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BULLETIN

of the

Colorado Education Association

Report on the Reconstruction

of the

System of Financing
Public Schools

in the

State of Colorado

FINAL REPORT OF THE COMMITTEE

Two Preliminary Reports were made and issued in Mimeographed Form
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EDUCATIONAL FINANCE COMMITTEE
COLORADO EDUCATION ASSOCIATION

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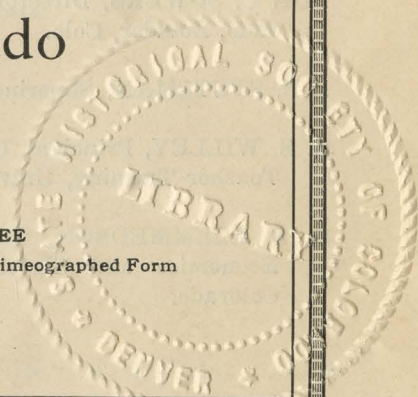
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CHAPTER III.

SPECIAL FEATURES OF THE PROPOSED PROGRAM

Shortcomings of the Present System of School Support in Colorado

Colorado was among the first of the western states to realize the serious shortcomings in the system of supporting public schools by district taxes alone.

In 1913 the legislature enacted a law which provided that in any school district in which a levy of ten mills on the property of the district would not pay the teacher \$50 per month for a period of six months, the state would supply the difference from its public school income fund.

At the time this law was passed, many districts in the state were unable to pay their teachers more than \$30 to \$40 a month without a very high school tax levy and were unable to maintain their schools for a period beyond three or four months. Under this law the state aid to districts amounted to approximately \$16,000 a year.

In 1921 another equalization law was passed by the legislature which provided that, in any county in which a five-mill tax on property would not pay the teachers of the county \$75 a month, the state would supply the difference from its public school income fund. These two laws are often referred to as Minimum Salary Laws for Teachers, but, because costs of instruction are the largest item in any school budget, they operate primarily to equalize the cost of education, up to certain levels, between the relatively poor and relatively rich districts of the state. In 1929 the state aid under this law amounted to \$139,854.

The proposal of the Finance Committee of the Colorado Education Association is that the state guarantee to each school district the sum of \$1,000 for the support of each of its classroom units; this sum to include the teacher's salary and such other costs as fuel, light, janitor service, transportation, and all other items included in the current expenses of maintaining a school. It does not include building costs or interest on bonds issued for building purposes.

To get this \$1,000 per classroom unit, it is proposed that the school district shall levy a two-mill tax and the county a three-mill tax on the taxable property respectively of the district and the county. In case the district and the county tax does not provide the \$1,000 per classroom unit guaranteed by the state, the state will provide the difference, not, however, from its public school income fund, but from a state education fund, arising primarily from a tax on incomes. The total state aid required under the proposed plan will amount to approximately \$2,200,000 a year.

The extent of the minimum program financed by the law of 1921 falls far short of the actual required minimum program which the state of Colorado has seen fit to enforce. While, theoretically, under the law of 1921 approximately \$700 per teacher is made available in every district after a five-mill county tax has been levied, the minimum state requirements are now near \$1,000 per teacher. Districts with low ability to pay are placed in a difficult situation when they attempt to meet the present requirements of the law which provides that teachers with the minimum of two years of training above high school shall receive \$1,000 a year and with four years of training,

\$1,200. As noted above, under the law of 1921, each district is guaranteed \$75 per month for not to exceed nine and one-half months, or \$712 for each of its regular teachers. If a five-mill county tax fails to provide this amount of money, the state provides the difference, taking the money from its public school income fund. To provide the difference between \$712 and the \$1,000 or \$1,200 on the salary of the teacher required by law, to say nothing of the other costs of maintaining a teaching unit, which consists of the items such as heat, light, janitor service, etc., will require in many instances a relatively heavy additional school tax on the district. For example, a school district with a valuation of \$60,000 per elementary classroom unit would be required to levy, in addition to its five-mill county tax, a relatively heavy additional local tax in order merely to meet the \$1,000 level implied by the present state requirements. Under the present system of school support, to reach the \$1,600 level, which represents the type of education offered in a district of average wealth, such a district would be required to make a very burdensome local tax levy in addition to the five-mill county tax in order to offer the educational program actually in operation in districts of average wealth in the state. It is obvious that this is a practical denial of local initiative or local self-government so far as such districts are concerned.

That this is not a hypothetical case is indicated by the fact that in the state of Colorado there are 136 districts with a valuation of less than \$60,000 back of each elementary classroom unit. All of these are in situations more difficult than the case just described. These 136 districts occur in 39 counties. Ninety-five of the districts are one-teacher districts; 35 have two or more one-teacher schools; and 36 are districts having two or more teacher schools.

In brief, then, the shortcomings of the Colorado system are in degree, not in principle. The minimum program for the financing of which adequate provision is made, is not only far below a theoretically acceptable minimum, but considerably below the actual minimum implied by the state's requirements. This throws undue hardships upon poor communities in reaching the minimum program, and denies local initiative upon which the state must depend to a large degree for the maintenance of an efficient educational program.

The proposed program refines a measure of the cost of the minimum program in such a way as to treat more equitably all types of schools. This it does by introducing a varying number of pupils to count as a classroom unit in large and small schools,¹ and to adjust for similar differences as between elementary and high schools, both in the number of pupils allowed for classroom unit and cost of a classroom unit. The consideration of the cost of transportation² and variation in the cost of living were carefully studied and found to be worthy of consideration, are withheld from the proposed program as refinements to be introduced at some later time.³

The modifications it is proposed to make in the present law are (1) to change the \$75 per month per teacher guarantee to a guar-

1. See general outline of proposed bill, Appendix B.

2. A careful study of the transportation situation was made in cooperation with the Educational Finance Committee by Gary Gordon, entitled "A Technique for Determining the Need for School Transportation in Colorado and a Suggested Procedure for Administering State Aid for this Need." Submitted as a Master's Thesis at the University of Denver, 1930.

3. An excellent study of the cost of living situation in the state was made in cooperation with the Educational Finance Committee by Carl P. Utterback, entitled "An Investigation of Living Costs for Teachers in Colorado." Submitted as a Master's Thesis at the University of Denver, 1930. This study should serve as a basis for future refinements along this line.

antee of \$1,000 per classroom unit, including in the \$1,000 guarantee not only the salary of the teacher, but all other current costs of maintaining a classroom unit; and (2) instead of making the total tax on which state aid is based a county tax as at present, to divide the tax between the county and the districts, two mills for the district and three mills for the county, thus making a total of five mills as in the present case. The proposed plan assumes that the additional funds shall be obtained not by taking the state aid from the public school income fund, as is the case under the law of 1921, but by obtaining the funds from other sources of revenue, such as an income tax, permitting the funds which in the past few years have been withdrawn from the public school income fund to revert to this fund to be distributed to the districts on the present school census basis.

The proposed changes introduce no new principle of school support in Colorado and no complications in administration. They are simply needed modifications of present practices of accepted principles that have been incorporated in the statutes of the state.

A Reasonable Minimum Program for Colorado

Inasmuch as Colorado has been operating its public schools with an inadequate financing system, it is obvious that the state has been handicapped in setting up requirements for all the children in the state. It has been held back by the fact that large numbers of districts would find it impossible to support a program of education which the vast majority of the people would be willing to endorse. To discover what would be a reasonable minimum program for Colorado, it was necessary to eliminate the effect of these shortcomings. This was done by considering the educational programs which have not been handicapped by the present system of financing schools or by the unsatisfactory district organization, and which have not been unduly favored by the present financing system. Such districts were found by taking villages and cities and consolidated schools having ability to support schools approximately equal to the average of the state.¹ An analysis was then made to discover the extent of the educational programs which such districts are finding it possible to offer.

It was discovered from this analysis that, on the average, such districts that are neither handicapped nor favored by the present financing system are spending \$1,600 per elementary classroom unit for teachers' salaries and other current expenses. This corresponds to \$2,133 per high school classroom unit. This is comparable to figures similarly obtained for the cost of an elementary classroom unit in Wyoming and Indiana, which is \$1,600; in Kansas, Nebraska, Missouri, and Oklahoma, \$1,500; for New York, Connecticut, Pennsylvania, and Michigan, \$2,000. This we may therefore accept as a measure of what the people of Colorado as a state are willing and able to support as a minimum educational program.

Expenditures Involved in the Classroom Unit

The classroom unit is an index based on the number of pupils in average daily attendance. It represents all of the costs that may be considered as clustering about the classroom. This includes the salary

1. Detailed discussion of this technique is given in Mort, Paul R., *State Support for Public Schools*. Bureau of Publications, Teachers College, Columbia University, 1926.