate	General election	Yes
Montgomery	Tennessee resident 20 days Tennessee drivers license or registered vehicle Paid Wheel Tax ^a	Resident school district one year 25 years old	General election	No
Cumberland	County resident 30 days	21 years old	General election	No
Onslow	County resident 30 days	Registered voter	Party nomination General election	No

^aFort Campbell military personnel are exempt from the Wheel Tax.

base is unlikely to have enough registered voters to elect a candidate, even when the electorate is as small as a single school district. For example, 18,027 military and dependents live on-base at Camp Lejeune. Yet in May 1987, only 399 had registered to vote in Onslow County. This number was considered unexpectedly high, but observers of local school board elections noted it would take twice that number to elect a district school board member. Second, the politics of some elections—for example, the need to obtain a party nomination—create additional barriers to transient military parents' participation as candidates.

Finally, base parents are further removed from direct access to the political aspect of the education system when the LEA school board has no tax levying authority and depends on revenue raised and controlled by the country's elected commissioners or council. Table 11 indicates this situation exists in over half of the LEAs included in our survey.

Without voting clout or board membership, base parents fear a recalcitrant LEA could not be compelled to be responsive to children's particular needs or their parents' wishes. These parents feared that their lack of political power in the local community would give local schools an excuse to ignore any difficulties in educating their children.

LEA administrators and board members took a different view of the situation. First, they noted that nothing prevents military personnel from registering to vote in the community. They stated that if military parents are committed to their children's education, they would register and vote. LEA administrators had little sympathy for those who chose, for whatever reasons, not to register to vote. Second, local leaders did concede that it is highly unlikely that the military spouses would ever have sufficient electoral clout to gain school board membership. Third, they stated that parents' fears of little political power were largely unfounded. Off-base military dependents receive the same treatment and consideration as other LEA students. LEA spokespersons stated the same would be true if the LEA accepted transfer of the Section 6 schools.

Although it would be difficult to change the federal, state, and local laws concerning voting and elections, partial solutions to the base parents concerns are available. For instance, the LEA may accept a voting or nonvoting member from the base community. The representative might be appointed by the base commander with the approval of the LEA board. Most LEA spokespersons said they were opposed to creation of a nonelected or nonvoting school board position for base parents. LEA administrators did, however, note the existence of alternative means of influence available to base parents. For example, school board meetings are open to the public and all parents are

encouraged to join school PTOs. In a few instances, LEAs already appoint parents to special advisory committees, which often allow parents to act as troubleshooters in dealing with specific problems arising in their children's schools. Finally, in the case of the Army, the base schools officer attends LEA board meetings and acts as an ombudsman for military parents and dependents living off-base and attending LEA schools.

VII. BASE CONCERNS: MORALE, LOGISTICS, AND SECURITY

At each base, we interviewed representatives of the base commander's office for their views on transfer. They offered similar reactions to the idea of transferring Section 6 schools. The transfer of the schools could potentially result in three problems: a decrease in morale, an increase in logistical difficulties, and security problems.

MORALE

Each base representative interviewed expressed concern about the potential effect of transfer on base morale. They stated that Section 6 schools provide special benefits to the base community, particularly moral support. The schools act as community centers and are closely integrated with military activities; they are an extension of the family support system that the services try to provide.

Base representatives claim that these attributes are especially important for those bases with early deploying units or special forces units that may be called into combat duty at any time. The schools take special care to support children whose fathers or mothers are away on missions. A recent example comes from Fort Campbell, the home base for the 101 AirBorne division that suffered a devastating plane crash in December 1985. The base's family support system, including the schools, was immediately mobilized. The superintendent, principals, and teachers developed a strategy to help the children affected by the disaster. The commander deemed this support invaluable.

Base commanders further noted that the Section 6 schools are perceived by many military personnel as a necessary part of their benefits package because the lack of choice in assignments may otherwise require military children to attend substandard schools. If the schools were transferred, military parents would view some assignments as hardships, a factor which could lead to reduced retention. Base representatives noted that this was especially true for military parents with children who require special education services. They rely on assignment to Section 6 schools to ensure their children are well cared for. Each representative stated that they viewed Section 6 schools as a positive inducement for continued retention and reenlistment at their

respective bases. As one well-spoken officer put it, "they've taken so many other benefits away, now they want to take this away too."

LOGISTICS AND ADMINISTRATION

Representatives of base commanders said a transfer would have a negative impact on their administration of base logistics. In particular, LEA involvement would lessen the base commander's control of activities on the base. For instance, transfer of facilities to the LEA would create parcels of nonmilitary activity on the base over which the commander would have little control. LEA employees would need to enter the base, and there might be increased busing of children on and off the base. The commander has no control over children on LEA property, and nonbase children may trespass and cause problems on base property after school.

These administrative or logistical issues raise legal questions that would have to be settled prior to transfer: the establishment of access rights and procedures, insurance requirements, provision for upkeep and safety requirements such as fire and police protection, and procedures for removing unwanted persons from the base.

Solutions may already exist. Many of the bases we visited had commercial, private sector activities in the middle of the base. In addition, major highways bisect several of the bases. At these locations, the base commander's office has worked out mechanisms to control the concomitant problems. Similar mechanisms can be used for the LEA, although, they may involve hidden costs such as the need for additional crossing guards or insurance policies.

Arrangements have been worked out at bases where high school students are being bused to LEAs. In addition, some bases that have been transferred have agreements with the LEA that only base children will attend base schools, eliminating the busing of LEA children onto the base and reducing base commanders' concerns.

SECURITY

The above logistical and administrative problems may be aggravated at bases that are closed to the public for security reasons. Open access bases should have fewer problems. Bases are usually closed to protect the sensitive nature of their mission or to protect expensive equipment. Greater traffic coming on and off the base can compromise this protection.

As will be seen in the case studies in App. A, most bases, even closed ones, already have traffic on and off the base each day. The addition of school traffic should not greatly increase the threat to security. An example of this is Robins AFB, a closed base, in which the LEA buses junior and senior high school children off and on the base every school day.

VIII. FRAMEWORK FOR DECISIONS ON READINESS TO TRANSFER

At each site issues were raised that might facilitate or impede a transfer. Some considerations were more important than others; some issues turned out to be fears that more accurate information could dispell. Some issues could be addressed by federal actions; others depend on the actions of states and local governments.

To consolidate the many views expressed in our interviews, we developed a framework for considering the facts and issues at each site. This framework is basically a set of indicators of readiness for transfer of that site; see Table 12.

ENCOURAGING READINESS FOR TRANSFER

Some problems are more amenable to federal influence than others. For instance:

- The federal government can provide stable funding for LEAs through guaranteed payments other than Impact Aid or through shared federal/state funding (the assisted transfer).
- The federal government can provide construction funds to ensure that Section 6 schools meet state codes and are acceptable for transfer to the LEA. Alternatively, the federal government can provide partial funding for the building of schools off-base.
- Arrangements can be made between the LEA and base commander to satisfy the command concern about security and control.
- Arrangements can be made to ensure parent participation in LEA affairs, such as a base parent representative serving as an ex-officio member of the school board or parent advisory boards.
- Arrangements can be made to ensure neighborhood schools for base children.

Other issues, not amenable to federal actions, fall under the control or purview of state and local government. For instance:

- The federal government cannot change state law concerning the legality of certain actions.
- The federal government cannot force states or LEAs to better the educational program offerings.

Although some indicators in Table 12 may be negative, it is within the power of the federal government to influence events to increase readiness for transfer. For instance, across all sites, transfer is more acceptable if a guaranteed source of federal funding is established. Federal actions might include stabilizing Impact Aid, creating a new Section 6 subsidy, or negotiating shared federal/state funding agreements.

RELATIVE IMPORTANCE OF ISSUES

The framework does not provide a means for balancing positive and negative indicators. Because the relative importance of the indicator is not established, simple summing is not possible. The question of transfer requires a judgment by the decisionmaker. The framework does, however, provide a complete set of factors to consider at each site. The more positive the indicators are, the readier a site may be for transfer.

Some indicators are of greater importance than others in assessing readiness for transfer. Among the most important are:

- The LEA can maintain a stable education program after a transfer. This is amenable to federal influence through adequate and guaranteed funding.
- Education programs offered in the LEA compare favorably with those of the Section 6 schools. This is less amenable to federal influence, but is crucial in gaining support for the transfer from military parents.

Table 12

INDICATORS OF READINESS FOR TRANSFER

Suitable program will be maintained

- State and LEA have high indicators of education quality
- Base parents view LEA as a quality school system
- LEA and Section 6 schools offer comparable programs
- LEA offers flexible approach for military children
- Parents' input will be welcomed by LEA
- LEA supports neighborhood school concept
- LEA is not forced to bus because of capacity problems

LEA and state financial resources are adequate

- LEA and state have high PPE compared to nation
- LEA has a sufficiently large tax base
- LEA has strong taxpayer support of education
- Impact Aid would cover LEA PPE contribution
- Impact Aid would be stable
- LEA has resources to provide same services as Section 6 schools

LEA and state other resources are adequate

- Low ratio of Section 6 enrollment to LEA enrollment
- Low ratio of Section 6 enrollment to LEA military dependent enrollment
- Reduced grade span in Section 6 schools
- LEA able to attract qualified staff after transfer
- LEA allowed time to plan for transfer

Facilities transfer is possible

- State law eases facilities transfer
- Section 6 facilities meet state codes
- Section 6 facilities are in reasonable condition or funds are available for needed repairs
- LEA has capability to maintain facilities: has adequate capacity in its existing schools, maintains existing property, and has adequate tax support for construction.

Base concerns are met

- Access of LEA to schools is not a problem: base is open, schools are located at perimeter of base or in one location, there are few Section 6 schools, LEA currently has access to base to pick up children, and other arrangements exist that can be copied.
- Traffic on or off base by LEA will be limited: LEA will agree to keep base children on base and not transport nonbase children onto base.

Governance by base parents is allowed

- State and local law allow base parent representation: can vote in school board elections and can run for school boards.
- Other means exist for representation

Relations between systems are favorable

- LEA currently educates some children living on base
- LEA historically educated children living on base

Jurisdictions are clear and nonconflicting

- State government accepts responsibility for educating base children
- Single state and county jurisdiction over base
- If two counties, one county is clearly favored for transfer

IX. TRANSFER OPTIONS

Several transfer options may be considered: no transfer (i.e., the status quo), contractual arrangements without transfer of facilities, coterminous arrangement with transfer of facilities, full transfer including transfer of facilities and receipt of Impact Aid, and a full "assisted" transfer with additional federal or state funds. Major differences among the options fall into three categories. First, political representation of parents and administrative ease for the base commander differ. We call these political/administrative issues. Second, responsibility may remain at the federal level or be transferred to the state and local levels. We call these responsibility issues. Finally, long-term financial stability and transfer and the upkeep of facilities will vary. We call these financial issues.

NO TRANSFER

The current Section 6 system provides the base commander with full control over noneducational activities on the base and gives military parents input into the education of their children through Section 6 school board elections. In addition, because the children attend a local school in a tightly knit community of parents with like concerns, parent volunteerism and base community support are high.

This option, however, does not address several issues: (1) the federal government desires increased state and local responsibility; (2) the federal financial burden is not reduced; and (3) facilities are not transferred. Furthermore, the status quo has provided long-term stability for operation and maintenance funds, although recent Congressional action has reduced construction funds and has threatened the operation and maintenance funds.

CONTRACTUAL ARRANGEMENTS

Some advocate using contractual arrangements such as those for the six schools now under "special arrangements" (see Table 1). In these cases, the federal government contracts with the LEA adjacent to the base to administer schools for the children on the base. The arrangement is usually based on the per pupil cost of educating children in the local community. The LEA submits a separate budget for the base

children and schools, but otherwise provides the same education for LEA and base children. The education provided must meet the minimum standards of the state involved. Teachers working on the base and base children can see no difference in the education offered on and off the base.

These arrangements can be quite innovative in diminishing the federal burden. For instance, in a recent move the DoD allowed Highland Falls, the LEA connected to West Point, to receive Section 6 funds for the education of high school students residing on the military reservation. Highland Falls currently educates the federally connected children living off-base with state and local revenues and federal Impact Aid funds. In addition, Highland Falls educated the base high school students using Impact Aid funds. Because these funds were not covering the full cost of educating the base high school students, a new arrangement was needed. Highland Falls agreed to educate the high school students living on the reservation under a contract-like agreement. The state of New York agreed to provide its normal share of PPE for the high school students and DoD agreed to provide Section 6 funds.¹ Section 3 Impact Aid funds cannot be paid to districts receiving Section 6 funds for the same children. Thus, the Section 6 funds provided equal the former Impact Aid funds and the additional amount needed to meet the comparable district PPE after the state has contributed its share. Under provisions of this special arrangement, Highland Falls agrees to educate the military dependents from the base as long as these funds are available.

This arrangement solved several financial difficulties for a district which has an exceedingly small tax base, a large federal impact, and not enough Impact Aid funds. The federal burden is reduced, the state government provides its fair share of revenues, and a decent PPE standard is maintained. The West Point Section 6 schools still operate, but for a smaller grade span.

In addition, the agreement includes a clause allowing one individual appointed by the Superintendent of the Academy to act as a nonvoting member of the Highland Falls school board. Finally, because the agreement is renewed annually, the concerns of the base commander and base parents, at least in principle, can be presented and addressed indirectly through the contract negotiations.

The most important fact about contractual arrangements like the above is that they are acceptable alternatives to the Section 6 system because of their high quality of education. Moreover, they often exist

¹According to the contract, the PPE is arrived at by the comparable district method which evaluates expenditures in districts within the state that have characteristics comparable to those of Highland Falls.

in places where state law prohibits LEAs from providing an education to dependents on military bases.

This type of arrangement has other major benefits. First, the federal government is no longer directly involved in the operation of a school district. The LEA administers the schools. Second, the federal financial burden can be reduced according to the arrangements made in the contract. Third, because of the high quality of education in the surrounding community, parents are satisfied with the education their children receive. Fourth, the base children attend neighborhood schools on-base, satisfying parents' concerns about safety and community.

The contractual arrangement does, however, have drawbacks. First, although the federal government is no longer directly involved in the administration of schools, it is still responsible for the education of base children and is at least partly burdened with the associated costs. Whether this is more or less in amount than would occur with a full transfer will depend on the contract. For instance, at Dover AFB in Delaware, the federal government carries the entire burden for education of base students. Second, ED keeps title to the facilities; they are not transferred to the LEA. Thus, the federal government is fully responsible for their maintenance. Third, both base commanders and parents lose substantial influence over the affairs of the schools, base, and children, although the base commander and base parents can provide input during the annual contract negotiations. Fourth, although the arrangement has been stable, Congress has not provided for adequate construction and maintenance funds.

COTERMINOUS ARRANGEMENT

Instead of transferring responsibility to an LEA, the coterminous arrangement creates a new LEA from the existing base school system. Thus, the base system becomes a new, state-recognized school district whose boundaries are coterminous with those of the base. The new district may accept the full transfer of the school facilities, or title and responsibility for the facilities may remain with the Department of Education.

The coterminous arrangement can be seen as a half-way point in terms of increasing state and local responsibility. The state, in accepting the new district, provides some state funding. The federal government provides Impact Aid to the coterminous district in the amount determined by regulations. In this case, the district, with all base parents both living on federal property and working for the federal

government, is eligible for the highest amount of aid as a Super A district. Nonetheless, because this amount is less than what the federal government currently provides under Section 6, the federal burden is reduced.

The coterminous arrangement has benefits. First, the federal burden is reduced by the state contribution. Second, the base commanders and parents maintain their present input. A school board is still elected from among military parents or appointed by the base commander, depending on the arrangements approved by the state education department. Third, the district is the same base community as before, so community support is encouraged. Fourth, children remain in their neighborhood base schools.

The arrangement also has severe drawbacks. First, the new district has no tax base or tax-raising authority. The LEA provides no funds because the coterminous district is not under its jurisdiction. Thus, the system lacks the local revenue sources which partially support most school districts.

Second, although the new district will receive funds from the state and federal government, they are not likely to cover all costs. For instance, the federal contribution is based on only operation and maintenance costs. Yet, the new district must also cover construction and major repair costs if it owns the facilities. If it does not own the facilities, it is dependent on construction funds from Congress, which have not been forthcoming. Without local bond-raising authority it has no way to cover these costs.

Third, most states base state aid on formulas that include consideration of local financial contribution. Without a local tax base, the state funding available to a coterminous district is less than that available to other districts.² In general, then, the coterminous option does not provide long-term financial stability for the district. In particular, there is some question about how communities can maintain their facilities over their normal life.

Fourth, creating coterminous arrangements for existing Section 6 schools will increase the demand for limited Impact Aid funds. Either the total funding of Impact Aid must be increased to meet this additional demand, or the Impact Aid pie must be shared by more claimants, reducing each claimant's share. This has been a major problem for districts currently receiving Impact Aid funding. Had the Section 6 schools been made into coterminous districts in FY1987 the

²For instance, the state of Kentucky has two types of funding for local districts: the Minimum Foundation Program (MFP) and the Equalization Program. A coterminous district would receive the full allotment under the MFP, but because it has no local contribution it would be ineligible for equalization funds.

additional costs in Impact Aid would have been \$56,959,710, a 10 percent increase in the A category funding. Without additional funds, each district might have received 10 percent less funding than in the previous year.

Fifth, in several states with Section 6 schools, this option is illegal or runs counter to state policies to reduce the number of districts within the states. More details can be found in the case studies.

Coterminous arrangements are in effect at Fort Leavenworth in Kansas and Lackland Air Force Base, Randolph Air Force Base, and Fort Sam Houston near San Antonio, Texas. The latter three are especially feeling the strain of the long-term instability of this option. The funding formula for the state of Texas precludes coterminous districts from receiving the full allotment of funds available to other districts in the state.

FULL TRANSFER

Under full transfer to state and local responsibility, state and local jurisdictions accept the Section 6 children and the school facilities. This is currently the practice at most military bases in the United States.

The benefits of this option are several. First, state and local funding is fully guaranteed. The LEA would have access to full state funding as well as local sources of revenue (property taxes, utility taxes, sales taxes, and wheel taxes). In addition, the construction and maintenance of facilities can be funded from state and local bond-raising authority. Second, the federal burden is substantially reduced; the federal government provides only Impact Aid and no longer is responsible for the upkeep of facilities. Third, if the state and local governments involved amply support education, the schools will be well funded, have financial stability, and provide broad education programs.

The option has several drawbacks. First, the base commander would lose control of some base logistical activities and the parents would have less say in their children's education. Base children could be bused from the base and would not necessarily attend the nearest school. Second, as with the coterminous option, the increased demand for Impact Aid must necessarily affect the other districts now receiving it.

Fourth, for some districts the Impact Aid and state funds provided will not meet the additional burden on the local government. In these instances, the LEA would be forced to raise its own taxes to subsidize the base children's education. If this is not possible, the educational

funding of the entire school system will suffer, as is discussed in the next section. It is likely to occur in LEAs that are large compared to the Section 6 schools and so would not qualify for Super A funding after a transfer. It is paradoxical that these are the same districts who would have the other infrastructure and resources necessary to accept Section 6 schools without suffering. Smaller LEAs which may not have the infrastructure necessary for a smooth transfer are likely to obtain Impact Aid funds in ample amounts to cover their education contribution.

There have, of course, been many full transfers—only eighteen Section 6 schools remain out of an original approximately one hundred. The transfers were worked out on a case-by-case basis to the satisfaction of those involved. Discussions with representatives of several LEAs that accepted transfer revealed that important conditions were included to ensure the political support of parents. In many cases, the transfer agreement specified that elementary school children were to attend only base schools; junior and high school students could be bused to LEA schools. This condition satisfies the concern of parents for their younger children and ensures that community schools will remain intact. In addition, in individual cases, nonvoting representation on the board of education by a base representative is allowed.

ASSISTED TRANSFER

Assisted transfer is the same as a full transfer, except it provides for additional funding by the federal or state government in cases where Impact Aid funding does not appear to be adequate. These levels of government are chosen because they have access to greater revenue resources than the LEA and can assist in ameliorating the effects of a transfer.

Two options balance the state and federal contribution. First, the federal government may contribute the difference between Impact Aid funding and the local share for each child transferred. With changes in the law, this can be accomplished using Section 6 funds. Second, a negotiated settlement can occur between the federal and state government for each to pick up an additional share. This settlement can be based on an assessment of the base's economic contribution to the state revenues. The Office of Economic Adjustment in the Department of Defense produces such assessments for states with Section 6 schools.

The option has all the benefits of a full transfer. Federal responsibility is reduced, as is the federal burden. State and local responsibility and financial contribution is increased. Facilities are transferred. Funding becomes more certain.

It has drawbacks similar to those of the full transfer. The base commander and parents may lose their input into matters that concern them. Increased demand for Impact Aid or other forms of funding may affect other districts unless Congress appropriates additional funds. However, funding would be at least as adequate as before the transfer.

VIEWS OF VARIOUS ACTORS

In our site visits we discussed options with state education representatives, representatives of LEAs, base commanders, Section 6 school superintendents, members of the Board of Education at Section 6 schools, and members of the PTA at Section 6 schools. We found the following:

- Virtually all parties prefer the status quo.
- We found little support for the contractual arrangement by any government or at any site. Base commanders in particular stated they disliked this option because it increased their administrative burden without completely reducing the federal burden. Base commanders, Section 6 school superintendents, and base parents all objected to the concept of awarding out the education of children to the lowest bidder.
- The coterminous option was conditionally approved by base commanders and parents, if financial stability could be guaranteed. Section 6 school superintendents stated they strongly supported the coterminous arrangement because it guaranteed their independence; however, they acknowledged that it did not provide the financial stability needed to run a school system. Some local government officials who do not favor a transfer under any circumstance support a coterminous arrangement. Others say it creates another school system, reducing their share of overall state funding. Finally, all state governments reacted negatively to this option based on legal, financial, and policy grounds. No state representative interviewed supported this option.
- Full and assisted transfers were seen as viable, but not politically desirable options. Representatives from Section 6 schools and the base were reluctant to give up their decisionmaking powers to the LEA. Although theoretically they provide the best funding source mix, base parents questioned the adequacy of the low levels of funding maintained by some LEAs. State and local representatives stated they did not want the additional responsibility involved, especially if it reduced per pupil

expenditures in their communities. However, all state representatives stated these were the most desirable options, if transfer was necessary.

SUMMARY

Tables 13 and 14 summarize the above discussion. In general, the tradeoffs among the options are among political, responsibility, and financial considerations. That is, the status quo and the contract options accommodate political concerns, but do not necessarily lead to reduced federal burden or to long-term financial viability. In particular, they do not solve the facilities issues and the status quo leaves the federal government directly responsible for the operation of schools. The full transfer and the assisted transfer reduce the political influence of parents and base commanders, but provide long-term viability and increased state and local responsibility. They allow the transfer of

Table 13

TRANSFER OPTION EVALUATION

Consideration	No Transfer	Contract	Coterminous	Full Transfer	Assisted Transfer
Political					
Allows base commander influence	Yes	No	Yes	Reduces	Reduces
Allows parent participation in school board	Yes	No	Yes	Reduces	Reduces
Encourages parent and community support	Yes	No	Yes	Reduces	Reduces
Responsibility					
Increases state burden	No	Possible	Yes	Yes	Yes
Increases local burden	No	Possible	No	Yes	Yes
Reduces federal burden:					
Administrative	No	Yes	Yes	Yes	Yes
Financial	No	Possible	Yes	Yes	Yes
Financial					
Provides long-term stability	Yes	Yes	No	Yes	Yes
Provides for facilities upkeep	?	No	No	Yes	Yes
Reduces Impact Aid to others	No	No	Possible	Possible	Possible

Table 14
COMPARISON OF OPTIONS

Issue	No Transfer	Contract	Coterminous	Full Transfer	Assisted Transfer
Potential Funding Source					
— Federal	Section 6 funds	Section 6 funds	Impact Aid	Impact Aid	Impact Aid and other funds
— State	None	Possible	Minimum Foundation Some equalization	Minimum Foundation Equalization Construction Bonds	Minimum Foundation Equalization Construction Bonds
— Local	None	Possible	None	Property/utility taxes Sales taxes Bonds	Property/utility taxes Sales Taxes Bonds
Governance	Base school board	County school board	Base school board	County school board	County school board

facilities and remove the federal government from direct responsibility for schools. The coterminous option, while maintaining the political influence of base parents and the base commander, does not offer long-term financial stability.

As can be seen from the foregoing analysis, transfer is a process to be negotiated. Past transfers or arrangements have been tailored to the specific situation at hand. It is possible to protect the interests of various groups by clauses in the transfer agreements. The busing of elementary school children and parent representation are two important concerns of parents that can be addressed in this way. The assisted option provides financial support for a district that cannot accept the full transfer of students without threatening its education program.

These examples show that accommodations can make arrangements more acceptable to those affected.

The following summarizes our view of transfer options:

- In cases where a suitable education is available in the LEA, the full transfer, assisted transfer, and contract option should be considered, in that order. Full transfer and assisted transfer should be considered because of their diversified financial support. Special clauses can be inserted into the arrangements to protect the rights of parents and concerns of base commanders. The contract option is the least desirable of the three because neither facilities nor federal responsibility is transferred.
- Except in rare cases, the coterminous option should not be considered because it leaves many problems unsolved.

X. FINANCIAL VIABILITY OF TRANSFER

To determine the cost of transferring Section 6 schools, specific cases and options must be considered. The following analysis examines some of the costs associated with each option. The analysis is divided between recurring operation and maintenance costs and nonrecurring construction and renovation costs.

OPERATION AND MAINTENANCE COSTS

Most costs associated with education programs recur on an annual basis. These costs, known as operation and maintenance (O&M) costs, include such items as: salaries and benefits of teachers, staff, and administrators; instructional materials and books; utilities; minor repairs and upkeep items; and supplies. These costs for Section 6 schools are now found in the DoD budget. The following paragraphs explore which of the levels of government might be obliged to fund these costs under different types of transfer.

To estimate the cost to be incurred by each party to the transfer, we assume that a hypothetical transfer took place in FY1987. The analysis uses actual cost data from school year (SY) 1986-1987 or FY1987 when available. We assume that a transfer would not separate children by county of residence, but that all base children would attend school in a single LEA. In addition, we assume that the additional federally connected children qualify the LEA for Impact Aid funding, as indicated in Table 8 above.

No Transfer Option

There would be no change in costs; the federal government would continue to accept full financial responsibility. These costs are shown in Table 3 and Table 15, column A, for each Section 6 school.

The Section 6 PPE may underestimate the costs of educating Section 6 children. The PPE does not include all O&M costs. During our site visits we were told that certain base support was provided to the schools. For instance, some base utilities (telephone lines, for example) are used by the Section 6 schools. Other items include fire and police protection, insurance, medical support, transportation, and road maintenance.

Table 15

PROJECTED FEDERAL O&M SAVINGS UNDER FULL
TRANSFER, FY1987
(In dollars)

Location	Current Federal O&M Cost A	Projected Impact Aid B	Projected Federal O&M Savings, PPE C
Fort Benning	\$11,694,850	—	—
Muscogee	—	\$2,107,150	\$ 9,587,700
Chattahoochee	—	\$5,621,300	\$ 6,073,550
Fort Bragg	\$15,264,736	—	—
Cumberland	—	\$2,970,767	\$12,293,969
Fort Campbell	\$14,181,624	—	—
Montgomery, TN	—	\$6,901,614	\$ 7,280,010
Christian, KY	—	\$6,901,614	\$ 7,280,010
Fort Knox	\$14,368,640	—	—
Hardin	—	\$6,849,596	\$ 7,519,044
Meade	—	\$6,849,596	\$ 7,519,044
Camp Lejeune	\$12,051,312	—	—
Onslow	—	\$4,706,142	\$ 7,345,170
Robins AFB	\$ 2,889,090	—	—
Houston	—	\$ 532,134	\$ 2,356,956

SOURCES:

A. Department of Defense, Assistant Secretary for Force Management and Personnel, Director of Dependent Support Policy, Budget Data, January 1987.

B. Derived from information provided by U.S. Department of Education, Division of Impact Aid, *Application for School Assistance in Federally Affected Areas*, Filings for FY1987.

Full and Assisted Transfer Options

Under these two options, the schools would be transferred to state and local control. The first step in determining costs associated with the two options is to determine what the relevant LEAs now spend on education. This estimate is shown in Table 16 using projected PPE (based on state inflation factors). Projected PPE in each locale is shown in column C and can be compared to that for the Section 6 schools.

If transfers take place, the LEAs will not fund the Section 6 schools at the level now provided by the federal government. Instead, each LEA will apply, if possible, its own PPE to the new Section 6 children, assuming the addition of these students will not alter the local school district's economies of scale. The total projected cost of educating base children for each LEA is shown in Table 16 by multiplying the projected LEA PPE (column C) by the Section 6 school enrollment

Table 16

PROJECTED O&M COST OF EDUCATING SECTION 6 CHILDREN AFTER TRANSFER
(For transfer in 1987)

Location	PPE SY1984-85 A	State Inflation Factor SY1985-87 B	Projected PPE SY1986-87 C	Section 6 Enrollment SY1987 D	Projected O&M Cost of Section 6 Transfer SY1987 E
Fort Benning					
Muscogee	\$2,586	18.0	\$3,051	3,350	\$10,220,850
Chattahoochee	\$2,669	18.0	\$3,149	3,350	\$10,549,150
Fort Bragg^a					
Cumberland	\$2,355	17.0	\$2,755	4,723	\$13,011,865
Fayetteville	\$3,062	17.0	\$3,583	4,723	\$16,922,509
Fort Campbell					
Montgomery, TN	\$2,113	17.9	\$2,491	4,113	\$10,245,483
Christian, KY	\$1,779	17.0	\$2,081	4,113	\$ 8,559,156
Fort Knox					
Hardin	\$1,745	17.0	\$2,042	4,082	\$ 8,335,444
Meade	\$1,786	17.0	\$2,090	4,082	\$ 8,531,380
Camp Lejuene					
Onslow	\$2,273	17.0	\$2,659	3,738	\$ 9,939,342
Robins AFB					
Houston	\$2,181	18.0	\$2,574	846	\$ 2,177,604

SOURCES:

A. Unadjusted local school district data provided by state education agencies.

B. *Estimates of School Statistics*, 1986-1987, National Education Association.

D. Department of Defense, Assistant Secretary for Force Management and Personnel, Director of Dependents Support Policy, Budget Files for FY1987.

^aData are provided for Cumberland County and Fayetteville. These two school systems merged in 1985. The PPE for the consolidated county system would fall within the range of the two PPEs presented.

(column D). This calculation is found in column E. Depending on the level of PPE and Section 6 enrollment, the financial burden of adding Section 6 children to the LEAs can be quite severe. The transfer would involve additional annual recurring costs of at least \$8 million for five of the six LEAs examined.

As has been discussed, some of this burden will be offset by federal Impact Aid. An estimate of the amount received in Impact Aid, had a transfer occurred, is shown in Table 17. First, column A shows the expected amount of Impact Aid received given the status after a

Table 17

PROJECTED IMPACT AID FUNDS FOR SECTION 6 TRANSFER, FY1986-1987

Location	Impact Aid PPE A	Section 6 Enrollment B	Total Impact Aid for Section 6 Children Under Transfer C	Projected O&M Cost of Section 6 Transfer D	Differential to be Made Up at State and Local Level E
Fort Benning					
Muscogee	\$ 629	3,350	\$2,107,150	\$10,220,850	\$ 8,113,700
Chattahoochee	\$1,678	3,350	\$5,621,300	\$10,549,150	\$ 4,927,850
Fort Bragg ^a					
Cumberland	\$ 629	4,723	\$2,970,767	\$13,011,865	\$10,041,098
Fayetteville	\$ 629	4,723	\$2,970,767	\$16,922,509	\$13,951,742
Fort Campbell					
Montgomery, TN	\$1,678	4,113	\$6,901,614	\$10,245,483	\$ 3,343,869
Christian, KY	\$1,678	4,113	\$6,901,614	\$ 8,559,156	\$ 1,657,542
Fort Knox					
Hardin	\$1,678	4,082	\$6,849,596	\$ 8,335,444	\$ 1,485,848
Meade	\$1,678	4,082	\$6,849,596	\$ 8,531,380	\$ 1,681,784
Camp Lejeune					
Onslow	\$1,259	3,738	\$4,706,142	\$ 9,939,342	\$ 5,233,200
Robins AFB					
Houston	\$ 629	846	\$ 532,134	\$ 2,177,604	\$ 1,654,470

SOURCES: A. Using one-half the national average = \$1,678 and following appropriated entitlements: 100 percent—Chattahoochee, Hardin, Meade, Christian, and Montgomery; 75 percent—Onslow; 37.5 percent—Cumberland, Muscogee, and Houston. Estimated using U.S. Department of Education, Office of Impact Aid, Fiscal Year 1987, Funding for Sections 2 and 3 of Public Law 81-874, Memorandum #87-2, December 15, 1987, and Fiscal Year 1987, Local Contribution Rates Under Section 3 Public Law 81-874, January 30, 1987.

B. Department of Defense, Assistant Secretary for Force Management and Personnel, Director, Dependents Support Policy, Budget Files for 1987.

D. Estimated using unadjusted local school data provided by state education agencies and National Education Association, *Estimates of School Statistics*, 1986-1987.

^aSeparate data are provided for Cumberland County and Fayetteville before the two school systems merged in 1985.

transfer, as previously determined in Table 8. This dollar per pupil amount (column A) is multiplied by the number of Section 6 students enrolled (column B) to estimate the total Impact Aid received due to the transfer (column C). Impact Aid received is compared to the projected PPE necessary, as determined in Table 16. The difference is shown in column E. The figure in column E represents the amount of money the state or local government must contribute to maintain the current PPE.

The Impact Aid dollars do not cover the total education burden of the Section 6 children on the state and local governments, as can be seen from Table 17. In all cases, there is a large short-fall in funding to be made up at the state and local level. Our analysis is consistent with state and local government complaints about the burden that the federally connected children impose on the education resources in these states.

As noted before, transfer is really a shifting of burdens. The additional burden imposed on the state and local government is removed from the federal government. The reduction in federal burden is substantial, as is shown in Table 15. The federal government would reduce its burden by the amount it now pays for PPE in the Section 6 schools (column A), although the reduction is partially offset by the increase in Impact Aid dollars flowing to the LEAs (column B). The difference between the two is the cost savings to the federal government of a full transfer (column C).

Table 15 reveals how the federal government might perceive a transfer. We next examine how the states might perceive it. LEAs would receive both Impact Aid funds and the state contribution toward each pupil. Although the exact PPE state contribution may change because of the complexities of state funding formulas, the state contribution can be estimated using each state's current percentage contribution to PPE. This is done in Table 18, using information previously shown in Table 6. The state contribution is estimated in column E.

Impact Aid payments go directly to the LEA, not to the state, and can be used at the district's discretion. Therefore, the LEA will see Impact Aid dollars as adequate if they cover the local PPE contribution. As shown in Table 19, in some cases the Impact Aid dollars fully compensate, in other cases they do not. For instance, if Muscogee County accepted the transfer of the Section 6 children located at Fort Benning, it would qualify as a regular A district, receiving only \$629 per military student on the base. However, if Chattahoochee County accepted the same children, it would receive \$1,678 per military child living on base. Thus, Chattahoochee County's perception of financial burden would be distinctly different from that of Muscogee.

Table 18

PROJECTED STATE BURDEN OF TRANSFER
(For transfer in 1987)

Location	Projected PPE SY1986-87 A	Percent State Contribution SY1984-85 B	Estimated State Contribution per Pupil C	Current Enrollment D	Projected Total State Contribution E
Fort Benning					
Muscogee	\$3,051	56.6	\$1,727	3,350	\$5,785,450
Chattahoochee	\$3,149	58.0	\$1,826	3,350	\$6,117,100
Fort Bragg ^a					
Cumberland	\$2,755	66.0	\$1,818	4,723	\$8,586,414
Fort Campbell					
Montgomery	\$2,491	40.0	\$996	4,113	\$4,096,548
Christian	\$2,081	71.3	\$1,484	4,113	\$6,103,692
Fort Knox					
Hardin	\$2,042	71.9	\$1,468	4,082	\$5,992,376
Meade	\$2,090	71.9	\$1,503	4,082	\$6,135,246
Camp Lejeune					
Onslow	\$2,659	69.2	\$1,840	3,738	\$6,877,920
Robins AFB					
Houston	\$2,574	64.4	\$1,658	846	\$1,402,668

SOURCES: A and B. From unadjusted local school district data provided by state education agencies and National Education Association, *Estimates of School Statistics*, 1986-1987.

D. Department of Defense, Assistant Secretary for Force Management and Personnel, Director of Dependents Support Policy, Budget Files for FY1987.

^aPremerger figures.

Most of the LEAs would receive more money in Impact Aid dollars per student than they now spend on resident children. In other words, Impact Aid would fully cover their contribution and then some. The two exceptions are Muscogee and Fayetteville. They are both large school districts with relatively high PPEs. Since these data were compiled, the Fayetteville and Cumberland school systems have merged. No data on the new PPE under the merged system are available. However, we would estimate that the merged system's expenditure level would fall below the break-even point; that is, they would not receive enough Impact Aid to cover the PPE for base children.

Table 19
LOCAL PERCEPTION OF IMPACT AID DOLLARS
 (For transfer in 1987)

Location	Projected PPE SY1986-87 A	Percent of Local Contribution SY1984-85 B	Estimated Local Contribution PPE C	Impact Aid PPE D	Differential (Windfall or Loss to LEA) E
Fort Benning					
Muscogee	\$3,051	34.8	\$1,062	\$ 629	- \$ 433
Chattahoochee	\$3,149	17.3	\$ 545	\$1,678	+ \$1,133
Fort Bragg^a					
Cumberland	\$2,755	22.8	\$ 628	\$ 629	+ \$ 1
Fayetteville	\$3,583	—	\$ 817	\$ 629	- \$ 188
Fort Campbell					
Montgomery, TN	\$2,491	50.8	\$1,265	\$1,678	+ \$ 413
Christian, KY	\$2,081	14.1	\$ 293	\$1,678	+ \$1,385
Fort Knox					
Hardin	\$2,042	14.9	\$ 304	\$1,678	+ \$1,374
Meade	\$2,090	17.1	\$ 357	\$1,678	+ \$1,321
Camp Lejuene					
Onslow	\$2,659	21.0	\$ 558	\$1,259	+ \$ 701
Robins AFB					
Houston	\$2,574	23.0	\$ 592	\$ 629	+ \$ 37

SOURCES: A and B. From unadjusted local school district data provided by state education agencies and National Education Association, *Estimates of School Statistics*, 1986-1987.

D. Estimated using U.S. Department of Education, Office of Impact Aid, Fiscal Year 1987, Funding for Sections 2 and 3 of Public Law 81-874, Memorandum #87-2, December 15, 1987, and Fiscal Year 1987, Local Contribution Rates Under Section 3 Public Law 81-874, January 30, 1987.

^aPremerger figures.

Just looking at Impact Aid does not tell the whole story. LEAs can expect a continuing state contribution in addition to the Impact Aid dollars, as shown in Table 19. Combining the two sources of income and subtracting the total from the projected PPE shows the expected funds from other sources as perceived at the local level (see Table 20). In six LEAs, (Chattahoochee, Montgomery, Christian, Hardin, Meade, and Onslow) the Impact Aid and state contributions more than cover

the expected PPE required. *This means these districts will, in a sense, make money from a transfer.* However, three of the LEAs would not be able to cover the additional burden with federal and state funds alone. Muscogee, Cumberland, and Houston counties would have to raise their local taxes to cover the PPE of Section 6 transferees. The difference between these two groups is clear. Those districts that qualify for Super A funding after a transfer can adequately cover the PPE, while those that do not qualify for Super A fall short.

Thus, for a full transfer in these counties without a probable negative impact on the quality of education, the state and federal government would have to provide additional funding. The "assisted transfer" was developed to cover this contingency. It allows a transfer, but provides additional state or federal funding for those districts whose Impact Aid payments do not cover the additional burden. In other communities, Impact Aid, if maintained, will cover the required local contribution.

Contractual Arrangements

Estimating the costs of a contractual arrangement is difficult because the details of the arrangement are not known and are subject to negotiation. Some possibilities, however, suggest themselves. First, in several current arrangements, the states pay their share of the PPE. Thus, we can imagine a contractual arrangement with the state burdened as shown in Table 18. Second, state and local governments would not be likely to accept an arrangement if a full transfer would provide them with more money. Therefore, they might demand that the federal contribution be at least as great as in a full or assisted transfer. The estimates for the full and assisted transfers therefore form a boundary for the estimates for a contract. With a contract, the state contribution is unlikely to be more and the federal government share is unlikely to be less than with a transfer. But, again, the federal burden is lessened by the amount that the state and local governments agree to contribute.

Coterminous Option

The costs associated with the coterminous option are different from those associated with full transfer. First, this option is chosen because base parents wish to maintain the same education program now offered by the Section 6 schools, including the same staff. Thus, it is assumed that the PPE properly used for estimation purposes is that of the current Section 6 schools, not the adjacent district PPE. Second, the

Table 20

O&M FUNDING BASE FOR TRANSFER WITHOUT LOCAL CONTRIBUTION
(For transfer in 1987)

Location	Projected State Contribution A	Projected Impact Aid B	Projected Total C	Projected PPE D	Difference E	Total Difference F
Fort Benning						
Muscogee	\$1,727	\$ 629	\$2,356	\$3,051	-695	-\$2,328,250
Chattahoochee	\$1,826	\$1,678	\$3,504	\$3,149	+355	-\$1,189,250
Fort Bragg ^a						
Cumberland	\$1,818	\$ 629	\$2,447	\$2,755	-308	-\$1,454,684
Fort Campbell						
Montgomery	\$ 996	\$1,678	\$2,674	\$2,491	+183	+\$ 752,679
Christian	\$1,484	\$1,678	\$3,162	\$2,081	+1,081	+\$4,446,153
Fort Knox						
Hardin	\$1,468	\$1,678	\$3,146	\$2,042	+1,104	+\$4,506,528
Meade	\$1,503	\$1,678	\$3,181	\$2,092	+1,089	+\$4,445,298
Camp Lejeune						
Onslow	\$1,840	\$1,259	\$3,099	\$2,659	+440	+\$1,644,720
Robins AFB						
Houston	\$1,658	\$ 629	\$2,287	\$2,574	-287	-\$ 242,802

SOURCES: A and D. From unadjusted local school district data provided by state education agencies and National Education Association, *Estimates of School Statistics*, 1986-1987.

B. Estimated using U.S. Department of Education, Office of Impact Aid, Fiscal Year 1987, Funding for Sections 2 and 3 Public Law 81-874, Memorandum #87-2, December 15, 1987, and Fiscal Year 1987, Local Contribution Rates Under Section 3 of Public Law 81-874, January 30, 1987.

^aPremerger figures.

coterminous district has no local contribution; therefore, only state and Impact Aid funds need to be considered.

The funding base for the coterminous option using the actual PPE of the Section 6 schools in FY1987 is shown in Table 21. The table reveals the essential financial weakness of this option. In all cases, the coterminous district would have a serious PPE shortfall, compounded by the fact that the state contribution shown may be overestimated. State funding in the states reviewed may be less than that shown because some state funding formulas require local contributions to education. A district which makes no local contribution, such as a

Table 21

PROJECTED FUNDING BASE FOR COTERMINOUS OPTION (PPE 1987)
(Assuming full state funding)

Location	Projected State Contribution A	Projected Impact Aid B	Projected Total C	Projected Actual PPE D ^a	Minimum Shortfall E
Fort Benning					
Muscogee	\$1,727	\$ 629	\$2,356	\$3,491	-1,135
Chattahoochee	\$1,826	\$1,678	\$3,504	\$3,491	-13
Fort Bragg ^b					
Cumberland	\$1,818	\$ 629	\$2,447	\$3,232	-785
Fort Campbell					
Montgomery	\$ 996	\$1,678	\$2,674	\$3,448	-774
Christian	\$1,484	\$1,678	\$3,162	\$3,448	-286
Fort Knox					
Hardin	\$1,468	\$1,678	\$3,146	\$3,520	-374
Meade	\$1,503	\$1,678	\$3,181	\$3,520	-339
Camp Lejeune					
Onslow	\$1,840	\$1,259	\$3,099	\$3,224	-125
Robins AFB					
Houston	\$1,658	\$ 629	\$2,287	\$3,415	-1,128

SOURCES: A. Estimated using unadjusted local school district data provided by state education agencies and National Education Association, *Estimates of School Statistics*, 1986-1987.

B. Estimated using U.S. Department of Education, Office of Impact Aid, Fiscal Year 1987, Funding for Sections 2 and 3 Public Law 81-874, Memorandum #87-2, December 15, 1987, and Fiscal Year 1987, Local Contribution Rates Under Section 3 Public Law 81-874, January 30, 1987.

D. Department of Defense, Assistant Secretary for Force Management and Personnel, Director of Dependents Support Policy, Budget Files for FY1987.

^aUsing actual DoD funding as PPE that a coterminous district would expend.

^bPremerger figures.

coterminous district, will receive no funding under formulas that require a local tax effort, although Impact Aid can be considered part of the local contribution. Furthermore, in a coterminous district, the funds must cover both O&M and some capital costs. A coterminous district would have no bond-raising authority with which to finance capital projects. It is clear that coterminous districts would have continuing difficulty in meeting both recurring and nonrecurring costs.

NONRECURRING COSTS OF TRANSFERS

Although most attention is directed to the recurring costs of transfer, our site visits made it clear that there are many one-time transition costs associated with a transfer. These costs vary by site and some are not easy to calculate. We can, however, describe the cost elements and give examples in certain cases.

There would be two types of transition costs: those associated directly with the transfer, and those incurred by decisions of the federal government to provide certain protection to the Section 6 employees. The latter are covered in more detail in App. B.

Transfer Costs

One-time costs of transferring the schools are construction and renovation costs, capital costs of buses and bus maintenance facilities, and legal and negotiation fees.

Construction costs may be substantial in cases where the LEA and state refuse to accept the transfer of facilities without their being brought up to code. Even without the code problem, construction funds for the Section 6 schools have been sparse, and the schools may need upgrading work before transfer would be deemed acceptable. Some of the projects and their costs are listed in Table 22. More explicit construction needs are being estimated by the Office of Economic Adjustment in the DoD.

In addition to construction costs, an LEA assuming responsibility for the schools will have to provide transportation for the students. Currently, transportation is provided by contract or by the base bus pool. Section 6 schools are not allowed to own their own buses. Thus, a large up-front cost for buses and maintenance facilities may be necessary. The state of Kentucky estimated that the capital cost of each bus would be \$60,000 in FY1987. In addition, each garage would cost \$500,000 to build.

Finally, a readily identifiable cost will be the negotiation costs of the transfer, including all legal fees. Although less than the other elements, this cost may amount to hundreds of thousands of dollars on the part of all parties to the transfer.

Employee Associated Costs

The federal government may provide funds for the employees of Section 6 schools to ameliorate the effects of the transfer. These might include retirement buy-in, early retirement for those with some

Table 22

UNIFIED CONSTRUCTION NEEDS OF CASE STUDY SCHOOLS
(In millions of dollars)

Location	Cost Category				Total
	Capacity	Health/ Safety	Legal/ Standards	Other	
Georgia					
Fort Benning	6.80	—	0.80	1.40	9.00
Robins AFB	—	—	2.24	—	2.24
Kentucky/Tennessee					
Fort Knox	0.90	—	6.80	4.40	12.14
Fort Campbell	12.3	—	8.45	4.00	24.75
North Carolina					
Fort Bragg	—	—	—	—	0
Camp Lejeune	2.62	—	2.05	1.80	6.47

SOURCE: Department of Defense, Assistant Secretary of Force Management and Personnel, Office of Economic Adjustment, DoD School Facilities Survey, August 1987.

minimum years of service, and severance pay. The costs cannot be determined until the exact circumstances of transfer are clarified, but amounts could be high.

SUMMARY

The costs involved in each transfer option are substantial. State and local governments cannot be expected to welcome these costs. Some states and LEAs will be more negatively affected by a transfer than others. Three LEAs in particular would be heavily affected: Muscogee and Houston Counties in Georgia and Cumberland County in North Carolina. If a transfer does occur, the assisted option may be appropriate for these three sites.

XI. CASE STUDY ANALYSIS AND RESULTS

Having described the general transfer issues and transfer options and costs, we next summarize the case study analyses. This section uses a framework for determining the factors that will facilitate or impede transfer at any site. In addition to giving the results of the application of the framework to the six cases under review, the section recommends a preferred transfer option. Appendix A contains the complete analyses of the six case studies.

After collecting information at each of the sites, we organized and analyzed the information according to the indicators in Table 12. We considered whether indicators would become positive if the federal government acted to influence the situation. In addition, we assessed whether some concerns were amenable to negotiated clauses. Many were. We thus arrived at a ranking of the readiness for transfer of the six sites studied.

Our judgment is that transfer at any of the sites reviewed will reduce the education program offered to the Section 6 children. As stated previously, the educational services provided by the Section 6 schools studied are broader and more individually oriented than those offered in the related LEAs. If the DoD weights this factor heavily in its transfer decision, it may choose not to transfer any of the sites.

Some sites are more ready for transfer than others. The following paragraphs rank-order the sites, with those most ready for transfer listed first. The discussion summarizes the factors facilitating or impeding transfer at any site; actions the federal government can take to increase readiness; and options to be considered at each site. Because of problems with the contract and coterminous options (see Sec. IX), we did not usually consider them in the case studies.

1. Robins Air Force Base

Facilitating Factors: Several factors facilitate this transfer. The low ratio of Robins enrollment to that of the LEA (1:17) combined with the small size of the Robins school system (860 students in two schools) suggests that the LEA could absorb the base system. The LEA already educates most of the military dependents in the area, including students in grades 7-12 living on the base. LEA buses have access to the base. One of the schools is located outside the secured area of the base, making outright transfer of that facility's title and

land to the LEA possible. The LEA is located in a growing area, which means an expanding local tax base. Finally, parental fears that base children would be affected by the LEA's court-ordered busing are largely groundless. Under the court order, Robins will likely retain its neighborhood elementary schools. Finally, no jurisdictional problems exist.

Impeding Factors: Under current guidelines, Impact Aid would barely compensate the LEA for its local PPE contribution. LEA voters have placed a tax cap on the school board's revenue-raising capability and have refused to support construction of additional schools. This situation may result in double-sessions. One of Robin's schools is located in a secure area of the base, so base leaders would be reluctant to turn the facility over to the LEA without assurances that only base children would attend the school. However, due to overcrowded classrooms, LEA leaders want to be able to assign nonbase students to base schools. Finally, base parents perceive the LEA as inflexible and unresponsive to transient students' needs and fear the loss of input into their children's education if the LEA takes over the schools.

Possible Ameliorating Actions: The federal government can take several actions which would ameliorate some of the problems. First, more stable funding could be established by drawing on Section 6 funds to make up any shortfall in funds. Second, federally funded construction of a school off-base or on land ceded from the base perimeter would provide an acceptable substitute for the school located in the secure area. Finally, federal negotiators could provide for base parents' input as part of the transfer agreement.

Options To Consider: (1) no transfer; (2) if existing impediments are removed or deemed negligible, an assisted transfer would provide the funding base needed to ensure the continued stability of the education provided by the LEA.

2. Fort Bragg

Facilitating Factors: The ratio of Fort Bragg enrollment to Cumberland County enrollment is low (1:9). Fort Bragg is an open base, so transfer does not create new security concerns. The LEA already educates the 9-12 grade students and 71 percent of the military children attached to the base. Cumberland County is a growing community with a growing tax base. The county recently underwent a merger and as a result has relevant experience. No jurisdictional problems exist.

Impeding Factors: Base parents are concerned over the education program that the LEA would offer their children. Impact Aid funds would not cover the amount needed to avoid hardship on the LEA.

Base parents would lose control of their childrens' education. The LEA, according to base parents, buses base high school students to suit its own administrative convenience. The base has organized resistance to a transfer. Finally, transfer of the schools could result in seven parcels on the base not under the base commander's full control.

Possible Ameliorating Actions: The federal government can act to ameliorate several problems. It can provide additional and more stable sources of funding. It can negotiate so that base parents get nonvoting representation on the LEA school board. Finally, it can negotiate an arrangement that guarantees a neighborhood school concept.

Options To Consider: (1) no transfer; (2) if impediments are removed or deemed negligible, an assisted transfer would provide the funding needed to support the education level provided by the LEA.

3. Fort Knox

Facilitating Factors: First, although the location of base housing divides the base student body between two county jurisdictions, state, LEA, and base personnel agree that if a transfer occurs, all the students should go to the Hardin County LEA. Second, the LEA has an economic incentive to accept the base students; the LEA would become a Super A district, receiving four times the amount of its current local PPE contribution, and the LEA would qualify for an increased state contribution toward the PPE. Finally, Fort Knox is an open post, facilitating LEA access to the schools.

Impeding Factors: First, the high ratio of base to LEA school population (1:3), combined with the large enrollment of the base schools (4,000 students and 10 schools), makes it difficult for the LEA to absorb the Section 6 schools. Second, state law prohibits the LEA from using schools located on the post as long as the federal government holds exclusive jurisdiction over the land. Third, the large number of facilities make base leaders reluctant to relinquish control (of 10 parcels) within the base to the LEA. Fourth, the base facilities need substantial capital improvements (\$10 million), which the LEA could not afford to make. Finally, base parents perceive that Kentucky and the LEA offer a poorer, more parochial education than do the base schools.

Possible Ameliorating Factors: The federal government can take steps to ameliorate several of these problems. First, the federal government could make jurisdictional changes so post facilities can be used by the LEA. Second, federal negotiators could include an understanding on school assignment as part of a transfer agreement. Third, the federal government could fund the needed capital improvements.

Finally, federal negotiators could provide for the representation of base parents.

Options To Consider: (1) no transfer; (2) if impediments can be removed or are deemed negligible, the full transfer option would provide the funding needed to support the education level provided by the LEA.

4. Fort Benning

Facilitating Factors: First, Muscogee County, an urban LEA, could absorb the Section 6 school system despite its large size (3,200 students and eight schools). Second, Muscogee already educates base high school students in the LEA's facility located on the base perimeter.

Impeding Factors: First, the location of the base housing divides the base student body between two county jurisdictions, one urban and one rural. There is near universal agreement that the rural LEA cannot absorb the base schools, which have a student body 10 times that of the LEA. Muscogee, which is large enough to absorb the base school system, is averse to accepting, without compensation, base students living in another LEA. Second, Impact Aid would not cover Muscogee's local PPE contribution. Third, the large number of facilities makes base leaders reluctant to grant eight parcels to LEA control. Finally, base parents oppose the transfer because they perceive Muscogee as unresponsive to the needs of transient students. These parents also worry that Muscogee would bus base students extreme distances rather than disturb recently rezoned LEA school assignments.

Possible Ameliorating Actions: The federal government can use Section 6 funds to make up any shortfall in funds, providing Muscogee with adequate compensation to educate all the base students. Negotiators could provide for the representation of base parents. Negotiators could establish agreed-upon guidelines concerning school assignment.

Options To Consider: (1) no transfer; (2) if impediments are removed or deemed negligible, an assisted transfer would provide the funding needed to support the education level provided by the LEA.

5. Fort Campbell

Facilitating Factors: Little facilitates a transfer at this site, except that either county would receive an adequate amount of Impact Aid under the present program to ensure that the education program in their communities would not be negatively affected.

Impeding Factors: Many factors would impede a transfer here. First, two states and two counties have jurisdiction. There is no

agreement as to which state and which county should accept the students. If agreement is reached, jurisdictional and funding arrangements will be very complex. Second, base parents are not happy with the education program either of the LEAs would offer their children. For both counties, the enrollment of Section 6 students is large compared to that of the LEAs. Neither county has extra capacity, so that acceptance of base children by either county would have a large impact. Third, Montgomery County has had a taxpayer revolt against further education spending. Fourth, the transfer of facilities would create seven parcels not under control of the commander. Fifth, the base is closed; security is an issue. Sixth, base parents would be disenfranchised. Seventh, because the base schools are K-12, there have been few interactions between the base and the LEA. Finally, base parents want their children to attend a neighborhood school.

Possible Ameliorating Actions: The federal government can make this site readier for transfer by working toward agreements among the states and counties as to their respective jurisdictional responsibilities. It can provide additional and more stable sources of funding. It can urge that base parents get nonvoting representation on the local school board. Finally, it can work toward an arrangement that guarantees neighborhood schools.

Options To Consider: Because of major jurisdictional and other problems, transfer appears inappropriate at this time. Of the cases studied, this is the only site where all of the options might be considered in the future. Prior to this, however, the federal government must work toward an understanding among the states and counties as to jurisdictional responsibility.

6. Camp Lejeune

Facilitating Factors: Two factors facilitate a transfer at this site. Onslow County already educates 56 percent of military children connected to the base. It would receive an adequate amount of Impact Aid to ensure that its education program would not be negatively affected.

Impeding Factors: Many factors impede a transfer. First, parents are concerned about the quality of education the LEA would offer their children. Second, the relative enrollment of Section 6 students is large compared to the LEA (1:4). Third, the LEA has a large backlog of construction projects and is in a state of extreme overcapacity. The construction problem is exacerbated by a taxpayers' revolt in the local community. Fourth, the transfer of facilities would result in seven parcels not under control of the commander. The base is closed; security is an issue. Fifth, base parents would lose control over their children's

education. Sixth, because the base schools are K-12, there have been few interactions between the base schools and the LEA. Seventh, well-publicized incidents of purported racial discrimination in the county make base parents wary of conditions in LEA schools. Eighth, base parents fear their children will not be able to attend a neighborhood school.

Possible Ameliorating Actions: The federal government can act to ameliorate several problems to make this site readier for transfer. It can provide more stable funding sources. It can urge that base parents get nonvoting representation on the local school board, and it can work toward an arrangement that guarantees neighborhood schools. However, these actions do not address the main impediments to transfer at this site.

Options To Consider: Because of the many obstacles, transfer appears inappropriate at this time. As conditions improve in the LEA, transfer can be reconsidered.

XII. CONCLUSIONS

We have analyzed approaches to transfer by evaluating information from interviews with federal government representatives, representatives of the four states in which the six military bases are located, and representatives of the LEAs and the Section 6 schools. The following findings cover general issues, transfer decisions, transfer options, and the case studies. We note that they are not necessarily applicable to all Section 6 sites.

GENERAL FINDINGS

First, all personnel connected with Section 6 schools believe that the education program offered to the Section 6 children will decline if a transfer occurs. This perception is supported by the following.

- Section 6 schools tend to be located in the southeastern United States where funding for education is low, and educational achievement indicators, while improving in recent years, are still the lowest in the nation.
- Section 6 schools have a high level of school-community cooperation. On some bases (e.g., those with rapid deploying units), the sense of community is highly valued by families and commanding officers.
- Section 6 schools offer education programs geared to the needs of military children. They offer additional individualized services not found in the relevant LEAs as well as special education programs which parents appear to regard highly. LEAs cannot provide the type and level of services provided by the Section 6 schools.
- At some bases, the base parents thought that the LEA would use base children to meet LEA desegregation plans or to alleviate capacity problems, thus precluding the need to use community children for the same purposes. Some parents assert that this has occurred in the past and at least one LEA supervisor indicated he would bus base students rather than local children to avoid voter complaints. These types of actions are related to the fact that base parents have little political power in the local community. Court-ordered busing for integration purposes is a possibility at Fort Benning, Fort Campbell, and

Fort Bragg, whereas busing to alleviate overcrowding is a possibility at many sites.

- Base parents are concerned that Impact Aid dollars received by the local communities for the education of base children will be used for other education purposes. This is possible due to the discretionary nature of the funds.

Second, state and local governments object to the additional burden transfer places on them in terms of financial and other resources. The greatest factor affecting state and local willingness to take on the responsibility of Section 6 children will be their ability to maintain adequate education funding levels. In this regard, they may look to federal sources, such as Impact Aid, to provide assistance. However, few state or local officials are anxious to absorb Section 6 children, largely because of the nature of the Impact Aid program.

- State and local officials think that federal funding will be inadequate to cover their additional costs.
- They are concerned about the future of the program.
- They are concerned that, because Impact Aid is not forward funded, they will be unfairly burdened in the transition period of the transfer.

Other resources may be stretched by a transfer, including personnel and facilities. The ability of the LEAs to attract and retain qualified personnel, most likely former Section 6 employees, will be key to a successful transfer.

Third, a major Congressional concern is the transfer of facilities. States and LEAs will accept transfer of facilities as long as they are in good condition, without future financial encumbrances, and without access and title problems. The above may require substantial additional funding, approximately \$93 million according to DoD sources. The funding for the up-front repair and maintenance of these buildings before transfer may fall primarily on the federal government.

Fourth, base parents do not wish to lose their influence over the education of their children if a transfer occurs. Few military parents register to vote in the LEAs involved and military personnel are forbidden by law from holding civil office. But LEAs have little sympathy for those military who do not register to vote in the local community in which they reside. Any site will be more ready for transfer if the LEA provides some kind of representation to base parents. Examples of such representation exist at many bases throughout the United States.

Fifth, base commanders voiced concern over the impact of transfers on the administration of the base, including additional security

problems, administrative burdens, negotiation of access rights, and loss of control over activities on base. These concerns have been handled at other bases by negotiated arrangements. Base commanders further worried about the impact of transfer on the morale of the military. The Section 6 schools are a special benefit offered to the military family; its loss may affect retention and morale.

TRANSFER OPTIONS

Several options may be considered: no transfer, contractual arrangements, coterminous arrangements, normal transfer, and assisted transfer. Assuming a transfer is to occur, three options offer acceptable solutions: full transfer, an assisted transfer, and a contractual arrangement with state funding. The contractual arrangement is the least acceptable because it does not provide for transfer of facilities. The coterminous option leaves many problems unsolved. Although the coterminous option presents a politically attractive situation, it is illegal in certain states, resisted strongly by other states, and presents long-term funding difficulties. Coterminous districts would not have access to some state funding programs or access to local sources of revenue.

SITE SPECIFIC FINDINGS

We applied the decision framework and the transfer option analysis to each of the sites visited. The following is our analysis of each site's readiness for transfer and the appropriate options. (Other Section 6 schools not studied may be more or less likely candidates for transfer than these six.) The six cases studied are among the largest schools, with the potentially greatest impact on the local community.

- Robins Air Force Base—Transfer can be considered using an assisted transfer provided certain obstacles are overcome.
- Fort Bragg—Transfer can be considered using an assisted transfer provided certain obstacles are overcome.
- Fort Knox—Full transfer to the Hardin County Public Schools can be considered provided certain obstacles are overcome.
- Fort Benning—Transfer to the Muscogee County Public Schools can be considered using an assisted transfer provided the impediments are addressed.
- Fort Campbell—Jurisdictional difficulties preclude transfer at this time.

- Camp Lejeune—Impediments including extreme crowding in the LEA and its poor financial position preclude transfer at this time.

FEDERAL ACTIONS TO CONSIDER

The federal government can ameliorate or remove some of the impediments to transfer and encourage site readiness by:

- Creating a Section 6 subsidy as a stable funding source for LEAs and as an additional source of revenues when Impact Aid is inadequate. This would require a change in law. Alternatively, it can open negotiations with state governments for equitably sharing the transfer burden based on analyses forthcoming from the Office of Economic Adjustment.
- Committing construction funds to ready facilities for transfer or developing agreements with states and LEAs for shared funding of new facilities off-base.
- Developing arrangements between the bases and the LEAs to provide base security and control, neighborhood schools, and parent participation in LEA affairs.

Finally, the federal government will need to develop a strategic plan for the transfer of Section 6 schools, if it chooses to proceed. The plan should address the precedent-setting attributes of the first system to be transferred and define the requirements for a diversified, well-qualified negotiating team which will be key to successful transfers.

Appendix A

CASE STUDIES

This appendix contains the case study analysis for the four states and six bases reviewed: Fort Benning and Robins AFB in Georgia; Fort Knox in Kentucky; Fort Campbell in Tennessee; and Fort Bragg and Camp Lejeune in North Carolina. The state sections include background on the state education program; a description of school financing; and state policies toward Section 6 schools, especially concerning jurisdiction, financial burden, coterminous option viability, facilities transfer, status of employees in a transfer, and governance.

The base cases are both described and analyzed. The first section of each study provides background on the base, including a short history of the Section 6 schools, and the county or counties. The second section describes factors influencing transfer, including comparative school populations, interactions between systems, facilities transfer and upkeep issues, ownership and operation issues, LEA financial capabilities, school board representation, and school assignment. The third section covers issues that we think are keys to a transfer at that particular site. From our surveys at each site, one or two major issues struck us as fundamental in terms of the positions of the parties involved. They are described and possible solutions offered. The fourth section summarizes the discussion with brief statements of factors impeding or facilitating a transfer at each site. Finally, the transfer options are reviewed for their practical application at that site.

STATE OF GEORGIA

The state of Georgia, like other states in the south, lags behind the rest of the nation in indicators of educational achievement and financial support for education. As shown in Tables 2 and 3 in the main text, Georgia ranks 42nd in PPE and 47th in education expenditures as a percent of income. Its high school graduation rate is 46th in the nation.

EDUCATION PROGRAM

The state education department is aware of the problems and has initiated a program to improve Georgia's educational standing.

Georgia imposes minimum standards on all of its school districts. Any school system which fails to meet these standards must develop a remedial program. Under the Georgia Quality Basic Education Act (QBE), which went into effect in 1986, the state will evaluate each public school and local system every five years. Should officials of nonstandard schools fail to cooperate in improving education standards, the state board of education may file a civil court action to appoint a trustee to operate the system. All the LEAs containing Section 6 schools satisfactorily meet Georgia standards.

Part of the ongoing effort to improve public education, the QBE is an ambitious, comprehensive program creating requirements and incentives in a number of areas, including curriculum, classroom size, teacher development, and school operating and capital outlay funds. For example, to encourage consolidation of small school districts, QBE sets forth minimum-size recommendations for elementary, middle, and high schools. Schools which do not meet the recommendations cannot earn full state funding.

The state has also implemented testing programs for students and teachers. Third graders cannot be promoted until they pass the test. Beginning teachers must pass both written and performance tests to become fully certified.

SCHOOL FINANCING

State education funds are derived from income and sales taxes. On the average, the state contributes 55 percent of a district's per-pupil expenditure. School districts qualify for state funds through various formulas for O&M, transportation, and capital outlay. To obtain these funds, LEAs must contribute their local fair share of five mills

property tax. LEAs can substitute sales tax and federal Impact Aid in lieu of a portion of the property tax. However, the state funding formulas penalize any LEA which does not raise five mills or its equivalent. In addition, the state encourages LEAs to raise more than this minimum contribution through enrichment formulas. The average school district levies 15 mills.

The state contributes a considerable portion of school construction costs. Although the state initially does not contribute to the site development, it does cover from 75 to 90 percent of the construction costs, depending on the wealth of the community and costs, which follow state guidelines. The state contributes \$100 million annually to the Systems Comprehensive Facilities Plan, so named because each LEA prepares a five-year facility plan of prioritized capital outlay needs for that district. Each LEA is prorated and qualifies for a certain percentage of the total state entitlement. A district may accumulate the entitlement to earn a school replacement after 10 years, draw on it annually for needed renovations, or obtain an advance against future entitlement.

The state also contributes to transportation costs. Although LEAs must pay for the initial bus fleet, the state reimburses the cost over a 10-year period and contributes toward the cost of insurance, drivers' salaries, and mileage. Although most LEAs cannot fund school transportation solely from the state contribution, the state in essence funds the bus fleet's replacement as well as the majority of related transportation costs.

STATE POLICIES AND THE SECTION 6 SCHOOLS

State officials raised a number of concerns and policy issues when asked to consider taking responsibility for the Fort Benning, Fort Stewart, and Robins Air Force base schools.

Jurisdiction. Georgia state officials acknowledge the state cannot deny an education to any child domiciled in the state. Therefore, if Section 6 students become part of Georgia's schools, the state will contribute its share of the PPE cost to whichever LEA takes responsibility for education. However, state officials stress that once the LEA assumes responsibility, LEA officials must have complete control, including the right to assign off-base students to base schools.

Financial Burden. The major opposition to educating base students stems from the financial burden it will impose on the state. Fort Benning, Fort Stewart, and Robins AFB have a combined enrollment approaching 5,800 students, or close to 17 percent of the total

enrollment of all eighteen Section 6 schools. State officials believe it is unreasonable to ask the state to bear the major portion of the cost with no compensating federal funds or taxing authority.

State officials noted they were concerned about LEAs relying on uncertain Impact Aid to provide the local funding share of educating base children. Should the federal government cease to provide Impact Aid, the LEAs would find it extremely difficult to raise substitute revenues.

Coterminous Option. The establishment of a coterminous school district is illegal in Georgia. The state constitution states: "No independent school system shall hereafter be established,"¹ reflecting the state policy of encouraging consolidation and merger rather than proliferation of school districts.

Facilities. The ability to use existing Section 6 base buildings is influenced by state facility regulations. The state requires the LEA to hold fee simple title² to qualify for state capital outlay funds. Legislated exceptions have been made, allowing state capital funds to be expended on facilities under a long-term lease. For example, a 99-year lease would guarantee that capital outlay expenditures are applied to the LEA's benefit.

Other facility-related requirements include a guarantee of ingress and egress for the schools. The state also mandates minimum acreage for school facilities, although this can be waived for existing facilities or special circumstances.

Because each LEA's share of state construction monies is prorated, the transfer of Section 6 schools to existing LEAs would probably increase that district's entitlement share at the expense of the other state school districts.

Employees. State policies regarding tenure, retirement benefits, and collective bargaining apply to the transfer of Section 6 teachers to Georgia schools. According to Georgia law, tenure is granted by the LEA after a teacher signs his or her fourth annual contract. Even though many Section 6 teachers have taught more than four years, they may have to serve another three-year probation period upon transfer to the LEA. Georgia tenure law has been successfully defended in court. Exemptions would have to be approved by the legislature.

Group buy-ins to the state retirement program are possible under state legislation. For instance, the Georgia legislature recently allowed

¹Georgia State Constitution, Article VIII, Section V, Paragraph I.

²Fee simple signifies a pure fee: an absolute estate of inheritance clear of any condition or restriction. It is the largest estate and most extensive interest that can be enjoyed in land.

Fulton County school employees to buy into the state retirement system under the condition that the buy-in be financed by the county and not the state of Georgia. State officials take a similar position concerning any buy-in arranged for Section 6 teachers. Buy-ins would not be financed by the state.

Georgia state law prohibits collective bargaining. The Fort Stewart Teachers Union would cease to exist if that system were transferred to a Georgia LEA.

Transportation. Georgia does not finance the initial purchase of a bus fleet. Since Section 6 schools must contract out their transportation needs, the LEA or the federal government will have to provide the funds for the purchase of buses should a transfer occur.

Governance. The governance of the education system in Georgia is highly decentralized. Each community chooses its method of governance, resulting in a great variety of systems used. For instance, the Muscogee County board of education cannot levy taxes; the Houston County school board can. All counties require county residency for voting, but requirements and processes for school board election vary. It is highly unlikely that many military parents could vote in school board elections and even more unlikely that any could win a seat on the board.

FORT BENNING

Background

Fort Benning is a major training base—the home of the Army Infantry Center and School, as well as the Army School of the Americas. In addition, the 197th Infantry Brigade, the 2nd Brigade of the 10th Mountain Division, the 36th Engineering Group, and the headquarters for the 75th Ranger Regiment are based at Fort Benning. Because the post is primarily a training base, the military population is transient, with many stationed at the post for less than a year.

Geography and Economy. Located nine miles south of Columbus, Georgia, the base encompasses 182,000 acres, extending into Alabama. Post housing and the major administrative centers are located in the Georgia counties of Chattahoochee and Muscogee.

Fort Benning provides major economic resources to the area. With a monthly payroll of \$61 million for approximately 30,000 soldiers and 11,000 civilians, base officials estimate that, including dependents and retired military families, the base accounts for an area population of almost 100,000. Because of the location of the post housing and the

administrative complex, Fort Benning is closer geographically and much more oriented toward Columbus in Muscogee County than Chattahoochee. The latter garners little advantage from the military post.

History of the Fort Benning Section 6 Schools. The post has had its own schools since 1921, dating back almost to the founding of Fort Benning in 1918. Operated under federal auspices with nonappropriated funds, as well as tuition payments and local fund-raising activities, the post school system was converted to a Section 6 system after Congress created the program in 1950.

Background: Muscogee and Chattahoochee Counties

Geography and Economy. Although adjacent, Chattahoochee and Muscogee are very different. Muscogee, the state's second most populous county, hosts a population of over 178,000 and the city of Columbus. In contrast, the population of rural Chattahoochee numbers less than 25,000, with Fort Benning taking over 50 percent of that county's land; timber companies own or lease an additional 30 percent.

County School Districts. Muscogee County has a fairly large school district, the product of a consolidation of the Columbus city system with the county district. As Table A.1 shows, the county has an enrollment of about 30,000 housed in 54 schools covering grades K through 12. In contrast, Chattahoochee has a small enrollment of about 300 housed in one county school building covering grades K through 8.

Factors Influencing Transfer

Table A.1 presents comparative statistics for a number of characteristics influencing the feasibility and ease of a transfer. The following are some of the criteria which must be considered.

School Population. The Muscogee system educates almost 10 times as many students as Fort Benning; Fort Benning, in turn, is about 10 times larger than Chattahoochee.

Because Fort Benning is oriented toward Columbus, most of the off-post active military live in Muscogee County. As a result, Muscogee educates about one-half of the military dependent school-age population. In 1985-1986, 3,556³ or approximately 12 percent of the Muscogee school population were military dependents, including 585 high school students living on-post. In the same year, Chattahoochee

³Muscogee County Application for School Assistance in Federally Affected Areas, 1986-1987.

Table A.1

FORT BENNING, MUSCOGEE COUNTY, AND CHATTAHOOCHEE
COUNTY SCHOOL DISTRICTS

Item	Fort Benning	Muscogee County	Chattahoochee County
Enrollment (SY1986-1987) (Ratio base to LEA)	3,121	29,236 (1:9.4)	315 (10:1)
Grade span	K-8	K-12	K-8
Number of schools	8	54 ^a	1
Elementary	7	38	1
Middle/junior high	1	7	
High school	0	8	0
PPE (\$ SY1984-1985) ^b	2,788	2,586	2,669
Pupil/teacher ratio ^c	22	17.3	15.2

SOURCE: Computer printout provided by Georgia Department of Education Statistical Information System, "Cost per Child in Average Daily Attendance (ADA) 1984-1985" (EDSS0610-01, run 04/30/86).

^aMuscogee has one alternative school.

^bMuscogee and Chattahoochee calculations do not include such expenditures as teachers' retirement and capital improvements.

^cMuscogee and Chattahoochee ratios calculated using enrollment/total number of certified personnel. Fort Benning ratio based on enrollment/number of classroom teachers.

educated only 59 military dependents living off-post,⁴ or about 1 percent of the total military dependent school-age population.

Interactions Among School Systems. Interactions between the three populations are numerous since both Chattahoochee and Fort Benning send their high school students to Spencer High School, run by the Muscogee County school district. Chattahoochee, unlike Fort Benning, pays tuition of \$135.55 per student, as well as providing the transportation for the 92 to 100 Chattahoochee students attending Spencer.

Before construction of Spencer, base students were bused to several high schools throughout the county, a situation base parents were unhappy with. Since 1976, all base students have attended Spencer High School, located on the perimeter of the post. Sending all the base

⁴Chattahoochee County Application for School Assistance in Federally Affected Areas, 1986-1987.

students to this school was part of an arrangement worked out among federal, state, and local authorities. The LEA purchased the land for the building site and access corridor from the federal government. Both state and federal funds⁵ were used to construct the building. The military leased the surrounding acreage to Muscogee for 99 years.

State officials have indicated that, in the long term, they would favor a merger of the Muscogee and Chattahoochee school systems.⁶ However, Muscogee perceives no benefits in absorbing the Chattahoochee system since Chattahoochee has a very limited funding base. Currently, the state subsidizes Muscogee's education of Chattahoochee high school students.

Facilities. The number, ownership, and condition of facilities is a factor in any transfer. Fort Benning uses eight facilities. The Department of Education holds title to seven of the buildings, but the U.S. Army owns the Patch School, one-half of which is used for grades K through 1 and the other one-half as a day-care center. Unfunded future construction needs include a replacement for the Wilbur Grade School, a building addition to the White Grade School, and a warehouse/cold-storage facility, at an estimated total cost of \$9,179,000. Although the Fort Benning facilities comfortably house the existing base school population, the current construction of 400 additional base housing units will result in an overcrowding of facilities.

Ownership and Access. Fort Benning is an open base, a factor which should help accommodate Georgia free access requirements. Muscogee already has access to the post to bus base high school students to Spencer High School.

Because of the large number of schools in the Fort Benning system, base leaders are reluctant to turn over to an outside LEA eight "parcels" inside the base. They fear that outsiders over which the military has no control may create the potential for disturbance of base activities.

Georgia state guidelines require an LEA to have title to a building before gaining access to state capital funds. State and base leaders might reach agreement on this issue through an arrangement which turns title of the building over to the LEA but rents the land under a long-term lease. Such an arrangement would be a variation on the agreement reached over Spencer High School.

⁵Public Law 815.

⁶State officials also consider a third county, Harris, a possible participant in the consolidation. Muscogee currently educates 500 to 600 students from Harris. However, since Harris has been experiencing growth, consideration of the proposal has been shelved.

LEA Financial Resources. Because the Muscogee school system does not have an elected school board, the school board cannot raise its own revenue. The school budget must be approved by the local council which sets the millage rates. Revenue is raised from real estate, personal property, and industry taxes. The budget has kept up with property growth but there is a cap on the assessment of homeowners that can be raised only if the property is improved or sold. As a result, while the property tax is high, the appraised value is low.

As in many communities, Muscogee taxpayers have tried to limit spending. Several years ago, voters passed a cap on the city budget, a move which was later declared unconstitutional. Similar attitudes were reflected in the local council's reducing the millage rate at a time when Georgia's initiation of the QBE put increased demands on the school budget. However, the millage rate in Muscogee is perceived as high. The council currently taxes 19.75 mills. Elected school boards are subject to a state revenue-raising cap of 20 mills. In the past, the Muscogee Council has authorized more than 20 mills.

The situation in Chattahoochee is almost opposite that of Muscogee. The school board approves the school budget, billing the county commission. However, the Chattahoochee revenue-raising capability is severely restricted by a very limited tax base. A 1985 survey by the University of Georgia Cooperative Extension Service placed Chattahoochee 154 out of the state's 159 counties in terms of overall economic ranking, with a total assessed property value of \$1.34 million.⁷ The county has only 815 taxable land parcels. Because Fort Benning and the timber companies take up 80 percent of the county's land, there is little prospect that the situation will change. The current tax rate is a low 11 mills. However, even if the school board raised it to the state maximum of 20 mills, the additional revenue would only amount to about \$200,000.

School Board Voting and Representation. Muscogee and Chattahoochee counties have contrasting methods of school board selection. The 15 members of the Muscogee school board are selected by an at-large grand jury for five-year terms. Members must have been county residents for six months. Chattahoochee elects its five-member school board. Candidates must have been county residents for one year. In both counties, voters must be county residents.

In the case of base students attending Spencer High School, a base liaison officer presents parental concerns to Muscogee school officials.

School Assignment. Muscogee is under a court order and must bus to comply with the guidelines. Whereas students in grades K

⁷See *The Atlanta Constitution*, February 9, 1986.

through 2 are exempt and attend neighborhood schools, school officials recently had to rezone school assignment for the higher grades to comply with the order.

Chattahoochee has a unitary school and therefore the issue of desegregation does not arise.

There does appear to be a difference in the racial composition of the base versus the two counties, which could precipitate busing of base students should a transfer take place. Both the Muscogee and Chattahoochee school populations are about 40 percent minority compared to 34 percent on the base.

Issues Related to Section 6 Employees. Aside from the students themselves, the group most directly affected by a possible transfer is the Section 6 employees. The Fort Benning school system has 318 employees, 216 of which are teachers. Representatives of both the teachers and the support staff, which includes maintenance, supply, cafeteria, and administrative employees, raised a number of concerns.

Job security after a transfer is the major concern of the support staff. Supervisory and administrative positions are at high risk since they duplicate existing positions in the LEA. In general, the support staff feared they were less likely than the teachers to be kept on after a transfer.

To help cope with a possible job loss, staff representatives asked for reassurance from the federal government that they will have the option of staying in the Civil Service by getting first employment rights, even if it means moving to a different location. By remaining in the Civil Service, these employees would not lose their federal retirement benefits—an important factor since nearly one-half of the support staff has 10 or more years of employment in the Fort Benning schools.

Teachers are not as concerned about job security as they are about the conditions of employment after a transfer. They realize the LEA probably would hire most of the teachers. However, supervisory and special area teachers would be at risk.

The following conditions of employment are of greatest concern:

1. **Salary:** Teachers fear they would suffer reduced salary. The state sets a minimum salary schedule which LEAs can supplement. Muscogee adds a supplement of over \$2,000 to all teachers' salaries. The Fort Benning salary scale, however, exceeds that of Muscogee. Table A.2 provides examples of the differences between the two salary schedules. Fort Benning provides better financial rewards to teachers with additional education and years of service. Since Muscogee cannot support two salary scales, Fort Benning teachers would sustain a

Table A.2

FORT BENNING AND MUSCOGEE COUNTY SALARY
SCHEDULES (1986-1987)

Rank and Years of Experience	Fort Benning Salary (\$)	Muscogee Salary Comparison (\$)
Bachelors degree		
0 to 2 years	19,200	-388
9 to 10 years	23,136	-917
18+ years	25,276	-834
Masters degree		
0 to 2 years	21,696	-294
9 to 10 years	26,400	-1,078
18+ years	29,364	-1,083
Education specialist		
0 to 2 years	—	—
9 to 10 years	29,952	-1,535
18+ years	33,453	-1,745

pay cut—in some instances more severe than in others. However, Muscogee salaries are much closer to the Fort Benning schedule than are Chattahoochee's, which contributes only a \$360 supplement to the state schedule.

2. **Benefits:** Georgia benefits generally are perceived as better than those offered by the federal government. Except for dental insurance, Muscogee offers comparable benefits, including state retirement, the State Merit Health Plan, long-term disability insurance, life insurance, and unemployment insurance/workman's compensation. However, teachers realize there are penalties associated with switching from the federal to the state retirement system. The state retirement system provides for individual buy-ins of 10 years after six years of participation in the program. Over two-thirds of the Fort Benning teachers have been employed for six years or less, so they could buy in to comparable benefits. However, for the approximate 25 percent with 15 or more years of service, the penalty of switching retirement systems would be severe.

3. School assignment: Muscogee's court order also applies to the faculty. Since about 20 percent of the Fort Benning teachers are black, compared to a court-ordered 30 percent in Spencer High School, it is likely that some teachers would be reassigned to comply with desegregation guidelines.

Major Concerns of the Parties Involved

Multijurisdictions and LEA Financial Capability. A major obstacle to transfer is the fact that two LEAs have jurisdiction over base students. About two-thirds of the base students live in Chattahoochee and the balance in Muscogee.⁸ County boundary lines divide not only the base school population but also the school facilities. Of the eight buildings in the Fort Benning system, five are in Chattahoochee, including the only middle school. The remaining three are located in Muscogee, but one of them serves base students living in Chattahoochee.

A major issue is the advisability of splitting the student population along county lines. There is a strong feeling among base parents that the school population should not be divided because the schools are important to the base's sense of community.

Much depends on the capability of each LEA to assume educational responsibility. There is universal concern about Chattahoochee's ability to absorb over 2,000 students. Such an addition would increase the Chattahoochee school population by seven-fold; or put another way, add the equivalent of about 10 percent of the county's total population.

The only financial compensation the county would receive would be Impact Aid. The addition of the base students would qualify Chattahoochee as a Super A District, which would mean a substantial federal subsidy. For example, in SY1986-1987, Chattahoochee would have qualified for a maximum payment of \$1,678 per base student, whereas the local county per-pupil contribution was less than one-third that amount.

Despite such an advantageous Impact Aid supplement, basically all parties to the agreement argued against transferring base students to Chattahoochee. Base parents felt Chattahoochee did not have the administrative capacity to absorb the base schools. Chattahoochee county commissioners argued that the county simply does not have the revenue base to support a school system of that size. Taking responsibility for the base students, they warned, would bankrupt the county.

⁸The construction of additional base housing in Muscogee County will increase the number living there.

State officials feared the assignment of base students to Chattahoochee would make a merger between the two county school systems more difficult to achieve. Chattahoochee school leaders agreed that Impact Aid was too uncertain a source to serve as the sole economic basis for accepting responsibility of Section 6 students.

Because the Muscogee School District is so much larger, the general feeling is that this urban system could absorb all of the base students. However, LEA and county spokespersons were opposed to this option. Whereas the Muscogee LEA superintendent stated that the county was willing to accept responsibility to educate the base students living in the county, he and other school officials were adamant that the county would not pick up the bill for the education of base students living in Chattahoochee.

Lack of adequate financial compensation is a major reason for this position. Even if Muscogee County accepted all of the students living on the base, it would remain a Regular A district in terms of federal Impact Aid, qualifying for only the lowest reimbursement in that category. Currently, Muscogee charges \$839 nonresident tuition. School officials would like an equivalent reimbursement to take on the base students who reside in the Chattahoochee portion of the base. Under 1986-1987 Impact Aid guidelines, Muscogee would have received only \$629 per pupil if a transfer had occurred, a considerable shortfall. In addition, Muscogee LEA officials point out that the future of Impact Aid funding is uncertain. Muscogee officials stated that the county would not assume responsibility for the entire Fort Benning student body unless they receive guaranteed funding equivalent to the non-resident tuition.

Another key element in Muscogee's acceptance of base students is acquisition of the base school facilities. Muscogee school officials anticipate real problems in negotiating a satisfactory arrangement which would meet state guidelines for ownership or long-term lease of school facilities. They note that even in the case of Spencer High School, problems persist. For example, Muscogee cannot afford the high liability insurance required by federal regulations in order to use an athletic field located on base property.

Base Parents' Perception of the Muscogee School District. Despite the fact that base parents overwhelmingly prefer to send their children to schools in Muscogee rather than in Chattahoochee, parents we talked with expressed a number of reservations about Muscogee's treatment of military children.

A major concern of those parents is their perception that the Muscogee system makes few concessions to the transient military child. Muscogee school officials concede that the Fort Benning system is

much better equipped to deal with transient students than the LEA. In fact, Muscogee school officials cite this as a major factor in their preference for keeping Fort Benning a Section 6 school system. Muscogee officials listed a number of difficulties they have with the over 3,000 military dependents currently attending Muscogee schools: temporary duty (TDY)-related absences exceeding Georgia regulations, coping with special education needs of transient students, getting high school students to fulfill the unique Georgia social studies requirements, and providing English as a second language (ESL classes). Transfer of the remaining base students to Muscogee would increase these difficulties. While school officials realize they are having difficulty meeting problems arising from student transiency, their basic philosophy is that "if they go here, they obey our rules."

Base parents also worry about how Muscogee would apply court-ordered desegregation policies to base students. Before Spencer High School was built, base parents felt that the county district split up the base students and used them as fillers to meet court orders. Parents are uncertain how school assignments would be made if a transfer occurred. School officials would not guarantee that base children would be bused to the nearest school. Both school officials and community leaders indicated reluctance to disturb existing Muscogee school assignments, especially since they recently rezoned the school district to meet the court order. Both indicated that a likely course of action would be to bus some base students as far as 25 miles to the growing northern part of the county, where space is available.

Decision Summary

In deciding whether to transfer the Fort Benning schools or keep them as Section 6 schools, a number of facilitating or impeding factors must be considered.

Factors facilitating a transfer:

- Muscogee County already educates most of the off-post military dependents and all the base high school students.
- Muscogee is a large school district which could probably absorb the base student population—roughly equivalent to 10 percent of Muscogee's current enrollment.
- Fort Benning is an open post, making access easier. Muscogee school buses already have access to transport base high school students.
- Federal, state, and Muscogee officials have already successfully negotiated the construction of an LEA facility, Spencer High School, on the perimeter of the base.

- Muscogee has an urban tax base and the local council supports the schools with a relatively high millage rate.

Factors impeding a transfer:

- Base students and facilities are divided into two county school jurisdictions. The majority of the base students live in the Chattahoochee school district, which has neither the financial nor administrative resources to absorb such a large population. Muscogee would accept the base students living in that county but would need financial compensation to accept all the base students.
- Under current Impact Aid guidelines, Muscogee would not recover the local per-pupil expenditure of educating base students. Impact Aid funding is uncertain.
- Fort Benning has unfunded construction needs in excess of \$9 million.
- The large number of schools located well inside the base makes transfer of title and land much more difficult to negotiate than the arrangement for Spencer High School on the base perimeter. Base leaders have reservations about ceding eight parcels of land within the base to an outside civilian authority.
- Base parents do not want to give up the influence they have over their children's education through electing and running for the school board.
- Base parents do not want to exchange what they perceive as an excellent school system geared to transient students for an LEA perceived as less flexible and less sensitive to the unique circumstances of military life.
- Uncertainty over how Muscogee would apply the court order to base students' school assignment fuels base parents' opposition to a transfer.

Options to Consider

Two options should be examined: no transfer and transfer of all base students to Muscogee County using an assisted option. The coterminous option cannot be considered because the Georgia state constitution bars the formation of any new school district.

1. No Transfer. Continuation of the status quo remains a viable option for several reasons. First, under the Section 6 system, base children are receiving a high-quality education, as well as the individualized attention to the transient student not available in the LEA. Second, base parents can maintain some input into their children's education through election of their own school board.

2. Transfer to Muscogee County with an Assisted Option. A transfer to Muscogee would provide a number of sources of revenue. Despite taxpayer unrest, the local government supports the county school district with a high mill rate, which helps qualify Muscogee for Georgia funding enhancements. Georgia state funds would follow the child, so Muscogee would receive the state share of the per-pupil costs for all the base students attending the system. Muscogee also would qualify for federal Impact Aid, but at a rate lower than the local per-pupil contribution. Concern over the funding shortfall could be alleviated by allowing additional funding from federal or state sources to make up the difference between the local per-pupil contribution and Impact Aid. The existence of a funding agreement might also serve as a lever on Muscogee school officials to be responsive to base parents' educational goals.

Other Concerns. A number of concerns about a transfer to Muscogee could be addressed during the negotiations among the federal, state, LEA, and base representatives. Examples are LEA agreement not to assign off-base students to base facilities; establishment of mutually agreed-upon guidelines for complying with the desegregation court order; provision of federal/state funds to take care of Fort Benning's unfunded construction requirements; and an understanding that some mechanism, such as parent advisory committees, would be established to give base parents input into their children's education.

ROBINS AIR FORCE BASE

Background

Robins Air Force Base is located in Houston County, Georgia, and has two Section 6 schools associated with the base. Robins AFB is the headquarters for the Air Logistics Center (ALC) and the 19th Bombardment Wing of the Strategic Air Command (SAC).

Geography and Economy. Located 18 miles south of Macon, the base housing and administrative complex are in Houston County. Approximately 4,000 military personnel are stationed at Robins as well as 16,000 Civil Service employees. The base, a major economic resource for the area, has a payroll of \$618.3 million, of which \$491.9 million goes to civilians. Approximately 3,300 dependents live on the base, while another 17,000 dependents reside in Houston and the surrounding counties.

History of Section 6 School. Robins is one of only four Section 6 schools in the Air Force. Robins developed its own elementary

program in 1963 because county schools were having difficulty absorbing the base students and implementing desegregation policies. The base has two elementary schools, built in 1963 and 1968. The September 1986 enrollment was 857. Base junior high and senior high students have always attended Houston county schools.

BACKGROUND: HOUSTON COUNTY

Geography and Economy. With a land area of 380 sq mi, the Houston County population and economy have experienced recent growth, a trend which is likely to continue. The 1980 census recorded a population of 77,605; current estimates are 86,000.

The population and tax base will continue to grow as several firms set up factories in the county. For example, in 1990 Northrop Corporation plans to open a plant which will create 700 jobs.

County School System. Houston County provides a kindergarten through 12th grade education for a school enrollment of approximately 15,000 students. Table A.3 provides some basic statistics on the school district.

Factors Influencing Transfer

The following factors influence the appropriateness of transfer and selection of a transfer option.

School Population. Section 6 schools are small in comparison to the LEA. The ratio of Robins to Houston enrollments is 1:17, a difference likely to increase as Houston County continues to grow. School administrators project the county schools' enrollment will increase by 400 to 500 during the 1987-1988 year.

Houston County already educates most of the military dependents living in the area, including the base high school students. Military dependents living on and off the base comprise about 10 percent of Houston's total enrollment. Adding the Robins Section 6 students would raise the number of military dependents to about 15 percent of the LEA enrollment. The LEA, therefore, appears large enough to absorb the Robins base schools.

Interactions Between the School Systems. Houston County has always educated the junior high and senior high students living on Robins AFB. Under the arrangement with the base, Houston County buses these students off-base to LEA schools. The only compensation Houston receives is federal Impact Aid.

Table A.3

ROBINS AFB AND HOUSTON COUNTY SCHOOL DISTRICTS

Item	Robins Air Force Base	Houston County
Enrollment (SY1987)	846	14,872
(Ratio base to LEA)		(1:17)
Grade span	K-6	K-12
Number of schools	2	23
Elementary	2	16
Middle	—	4
High school	—	3
PPE (\$ SY1984-1985) ^a	2,839	2,181
Pupil/teacher ratio ^b	21	18.9

SOURCES: Computer printouts provided by the Georgia Department of Education Statistical Information System, "Cost per Child in Average Daily Attendance (ADA) 1984-1985" (EDSS0610-01, run date 04/30/86), and "Tabulation of Certificated Instructional Personnel Assigned to Schools" (ESDI0239-R2, run date 07/22/85). Data provided by Office of Dependent Support Programs, U.S. Department of Defense.

^aHouston County calculation of per-pupil expenditure does not include such expenditures as teachers' retirement and capital improvements.

^bHouston ratio calculated using enrollments/total number of certified personnel. Robins ratio based on enrollment/number of classroom teachers.

Such arrangements should ease the negotiation of some transfer issues. For example, the LEA already has access to the base to bus high school students.

Facilities. The combination of population growth, the new state requirement for a full-day kindergarten, and the state's encouragement of lower pupil/teacher ratios has created overcrowding in the Houston schools. The immediate solution has been the use of 52 portable classrooms and 42 other spaces, such as hallways and stages. The long-term response will be the construction of two middle schools to relieve the overcrowding at the elementary level, a solution which involves realigning the grades so that elementary schools include only kindergarten through 5th grade. However, the Houston County school board still needs voter approval of school bonds for construction. Since it is unlikely the schools can be built before additional overcrowding occurs, school officials are examining a mid-term solution of putting the schools on double session.

In addition to the construction of two new schools, 17 Houston facilities need renovation, primarily the installation of air conditioning.

The Robins AFB schools appear to meet state code. However, the addition of music/physical education rooms to both base schools, at an estimated cost of \$2.44 million, remains unfunded.

Given Houston's overcrowded conditions, transfer of the base students to Houston also would have to include transfer of the base or substitute facilities. Moreover, given the county's own unfunded construction needs, Houston could not assume the financing of the planned additions to the facilities at Robins.

Ownership and Operations. Robins AFB is a closed post, in which access by the general public is restricted due to concern for the security of operations and property on the base.

Two facilities comprise the Robins AFB school system. Linwood Elementary is located in a base housing area with open access. In the event of a transfer, the base commander stated he would consider deeding the land and building to the LEA.

The location of the second school, in the closed portion of the base, creates potential conflicts between the LEA and base leadership on issues of school ownership, student assignment, and general access. The base commander stated that he preferred to limit access to this area for security reasons, and that LEA use of the school would be more acceptable if Houston agreed that only base children would attend the facility. Houston officials, who have a problem with overcrowded elementary schools, argue that a transfer gives the LEA the right to determine school assignments; Georgia state officials concur. Moreover, the state requires the LEA to have guaranteed access and title, or a long-term lease, to the facility. Base leaders find it difficult to allow an LEA control over a portion of the base in a secure area.

Both base and LEA leaders agree on one solution to this conflict—federally funded construction of a substitute facility off the base or on land ceded to the LEA from the base perimeter. The LEA then would have title, access, and control over school assignments. In addition, construction of the school along the southern boundary of the base, where there has been considerable population growth, might provide an incentive for LEA acceptance of the base school system.

LEA Financial Resources. Two factors constrain Houston County's financial support of education: a county tax cap and erratic federal Impact Aid payments. In 1982, the taxpayers approved a revenue-raising formula which, in effect, restricts budget growth to about a 5 percent yearly increase. Therefore, it will be several years before the recent increase in the tax base can be realized in the school budget. So far, Houston school officials have been able to budget

within this revenue-raising constraint, but they are reaching the funding ceiling at a time when the school population is growing. In FY1986-1987, Houston raised 4.37 mills property tax toward education. Georgia state requires a minimum of 5 mills. Houston County met this by combining a 1 percent sales tax with the property tax to raise the equivalent of 13 mills.

Houston County has had trouble receiving adequate federal Impact Aid to compensate for educating 7-12 grade students living on base. Over the last decade, these payments have been so uncertain that school officials no longer budget the funds until they actually receive the payments. The statewide trend toward a higher per-pupil expenditure, combined with the uncertainty of the receipt of future Impact Aid and adequacy of the local revenue sources, makes funding a legitimate concern which should be addressed before a responsible transfer to the LEA can take place.

School Board Voting and Representation. Houston County voters elect school board members for four-year terms. The board consists of seven members—five representing districts and two elected at-large.

Base parents would not be able to vote unless they were county residents; most military claim residence in other, home states.

If the base schools were transferred to Houston county, school officials doubt the school board would create a nonvoting position for the military. However, they see no problem in creating a liaison position to represent military concerns.

School Assignment. The Houston school district is under a court order approving the neighborhood concept for grade school children. Certain ratios must be maintained and any changes in the neighborhood boundaries must be reported to the court.

Busing and the loss of their neighborhood school proved to be major worries of the Robins AFB parents and school board members interviewed. Houston school officials, however, do not foresee either eventuality. The base facilities would continue to be neighborhood schools and those who currently attend would continue to do so. If a school were established off-base to substitute for the Robins Elementary School, then students who attend that school would be bused the 3.5 to 4 miles to the most likely location of a substitute school south of the base.

In general, parental fears of busing base students to meet court-ordered quotas in other schools appear groundless. Not only does the court order accommodate elementary neighborhood schools, but even in the case of the junior high and senior high base students already attending Houston schools, the base children are not split up but rather all attend the same middle and high school facilities.

Issues Related to Section 6 Employees. Aside from the students themselves, those most directly affected by a possible transfer are the employees. The Robins AFB school system has a staff of 96, including 56 teachers and 8 nonappropriated personnel.

In the event of a transfer to Houston County, teachers have a number of concerns:

1. *Job security:* Teachers fear the county school system will not employ them but rather hire beginning teachers at lower salaries. However, Houston school officials indicate that they would probably want to retain the teachers.
2. *Salaries:* The teachers perceive Houston as offering lower salaries, although Houston school officials point out that the county provides a salary supplement which makes the county school scale higher than most systems in the area. Table A.4 gives examples of the differences between the Robins and Houston salary schedules. Houston provides higher salaries to teachers with advanced degrees; Robins has additional ranks in its salary schedule which award salary increases as teachers add hours toward an advanced degree.

Table A.4

ROBINS AFB AND HOUSTON COUNTY SALARY
SCHEDULES (1985-1986)

Rank and Years of Experience	Robins AFB Salary (\$)	Houston Salary Comparison (\$)
<i>Bachelors degree</i>		
Beginning	17,330	-30
10 years	21,662	-692
Maximum	23,655	-450
<i>Masters degree</i>		
Beginning	18,580	+1,328
10 years	23,225	+934
Maximum	26,383	+358
<i>Educational specialists</i>		
Beginning	19,410	+3,098
10 years	24,263	+3,079
Maximum	27,174	+3,097

3. **Retirement benefits:** The Robins staff realize that for many a transfer would result in a loss of accumulated federal retirement benefits. The Georgia retirement system provides for individual buy-ins of up to 10 years after six years of participation in the Georgia system. Of the 88 Robins staff participating in the federal retirement program, about 36 percent have been employed for 10 years or less, so they eventually could buy in to comparable benefits. However, since over half of the staff has 15 years or more of service, the penalty of switching retirement systems would be severe.
4. **School assignment:** The Houston County court order also applies to the faculty. Some Robins teachers probably would be reassigned to other county schools to comply with desegregation guidelines.

Major Concerns of the Parties Involved

Adequacy of Funding and the Impact on the Quality of Education. A major concern of all parties is the availability of adequate funds to maintain existing standards of education should Houston take over the responsibility for Section 6 schools. Houston County provides fewer services than does Robins; it is uncertain if Impact Aid will provide adequate funding in lieu of local tax revenue; and the taxpayers may cast votes affecting the quality of education offered to all of the students. These issues are expanded on below.

Base parents and faculty are concerned that Houston does not have the financial resources or will not allocate funds for some services currently provided by the Robins system, including elementary school counselors and nurses for each facility, positions not supported by state funding. Parents are particularly supportive of elementary school counseling as one means of addressing the problems that arise from student transiency. Base parents perceive the loss of such services as an indication that their children would not receive a comparable quality of education.

State and local officials fear that Impact Aid would not provide adequate compensation for educating base students. Acceptance of the Robins students would not change Houston's status as a Regular A district in terms of Impact Aid. Houston would continue to receive the lowest reimbursement in that category. Our projections for 1986-1987, based on a per-pupil expenditure of \$2,574, indicate that Impact Aid would provide \$37 above a projected local per-pupil expenditure of \$592. However, as the state continues to implement its own education improvement program, such as smaller teacher-pupil ratios, it is

realistic to expect that the local per-pupil contribution will increase. At the same time, the future of the Impact Aid program is uncertain. In the event of a transfer, local, state, and base school officials agree that any further reduction in Impact Aid funding would lower the quality of education provided Houston's entire school population.

A related concern is the county voters' support of school needs, especially since the taxpayers' "revolt," resulting in the 1982 tax cap, appears to be continuing. For example, within the past year, voters defeated school bonds for the much-needed construction of two middle schools and the renovation of a high school. Houston school leaders, noting local opposition to a transfer, worry that militant taxpayers may try to limit Houston's financial capability to adequately educate base children. LEA officials predict that, because of growth in the county, voters ultimately will provide the necessary support for the schools. But in the meantime, the taxpayers' revolt could adversely affect everyone's quality of education.

Flexibility of Base Versus LEA Programs. The most frequently cited fear of base parents regarding a transfer is that the policies and programs employed by the Robins schools will be discontinued once a transfer takes place. This includes the Robins' policy of leniency concerning student absences due to parents' TDY. Also, parents approve of the Robins procedure that tests students when they transfer into the system and then places them in an individually paced program.

Parents are particularly pleased with Robins' ability to place mid-year transfers requiring special education in appropriate programs. Parents' experience with Houston indicates the county system cannot always accommodate special education transfers.

In addition, the Robins schools administer nationally normed rather than state achievement tests to facilitate school transfers when parents are transferred to new bases. Finally, parents are impressed with Robins' implementation of assertive discipline, an approach they feel has contributed toward the orderliness they value.

Houston County officials know they have problems adapting their system to military dependents' needs. They stated that the rigidity of their policies often is due to state regulations, such as the administration of state achievement tests or the number of allowable absences. While Houston tries to accommodate parental concerns, some differences between the two systems will always exist.

Decision Summary

In deciding whether to transfer the Robins schools or keep them as Section 6 schools, a number of factors must be considered. The following summarize the facilitating factors:

- The Robins system has a small number of students and schools. This, combined with the low ratio of Robins to Houston County enrollment, indicates that the LEA can absorb the base schools.
- Houston County already educates the majority of the military dependents, including the junior high and senior high students living on the base.
- Houston County already has an access arrangement with the base to bus high school students.
- One of Robins' two facilities is located in an open area. Title to the building and the surrounding land could be transferred to the LEA without jeopardizing base security.
- Robins students would continue to attend the same schools because the county is under a court order supporting neighborhood elementary schools.
- Houston County is a growing community with the economic potential for supporting the transfer.

The following summarize the factors impeding a transfer:

- The location of a school in the secure area of the base could lead to jurisdictional conflicts between base and LEA leaders concerning ownership, access, and school assignment.
- The long-term financial stability of the transfer is in question. Uncertain Impact Aid payments, combined with the county taxpayers' revolt, could result in a lowering of the quality of education for all Houston County students.
- Base parents would lose direct influence over the education of their children.
- Base parents believe the quality of their children's education will deteriorate if transferred to an LEA less able to serve the needs of military dependents.

Options to Consider

Two options should be examined: no transfer and transfer to Houston County under the assisted option. The coterminous option cannot be considered because the Georgia constitution bars the creation of any new school district.

1. No Transfer. Continuation of the status quo remains a viable option for a number of reasons. First, under the Section 6 system, base children are receiving a high-quality education, as well as individualized attention to the transient student, not available in the LEA. Second, base parents can maintain input into the education of their children through election of their own school board.

2. Transfer to Houston County with an Assisted Option. Transfer to Houston offers a variety of financial backing in terms of federal, state, and local funding sources. At the federal level, Houston would qualify for Impact Aid funds as a Regular A district, the lowest reimbursement rate. Our analysis indicates that Houston would receive compensation for their local share of the per-pupil cost, but just barely. Houston County would receive full state support for the base students, including funding enhancements under the QBE. Because current Impact Aid reimbursement would just cover the local share and the willingness of taxpayers to increase local revenues is uncertain, the assisted option should be considered. Under this arrangement, federal or state sources would provide additional funds to Houston County to meet shortfalls in Impact Aid. This would guarantee the LEA a steady funding source for the base students.

Other Concerns. A number of concerns about a transfer to Houston can be addressed through negotiations among federal, state, LEA, and base representatives. Examples are federal funding of a new school facility off-base or on the perimeter to replace the facility located in a secure area of the base; and an understanding that some mechanism, such as a parent advisory council, would be established to give base parents input into the education of their children.

STATE OF KENTUCKY

Kentucky, like other states in the south, has lagged behind the rest of the nation in indicators of educational achievement and financial support for education. As shown in Tables 2 and 3 in the main text, Kentucky ranks 46th in PPE and 41st in education expenditures as a percent of income. Its high school graduation rate is 36th in the nation.

EDUCATION PROGRAM

The state education department is aware of the problems and a program to improve the educational standing of Kentucky has recently been initiated.

State accreditation of schools is based on the attainment of minimal proficiencies as measured by various indicators. School districts which do not meet minimum standards must submit a remedial plan to the state. Failure to implement the plan can result in the removal of school leaders under the 1984 Academic Bankruptcy Law.

The Kentucky Essentials Skills Test (KEST) is a student testing program. The state-developed test is administered to several grades.

SCHOOL FINANCING

On the average, the state provides 60 percent of a school district's funding. Two state programs contribute toward O&M costs. The Minimum Foundation program provides a flat grant toward salaries, current expenses, transportation, and capital outlay expenditures of every district. School districts can receive additional support from the Power Equalization Fund, created by the General Assembly to help equalize local tax support and encourage educational support beyond minimal levels. To qualify, LEAs must levy a minimum equivalent tax rate of 25¢ per \$100 of assessed property value.

The state also provides assistance for textbooks and capital outlay needs. The textbook fund contributes money on a per-pupil basis for kindergarten through the eighth grade. The Schools Facilities Fund provides about 15 percent of the building cost.

Local school boards can levy their own taxes but there are statutory limits on revenue increases. Legislation in 1979 placed a 4 percent growth cap on revenues derived from property taxes. In addition, because the state provides such a small amount toward construction needs, local school boards must rely on bond issues or special local building taxes.

STATE POLICIES AND THE SECTION 6 SCHOOLS

State officials raise a number of concerns and policy issues when asked to consider taking responsibility for the Fort Knox and Fort Campbell schools.

Jurisdiction. Until recently, state officials denied that Kentucky had any responsibility to provide a free education to military dependents residing on military reservations. Among the reasons for this position is the argument that military living on post make no contribution to the state or local tax base. Moreover, the federal government holds exclusive jurisdiction over the land. Therefore, Kentucky sovereignty, including education jurisdiction, does not extend to the base.

The state reversed its position during the 1986-1987 school year, after the U.S. Department of Education threatened to withhold Impact Aid payments until the state acknowledged LEA responsibility to educate base students should that alternative arise. In response, state officials cited a 1968 opinion of the Commonwealth Attorney General that "a child who resides in the geographical boundaries of the school district is not removed outside the boundaries of the school district by the mere fact that control over the federally owned property on which the child resides has been ceded by the Commonwealth."⁹

Financial Burden. The major opposition to educating base students stems from the financial burden it will impose on the state. Fort Knox and Fort Campbell represent two of the largest Section 6 schools, with a combined enrollment approaching 8,000 students, or close to one-fourth the total enrollment of all eighteen Section 6 schools. Because Kentucky is a relatively poor state, officials believe it is unreasonable to ask the state to bear the major portion of the cost with no compensating federal funds or taxing authority.¹⁰

In addition, state officials note that most state school districts would receive less state aid as a result of a transfer of the base to the local county schools. This is because the state's Power Equalization program represents a set amount of funding distributed among the LEAs according to the equalized property value per pupil. Since the LEAs accepting base students would experience a dramatic increase in the

⁹OAG68-532, letter to Samuel Alexander, Deputy Superintendent of Public Instruction, Department of Education, Commonwealth of Kentucky, from John B. Breckinridge, Attorney General, Commonwealth of Kentucky; November 22, 1968.

¹⁰One state official estimates that transfer of both bases to Kentucky LEAs would cost the state an average of \$20 million for each of the next four school years. His estimate addresses only the annual aid the state gives the LEAs; it does not include the up-front costs associated with a transfer, such as purchase of a bus fleet and construction of a garage.

number of pupils with no accompanying increase in property value, those school systems would qualify for a greater share of the equalization funds at the expense of the other state school districts.¹¹

Finally, state officials stated they were concerned about LEAs relying on Impact Aid to provide the local funding share of educating base children because of the program's uncertain future. Should the federal government cease to provide Impact Aid, the LEAs would find it extremely difficult to raise substitute revenues, especially because base students would represent well over 20 percent of the LEA enrollment at the sites in question.

Coterminous Option. Although there are no legal impediments to this option, state officials have reservations about creating coterminous school districts for Fort Knox and Fort Campbell. First, the statewide trend has been toward consolidating school systems. The state has not created a new school district in over 30 years. In fact, the statute for creating independent school districts was recently taken off the books. Second, and more important, state officials would consider this option only if the school district had a direct funding contract with the federal government guaranteeing aid. A coterminous district would not qualify for State Power Equalization funds nor would it be able to raise bonds for capital outlay expenditures. Operating and capital expenses would be derived only from the state's Minimum Foundation Program and Impact Aid. Because Impact Aid is unstable, other guaranteed funding would be necessary.

Facilities. A number of state regulations affect LEA use of existing base school buildings. The state requires fee simple title and guaranteed access to school facilities. State officials are concerned about potential conflicts with the base commander over such issues as building use or access during a military exercise requiring sealing off the base.

Existing base schools may not comply with Kentucky codes. For example, some base schools are reported to have asbestos. Kentucky regulations require removal of asbestos before the building can be used as a school. In addition, there are minimum acreage requirements for different types of schools, although the state has granted exceptions for buildings falling below these guidelines.

Employees. Several state policies apply to the transfer of Section 6 teachers to local schools. First, state officials are unsure if Section 6 teachers would qualify for portable tenure. Teachers attain tenure at the beginning of their fifth year of employment when the LEA issues a continuing, rather than annual, contract. When a tenured teacher

¹¹The same school official estimated that each district could lose \$160,000 in annual state aid should Kentucky take over responsibility for the Fort Knox and Fort Campbell school systems.

transfers from one Kentucky school system to another, the school district may confer tenure immediately or after one year's probation. Section 6 teachers may not qualify for this portable tenure because, no matter how long they have taught in the base system, they have always been under an annual, rather than continuing, contract. In other words, they have no tenure to transfer. Should a transfer take place, the question of portable tenure would become a legal issue to be settled.

Buy-in policies of the Kentucky Teachers Retirement System also may adversely affect Section 6 teachers. Overall state retirement benefits appear to exceed those of the federal government. Individual teachers can buy in up to 10 years over a 10-year period of employment in Kentucky. However, the buy-in is based on the teacher's first salary in the Kentucky system and those with buy-ins are penalized with a qualifying payment if they retire before age 60 or with less than 30 years' Kentucky service. There are no Kentucky provisions for a group buy-in, although theoretically a group buy-in could be negotiated.

Finally, Kentucky takes no position on the right to collective bargaining. Rather, each local board of education determines the LEA's policy toward unions. At this time, the Fort Knox Educators Association would not be recognized by the school boards of the adjacent LEAs.

Governance. In Kentucky, school boards have the power to levy taxes and are not dependent on the county commissioners. Thirty-day residency in the county is required for voting for school board members. Requirements for school board membership vary by county. It is highly unlikely that many military parents could vote in school board elections or win a seat on the board of education.

FORT KNOX

Background

Fort Knox is the headquarters of the U.S. Army Armor Center. The 194th Armored Brigade, an instant response unit, comprises about 46 percent of Fort Knox's total authorized military strength. The 2nd Armored Training Brigade and other training commands make up most of the balance of the base's military population. Career armor officers can expect to serve several tours of duty at Fort Knox.

Geography and Economy. Located in a rural area 31 miles south of Louisville, the 109,000-acre military reservation extends into several counties. However, the base housing and the administrative complex

are located in Hardin and Meade counties, principally in Hardin, the larger of the two counties. The Post has a base population of approximately 40,000, of which one-quarter are dependents.

Fort Knox provides major economic support to the area with a payroll of nearly \$33 million, \$6.4 million of which goes to Civil Service employees, and with procurement and contractual services totaling \$119 million.

History of the Section 6 Schools. The Fort Knox system was established in 1934 as a private school system supported by tuition and donations. In 1951, Fort Knox became the first to be designated a Section 6 school because it was located in a rural area in which no adequate alternative public school existed. The Fort Knox system has a grade span of K-12 and is one of the largest Section 6 systems, with a September 1986 enrollment of 4,013.

Background: Hardin and Meade Counties

Geography and Economy. The two counties bordering Fort Knox present contrasting characteristics. Hardin is the larger, both in terms of land size and population. Hardin, with 629 square miles, is double the size of Meade County. Hardin's 1980 population of 88,917 is quadruple that of 22,854 for Meade. Moreover, Hardin has experienced additional growth in the last several years as an increasing number of base personnel and retired military have settled near the post, and as several small factories have been established. Meade County, on the other hand, has experienced little growth, remaining primarily agricultural and residential in nature.

County School Districts. Both Hardin and Meade have county-wide, K-12 school systems; there are also several independent school districts in Hardin County. The enrollment of approximately 12,000 in Hardin County contrasts with some 3,500 in Meade.

Both Hardin and Meade counties rely heavily on state funds for operating the schools. Both systems qualify for the state's Power Equalization Funds by raising minimum equivalent local revenues. However, both have also reached the limit under the state's 4 percent revenue growth restriction. To meet new minimums to qualify for the equalization program, Hardin would have to override the growth cap.

In both counties, the elected school board approves the school budget.

Factors Influencing Transfer

Table A.5 compares characteristics of the base and LEA school systems. The following factors influence whether consideration should be given to transferring the Fort Knox schools, as well as determining which option is most appropriate.

School Population. The relative size of the systems involved in a transfer gives an indication as to how easily the Section 6 schools can be absorbed by candidate districts. The Meade and Fort Knox school systems are of similar size, both in terms of enrollment and facilities. In fact, Fort Knox appears to be slightly larger. Hardin enrollment is roughly three times that of Fort Knox.

Because Fort Knox is oriented more toward Hardin County, most of the off-post active military live there. As a result, Hardin educates a significant proportion of the area's military dependents. For example, during the 1985-1986 school year, 1,981 students or approximately 16 percent of the Hardin schools' enrollment were military dependents.

Table A.5

FORT KNOX, HARDIN COUNTY, AND MEADE COUNTY SCHOOL DISTRICTS

Item	Fort Knox	Hardin County	Meade County
Enrollment (SY1986-1987)	3,669	11,790	3,553
(Ratio Fort Knox to LEAs)		(1:3)	(1:1)
Grade span	K-12	K-12	K-12
Number of schools	10	18	9
Elementary	7	12	7
Middle	2	3	1
High school	1	3	1
PPE (\$ SY1984-1985) ^a	\$3,270	\$1,745	\$1,786
Pupil/teacher ratio	23	22.9	22.4

SOURCE: *Profiles of Kentucky Public Schools, Fiscal Year 1984-85*; *Kentucky School Enrollment, Fiscal Year 1984-85*; and data provided by the Office of Dependents Support Programs, U.S. Department of Defense.

^aHardin and Meade calculations exclude "below-the-line" items, such as categorical funds (food service, textbooks, capital outlay, Chapter 1, etc.) and employees' benefits. Fort Knox PPE includes these items.

That same year, 243 military dependents attending the Meade schools accounted for about 7 percent of the Meade County total enrollment.¹²

Hardin's larger size and more extensive experience with educating the military dependent population argue for transfer there instead of Meade. However, either LEA would have difficulty absorbing a system the size of Fort Knox.

Interaction Among the School Systems. There are no arrangements between the two LEAs and Fort Knox to educate base residents and thus no previous base-LEA agreements to serve as a precedent.

School Facilities. The Fort Knox schools require a number of capital improvements. Future construction needs total over \$10 million for six gymnasiums, high school and classroom additions, storage buildings, and roofs. In addition, in April 1987, a fire badly damaged one of the facilities. Repairs are being made, partially with Section 6 operating funds. The school is removing asbestos.

The population growth in northern Hardin County has created overcrowding in that county's school system. Facilities are filled to capacity and, therefore, some students in the north are bused to schools in the western part of the county. The LEA needs two new high schools and major renovation work. However, Hardin is dependent on the state's facilities program for construction funding because Hardin has no construction tax and is at its bonding limit until 1995.

The Meade County school system has just completed three additions, so the existing facilities comfortably house the school population. With a fairly static population, school officials have no plans to build for the next three or four years. Should the county system need additional construction, it would be funded through local resources and state bonds, since Meade has a construction fund tax and some remaining school bonding capability.

Because the Fort Knox schools need significant capital improvements and the two LEAs have limited resources to provide them, any consideration of transfer would have to include a combination of federal and state up-front funding to cover the costs. Fort Knox owns no buses, so transfer to either LEA would add the additional initial cost of a bus fleet and construction of a garage.

Ownership and Operation. Although Fort Knox is an open post, federal exclusive jurisdiction over Fort Knox creates several obstacles to LEA use of the base school facilities. In the opinion of the state Attorney General, the local county school system cannot own or operate schools on federally owned property because they do not have

¹²Number of military dependents based on 1986-1987 Impact Aid applications filed by the Hardin and Meade school districts.

educational jurisdiction.¹³ Unless the federal government verifies that the educational jurisdiction belongs to the state, Hardin County would have to educate base students outside Fort Knox. Therefore, any transfer plan involving the continued use of existing base school facilities or proposed establishment of schools on the base could not take place until state and federal negotiations obtained such a recession.

Even then, the problem of exclusive jurisdiction would affect the logistic details of creating a satisfactory arrangement by which the LEA could use facilities on the base. These include access and provision of services such as police, fire protection, medical services, and utilities. The number of buildings involved makes negotiating such an arrangement for Fort Knox complicated. Although Fort Knox is an open post, base leaders are reluctant to cede control of so many separate portions of the base to LEA control.

LEA Funding Resources. Although Hardin and Meade Counties already rely heavily on state funds for operating the schools, transfer of the base students to either LEA would increase the state's contribution. Because transfer of the base students would increase the enrollment without adding to the county's property value, both Hardin and Meade would qualify for additional state per-pupil funding under Kentucky's Power Equilization formula.

Impact Aid would also increase. This federal revenue source has always been important to Hardin County, which received \$500,000 for its Super B students in the 1986-1987 school year. Also a Super B district, Meade conservatively estimates school-year Impact Aid revenues of only \$40,000. Meade officials feel their district can survive for a year without Impact Aid. Hardin would have to make many personnel cutbacks, especially in supplemental programs, such as music teachers.

Both county school systems would become Super A Districts if all the students living on the base were transferred to a single county. As a Super A district, either Hardin or Meade would be more than adequately recompensed through Impact Aid. Our analysis, using current U.S. Department of Education guidelines, indicates Hardin would receive over four times its normal local per-pupil expenditure contribution. Thus, in fiscal year 1986-1987, for every military dependent living on the base, Hardin would have received a projected Impact Aid payment of \$1,374, whereas the county itself only contributes \$304 per pupil. Similarly, Meade would receive \$1,374, against a projected local contribution of \$357.

¹³OAG-68-532, letter to Samuel Alexander, Department of Education, Commonwealth of Kentucky, from John Breckinridge, Attorney General, Commonwealth of Kentucky, November 11, 1968.

Despite the fact that a transfer would trigger increased federal and state aid, state and local officials are concerned about funding. Impact Aid payments over the last decade have not been reliable. Moreover, there are no guarantees that current funding levels will be maintained or that the Impact Aid program itself will continue to exist in the future. Thus, funding the transfer with only Impact Aid has drawbacks, since there is general agreement that any drastic reduction in Impact Aid would lower the quality of education provided the entire school district. In addition, from state officials' viewpoint, increasing Power Equalization funds to Hardin or Meade means there is less funding available for other Kentucky districts.

School Board Voting and Representation. Residency requirements can be expected to preclude most military parents from either voting for or serving on the Hardin or Meade school boards. Those claiming Kentucky residence might qualify to vote, but to run for the school board there is an additional requirement of three years residency in Kentucky and, in Hardin, one year in the county.

Parental concerns about losing input into their children's education could be alleviated if the LEA agreed to establish means by which base parents could serve on parent advisory boards or have ex officio membership on the board.

School Assignment. Base and Hardin County leaders disagree over school assignment. Representatives of the base commander expressed concern over losing control of base activities if LEA students were bused onto the base. State and LEA officials define control over school building assignments as part of their educational jurisdiction. Although Hardin school leaders anticipate that in general only base students would attend base schools, they would like to assign some students from Radcliffe, a community adjacent to the base, to Fort Knox schools.

Local school officials do not believe that the addition of the base students would precipitate court-ordered busing.

Employee Status. Aside from the students themselves, the group most directly affected by a possible transfer are the Section 6 employees. In the case of Fort Knox, about 70 percent of the 246 teachers belong to a union affiliated with the Kentucky Association of Educators (KEA) and certified by the Federal Labor Relations Board (FLRB). Discussions with union representatives and local school officials centered on a number of employee concerns about a transfer.

1. **Severance pay:** The current employees' contracts with the U.S. Army do not provide severance pay. The Fort Knox Teachers Association (FKTA) asks that severance pay be provided, in part to help teachers buy in to Kentucky's retirement program.

2. Right to negotiate: Kentucky does not guarantee school employees this right. Rather, each local school board determines whether collective bargaining is allowed. The FKTA would like retention of this right to be part of the transfer agreement. The Hardin and Meade County school boards do not now recognize collective bargaining and stated they would not change their position on this issue.

3. Job security: The teachers' greatest concern is that the LEA hire them in the event of a transfer. Both Meade and Hardin County officials indicated that for the most part teachers would be kept on. Although teachers probably would be hired individually, Hardin officials speculated that conditions of teacher transfer might become part of a negotiated package.

Because the LEA would probably not hire all the teachers, especially those in supervisory capacities that duplicate existing LEA positions, the FKTA asks that those teachers whose jobs are eliminated be given the option of noncompetitive first choice at a federal job in the DoD overseas schools.

4. Salary: Teachers with advanced degrees and many years of service fear that the LEA might consider them too expensive to retain. Because Kentucky recompenses basic salaries on a graduated scale, according to education and years of service, the LEAs are not penalized for hiring more experienced teachers. However, the Hardin and Meade salary schedules are generally lower than that of Fort Knox. And the differences between salaries increase with years of experience. Table A.6 provides some examples.

Because the LEAs are unwilling to support a dual salary schedule, Fort Knox teachers joining the LEA would sustain pay cuts, and in the case of the more experienced teachers, the differences would be substantial.

5. Benefits: The teachers would continue to receive health and life insurance coverage from the LEA. FKTA research on comparative health benefits indicates that the Kentucky state health plan is better than the federal plan in terms of the dollar amount.

A major concern is the impact a transfer will have on federal benefits. The Kentucky State Teachers Retirement program provides for individual buy-ins of up to 10 years over an eight-year period, but 43 percent of the Fort Knox teachers have in excess of 10 years toward federal retirement. The FKTA would like to have the option of remaining in the federal retirement program. Barring this, they ask that the federal government help absorb the cost of buying into the state retirement program. The union's research has shown that teachers could be penalized, paying as much as a 40 percent higher rate to buy in an equivalent 10 years. This is partly because the buy-in would be based on the first year's salary in the Kentucky program.

Table A.6

HARDIN COUNTY, MEADE COUNTY, AND FORT KNOX
SALARY SCHEDULES (1986-1987)

Rank and Years of Experience ^a	Fort Knox Salary (\$)	Fort Knox Salary Comparison (\$)	
		Hardin	Meade
Bachelors degree			
0 years	16,863	-1,215	-1,316
10 years	22,728	-3,234	-2,093
Maximum	26,467	-3,745	-4,702
Masters degree			
0 years	18,381	-1,379	-656
10 years	24,246	-2,687	-1,263
Maximum	27,985	-2,908	-3,873
Masters + 30 hours			
0 years	19,899	-490	+5
10 years	25,764	-1,788	-530
Maximum	30,615	-3,121	-4,251

^aCategories reflect Kentucky state guidelines defining Rank 1 as a Masters degree plus 30 additional hours, Rank 2 as a Masters degree, and Rank 3 as a Bachelors degree. Fort Knox uses the same rankings but employs a two-track approach.

6. Tenure: Some teachers voiced uneasiness about the conditions under which they would enter the new school district. Experienced teachers might have to serve a probationary period under a supervising teacher. The FKTA argues that its teachers should receive automatic tenure. Whether Kentucky tenure rules, which could require a year's probation, would apply to the Fort Knox teachers would be settled by an opinion from the state Attorney General's office.

Decisions and negotiations on the part of federal, state, and LEA officials are uncertain. While most teachers would probably receive job offers, the conditions of employment are, to a great extent, yet to be determined.

The FKTA favors a continuation of Section 6 schools at Fort Knox. The union's counsel is researching ways to prevent a transfer. One likely action is to file a case against the transfer with the Federal

Labor Relations Board. Should the plaintiffs win, such a course of action could have repercussions for the status of all Section 6 teachers.

Major Concerns of Parties Involved

The parties involved in the future of the Fort Knox schools raised several issues that highlight the tradeoffs in the various options under consideration.

Multiple School Districts. Transfer of the Fort Knox schools to an LEA is complicated by the fact that base housing is located in two counties. Any transfer by geographic jurisdiction would thus split the Fort Knox student body between two school systems, with 57 percent attending Hardin and the remaining 43 percent attending Meade. Moreover, dividing the Fort Knox facilities according to county jurisdiction gives Meade two elementary and one middle school, or only 30 percent of the facilities for over 40 percent of the base school population. Hardin would get the one high school on base, a real problem for Meade, which currently has only one high school for the whole county.

Despite the two county jurisdictions, all of the parties to a possible transfer agree that base students should attend the same school system. Kentucky state officials prefer this approach because then the transfer would disrupt only one school district instead of two. They point out that any LEA accepting the base students will have to create special programs, such as English as a Second Language (ESL), and techniques for handling the increased student turnover. Base parents do not want to see the students split between two districts because they feel their children need the mutual support provided by attending classes together. The parents also perceive the schools as an integral part of the base community and therefore prefer that all the children attend the same system. Meade and Hardin school officials agree that it would be better to keep the Fort Knox community together.

If a transfer were to take place, LEA and base parents would prefer all the students to go to Hardin County. First, the base is oriented more toward Hardin than Meade County. For example, 75 percent of the Fort Knox teachers live there. Because Hardin already educates the majority of the off-base military dependents, administrators are familiar with the special needs of a transient population. Hardin is also the larger of the two LEAs and, therefore, relatively better prepared to absorb the large base student population. Finally, although school leaders in both counties favor maintaining the Section 6 schools, the Meade school district leadership is much more reluctant than Hardin leaders to educate the base students.

Fortunately, a mechanism exists which facilitates transfer of all the base students to Hardin County. The state assigns its per-pupil aid according to each student's residence, but allows the LEA to reassign aid for specific pupils to another LEA. In the event of a transfer, Meade would receive the state aid for those base students residing in Meade County, but school officials are willing to turn over the state's PPE contribution for the base students to Hardin County.

Quality of Education. Base parents perceive that Hardin and Kentucky schools do not reflect the educational needs of the military community. Some arguments echo those set forth by parents at other bases. They believe that the Section 6 schools more aptly meet the needs of transient, military children. And, in fact, the Fort Knox faculty note that they have developed administrative procedures which streamline frequent student processing and placement. Parents feel that their children gain easy, quick acceptance at the Section 6 schools because everyone is in the same situation. Their experiences and perception of the Hardin County schools have convinced parents that it is more difficult for military transfer students to get on the football team or win a role in the school play simply because the students are new arrivals and considered outsiders.

While the uniqueness of military life was a point made by parents at all the bases we visited, Fort Knox parents also voiced concerns about what they perceived as different community outlooks toward education on the part of the base and local populations. They noted that Kentucky tends to be a very parochial state, with 85 percent of the population born there. Many local residents do not pursue education beyond high school, and those who aim at higher education almost always attend Kentucky state schools. Military parents, by virtue of moving around the country and the world, find that their world is wider than Kentucky and want their children to attend public schools which encourage consideration of colleges and careers beyond the immediate location.

Finally, parents were concerned that Kentucky schools are below average. They pointed out that nationwide education rankings usually place Kentucky toward the bottom of the list. Parents we talked with ranked Kentucky schools below the national average, ranked Hardin above the Kentucky average,¹⁴ and ranked the Fort Knox Section 6 system as among the best schools in Kentucky and elsewhere. They believed that a transfer to a Kentucky LEA would reduce the quality of education.

¹⁴In 1984-1985, Hardin County's per-pupil expenditure ranked in only the 4th decile of the state. Meade County ranked in the 5th decile.

Base leaders fear that, if a transfer takes place, these perceptions will affect morale and reenlistment. Career officers usually serve several tours of duty at Fort Knox and the excellent reputation of the base schools contributes to these soldiers' willingness to return to a rural area with few other attractions.

Transfer Decision Summary

Factors facilitating transfer of the Fort Knox schools:

- Hardin County already educates the majority of the off-post military.
- Meade County is willing to let base students and state aid go to Hardin County. State representatives support this approach.
- Hardin County has an economic incentive to take the base students because it would receive a windfall of Super A Impact Aid greatly in excess of the local contribution to education.
- Fort Knox is an open post, reducing logistics problems associated with a transfer.
- Hardin County is experiencing growth.

Factors impeding a transfer:

- The enrollment ratio of Section 6 schools to Hardin County is large. The ratio for Meade is even larger. A transfer to either county may exceed their ability to absorb it; however, Hardin would be better able than Meade to take over administration of the base schools.
- Neither LEA could finance the \$10 million capital improvements needed for the Fort Knox schools.
- Both Hardin and Meade school districts are approaching the state revenue-raising cap.
- Hardin County is experiencing overcrowding in schools near the base, a factor which promotes potential conflicts over school assignments.
- Federal exclusive jurisdiction over the base makes negotiations more complicated.
- A large number of school buildings contributes to the military's reluctance to lose control over seven parcels of land on the base.
- Base parents do not want to give up the influence they have through electing and running for the school board.

- Base parents do not want to exchange what they perceive as an excellent school system for a more parochial, rural school system.
- Impact Aid funding is uncertain.

Options to Consider

There are two options to consider: no transfer or full transfer.

1. No Transfer. There are clear indications that base children are receiving a high-quality education and individualized attention that could not be supplied by the local community. Furthermore, any transfer means that base parents would lose educational input and an important benefit.

2. Full Transfer to Hardin. A transfer to Hardin offers the greatest financial backing in terms of federal, state, and local funding sources. First, as a Super A District, Hardin would be more than adequately recompensed through Impact Aid. Hardin would receive over four times its normal local per-pupil expenditure contribution. Second, Hardin would receive more state per-pupil support because the additional enrollment would qualify the district for an increase in Power Equalization funds. Finally, of the two local county school districts, Hardin has a better tax base and potential tax base. However, Impact Aid must be stable and guaranteed for this to work.

Other Concerns. Resolution of several sensitive issues would ease a transfer to Hardin: LEA agreement not to assign off-base students to base facilities, reassurances to base parents that Hardin officials will be receptive to the educational goals of the base community, and some guarantee to Hardin for substitute funding should Impact Aid be eliminated.

STATE OF TENNESSEE

The state of Tennessee recently elected a new governor, and many political appointees in the Department of Education have been replaced. At the time of our study, the new administration was not familiar with the issues involved in Section 6 schools or their transfer. Tennessee has just one Section 6 school, Fort Campbell, within its bounds. Technically, however, the Fort is thought of as being in the state of Kentucky. All Section 6 school policies at the Fort follow Kentucky guidelines and the mailing address for the Fort is in Kentucky. Thus, it is not surprising that the Tennessee state government was not fully aware of the issues involved. Nevertheless, Tennessee and Clarksville-Montgomery County can be considered natural candidates for accepting a Fort Campbell transfer.

Tennessee, like other states in the south, lags behind the rest of the nation in indicators of educational achievement and financial support for education. As shown in Tables 2 and 3 in the main text, Tennessee ranks 47th in PPE and 49th in education expenditures as a percent of income. Its high school graduation rate is 41st in the nation.

The state education department is aware of these problems and has initiated a program to improve the educational standing of Tennessee.

EDUCATION PROGRAM

In 1977 Tennessee established a new program for funding local education that includes a minimum foundation allowance and equalization provisions. In addition, the state passed a Comprehensive Education Reform Act in 1984 to improve the curriculum offered to students in the state. Tennessee now has a standardized curriculum, competency testing for graduation, and standardized teachers' minimum salaries.

SCHOOL FINANCING

In general, the state relies on a decentralized system of education with a low state education contribution compared with other states in this study. About 52 percent of the state budget goes to education. The state share of education funding is approximately 48 percent of PPE.

The state minimum foundation program provides a small amount for operation and maintenance costs (approximately \$883 per pupil in 1986-1987). It has some equalization provisions. Each county must contribute a minimum amount of funds to be eligible for state funds. It averages approximately 7.5 cents for every 92.5 cents of state funds.

Minimum foundation funds can be used for capital outlays, but they do not provide much money. Instead, local governments raise bonds for capital programs. Transportation dollars are provided under a separate fund.

The state sets the salary schedule for teachers, but does not completely fund that schedule. LEAs were required to contribute \$1,400 per certified teacher in 1986-1987.

In addition to the above program, the state has several "special aids" programs that help fund education at the local level. For instance, the state pays for 50 percent of the state's teachers' health insurance plan and \$30 per day for teachers' leave. It also contributes 22.1 cents for every dollar the teacher puts into retirement. The state contributed approximately \$35 per student for textbooks (in 1986-1987), provided funds for aides in grades 1-3, and provided funds for improving the basic skills program.

STATE POLICIES AND THE SECTION 6 SCHOOLS

State officials raised a number of issues related to a transfer of Section 6 schools at Fort Campbell to state and local responsibility.

Jurisdiction. State officials were uncertain if the state could deny an education to children domiciled in the state and stated they probably would not fight it. If Section 6 students become part of Tennessee schools, the state will contribute its share of the PPE cost to whichever LEA takes responsibility for education.

Financial Burden. The major opposition to educating base students lies in the increased financial burden it will impose on the state and LEAs. State officials stated they were especially worried about LEA reliance on Impact Aid funding because of its uncertain future.

Coterminous Option. The state has 141 school systems, which it is trying to reduce. There are 95 counties. The coterminous option would not be illegal in the state of Tennessee; new districts may be created by the state legislature. However, the deputy commissioner thought that the new district would have to meet prerequisites. In particular, he thought the state would require the district to show proof that it could provide revenues for its local contribution, whether from its own sources or from the federal government. Without this assurance, he doubted the state would approve of a new district.

Facilities. Officials stated that Tennessee would accept transfer of facilities with a fee simple title or with some very-long-term lease

agreement. The state would not allow the expenditure of state or LEA funds on the buildings without some such agreement. In addition, the state requires free access to school facilities by the LEA.

Employees. Several state policies may apply to the transfer of Section 6 employees by the LEAs. First, all teachers must have a Tennessee certificate to teach. Fort Campbell teachers generally have Kentucky certificates, although the base school has encouraged teachers to become certified in both states. Tennessee used to accept Kentucky teaching certificates. Now, however, the state requires additional course hours and an endorsement from the accepting LEA.

The state would not determine the salaries or employment of Section 6 teachers. This would be an LEA decision. The state has a minimum acceptable salary schedule for teachers and LEAs can supplement these salaries with local funds. State officials assumed that Section 6 employees would be paid the same salaries as current employees in the LEA.

Tenure is granted to teachers whose contracts are renewed for the fourth year. The state does not automatically accept the tenure of a teacher from out of state. The LEA presumably has the power to accept or reject tenure of out of state teachers. The deputy commissioner indicated this would have to be researched.

There is some confusion over the ability of teachers to buy in to the Tennessee retirement system. Teachers may be able to buy 10 years worth of retirement. As of May 1987, there was a bill before the legislature addressing this issue.

Teachers contribute 5 percent of their salaries to the state retirement system. The state contributes 22.1 cents for every dollar the teacher contributes. Teachers must contribute 40 percent to the state health plan if they choose to use it. Most teachers have chosen to keep the plans existing at the local level prior to the establishment of the state plan.

Governance. Local school boards have no taxation authority; such authority rests with the county commissioners. Each school system sets its own procedures for board of education elections, including the number of districts, number of representatives, and residency requirements. It is highly unlikely that many military parents could vote in school board elections or win a seat on the board of education.

FORT CAMPBELL AND CHRISTIAN AND MONTGOMERY COUNTIES

Background

Fort Campbell was opened in 1942. It is the home of the 101st Airborne Division (Air Assault). It covers approximately 105,000 acres, of which 30,000 are in Kentucky and 75,000 are in Tennessee. The base extends into four counties: Christian and Trigg in Kentucky, and Montgomery and Stewart in Tennessee. Because the base housing and Section 6 schools are located in Christian and Montgomery counties, only those two counties concern us here. The base takes up approximately 43,000 acres in Montgomery County. Although it is located primarily in Tennessee, it is known as Fort Campbell, Kentucky, based on a decision made some time ago.

Population and Economy. In FY1986, the total military population of the base was 20,418. The civilian population was 4,298. Family dependents associated with the base population equalled 26,719 with 9,818 living on base (or 37 percent) and 16,901 (or 63 percent) living in the local community. In addition, the base had an associated retiree population of 28,743 with 71,525 dependents. The base payroll in FY1986 was \$434,829,472, and disbursements of all kinds equalled \$653,765,438.¹⁵

History of Section 6 Schools. The base has seven schools, five in Kentucky and two in Tennessee. The base schools have been run, however, as if they were all in the state of Kentucky. Teachers must have Kentucky certification. The schools follow the Kentucky curriculum and compete athletically and scholastically with other Kentucky schools. All school buildings were built to Kentucky state code, even those in Tennessee.

The children living on the base were educated by the city of Clarksville, Tennessee, in an on-base school from 1942 to 1951. In 1951, with the creation of Section 6 schools, the base began independent operations for elementary and middle school children. The decision was made by mutual agreement between the base and Clarksville.

The first school built on base with Public Law 815 monies was situated in Kentucky. Thus, a decision was made at that time to run all base schools according to Kentucky guidelines. From 1951 to 1962, Clarksville educated the high school students from the base. In 1962, the base added a high school and Clarksville transferred responsibility for base high school students to the base schools.

¹⁵Department of the Army, Statistical Card, FY1986.

Background: Christian and Montgomery Counties

Montgomery County encompasses 539 square miles in the north central part of Tennessee. In 1986, the population of Clarksville, the county seat and city closest to Fort Campbell, was 64,540. The county population was 96,843, including the city. The population is projected to grow to 120,000 by 1990.

The Clarksville-Montgomery County school system is a unified district created in 1964. Fall 1986 enrollment was 14,645 students in grades K-12. Construction of an additional elementary school and middle school is planned. The school system has 1,400 employees. All schools are approved by the state board of education and accredited with the Southern Association of Colleges and Schools.

Christian County encompasses 722 square miles in the southern part of Kentucky. In 1986, the population of the county was 65,651. Hopkinsville, the major city in the county, had a population of 35,250. The county's economy is one-third agricultural, one-third industrial, and one-third service. Little future growth is predicted. The city of Hopkinsville is approximately 17 miles from the base.

The Christian County school system has 11 schools and an enrollment of 9,278.

FACTORS INFLUENCING TRANSFER

Table A.7 compares characteristics of base and LEA schools. The following discussion describes factors that will influence any decision to transfer.

School Population. Current enrollment at Fort Campbell is 4,218. Approximately 2,000 students on base live in Christian County, Kentucky, and 1,200 students live in Clarksville-Montgomery County, Tennessee.

The enrollment in Montgomery County is 14,030. The ratio of enrollment between the Fort Campbell schools and Montgomery County is 1:3.4. The LEA currently educates 38 base children and 3,126 military children who live in the local community. This equals 23 percent of the students in Montgomery County and 40 percent of the military children connected with the base. Under a transfer, the LEA would educate 7,277 base-related children; 40 percent of the LEA school population would be military children.

The enrollment in Christian County is 9,278. The ratio of enrollment between the Fort Campbell schools and Christian County Kentucky is 1:2.5. The LEA currently educates 551 military children living in the local community. This equals 6 percent of the students in

Table A.7

FORT CAMPBELL, CHRISTIAN COUNTY, AND
MONTGOMERY COUNTY SCHOOL DISTRICTS

Item	Fort Campbell	Christian County, Kentucky	Montgomery County, Tennessee
Enrollment (SY1986-1987)	4,113	9,278	14,030
Grade span	K-12	K-12	K-12
Number of schools	7	17	19
Elementary	4	11	11
Middle/junior	2	4	3
High school	1	2	4
Special/vocational	0	1	1
Facilities usage	At capacity	At capacity	Over capacity
PPE (SY1984-1985)	\$3,022	\$1,779	\$2,113

SOURCE: *Profiles of Kentucky Public Schools, Fiscal Year 1984-85*; *Kentucky School Enrollment, Fiscal Year 1984-85*; Annual Statistical Report of the Department of Education, State of Tennessee, School Year Ending June 30, 1985; and Department of Defense, Assistant Secretary for Force Management and Personnel, Director of Dependents Support Policy, Budget Files 1985-87.

Christian County. Under a transfer, the LEA would educate 4,664 military children; 35 percent of the LEA student population would be military children.

In either case, the base population is large compared with the LEAs and would have a major impact on either community. The impact would be less severe on Montgomery County, which is already educating a large share of the military children.

Interactions Between the Three Systems. With a K-12 grade span, Fort Campbell educates all of the students on the base except for a few vocational students. In the past, Montgomery County, Tennessee, educated some of the base students. The base, because of its close proximity to Clarksville, Tennessee, tends to be more economically and socially oriented to Clarkesville than to Christian County, Kentucky.

Despite the distance from Hopkinsville, several students from the base attend vocational school in Christian County. Fort Campbell pays these students' local contribution to Christian County and provides for their transportation. In addition, two children of civilians on the base attend school in Christian County. They are picked up each school day

at the base gate and bused to class. The LEA has no access to the base.

Because of the full grade span of the Section 6 schools on the base, few interactions between the base and LEAs are necessary. Thus, there is little basis upon which to build transfer arrangements.

Facilities. The Montgomery County system has experienced growth recently, especially with the assignment of Special Forces to Fort Campbell. In the 1986-1987 school year, the school population increased by 700. The population is expected to increase by 500 in the 1987-1988 school year. This makes Montgomery County one of the fastest growing counties in Tennessee.

The county's school facilities are overcrowded. In addition, state-mandated improvements in the quality of education have required the reduction in class sizes and additional classes for special students. Currently, students are being bused within the county to alleviate overcrowding as well as for integration purposes. The county is using temporary or portable classrooms and double shifts in the kindergarten in three schools. The state has ordered the county to reduce the number of portable classrooms, but the county has recently added 10. The board of education has asked for an additional four schools to alleviate the problem. The county commissioners approved the building of two schools.

Christian County schools, although not overcrowded, are close to capacity. The county has experienced a declining population, including students. However, state-mandated improvements for lower teacher-student ratios and smaller class sizes have compensated for the space made available through declining enrollment. To address the more stringent state codes, which will require an additional 25 classrooms by 1990, a new middle school is being built.

All Section 6 facilities are owned by the Department of Education. Space does not seem to be a pressing problem now, but may as the base schools try to meet the new state standards. All buildings were built to meet Kentucky school codes and do not necessarily meet Tennessee codes. Thus, a major issue in a transfer will be the acceptability of buildings to the state of Tennessee. Transfer to Kentucky should not present a problem.

Ownership and Operation. Fort Campbell is a closed base with seven schools located throughout. Representatives of the base commander stated they would prefer to limit access to the base for security reasons. Limited access to the base could be provided by agreement with an LEA that only base students would attend base schools.

Both states and counties, however, require full access to the schools if they are to accept transfer. Furthermore, they stated that they must be allowed to decide who will attend base schools.

Quality of Education. Base parents feel that LEA schools do not reflect the educational needs of the military community. Arguments echo those set forth by parents at other bases, as described in the main text. In particular, Montgomery County ranks in the 8th decile of the state in terms of PPE. Tennessee ranks 47th in the nation in terms of PPE. Christian County ranks in the 4th decile in the state in terms of PPE. Kentucky ranks 46th in the nation.

The base commander's representative pointed out that Fort Campbell recently won awards for the highest retention of personnel in the Army. This high retention rate is partly due to the availability and high quality of the base schools. Transfer to LEAs possibly providing a lower quality education would have immediate and direct affects on retention.

LEA Financial Resources. In Montgomery County, the primary source of funding for the school system has been property taxes; the county has now approved a local sales tax of 2.25 percent. Property tax assessments are based on 0.25 percent of value and the tax rate is set at \$3.68 per \$100 assessed valuation. Of that amount, \$2.09 goes to the school system. The school board has requested this be raised to \$2.25. The county also has a wheel tax that goes directly to education; however, military personnel are exempted from this tax.

Taxes and budgets are approved by the county commissioners, who have been reluctant to raise property taxes or bond issues for new construction. Schools make up 70-75 percent of the county budget.

In Christian County, the primary source of funding is the property tax. The tax rate is 14.9 cents on 100 percent of assessed valuation and a 3 percent utility tax. Revenues from the utility tax have declined over the past few years.

The county receives 71 percent of its funding from the state. This has been decreasing because of the decline in enrollments in the county. However, the state contribution toward teacher salaries has been increasing. School revenues are also squeezed by the 4 percent revenue growth cap mandated by the state—the county has had to drop tax rates to comply with the state cap. This is despite the fact that state requirements are increasing the necessary per-pupil expenditure.

Christian County bonding authority for new construction is at capacity until the year 1994.

Because of the high number of Section 6 students compared with the LEA enrollments in the two counties, both counties would qualify for Impact Aid in the Super A category if all base children were transferred to either one. Either would receive \$1,678 per pupil under FY1987 appropriations. Montgomery County, with a projected local contribution of \$1,265 in 1987, would receive \$413 more dollars per

Super A student than its own local contribution. Christian County, with a projected local contribution of \$293 per student, would receive \$1,385 more dollars per Super A student.

All the parties involved worry about the availability of adequate funds to maintain existing standards of education should either LEA take over responsibility for the Section C schools.

First, base parents and faculty are concerned that neither LEA has the financial resources or will allocate funds for the services currently provided by the base system, such as elementary school counselors, nurses for each school, and special education for young children.

Second, state and local officials fear that Impact Aid will continue to be uncertain or erode completely. Both LEAs received erratic Impact Aid payments over the last decade. Local, state, and base officials agree that any drastic reduction in Impact Aid would lower the quality of education provided the entire school population.

School Board Voting and Representation. Base parents are concerned that if a transfer takes place they will lose input into their children's education because of the voting requirements in the surrounding LEAs and because few of them are residents of Tennessee or Kentucky.

Montgomery County has a seven-member school board elected by popular vote. Each member represents three of 21 election districts. Members are elected for four-year staggered terms. The school board develops policies for school governance, but does not levy or collect taxes. The board of education relies on county commissioners to increase taxes as needed. The board can bypass the commissioners and use a referendum.

To vote in a local election a person must be a resident of the county for 20 days, have registered a vehicle, and paid the wheel tax; base military personnel are exempt from the wheel tax.

Montgomery County may be able to allow district representation for the base. The county is allowed a 22nd school district that covers the base; it simply has not used it. Districting is based on population, not voters. Therefore, a district could be made for the base, although only local residents could vote. In Tennessee, board members must be one-year residents of their district, so getting representation on the board may be more difficult.

Christian County, as all Kentucky counties, has a five-member board with four-year terms. Kentucky law requires three years of residency to serve on the board of education, so there would be little chance of base members being able to serve.

It is unlikely that base parents would be able to have representation on either school board other than by special arrangement between the base and county for a nonvoting member.

School Assignment. The Montgomery County system is under a voluntary desegregation plan for both students and teachers. The county buses students for the combined reasons of integration and overcrowding. County representatives stated that overcrowding in schools may result in busing of LEA students to base schools given a transfer, but it would be unlikely that base students would be bused off base.

Christian County has no court-ordered busing, but the city of Hopkinsville does. The order dates back to 1972 and has been dormant for some time. Because of the similar racial mixes on base and in Christian County and few capacity problems, county representatives could not foresee a need to bus students on or off base. The exception is, of course, the vocational students who are currently being bused to the regional center.

Thus, school assignments do not appear to be a major cause of concern at this location. Transfer would more likely result in students coming on base as opposed to base students being bused away from their neighborhood schools, although neither county could guarantee this.

Employee Status. The employees of the Section 6 schools are concerned about their status in any transfer. Their concern is matched by school officials who expressed a moral obligation as employers to ensure their employees receive just consideration in a transfer. The concern focuses on hiring, tenure, retirement and benefits, and salary, as discussed in the body of the report.

The Section 6 schools have approximately 285 professional employees. Teachers are certified with the state of Kentucky. Both Montgomery and Christian County representatives said that if a transfer occurred, they would very likely hire most of the teachers; however, administrative, maintenance, and support personnel would be less likely to be hired. If the transfer were to Montgomery County, all Section 6 teachers would have to acquire state certificates, requiring additional hours of schooling; however, the Section 6 school administration has encouraged all teachers to maintain certification in both states. If most have followed this advice, there may not be a major problem.

Montgomery County employees receive all state benefits. The county contributes to health benefits. Together, the state and local government pays 85 percent. Employees also receive a \$15,000 life insurance policy from the county. The county supplements the state-mandated salary schedule for teachers.

Christian County employees receive all Kentucky benefits. The county also offers sick leave and liability insurance. The county supplements the state-mandated salary schedule.

Retirement issues are of great concern to the teachers at Fort Campbell. Of the teachers at Fort Campbell, 11 percent have more than 20 years of service and 27 percent have more than 10 years, but less than 20 years of service. Thus, 38 percent are at greater than the half-way point toward retirement. Retirement effects of a transfer would have to be determined on a case-by-case basis, but because of the seniority of the base teachers, many may be negatively affected.

There are also salary differentials. For the most part, salaries offered by the counties are similar. Fort Campbell salaries are usually higher, but that difference increases with experience and higher qualification. There is little difference between the salaries offered by the two counties. For instance, a teacher with a Bachelors degree in his or her first year would have been offered \$15,695 in Montgomery County and \$16,042 in Christian County in 1986-1987. A Fort Campbell teacher, however, would have been offered \$16,405. In year 10, the differential is not much larger: \$19,480 for Montgomery; \$20,312 for Christian; and \$20,910 for Fort Campbell. With greater years of service and experience, the differences in salaries increase. A teacher with a Masters degree and 15 years of service would be offered \$23,480 in Montgomery County; \$23,022 in Christian County; and \$26,010 at Fort Campbell. Thus, those teachers with the most invested in service at Fort Campbell would be those who would be hardest hit by a transfer.

Major Concern of Parties Involved: Jurisdiction

Fort Campbell, unique among the Section 6 schools in covering more than one state, presents formidable problems in terms of jurisdictional issues that must be decided before any transfer. First and foremost is to which county should the children be transferred? Both counties have pros and cons in terms of a transfer, but neither has characteristics that make it the clear candidate.

For instance, Montgomery County has the closest relationship to the base and is experiencing growth. It is the larger of the two counties and could more easily accept the Section 6 children. However, it is overenrolled and shows financial strain. Furthermore, it is questionable whether any of the schools would be acceptable for transfer given more stringent Tennessee facilities codes.

On the other hand, Christian County might be considered to have legal jurisdiction because the Fort Campbell schools are run according to Kentucky codes. The Christian County system is not overenrolled and so may be able to absorb the Section 6 children. But the county has little growth potential.

Another problem will immediately arise: how will funding be allocated? Each state is legally responsible only for those students that reside in that state. The counties are responsible only for those students that reside in that county. Suppose Christian County was chosen as the logical choice for the transfer. Kentucky and Christian County could not be forced to pay their share of PPE for children from the Tennessee side of the base. Arrangements would have to be made for the other state and county involved to pick up their share of the costs and hand it over to Christian County. Or the federal government would have to pay for those students.

An alternative is to divide Section 6 children along state and county lines, but that solution too would have negative results. First of all, the schools on base are not in one state. The high school and an elementary school are in Tennessee. The other elementary schools and middle schools are in Kentucky. If the children were split along state lines, neither county would end up with an appropriate mix of facilities. Christian County would be forced to bus all high school students off the base to the Hopkinsville high school. Montgomery County would have to bus the middle school children off base to middle schools in the county. Furthermore, high school students would have to be bused on base to fill out the reduced high school population. Second, the base housing coincidentally is separated by rank according to state line. The officer housing is in Tennessee; the enlisted housing is in Kentucky. The base commander's representative stated that splitting the children along these lines would undermine base morale.

Thus, the many jurisdictions involved make this transfer difficult and complex. Unfortunately, there has been no discussion between the states and counties that would begin to set the stage for a transfer. As noted previously, the newly elected Tennessee state officials we talked with were not aware of the Section 6 school in their state. Thus, consideration of a transfer would have to start from scratch in terms of building up a jurisdictional base and good will among the parties to a transfer.

To avoid some of the difficulties, the full range of options would have to be explored. Whereas at other sites certain options are illegal or do not provide the best transfer solution, at Fort Campbell they may be a reasonable way to implement a transfer. For instance, a coterminous option with additional guaranteed funding from the federal government for capital improvements might sidestep some jurisdictional problems. If a state and county could be chosen, a contractual arrangement would avoid funding difficulties. Although these options have other drawbacks, in this particular instance they would at least partially reduce the federal involvement.

Transfer Decision Summary

The following facilitate a transfer:

- Transfer of Section 6 schools to a single county would not be likely to affect the schools base children attend.
- Either county would qualify for the highest amount of Impact Aid should all students be transferred to a single county.

The following impede a transfer:

- There has been no agreement, and in fact little discussion, between states and LEAs about which might be responsible for the education of the base children.
- Jurisdictional and funding issues are extremely complex.
- For both counties, the relative enrollment of Section 6 children is high. Transfer would have a large physical impact on either county.
- The transfer of facilities would remove seven parcels on the base from the control of the base commander, a major concern on a closed base.
- Base parents would lose control of their children's education.
- There have been few interactions between the LEAs and the base in the past and there are relatively few now.
- The LEAs do not have extra capacity. Montgomery in particular is overenrolled. Neither has the funds for upkeep of new facilities. Furthermore, it is questionable if Montgomery County could accept transfer of the base schools without a renovation program for the schools to meet state codes.
- Impact Aid funding is perceived as uncertain.

Options to Consider

Only one option is currently feasible at this site: no transfer.

1. No Transfer. Base children are receiving a high quality of education and individualized attention that could not be supplied by the local community, and neither community is capable of absorbing the transfer. Most important, the necessary negotiations between the two states and two counties involved make this transfer particularly difficult administratively.

Future Options. In the future, several options may make sense at this site: contract, coterminous, or full transfer.

A *contractual arrangement* may be possible if agreement can be reached over which LEA would best administer the needs of the base

population. This option may make sense if further transfer is not possible because of the difficult negotiations necessary. Although a contract would not reduce federal responsibility, it would allow the federal government to be only indirectly involved in the education of children. If some state funding can be arranged, the federal financial burden will be reduced as well.

The benefit to a *coterminous arrangement* would be that neither county would have to accept jurisdiction. The new coterminous district would be created and federal funding would be reduced. However, at the state level problems would still arise. Which state would accept the new district? Both have attempted in the past to reduce their number of districts. Furthermore, arrangements would have to be made for the transfer of state contributions toward the education of children from the state that did not accept the district to the state that did.

Under the coterminous option, a significant shortfall in funding would exist (see Sec. IX) depending on which state accepted the transfer. If Tennessee created the new district, there would be a shortfall of \$774 per pupil, according to our calculations. If Kentucky created the coterminous district, the shortfall would be \$286 per student. This shortfall would have to be addressed before the option was accepted. Furthermore, some construction and upkeep money from the federal and state governments would have to be guaranteed to make a coterminous option viable.

If other impediments could be addressed, a *full transfer* might be possible in the future. Either county would qualify for Impact Aid payments greater than the current local contributions. Thus, the amount of funding is not an issue, but the stability of funding is. Both local and state officials require some guarantee of Impact Aid or other funds that are not susceptible to uncertainty. Any transfer must take account of factors mentioned in the body of the analysis. Parents' disenfranchisement and the closed base would have to be addressed in special clauses, as would the assignment of base pupils to local schools. Facilities may have to be brought up to code.

THE STATE OF NORTH CAROLINA

North Carolina, like other states in the south, lags behind the rest of the nation in indicators of educational achievement and financial support for education. As shown in Tables 2 and 3 in the main text, North Carolina ranks 43rd in PPE and 37th in education expenditures as a percent of income. Its high school graduation rate is 34th in the nation.

EDUCATION PROGRAM

North Carolina has initiated a statewide program designed to improve the quality of education. The new program includes a required minimum course of study and student competency testing. LEAs are required to meet standard education programs.

A competency-based curriculum spells out the goals for students in the standard course of study. It includes subjects and skill training in arts, communications, guidance, health, library/media, mathematics, science, second languages, social sciences, and vocational education. Students must pass a statewide test to graduate from grades 3, 6, 8, and 12. If the student fails, he or she may attend remedial summer classes and be retested prior to the new school year.

The education program defines the minimum staff, counseling, teaching, and facilities resources required per student to meet the standard course of study. Schools are now trying to meet these new standards. For many districts it requires increasing the teachers or staff per pupil and building more classrooms. The program is scheduled to be fully implemented in 1993.

SCHOOL FINANCING

North Carolina pays an average of 67 percent of the per-pupil expenditures for students in the state. This funding is nondiscretionary. Each budget item is reimbursed on a standard basis for all LEAs. For instance, the state enforces a minimum salary schedule for teachers based on credentials and seniority. The state supplies funding for these teachers based on the number of teachers the LEA employs in each category, funding approximately two thirds of the costs. Local communities can choose to provide more teachers or higher salaries, but the funds must be raised by local revenues. In many instances, the state program will require LEAs to spend more on education than they have in the past to meet the state requirements.

The state pays for all transportation, except the initial procurement of equipment. It underfunds some items such as fuel (it pays about 30 percent) to encourage conservation.

STATE POLICIES AND THE SECTION 6 SCHOOLS

State officials raise a number of issues concerning a transfer of Section 6 schools at Fort Bragg and Camp Lejeune to state and local responsibility.

Jurisdiction. State officials acknowledge the state cannot deny an education to any child domiciled in the state. Therefore, if Section 6 students become part of North Carolina's schools, the state will contribute its share of the PPE cost to whichever LEA takes responsibility for education. However, once the LEA assumes responsibility, state officials stress that LEA officials must have complete control, including the right to assign off-base students to base schools.

Financial Burden. The major opposition to educating base students lies in the increased financial burden it will impose on the state and LEAs. State officials said they were especially worried about LEA reliance on Impact Aid funding.

Coterminous Option. North Carolina is attempting to reduce the number of districts within the state. The goal is to have one school district per county. No new districts have been created since 1957. The coterminous option would fly in the face of the consolidation trend. The creation of a coterminous district, although not illegal, would have to be approved by the state legislature.

Facilities. North Carolina requires fee simple title and access to all facilities. Without this, no maintenance or construction monies can be spent on the facility. Any other arrangement, such as a long-term leasing of land by the LEA, would have to be approved by the state legislature.

State officials indicated they were concerned whether the Section 6 schools met state code. The state has a \$3.2 billion backlog of facility construction projects and is unlikely to accept the transfer of facilities that require repairs that add to this backlog.

Employees. All teachers must have a North Carolina teaching certificate, a requirement met by the Section 6 teachers. Other state policies could affect the transfer of Section 6 employees.

Tenure is uncertain. State tenure is given after three full years of teaching in a district. If a tenured teacher moves from one district to another, he or she is put on probation for one year before again receiving tenure. State officials were not sure if this would apply to base

employees because they were not part of the state system. Officials stated this would have to be decided by the state legislature.

Retirement buy-ins are uncertain. The state provides social security (7.15 percent of salary) and retirement (11.2 percent of salary). The state legislature must approve any retirement buy-ins. State education representatives indicated that the state would provide no funds for a retirement buy-in for Section 6 teachers.

Finally, officials stated that decisions about hiring and salary would be made by the LEAs involved. A minimum salary for teachers is provided by the state for those teachers required by the basic education program. It includes consideration for seniority so local districts are not financially penalized for hiring more senior personnel. The decision to hire teachers is a local one.

Transportation. The state pays for all transportation in LEAs except for the initial purchase of buses. Section 6 schools contract out their busing and do not own buses. If a transfer requires the buying of buses, the funds would have to be provided by the LEA or federal government.

Governance. In North Carolina, school boards do not have the power to levy taxes and so are dependent on the county commissioners. Thirty-day residency in the county is required to vote for school board members. Requirements for school board membership vary by county. It is unlikely that many military parents could vote in school board elections or win a seat on the board of education.

FORT BRAGG AND CUMBERLAND COUNTY

Background: Fort Bragg

Fort Bragg, an Army base, was founded in 1918 as Camp Bragg and became a permanent fort in 1922. The base covers 129,417 acres (202 square miles) over several counties; the main post and school facilities are all within Cumberland County. It is the home of the XVIII Airborne Corps, 82nd Airborne Division, Special Operations Command, JFK Special Warfare Center, I Corps Support Command, and 1st ROTC Region. It is located nine miles northwest of Fayetteville and has several major state highways running through it. It is an unusually open base.

Population and Economy.¹⁶ As of September 1987, Fort Bragg had approximately 41,692 active duty soldiers attached to it, with 12,000 family members on post and 5,234 housing units.

¹⁶Department of Army, Statistical Card, FY1986.

Approximately 22,445 active duty members live on post; 19,247 live off post. The base has a dependent population of 68,292 and a retired population (with dependents) of 74,888. Approximately 10,551 (15 percent) of the military dependents live on base; 74,888 (85 percent) live off base. The base employs 10,984 civilians.

Nearby Pope Air Force Base, also served by the Fort Bragg Section 6 schools, has 4,370 USAF military and 361 civilians.

For FY1986, the base operating budget was \$397,649,800. Military pay equalled \$790,519,285 and civilian pay equalled \$143,841,090. The direct and indirect impact of the base on the local 10-county area was approximately \$2.8 billion in FY1986.

History of Section 6 Schools.¹⁷ In 1921, the first base schools were opened for grades K-8. High school students attend school in Fayetteville. The base schools were operated with state funds, but were located on federal property in federal buildings. The base commander made all decisions concerning the school with the help of a school board, but the schools were under the jurisdiction of the Cumberland County school board. The Fort Bragg schools were integrated in 1950-1951.

In 1951, the school began operation under Section 6 and was no longer part of the Cumberland County school system. The high school students still attend Fayetteville schools with their transportation paid for by Section 6 funds. In the 1950s, Pope Air Force Base built family quarters and children from that base were integrated into the Fort Bragg schools. In 1976, with the continued growth of the Fort Bragg school population and resultant overcrowding, the ninth graders were sent to Fayetteville schools.

The Fort Bragg Section 6 schools now educate approximately 3,847 students in grades K-8.

Background: Cumberland County

Cumberland County covers approximately 657 square miles and has a population of approximately 270,000, of whom 60,000 live in the city of Fayetteville. Fort Bragg covers about 10 percent of the county. The county has a large tourism segment (\$115 million per year), agriculture (\$42 million per year), and diversified manufacturing. In addition, it has a great deal of retail trade, with over \$1 billion in sales last year. The county is experiencing population growth, largely in retired persons. The tax base has been growing.¹⁸

¹⁷History provided in part by the sixth grade class, Albitton Middle School, *A Ride Through Time*, Fort Bragg, North Carolina, May 1985.

¹⁸Fayetteville Chamber of Commerce, Fayetteville, North Carolina (includes Fort Bragg and Pope AFB).

The city of Fayetteville and the county used to run separate school systems. In 1985, the Fayetteville school system was taken over by Cumberland County. This was advantageous to the county because it provided extra capacity for the cramped county schools.

Factors Influencing Transfer

Table A.8 compares characteristics of base and LEA schools. A number of factors will influence any decision to transfer.

School Population. The ratio of Section 6 school enrollment to that in Cumberland County is 1:9. The county educates 10,932 military children living in the local community plus the 759 high school students from the base. Together these 11,691 students represent 27 percent of the LEA student population. This is 71 percent of the military students connected to the base. If the Section 6 students were transferred, the LEA military children population would increase to 34

Table A.8

FORT BRAGG AND CUMBERLAND COUNTY SCHOOL DISTRICTS

Item	Fort Bragg	Cumberland County
Enrollment (SY1986-1987)	4,723	43,661
Grade span	K-8	K-12
Number of schools	9	69
Elementary	6	46
Middle/junior	2	12
High school	0	8
Special	0	3
Facilities usage	At capacity	Over capacity
PPE (SY1984-1985)	\$2,886	\$2,355 ^a

SOURCE: *North Carolina Public Schools: Statistical Profile 1986*, North Carolina Board of Education, Raleigh, North Carolina; and Department of Defense, Assistant Secretary for Force Management and Personnel, Director of Dependents Support Policy, Budget Files 1985-1987.

^aPublished school PPE data have not caught up to the merger of Fayetteville with Cumberland County because of the time involved in collecting and publishing data. Available PPE data are pre-merger and no longer directly applicable.

percent. Thus, the transfer would have only a moderate physical impact on the LEA.

Interactions Between the Two Systems. The LEA has always educated base students in grades 9-12. The base and LEA have arrangements for the busing of these students to local community schools. In the past, the base paid for the busing of the 9-12 graders to the Cumberland County schools out of Section 6 funds. However, recently this use of funding has been disallowed. Cumberland County buses come onto the base to pick up students. They are issued decals and the buses are registered with the base for security reasons. Thus, arrangements already exist upon which to build further if a transfer is contemplated.

School Facilities. All Section 6 facilities are owned by the Department of Education. Space does not seem to be a pressing problem now, but may become so as the base schools try to meet the new North Carolina standards.

The Cumberland school system had been experiencing growth of 200-300 children per year, but has leveled off in the past two years. However, the school facilities are at capacity because of changing state rules on the number of students per classroom and an increase in special programs. Cumberland is using 151 temporary schoolroom units to meet the state standards. The school board estimates it needs \$50 million in construction to meet the new state requirements properly.

Thus, although the LEA may experience future problems, they would not be caused by the transfer of the base students, but by the more stringent state requirements which must be met in any event. The transfer of Section 6 school facilities does not appear to be a major problem as long as the Section 6 schools meet state code.

Ownership and Operation of Base Schools. Base representatives are not overly concerned about the ownership, upkeep, and operation of base schools by the LEA if a transfer took place because Fort Bragg is an open base. Representatives from the base commander's office did not think that security problems would arise in a transfer. Parts of the base could be secured without affecting the running of the schools. But base representatives are concerned about parcels of separate control on base property. There are unresolved questions of insurance, who would provide fire and police protection, and the like.

State and local officials insist on free access to schools in the event of a transfer. Because of the open nature of the base, this does not appear to be a major problem, so long as the base commander is satisfied with the control the LEAs would exercise over LEA students while on base.

Quality of Education. Base parents feel that Cumberland schools do not reflect the educational needs of the military community. Arguments echo those set forth by parents at other bases as described in the main text. In particular, Cumberland County ranks in the 2nd decile of counties in the state for PPE in a state that ranks 43rd in the nation. However, that was before the merger. Fayetteville, premerger, ranked in the 10th decile or at the very top of all the schools in North Carolina for PPE. The merger of the two systems, therefore, should have had a positive effect on the PPE for the new system. We expect that new data will show a higher PPE for Cumberland County than in the past.

School Board Voting and Representation. Base parents fear that if a transfer takes place, they will lose control of their children's education because of the voting requirements in Cumberland County; few of them are North Carolina residents.

To vote in a school board election a person must be a resident of the county for 30 days. Requirements for membership on the school board are low; all registered voters may run and selection is through a general election. However, few base personnel are registered to vote in the county because of out of state residency; therefore, it is unlikely that base parents would be represented on the school board other than by some arrangement between the base and county for a nonvoting member.

Employee Status. The concerns of employees of the Section 6 schools over their status in a transfer are matched by those of school officials, who expressed a moral obligation to ensure their employees receive just consideration. The concerns involve hiring, tenure, retirement and benefits, and salary, as discussed in the body of the report.

The Section 6 schools employ approximately 300 people. All teachers are state certified. Teachers are recruited from the interstate region to ensure a wide selection of qualified personnel. The Cumberland County representatives we talked with stated that if a transfer occurred they would very likely hire most of the teachers; administrative, maintenance, and support personnel would be less likely to be hired.

The question of tenure for Section 6 teachers is unresolved at this point. The state legislature would have to decide if the teachers should have access to tenure or come into the system as if they were new hires.

It is fairly certain that if hired, most teachers will suffer a decrease in salary and benefits. Cumberland County teachers receive state benefits plus a term insurance plan paid for by local funds. They earn a salary supplement that varies by seniority and credentials. The

supplement can be from \$500 per school year for new employees to \$1,250 per school year for more senior employees. Over half of the teachers have served at the schools for over 10 years, with 50 serving 20 or more years. The difference in salaries between the county and the base schools varies by seniority. For a new teacher, the base schools provide approximately \$356 more per year. A teacher with 10 years of experience would earn \$1,355 more per year in the base schools. The salary differential rises to \$2,376 for a teacher with 25 years of experience. Retirement effects of a transfer would have to be determined on a case-by-case basis, but because of the seniority of the Fort Bragg teachers, many may be negatively affected.

The recent merger of the city and county school systems can serve as a lesson for the impact a merger can have on Section 6 teachers. In the Fayetteville-Cumberland County merger, no employees lost their jobs; positions not needed after the merger were removed by attrition. City salaries were higher by approximately \$200 than those in the county. The salaries of city employees were held constant until the county employee salaries caught up, causing a financial squeeze on the county. Teachers retained credit for all their years of experience. The LEA administrators indicated that a similar approach to salaries could not be applied to the base teachers.

Major Concerns of Parties Involved

School Assignment. Busing and the loss of neighborhood schools were major concerns of base parents. Base parents fear LEA administrators will use base children for their own administrative convenience to meet capacity and integration goals.

Cumberland County is under a voluntary desegregation plan for both students and teachers and busing is part of this plan. Base parents seem less concerned over busing for racial integration per se than about the busing of base children as opposed to LEA children because base parents have no say in LEA administration.

Prior to the 1960s, the base high school students attended a single school in Fayetteville; with the opening of two new high schools in the city, the base high school students were sent to three different schools chosen not on the basis of geographic proximity, but by a lottery system. This system greatly upset base parents and resulted in some feeling of ill will between the Fayetteville school system and the base.

In 1975, Fayetteville took over the education of base ninth graders. All base students grades 9-12 went to school together. In the Fayetteville-Cumberland County merger, Fayetteville converted from a middle school system to a junior high system, which put base ninth

graders in the junior high. The base requested that all base children be sent to a junior and senior high in close proximity to the base and to each other, so that the ninth graders would graduate to the same high school as their fellow base students. This was not done. Base high school students are sent to one of two high schools according to the housing area in which they live. One of these schools, E. E. Smith, is approximately a forty-five minute drive from the base. Another high school would be closer. The ninth graders attend Spring Lake, which is closer to the base but does not feed into E. E. Smith.

The past treatment of high school children remains a sore point among parents and base officials. They stated that in a transfer of Section 6 students to the LEA, the students would continue to receive poor treatment by the LEA. They feared the LEA would use the children for their administrative convenience, to avoid busing LEA children.

The history of this treatment has led base officials to lobby strongly for their own high school. Clauses in transfer arrangements may alleviate some problems, but past busing of base children will remain a problem in any negotiation.

LEA Financial Resources. If a transfer occurred, Cumberland County would be eligible for only the lowest allotment of Impact Aid—\$629 per pupil in FY1987. Using either Fayetteville or Cumberland County premerger statistics, this amount would not be enough to cover the local contribution necessary. Thus, a transfer would have a negative effect on the level of education provided by the LEA without some other source of funding.

Cumberland County is a growing community with a growing tax base; however, compared with other counties in the state, Cumberland receives more federal and state funds, making its effective contribution lower than the state average (local contribution was 22.8 percent compared with a state average of 25.2 percent).

The county commissioners have not raised taxes in the last six years. However, this year the commissioners are expected to raise the tax rate from 85¢ per \$100 of assessed valuation to 90¢. Although the school board may wish for greater tax revenues, it has little power to obtain them. The board could use a referendum to force the commissioners to raise taxes; however, the commissioners must approve any referendum. This approach was tried once in the past with disastrous results.

A major concern of all the parties involved is the availability of adequate funds to maintain existing standards of education should Cumberland LEA take over responsibility for the Section 6 schools.

First, base parents and faculty are concerned that Cumberland does not have the financial resources or will not allocate funds to the services currently provided by the base system, such as elementary school counselors and nurses for each school.

Second, state and local officials fear that Impact Aid will continue to be uncertain or erode completely and that Impact Aid funds are not enough to cover the PPE. Cumberland has received erratic Impact Aid payments over the last decade. Local, state, and base officials agree that any drastic reduction in Impact Aid would lower the quality of education provided the entire school population.

Decision Transfer Summary

The following would facilitate a transfer of Fort Bragg schools to Cumberland County:

- The physical impact of Section 6 students on the LEA should be small.
- Fort Bragg is a completely open base; thus, transfer would involve few security concerns.
- Cumberland County already educates the base high school students, so arrangements exist for access to and from the base. These arrangements can be built upon in a transfer.
- The LEA is familiar with merger issues and has the experience to handle merger-related problems.
- Cumberland County is a growing community with a growing tax base.
- Cumberland County already educates 71 percent of the base dependents because they live in the local community.
- There are no jurisdictional conflicts.

The following would impede a transfer:

- Section 6 parents are concerned about the quality of education in the state and local community.
- Base parents worry that unhappy experiences of past LEA school assignment of base high school students will be repeated.
- Impact Aid funds would not cover the full local costs of education of base students and are uncertain.
- The base has organized resistance to a transfer, supported by the base commander's office.
- Nine schools are located throughout the base, making arrangements for security and control more difficult.

- State legislative approval will be required for almost all aspects of the transfer.
- Base parents would lose governance, and therefore influence over their children's education.

Options to Consider

Options are no transfer or an assisted transfer option.

1. No Transfer. There are clear indications that base children are receiving a high quality of education and individualized attention that could not be supplied by the local community. No transfer is further supported by crowding in the LEA and the past treatment of base children by the LEA.

2. Transfer to Cumberland County Using an Assisted Option. Cumberland County would qualify for Impact Aid payments equal to, or more probably, well below their current local contribution. Thus, the amount of funding is a problem, as well as stability of funding. Both local and state officials require some guarantee of Impact Aid funds or other funds that are not susceptible to the uncertainty of Impact Aid. The assisted option, with additional federal or state funding, would enable long-term stability and provide for the LEA to realistically support the educational quality it already has.

Other Concerns. Parents' loss of governance would have to be addressed in special clauses as would the assignment of base pupils to local schools. Facilities would have to be brought up to code and state approval would be necessary. Base parents would have to be reassured that their children would not be used at the administrative convenience of the LEA.

CAMP LEJEUNE AND ONSLOW COUNTY

Background: Camp Lejeune

Camp Lejeune, a Marine Corps base, is the largest amphibious training base in the world. Founded in the late 1930s and built during World War II, Lejeune covers 170 square miles, 23 percent of Onslow County. The home of the 2nd Marine Division, 2nd Service Support Group, 6th Marine Amphibious brigade, a Marine Air Station, a Naval hospital and dental clinic, and a Reserve support unit, this closed base includes immediate deployment units. The average tour of duty is two years, with most career military returning for subsequent tours.

Population and Economy.¹⁹ As of March 1987, approximately 43,000 active duty personnel were attached to the base, with a dependent population of 39,800 and a retired population of 27,700. Approximately 11,955 (30 percent) dependents live on base. The other 27,900 (70 percent) live in the local community. The base employs 4,167 civilians. The total base-related population is 114,771.

For FY1986, the total payroll of base-connected personnel was \$529,500,000. The base contracted for \$97,426,000 in supplies and materials and \$52,951,000 in repair and construction. In total, approximately \$679,846,000 was spent by the base.

History of Section 6 Schools. The base schools date back to the establishment of the base and have never been part of Onslow County. The total school enrollment is 3,738 students. All base schools are accredited with the Southern Association of Schools.

Background: Onslow County

Onslow County ranks as the 11th largest county in the state with over 750 square miles, and as 9th in population with 140,000 residents. The county is experiencing population growth, particularly in retired persons, and state officials forecast a continued increase in population of approximately 36 percent over the next 10 years.

Whereas the county is oriented economically toward servicing the base, other major industries include agriculture (\$35 million annually) and seafood products (\$12 million).

Despite its growing population and economic resources, the county's property tax base, with an assessed value of \$1.08 billion in 1983-1984, does not meet expectations. Much of the land yields low-value or no taxes. For example, Camp Lejeune owns 23 percent of the county's land, including most of the ocean and riverfront property. A state university, Coastal Carolina Community College, also owns a sizeable parcel. Finally, the county has large timber lots with a low tax value.

Onslow County had a SY1986-1987 school enrollment of approximately 16,450 assigned to 24 schools. The school system is accredited by the Southern Association of Schools.

¹⁹U.S. Marine Corps, "Monthly Camp Lejeune Area Population Report," March 31, 1987 and "Estimated FY1986 Appropriated and Nonappropriated Fund Expenditures," March 5, 1987.

Factors Influencing Transfer

Table A.9 compares characteristics of base and LEA school systems. The following discussion describes factors that will influence the decision to transfer.

School Population. The military dependents living off-base make up approximately 28 percent of Onslow's school enrollment. Or put another way, Onslow County already educates a little over half the school-aged children of military assigned to the base. The base schools educate the balance of the military dependents.

Transferring the base schools to the county would have a substantial impact, because base students would make up almost one-fifth of the total county school population. Moreover, the addition of Camp Lejeune students would perturb the county system because the base schools have a 20 percent turnover rate. Off-base military dependents tend to have similar or even higher turnover rates, so the addition of the base students would mean that about 43 percent of the total county school enrollment would be relatively transient.

Interactions Between the Two Systems. The Section 6 schools at Camp Lejeune have always been separate from the Onslow County school system, so there is no history of interactions between the two school systems. No standard procedures or forums exist for working out mutual problems concerning the schools.

Table A.9

CAMP LEJEUNE AND ONSLOW COUNTY SCHOOL DISTRICTS

Item	Camp Lejeune	Onslow County
Enrollment (SY1986-1987) (Ratio 1:4.25)	3,738	15,893
Grade span	K-12	K-12
Number of schools	7	24
Elementary	5	14
Middle/junior	1	6
High school	1	4
Facilities usage	At capacity	Over capacity
PPE (SY1984-1985)	\$2,822	\$2,273
Pupil/teacher	??	25

SOURCE: *North Carolina Public Schools: Statistical Profile 1986*, North Carolina Board of Education, Raleigh, North Carolina; and Department of Defense Assistant Secretary for Force Management and Personnel, Director of Dependents Support Policy, Budget Files 1985-1987.

School Facilities. Both Onslow County and Camp Lejeune have substantial unfunded capital improvement needs. Onslow County has been experiencing severe overcrowding. Existing school facilities house 4,000 students over capacity and the county has the highest usage of temporary buildings in the state.

Two factors have contributed to this situation. First, Onslow's school enrollment has been growing at the rate of 700 students each of the last four years. With the county population increasing by one-third over the next decade, school officials foresee continued growth in the school population. Second, North Carolina state guidelines, lowering classroom size to 23 students per teacher by 1991, have contributed to the need for additional space.

The situation would not be so critical if construction had kept pace with need. The county has not built a new school since 1975. (Construction will begin on a new middle school in 1989.) The school population has been growing at the rate of one school facility a year and the county has not kept pace. The result is an estimated construction backlog of \$40 million to meet the needs of the current school population. This estimate does not begin to address future needs arising from continued population growth and more stringent state guidelines.

Although Camp Lejeune has not undergone the population growth of the county, the base schools have been affected by the combination of state guidelines lowering class size and displacement due to building renovation. As a result, the base schools currently have six mobile units and need six more.

Major changes for the existing seven base facilities, all owned by the Department of Education, are planned. Camp Lejeune has been appropriated military construction funds to build a new high school, which will meet building codes for handicapped students. Upon completion of this new building, the current high school will be turned into a middle school and two other facilities will be closed. In addition, Camp Lejeune has \$6 million in unfunded construction needs, including classroom additions to four schools and air conditioning for five schools.

The status of the facilities in both school systems suggests several outcomes of a possible transfer of the Camp Lejeune school system to the county. First, given Onslow's already overcrowded facilities, the county would have to be able to use the existing base facilities or be provided with substitute facilities. Second, it would be extremely difficult for the county to absorb an additional \$6 million in unfunded construction needs, so transfer of the facilities would become somewhat dependent on federal funding of base facilities' construction needs prior to transfer. Third, Onslow County would have to take on the financial

burden of future upkeep for seven facilities at a time when North Carolina is withdrawing state funds for custodial services and utilities. Some long-term state or federal funding might be required. And finally, because base facilities are already at capacity, the addition of the base schools would do little to reduce the overcrowding in the Onslow County schools, and may result in a redistribution of that overcrowding onto the base facilities.

LEA Financial Resources. A major concern of all parties to a possible transfer of the base schools to the county is whether adequate funding exists to maintain existing levels of education. Currently, the county is experiencing funding difficulties.

Onslow County's local tax base includes a local sales tax of 2 percent and a property tax. County leaders we talked with stated this tax base does not support needed county services adequately, yet there appears to be little support for increasing revenues. The local government has no control over the sales tax. It must be levied by the state, which in turn assigns a portion for local education needs. In addition, the county assigns about 60 percent of its general fund to education. The county does reevaluate property assessment every eight years. When this was done three years ago, the county reduced assessments from 79¢ to 54¢ per \$100 assessed value.

County leaders saw little prospect for raising taxes in an adverse political climate. They noted that a school bond referendum went down to total defeat in 1986, despite the fact that county leaders had actively campaigned in support of the issue.

This lack of support is reflected in statewide statistics ranking the county's 1984-1985 per-pupil expenditure of \$2,273 as a low 97 out of 100 counties. Onslow County contributed 21 percent of the per pupil expenditure, compared to the North Carolina's average local contribution of 25.2 percent.

Should the base schools be transferred to the county system, federal Impact Aid would become an especially important source of revenue toward the county's local contribution of per-pupil expenditure. Onslow County currently receives Impact Aid B funds for children of military and federal employees attached to the base. Like other LEAs, Onslow has found the funding to be erratic. Because of past experience and the fact that there is no guarantee that Impact Aid will continue, local leaders are wary of taking responsibility for the base students without some assurance of continued financial aid.

If a transfer took place, Onslow County would be adequately compensated for its local share of the per-pupil expenditure by Impact Aid. Onslow County would qualify as a Intermediate A district and, using 1987 federal guidelines, would have received \$1,259 per base child that

school year. This means that by our projections (see main text), Onslow would have received \$701 per child over and above the local contribution.

The fact that Onslow County would receive over twice its local contribution from Impact Aid is a facilitating factor in any future transfer. However, this immediate windfall must be measured against the fact that as the county school population continues to grow over the next decade, there is every likelihood that the county will eventually become a regular A district. That is, the base students will fall below 15 percent of the total school population. Again, using our projections based on 1987 guidelines, Onslow County would receive \$629 per base student compared with a local contribution of \$558.

With the difficulty the local school system is having financing the education of its growing population, combined with the uncertainties attendant to Impact Aid as a funding source, both Onslow leaders and base parents are concerned about the long-term funding stability of education in Onslow County should a transfer take place.

School Board Voting and Representation. Base parents fear they will have little or no influence over their children's education, should a transfer occur. Only a small percentage of the military parents living on-base are residents of either North Carolina or Onslow County. For example, in May 1987, only 399 of the 18,027 military and dependents living on the base were registered to vote in Onslow County. It would take twice that to have an effect on district election of a school board member.

In addition to the prohibition against the military holding civil office, it is unlikely that military spouses could be elected to a school board. In Onslow County, the two political parties nominate school board candidates, a circumstance that makes it highly unlikely that a more transient member of the community would receive an opportunity to run for office.

Onslow County officials concur that base residents are unlikely to have the electoral clout to gain representation on the board, but point out that other avenues of influence exist. For example, each school in Onslow County has an advisory council composed of parents.

School Assignment. Busing and the loss of neighborhood schools were major concerns of the Camp Lejeune base parents and school board members interviewed. They preferred to see their neighborhood schools, especially at the elementary level, maintained.

This does not, however, appear to be a major obstacle. The Onslow County schools voluntarily desegregated, and thus are not under court-ordered busing, although some busing does take place. County officials did not foresee busing for integration purposes, if the Section 6 schools were transferred, but they could not be sure.

Overcapacity in some districts might mandate busing, perhaps onto the base to relieve the crowding in Onslow County schools. Onslow school officials indicate that elementary school children would continue to attend the same base schools, but they also speculate that some middle and high school base students might be reassigned to off-base schools which are geographically closer to their base housing area.

Special clauses in any transfer arrangement could ensure that a neighborhood concept is maintained on the base for elementary school children. However, both state and county school officials are likely to insist on control over school assignment, including the right to bus LEA children onto the base to relieve overcrowding.

Employee Status. Camp Lejeune Schools employ approximately 350 teachers and professional support staff, all of whom are concerned about the impact a transfer could have on their job status. Given the limited teacher market,²⁰ Onslow County officials share this concern because they will need to hire the base teachers in the event of a transfer. County school leaders are less certain that they also will want to hire all the base administrative, maintenance, and support personnel.

Issues of concern to both Camp Lejeune teachers and Onslow County school officials include the following.

1. **Hiring:** Base teachers fear that those with seniority, earning higher salaries, would be less likely to be hired. However, Onslow officials point out that the state funds teacher salaries based on a teacher's education and experience. The LEA is not penalized for hiring more expensive teachers with greater experience. In the case of Onslow County, they would want to retain these teachers.
2. **Salaries:** Although salaries paid Camp Lejeune teachers generally are perceived as higher than in Onslow County, the difference between the two does not appear to be great. Onslow County pays the state salary, plus a 3 percent salary supplement at the completion of the school year. The Camp Lejeune salary schedule is also based on the state-mandated salary plus the average of the supplements offered by three "comparable" North Carolina districts: Chapel Hill, Shelby, and Asheville City. Table A.10 shows the lowest and highest salaries in the two basic schedules for teachers with Bachelors and Masters degrees.

Other supplementary payments widen the gap between the two systems. For example, both Onslow and Lejeune provide

²⁰Onslow County currently advertises out-of-state to help fill some teaching positions.

Table A.10

CAMP LEJEUNE AND ONSLOW COUNTY
SALARY SCHEDULES (SY1986-1987)

Rank and Salary	Camp Lejeune Salary (\$)	Onslow County Salary Comparison (\$)
Bachelors degree		
Beginning salary	17,867	-666
Highest salary	26,367	-411
Masters degree		
Beginning salary	19,648	-840
Highest salary	29,118	-556

the state-mandated annual supplement of \$1,260 to each teacher who holds an Advance Certificate (six-year degree) in the area of assignment or subject taught. However, only Lejeune offers a \$300 annual supplement to those who have added 15 graduate semester hours to their Bachelors degree.

A major difference between the two supplemental salaries is that Camp Lejeune teachers can accrue annual leave and convert it into salary. The number of hours leave a teacher can accrue depends on the number of years that teacher has been in federal service, not just in Section 6 schools.²¹ To receive pay for the maximum annual leave accrual, a teacher must be in a work or leave-with-pay status for each day of employment. Thus teachers in Lejeune can add two weeks or more of salary through accrued leave.

In North Carolina, the pay level for each category of certification is determined in part by experience. Onslow County officials send each teacher's credentials to the state, which makes the conversion to the appropriate salary level. Teachers generally get full credit for years of experience.

3. Tenure: State and local officials do not know whether Lejeune teachers would qualify for tenure. The state legislature would

²¹Those with more than 15 years service can accrue up to 162 hours of additional wages, those with 3-14 years may add 124 hours, and those with less than three years may accumulate up to 81 hours during the year.

have to decide whether Section 6 employees would be treated like other North Carolina teachers and serve only one year of probation or join Onslow County as out-of-state teachers who must complete three years to attain tenure.

4. Retirement: Camp Lejeune teachers believe they would sustain major financial penalties by switching retirement systems. North Carolina allows employees to buy in up to 10 years of state retirement, but only after 10 years of state employment. Moreover, each year of buy-in requires two years of state employment. In SY1986-1987, approximately 40 percent of the Camp Lejeune professional staff had more than 10 years already invested in federal retirement.
5. School assignment: If a transfer occurred, Onslow County would retain the right to reassign base teachers to other schools in the county system. Some reassignment might become necessary to maintain the county's voluntary racial balance among school faculties.

Finally, base teachers who are hired into the county school system expect changes in their teaching environment. County officials felt that the base schools were resource rich, that is, they had plentiful school supplies and were provided specialized support staff. The Onslow County schools cannot afford to provide similar resources, and base teachers hired into Onslow County must make adjustments.

Other Concerns of Parties Involved

Community Relationships. Although the Onslow County schools have voluntarily desegregated, other sectors of the community have had difficulties in integrating. Several examples of purported continued segregation in the community were brought up during interviews, including:

- Federally ordered reelections for the board of education based on improper redistricting. Elections had to be held three times before an integrated board could be elected.
- NAACP suit charging racial discrimination in the hiring and treatment of black firefighters.
- Racial discrimination suit against Pepsi-Cola for barring blacks from certain positions.

Although these cases do not prove racial discrimination in the schools, the attendant publicity makes Section 6 school parents wary of possible segregation problems in the LEA.

Quality of Education. Base parents feel that Onslow County schools do not reflect the educational needs of the military community. Arguments echo those set forth by parents at other bases, as described in the main text. In particular, Onslow County ranks in the lowest decile of counties in the state for PPE in a state that ranks 43rd in the nation.

In addition, heavy overcrowding and poor upkeep of facilities in the LEA make base parents apprehensive of the physical conditions in LEA schools and that the overcrowding will extend to the base schools. Overcrowded classrooms are not conducive to learning, and the children's education may suffer if overcrowding is not relieved. County officials do not deny that the LEA schools are in need of repair and in an extreme state of overcapacity.

Transfer Decision Summary

The following would facilitate a transfer:

- Current Impact Aid funds cover the full local costs of education for Section 6 students.
- Onslow County already educates 56 percent of the base dependents because they live in the local community.
- There are no jurisdictional conflicts.

The following would impede a transfer:

- The physical impact of Section 6 students on the LEA could be a major burden to the LEA due to the high relative ratio of students on the base to students in the county and due to overcrowding in the LEA schools.
- Camp Lejeune is a closed base with tight security; thus, transfer would have to address these concerns to the satisfaction of the military commander.
- No arrangements have ever existed between the two systems. Arrangements and a conducive working environment would have to be developed.
- Onslow County is a growing community, but the tax base has not grown and county commissioners have not increased taxes to meet educational needs of the existing students.
- Section 6 parents are concerned about the quality of the education program offered in the state and local community.
- The LEA is carrying a large construction backlog. Buildings are in need of repair. Base parents note the poor physical conditions of schools and overcrowding.

- Well-publicized incidents of purported discrimination in the local community have resulted in base parents questioning conditions in the LEA schools.
- Seven schools located throughout the base make arrangements for LEA access more difficult.
- State legislative approval will be required for almost all aspects of any transfer.
- Parents would lose control of their children's education.
- Although busing would not be likely for integration purposes, it is probable that LEA children will be bused onto the base to relieve county overcrowding.

Options to Consider

Because of the large number of impediments at this site, only one option is considered: no transfer.

1. No Transfer. There are clear indications that base children are now receiving an education program with individualized attention that could not be supplied by the local community. This is further supported by extreme crowding in the LEA, a large backlog of capital funding, low support of education in the local community, and the large physical impact a transfer would have on the already overburdened community. Furthermore, poor base/community relations and purported discrimination in the community make base parents unreceptive to a transfer of any kind.

Future Options. If the existing impediments can be reduced, a *full transfer* may be considered in the future. Onslow County would qualify for Impact Aid payments well in excess of their current local contribution, so the amount of funding is not a problem. The stability of funding is. Both local and state officials would require some guarantee of Impact Aid funds or other funds that are not susceptible to the uncertainties of Impact Aid. Impact Aid funds would cover the O&M costs of the base students' education; however, the county will be just as concerned over the capital costs associated with the students because the county has been unable to raise needed capital funding for its own students. A capital funding source may be a necessary part of any future transfer. Parents' voting loss and the closed nature of the base would have to be addressed in special clauses, as would the assignment of base pupils to local schools. Facilities would have to be brought up to code and state approval would be necessary for most arrangements.

These clauses, however, cannot address other fundamental difficulties in the community and base parents' continued concerns over conditions in Onslow County schools.

Appendix B

SECTION 6 EMPLOYEE CONCERNS

The effect of a transfer on Section 6 employees is important to the transfer discussion for three reasons. First, the status of employees after a transfer contributes to a determination of whether the LEA has the capability to accept a transfer of Section 6 children. Adequate staff, teachers, and administrators must be on hand to effectively and efficiently run the schools. Given the small recruitment pool of qualified employees available in some of the LEAs studied, many of the needed increase in employee numbers may come from the Section 6 schools. Thus, the question of whether the LEA can or will hire them is germane. If the LEA chooses not to hire former Section 6 employees, it must show that it can obtain the required personnel through other means. Second, these employees may have certain rights or benefits in a transfer process that can result in costs to the federal government. These costs must be determined. Third, although not of primary concern in determining whether to transfer, the effect of transfer on employees may be severe. The government should understand these effects so that actions can be taken to avoid or ameliorate adverse effects if possible. In line with the latter, Section 6 school administrators take employee concerns seriously. They and the base commanders expressed a strong moral obligation to ensure just treatment of their employees in a transfer.

The subsections discuss the status and concerns of employees of Section 6 schools regarding transfer to an LEA.

STATUS OF SECTION 6 EMPLOYEES

Section 6 personnel are employed under several federal job categories. Depending on the job description, these include the following:

- The schools' educational staff such as superintendent, principals, teachers, counselors, and aides are employed under annual contracts or excepted service appointments. Their salaries are commensurate with those provided similar positions in comparable school districts within the state.

- Administrative support staff such as the budget officer, secretaries, and supply technicians are usually civil service employees. They are part of the competitive service and are paid under the general schedule.
- Logistic support personnel such as the custodians are also civil service employees in the wage grade category. These are blue collar workers whose hourly wage rate varies by geographic region, as prescribed by the Office of Personnel Management.

The general schedule and wage grade civil servants have the full benefits and rights available to all civil servants. Rights include access to grievance procedures, access to reduction in force (RIF) procedures, early retirement, and severance pay. Prior to December 1983 these employees did not have social security deducted from their salaries if they were part of the federal retirement system. After that date, all federal employees have had social security deducted. In addition, they have federal retirement plan deductions (ranging from 7.0 to 7.15 percent depending when they entered government service) and Medicare deductions. Medical plans and group life insurance are offered; employees are required to contribute to these.

In general, civil servants have some protection from the impact of a transfer on their jobs. If a transfer terminates their jobs, RIF procedures allow these employees to "bump" or displace less senior employees in similar job categories, although they may have to move to places where those jobs are available. In the federal government, this implies moving to other Section 6 schools or to overseas schools. In addition, civil service employees may have access to their retirement benefits before normal retirement age if their jobs are eliminated.

Contract workers are not protected. They are eligible for federal civil service benefits including social security, federal retirement, health plans, and grievance procedures. However, because they are contract workers their contracts expire at the end of each year and need not be renewed. In addition, the contracts are valid only if the federal government appropriates funds for the program. (A contract nonrenewal can be challenged only if it is based on performance grounds. It cannot be challenged on the grounds of lack of funds or the closing of the Section 6 schools.) These workers have no access to RIF procedures. Thus, these type of Section 6 employees are rightfully worried about their job stability and employment opportunities after a transfer.

HIRING SECTION 6 EMPLOYEES

The main question in a transfer from the point of view of readiness is would the LEA be able and willing to hire Section 6 employees. The answer depends on which group of employee is being discussed.

Teachers apparently stand a reasonable chance of being offered employment by the LEA if a transfer occurs. Each state requires teaching certificates from that state as a prerequisite to hiring. All Section 6 schools require in-state teaching certificates, so this should not be an obstacle. The exception to the rule is Fort Campbell, where two jurisdictions are involved. Teachers at the base schools have Kentucky certification. If the schools are transferred to Tennessee, problems may arise.

We discussed the status of Section 6 teachers in the four states and relevant LEAs. LEAs stated that if the schools were transferred they would need teachers and would consider hiring Section 6 teachers on a competitive basis. Most Section 6 schools are located in remote areas where recruiting qualified teachers is difficult. Some superintendents of LEAs indicated that block hiring of teachers was a possibility. All LEAs maintain the right to choose who will be hired based on the LEA's needs and standards. Because Section 6 school teachers are state certified and many are highly qualified, most are likely to be hired.

The hiring of other employees and staff is more problematic. Transfer of the schools does not mean transfer of all functions—some functions and the personnel that perform them may be redundant in the merged systems. This is especially true for staff, administrators, and wage grade employees. For instance, Section 6 schools employ more classroom staff, such as teaching assistants, and more support professionals, such as nurses and counselors, than the LEAs. In addition, the merged system would be unlikely to need additional supervisors and related staff, although it would certainly need principals for the schools. The maintenance and cafeteria workers jobs may also be partly redundant. LEA officials with whom we spoke agreed that, while classroom teachers were sure to be needed, they would be unlikely to hire all the personnel related to the Section 6 schools.

The LEAs seemed cognizant of the importance of using the Section 6 employees to ensure that services and education programs do not suffer because of lack of human capital during a transfer. But LEAs could not guarantee hiring, and the status of some groups is more uncertain than others.

EMPLOYEE CONCERNS

The above answers the question of whether employees might be hired, but not whether the employees would want to work for the LEA. This will depend on their assessment of alternative opportunities. We next explore the transfer issue from the viewpoint of the Section 6 employee.

Pay Concerns

Assuming they were hired by the local community, Section 6 employees might suffer a decrease in pay or benefits for two reasons: LEAs have different pay scales and LEAs may not accept the seniority of federal employees.

Pay scale differentials between the LEAs and the Section 6 schools may discourage some Section 6 employees, particularly teachers, from seeking work with the LEAs. Section 6 teachers' salaries must be comparable with salaries offered by other districts in the state. However, Section 6 superintendents have some leeway in choosing comparable districts. To attract the best teachers, they often offer salaries competitive with relatively high PPE districts in the state. Moreover, Section 6 schools often have additional salary tracks, not provided by the LEA, for teachers who have earned additional graduate credits. Section 6 schools may also provide other salary supplements, such as allowing teachers to cash out accrued annual leave. The result is, at the sites we examined, Section 6 teachers are usually paid higher salaries than their counterparts in the adjacent district. (This varies by site. In fact, in the case of Houston County, the LEA pays a higher salary than the base school in many instances. See Appendix A for details.) Although wage grade employees receive wages adjusted to the region, their salaries often tend to be higher than those paid by the LEA for comparable employment.

Although salaries may be substantially better in the Section 6 schools compared to the LEA, benefits may not be. Several states offer benefits programs, especially retirement packages, that are at least equivalent to that offered by the federal government. Georgia's retirement policy is a case in point. Health care packages may also be better in the LEA, although LEAs usually offer less choice in health care suppliers than does the federal government.

Some Section 6 employees may be interested in buying into the respective state's retirement program. Buy-in means paying an amount to a retirement system to give them creditable years of service for their money. Thus, the employee with 10 years of federal service

could buy 10 years of creditable service in another plan, work under that plan to obtain another 10 years of service, and retire from a single plan with 20 years of creditable service. This is not without precedent. Teachers transferring from one state to another are often allowed this option. Also, as states began to offer teacher retirement plans, employees of independent school districts that were covered under local plans were offered buy-in options by the state. These buy-ins, however, were not inexpensive. In many cases, employees would have been better off leaving funds in their former system. Furthermore, many states limit the number of retirement years anyone can buy and the time over which they can be bought. The case studies discuss some of these factors.

Employees are worried that if given employment with the LEA they will not be able to buy in to the state system. Because of the prohibitive cost, and will not get the full portion of retirement benefits they would have been eligible for had they retired with a complete service record from the federal system or from the state system. In short, they lose retirement benefits. The retirement issue is discussed further in the next subsection.

In addition to any pay scale and benefits differential, Section 6 employees will be affected by whether the LEA accepts their years of service with the federal system. For instance, teachers' salaries increase on a step basis with years of service in both the Section 6 schools and the LEAs. The LEAs, however, usually have some discretion over whether they will credit new employees with their years of service while at another organization. For teachers within a state system, credit is usually transferred. However, Section 6 employees are not in the state system. The transfer of years of service will depend on state laws about crediting and LEA financial incentives to accept credit. In most of the cases we examined, the state funds a minimum salary schedule which increases with years of service. Therefore, the LEA incurs little financial burden by hiring senior teachers or staff. In other states, the LEA may carry the burden and so prefer to hire fewer senior employees or not credit years of service.

In a related area, teachers are specifically concerned about tenure. Each state has different rules on the acquirement of tenure. In most cases, out-of-state teachers must requalify for tenure after a three to four year probation period. Teachers from in-state may have a one year probation or no probation. Section 6 teachers would like immediate tenure. However, under some state laws they may not qualify for in-state status. In addition, most Section 6 teachers are employed under contracts which must be renewed annually, so according to some states' requirements, these teachers have yet to qualify for tenured positions.

We raised the tenure issue in interviews at the state and LEA levels. Most officials had no definitive answers due to the unique conditions of Section 6 employment. In some states, officials felt that granting in-state tenured status to the Section 6 teachers would require state legislation or issuance of a favorable legal opinion from the state attorney general's office. In other states, the LEA probably would have discretionary power on the issue. In the latter situation, the question of tenure could be addressed as part of the negotiations transferring the Section 6 schools to the LEA.

Taken together, it is difficult to determine whether as a group the employees of Section 6 schools may welcome employment in the respective LEA. In the end, it is an individual decision. Employees with whom we spoke mentioned a number of factors which influence that decision, including the availability of alternative employment, the ability to relocate (many are tied to their location by spouses who also work in the area), the existence of retirement options, and their assessment of the professional opportunities, salary, benefits, and working conditions offered by the LEA.

Retirement Concerns

Some Section 6 employees have been in their positions for a considerable time with a great deal invested in the federal retirement program. Upon termination with the federal government, they must meet retirement eligibility requirements to receive federal retirement annuities. These requirements are:

- Age 55 with 30 years of service, or
- Age 60 with 20 years of service, or
- Age 62 with five years of service.

At retirement the federal employee receives an annuity based on the average of the highest three years of salary paid. The annuity equals 1.5 percent of average salary for the first five years of service, 1.75 percent of salary for the next five years of service, and 2 percent per year for the remaining service up to 80 percent of average salary. Thus, the longer someone works for the federal government, the greater will be the annuity. Retirement before the age of 55 results in an annuity reduced by 2 percent for each year that the employee is under the age of 55.

If the federal employees do not qualify for immediate retirement, they may keep their retirement funds in the federal retirement system and wait until 62 years of age to withdraw the funds. On the other hand, they may withdraw that portion of their retirement funds that

they contributed. They cannot withdraw the federal contribution. With these funds they are free to buy into another retirement system or spend or invest their money as they see fit.

Employees who have not reached the age for immediate retirement when a transfer occurs will be confronted with the following consequences, assuming the Section 6 jobs are terminated and the employees do not choose or do not have access to RIF procedures.

- If close to retirement, but not quite qualified, they would have to find a job for the short period of time remaining until the age of 62. They would be unlikely to attain vestment in another system and so would lose the retirement annuity they would have gained had they been able to stay in federal service.
- If not close to retirement, they would find a job elsewhere and become vested in another system. They would eventually retire with annuities from both systems, although they may not provide the same amount of money as an annuity from a single system. In other words, creditable service in two plans with 10 years in each may not equal the same annuity as creditable service in one plan for 20 years. (This is a result of the increasing set-asides provided with seniority and the high three years salary used to determine retirement benefits.)
- If not close to retirement, they may take their contributions and try to buy into another retirement plan. This option, however, usually proves to be prohibitive.

The above list of possibilities implies that many Section 6 employees will face reduced retirement benefits if transfer occurs. The reduction will be most severe for those with between 10 and 20 years of federal service. Employees with less than five years of service will have less vested in any system and will not suffer as severe a cutback in benefits.

Other employees may qualify for immediate retirement under discontinued service rules. Under these rules, employees whose jobs are involuntarily terminated may retire if they:

- Are age 50 and have completed 20 years of creditable service, or
- Have completed 25 years of creditable service.

It is not known if Section 6 contract employees are eligible for this type of retirement. This will be decided by the Federal Office of Personnel Management.

POSSIBLE FEDERAL ACTIONS AND COSTS

Employees have suggested that in a transfer the federal government may help them in several ways. First, as a major party to the negotiation for transfer the federal government can help Section 6 employees bargain with the LEAs for a beneficial employment package that would include recognition of years of service in the federal system and tenure. In addition, the federal government may offer early retirement, severance pay for those not hired by the LEA, and financial assistance to those who wish to buy into the state retirement system.

The latter is particularly important for employees with long experience in the federal system. State representatives have said that the states would not assume the cost of retirement buy-in. At its discretion, the federal government could pay for the buy-in while offering early retirement for employees close to retirement age. Conditions for a buy-in are uncertain and negotiable. Costs will be associated with any federal action whether offering early retirement, buy-in assistance, or severance pay.

Most informants believe that the federal government does not have legal responsibility for contract employees if the schools are transferred. Nevertheless, the government may choose to provide these employees with some support. A different situation is presented by those Section 6 schools that have civil service employees or unions under the Federal Labor Relations Board (FLRB). Under these by-laws, federal union employees have the right to bargain over the conditions of their employment. The issue of transfer may fall in this category.

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