LEGISLATIVE COUNCIL

REPORT TO THE

COLORADO GENERAL ASSEMBLY

LEGAL PUBLICATION

OF

LOCAL GOVERNMENT FISCAL AFFAIRS

RESEARCH PUBLICATION NO. 22

December 1957

L E G I S L A T I V E C O U N C I L

OF THE

C O L O R A D O G E N E R A L A S S E M B L Y

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The Legislative Council, which is composed of five Senators, six Representatives, and the presiding officers of the two houses, serves as a continuing research agency for the legislature through the maintenance of a trained staff. Between sessions, research activities are concentrated on the study of relatively broad problems formally proposed by legislators, and the publication and distribution of factual reports to aid in their solution.

During the sessions, the emphasis is on supplying legislators, on individual request, with personal memoranda, providing them with information needed to handle their own legislative problems. Reports and memoranda both give pertinent data in the form of facts, figures, arguments, and alternatives, without these involving definite recommendations for action. Fixing upon definite policies, however, is facilitated by the facts provided and the form in which they are presented.

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LETTER OF TRANSMITTAL

November 22, 1957

Senator Ray B. Danks
Colorado Legislative Council
Denver, Colorado

Dear Senator Danks:

Transmitted herewith is the report of the Legislative Council Committee on Legal Publication of Local Government Fiscal Affairs, appointed pursuant to the terms of House Joint Resolution No. 34 (1957). This report covers the studies of your committee on publication of local government fiscal affairs and related matters.

Senator Charles Porter, Representative Anne Thompson and myself comprised the membership of the committee, and were able assisted by Harry O. Lawson of the Council Staff.

Sincerely yours,

/s/ Albert J. Tomsic

Representative Albert J. Tomsic
Chairman
Committee on Legal Publication of
Local Government Fiscal Affairs

AJT:mbc

FOREWORD

This study was made under the provisions of House Joint Resolution No. 34, passed at the first session of the Forty-first General Assembly. H.J.R. 34 directed the Colorado Legislative Council, or a committee appointed by it, to make a study of the existing statutes requiring publication of fiscal affairs of local governmental units, with these basic purposes:

1. To determine the present need for legal publication of local government financial information

2. To determine the adequacy of the existing statutes on this subject

3. To determine possible legislative changes.

The resolution stated further that this study was needed because the statutes requiring publication of local government fiscal information had not been reviewed for some time to determine their need and adequacy, and because of the lack of uniformity in these laws, as they apply to the several kinds of political subdivisions (e.g. counties, municipalities, school districts, and special districts). The resolution also pointed out the need for an investigation of the types of publications which will best inform the people about the financial affairs of their local governments, and added that there is no relationship between these publication laws and the Local Government Budget Law and Public Audit Law.

This resolution was an outgrowth of House Bill No. 82, which was introduced during the first session of the Forty-first General Assembly, and which failed to pass. This bill, if passed, would have required that all political subdivisions publish their monthly proceedings, presenting an itemized account of each warrant issued, showing the amount paid, the purpose of the payment, and to whom the warrant was paid. Under existing statutes, counties and non-home rule cities with less than 10,000 population are the local governmental units required to make such publication. During the hearings on the bill, the principal support for it came from newspaper editors and publishers, both individually and through the Colorado Press Association of which the daily and weekly newspapers in the state are members. The principal opposition came from school and municipal officials, both as individuals and through their organizations: The Colorado Association of School Boards and The Colorado Municipal League.

Pursuant to the terms of the resolution, which allowed the Council to appoint a committee to make this study, the following Legislative Council committee was named: Chairman: Representative Albert J. Tomsic, Walsenburg; Senator Charles T. Porter, Lewis; and Representative Anne M. Thompson, Rocky Ford.

Harry O. Lawson, Senior Research Analyst on the Legislative Council staff, was assigned the primary responsibility for the staff work on the study.

During the course of the committee's study a public hearing was held at which time the committee listened to the viewpoints and recommendations of the various organizations directly concerned with the publication laws. Their viewpoints and recommendations are presented in detail in the body of the report.

Careful consideration has been given by the committee to:

1. extension to other governmental units or repeal of the monthly proceedings publication requirements;

2. format changes in this type of publication;

3. alternate types and methods of publication;

4. local determination in these matters;

5. the relationship of publication laws to internal fiscal controls.

In covering these points and related matters, the cost of such publications was considered and other state statutes were examined to determine if they contained any new ideas on this subject.

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THE PROBLEM DEFINED

INTRODUCTION

It is an underlying concept of democratic government that the citizen has the right to be informed on the operations of the various governmental units which serve him and to which he pays taxes. Such knowledge is basic to informed participation in governmental affairs and such informed participation is vital to the continuation of the democratic system.

As the demand for governmental services on all levels increases, resulting in an increase in the size and complexity of governmental units, the average citizen becomes further removed from direct contact with both elected representatives and appointed officials. This expansion in size and scope of governmental activity has not been confined to the national and state levels. Municipalities, counties, school districts, and the myriad of special districts are all providing more services and are spending more money than ever before. Because of these developments, reporting on governmental activities to the public takes on added significance.

House Joint Resolution No. 34 (1957) directed the Legislative Council to consider one important aspect of the reporting of governmental activities; that of informing the public concerning the fiscal affairs of the governmental units closest to them -- counties, municipalities, school districts and special districts. How well do Colorado statutes provide for performing this function at present and what improvements might be made?

In a larger sense, however, the problem of financial reporting is related to the various controls placed over the financial transactions of these political subdivisions. In other words, there should not only be a public accounting, but this accounting should be based on procedures designed to exercise proper controls over the spending of funds in the public purse. Then, too, the matter of state policy should be considered. How much control should the state exercise through statutory authority over the accounting and reporting of funds of its political subdivisions and how much discretionary authority should be left to the local officials and citizens?

By law, Colorado's local units of government report financial matters to the public through publication in two ways; by publishing monthly proceedings which itemize each voucher issued, showing to whom it was issued, how much and for what purpose, and by publishing semi-annual and annual financial statements. These provisions are not uniform, however, in their application to all political subdivisions. Only counties and non-home rule municipalities with less than 10,000 population are required to publish monthly proceedings with no such provision applying to school districts or special districts. Counties publish monthly proceedings under the provisions of 36-2-11 (1) CRS 1953, as amended, and non-home rule cities and towns with less than 10,000 population under the provisions of 139-38-4 and 5 CRS 1953. Special districts are also not required to publish semi-annual or annual financial statements, although counties, non-home rule municipalities of less than 10,000 population, and school districts are. If such publications are

necessary to provide the public with financial information, is there any justification for not having them apply uniformly to all local governmental units?

There is also no relationship between these publication laws and the Local Government Budget and Audit Laws. For example, there is no requirement that the budget be published or that the annual financial statement reflect the results of the annual audit. These two measures were designed to set up effective controls over local governmental financial transactions, therefore should they be tied into the kinds of publication authorized by law to provide the public with information on local government fiscal affairs?

In addition to consideration of the best publication methods to be provided by statute for informing the public about local governmental fiscal affairs, the cost of such publications must be taken into account. It is the taxpayer who pays the bill for the information he receives through required legal publication. The cost should not exceed the value to be gained and for that reason it may not be feasible to consider certain methods of presentation.

These problems and related matters which have been the concern of the Council committee responsible for this study are taken up in more detail in subsequent sections of this report.

HOUSE BILL NO. 82

House Bill No. 82 introduced during the first session of the Forty-first General Assembly (1957) was considered by its sponsors and supporters as one effective means of providing the public with information on the financial affairs of their local governments. This measure would have made it mandatory for all political subdivisions with one exception to publish the proceedings of their monthly meetings with an itemized account of each voucher issued, showing to whom it was issued, the amount, and the purpose as well as semi-annual and annual statements. The exception applied to any political subdivision with more than 300,000 population and would have granted such subdivision the option of publishing its monthly proceedings or preparing copies and distributing them to all news media and taxpayer groups in the political subdivision which requested them as well as posting a copy on the bulletin board of its principal office. This exemption would have applied to political subdivisions such as: the City and County of Denver and the Denver School District.

House Bill No. 82 was based on the premise that publication of monthly and semi-annual and annual statements is essential to provide the public with necessary local government fiscal information, and its passage would have provided uniformity as far as these publication requirements are concerned, because it would have made them applicable to virtually every political subdivision in the state.

Opposition to this measure was based on these contentions:

1. publication of monthly proceedings are meaningless to the average citizen;

2. such publication is too costly;

3. local units should have the right of self determination in this matter and not be straight-jacketed by a state law.

Those in support of this measure considered the opposition's position simply as an attempt on the part of public officials to withhold information from the public. They asserted that the cost would be small, and they would support local self-determination only if publication of monthly proceedings were first made mandatory, with political subdivisions then having the opportunity to vote against such publication. The opponents of H.B. 82 felt that the publication of monthly proceedings should not be mandatory, but that the citizens in each local government unit should be able to vote to have such publication made if they so desired.

House Bill No. 82 was the only piece of legislation on this subject introduced during the first session of the Forty-first General Assembly. Generally the same arguments, pro and con, were presented at the public hearing held by the Legislative Council committee in initiating its study under the provisions of House Joint Resolution No. 34, even though the study was not limited to merely a consideration of the advantages or disadvantages of H.B. 82 or similar legislation.

OPINIONS AND RECOMMENDATIONS OF INTERESTED GROUPS

On July 31, 1957, the Legislative Council Committee on Legal Publication of Local Government Fiscal Affairs held a meeting, at which the following organizations and agencies were represented:

The Colorado Press Association
The County Commissioners' Association
The Colorado Municipal League
The Colorado Association of School Boards
The Colorado Association of School Administrators
The Bureau of State and Community Service, University of Colorado.

The purpose of this meeting was to get the opinions and recommendations of these organizations with respect to all facets of legal publication of local government fiscal affairs, including publication of monthly proceedings as authorized at present by law and as expanded by House Bill No. 82.

Colorado Press Association

Clyde Moffitt, publisher of the Fort Collins Coloradoan, and Chairman of the Colorado Press Association's Legislative Committee, made the presentation for his organization. Mr. Moffitt said that the Colorado Press Association believes that every political subdivision which has the right to levy taxes also has the corresponding duty to report to the taxpayers on its expenditures. This reporting should be made through the monthly publication of the bills paid and through periodic summary statements, such as the semi-annual and annual financial statements. He added that the public has a right to know about these expenditures, and that this information should be presented in a convenient form. It is an old principle that the democratic form of government is based on the theory that the people can be informed and, thus, make intelligent choices. Arrangements for mandatory legal publication began in this country in colonial times, when it was recognized that the best way to reach the people was through publication.

The problems of government are becoming increasingly complex, Mr. Moffitt said, and all units of government are spending a greater share of the total national income than they ever did in the past. These units are becoming more numerous and are having a greater influence on the people. He cited as an example the change in school districts from very small districts, very close to the people, to large, consolidated districts, some of which are county-wide in area.

The proposal that all units of government publish a monthly compilation of financial transactions is not new, untried, or revolutionary; it is being done at present in the same or similar form in many other states.

The Colorado Press Association agrees that it is possible to work out better and more informative types of publication than a monthly itemized listing of warrants, and the association is prepared to support any legislation which has this effect. Minimum standards, however, must first be set by statute, which was the purpose behind House Bill No. 82. The Press Association is of the opinion that the method of publication as contained in House Bill No. 82 is the most effective way of informing the people at a reasonable price and that they will read such publication intelligently and will be able to interpret such information.

County Commissioners Association

The county commissioners were represented by the following commissioners: Carl B. Bryan, Pueblo; High L. Caldwell, Rio Blanco; Steve Christensen, Morgan; M. P. Cloonan, Jackson; Vernon C. McAllister, Rio Grande; and K. D. McBurney, El Paso.

The county commissioners objected to the present law which requires them to publish their monthly proceedings for these reasons:

1. Such publication has resulted in a newspaper subsidy at the expense of local taxpayers.

2. It is discriminatory to require the counties to make such publication when school districts, special districts, and some municipalities are not so required.

3. Publication of monthly proceedings is too expensive to warrant its continuance.

4. There is considerable doubt that this type of publication really informs the people or that there is much interest in it.

The county commissioners recommended that if the present statutes authorizing publication of monthly proceedings are not repealed then they should be extended to all other political subdivisions. They also requested, if such publication is continued, that the law be revised so that items of less than $50 might be lumped together rather than itemized, and a standardized form of publication be developed.

Other recommendations from the commissioners included:

1. A change in the law which would allow each county to determine whether to publish monthly proceedings or merely to post a copy of the proceedings in the court house;

2. a review of publication laws in light of the local government budget law and audit law which were passed several years ago.

Colorado Municipal League

John Sayre, General Counsel, was the spokesman for the Municipal League. He said that the League felt that some kind of publication was helpful and needed.

Most cities and towns have attempted to inform their citizens as to their expenditures. Those cities and towns under 10,000 population which are not home-rule cities have to make publication of monthly statements, but even the larger cities and the home-rule cities have taken steps to inform the public. Such information is provided through annual reports or monthly statements prepared in some other fashion and distributed with the water bills or available upon request from the city hall.

There is no formal Municipal League policy on H.B. 82, Mr. Sayre said, because at the League's 1957 annual conference it was decided that this was not a matter for action by municipal officials but, rather, is an issue for citizens to take a stand on. The Municipal League does have some ideas on the subject, however, and Mr. Sayre presented these to the committee.

1. No law passed at the state level could be designed to apply equally to all municipalities or even subdivisions, because these subdivisions have different problems, and the municipalities are divided into several classes and categories.

2. If the public has to pay for such publication, then the public should also have the right to decide what it wants. There is a strong need for local option, so that citizens in each community or political subdivision can decide for themselves what kind of publication they want.

In connection with this point, Mr. Sayre mentioned that citizens have the right to initiate ordinances and to recall officials if they do not get what they want from their municipal leaders.

3. More emphasis should be placed on requiring special districts to account for their finances. These districts are growing in size and scope of operations, and very little is known about how they spend their money.

With respect to the need for local option, Mr. Sayre pointed out that the local press certainly has a big influence in the community and can present its case to the citizens and marshall public opinion behind legal publication. The press can assist local citizens in bringing this need to the attention of the local officials and through council action or initiation of an ordinance, there is no reason why such publication cannot become part of municipal law.

Colorado Association of School Boards

John Coffelt, Executive Director of the Colorado Association of School Boards, told the committee that his organization had three recommendations regarding legal publication of local fiscal affairs. First, that the exisiting policy established by law should be continued, i.e. the accessibility of records to all citizens. Mr. Coffelt added that H.B. 82 would have changed this concept of accessibility of records to one of responsibility on the part of the local governing body for bringing the information to the people instead of having them come after it if they want it. Second, that, if the committee determines that local government authorities have the responsibility of taking the information to the people, the legislation passed should be broad enough for providing flexibility in how it is to be done. Third, if the committee feels that a medium and the method are to be prescribed specifically, then the legislature should conduct an exhaustive study to determine which medium is preferred and which form be best.

Mr. Coffelt said that the school board members, being lay people themselves, represent the people and have an understanding of what the people want in the way of financial information. He told the committee that during the recent series of eleven regional C.A.S.B. meetings, the discussion of legal publication was on the agenda, with a member of the Press Association speaking, along with several school officials, at each one of the meetings. He said that at the conclusion of these meetings, it was the almost unanimous decision of the C.A.S.B. executive committee members to oppose the principles of H.B. 82. He said that the school board officials agree that the people have the right to know, but they feel also that they have the responsibility to get the information if it is made available for them.

Colorado Association of School Administrators

Mr. A. A. Brown, Secretary-Treasurer of the Colorado Association of School Administrators, said that his group opposed the kind of legislation typified by H.B. 82, first, because they think such legislation is unnecessary since the public, including the press, has access to board meetings, and they are all encouraged to come; second, because the schools now publish semi-annual and annual financial statements which give the public an indication of what their schools are doing, and people can contact the school board if they want additional information. Third, because the budget hearings are open to the public, and in many instances, the school boards publish their budgets. Fourth, the C.A.S.A. feels that this is just another added expense which is unnecessary and unjustifiable.

Mr. Brown added that the information published would be misleading in that it does not tell the whole story but just part of the story, and he felt that "take home" salary comparisons are likely to be misunderstood and to lead to poor morale among employees. The school people are not afraid of having the facts published, but they feel that this is not the way to get the job done.

Summary of Public Hearing

It is significant to note that most of the discussion and the recommendations presented to the committee at the July 31 meeting centered around publication of monthly proceedings as provided for in House Bill No. 82, even though the committee under direction of House Joint Resolution No. 34 had announced its intention to consider all aspects of legal publication of local fiscal affairs in its study. While there was agreement that other types of publication might be more informative, none of the participating organizations presented any specific recommendations as to how such publications might be designed or what information they should contain. Mention was made of a need for relating publication laws to the local government budget and audit laws, but no examples were given the committee as to how this might be done. Although local determination of whether to publish monthly proceedings was advocated by some present, no plan was brought forward which outlined how local option might be accomplished.

However, this meeting was valuable not only from the standpoint of giving interested groups an opportunity to be heard, but it also resulted in several problems relating to legal publication of local finances being brought into focus, even though no solutions were readily discernable.

II

COST OF PUBLICATION

One of the major considerations involved in the publication of local government financial information is the cost of such publication. The high cost of publication has been cited as a reason why monthly proceedings should not be published. On the other hand, the Colorado Press Association has stated that the cost of such publication was nominal.

As a result of this conflict in view, the committee directed the staff to make a study of what, at the present time, the cost is to counties and non-home rule municipalities of publishing both their monthly proceedings and semi-annual and annual statements. Questionnaires were sent to the sixty-two counties and to seventy of the municipalities now required to publish this information.[1/]

In this questionnaire, the counties and municipalities were requested to supply the following information:

1. Annual cost of publishing monthly proceedings in 1956
2. Annual cost of publishing annual and semi-annual statements in 1956
3. The rate paid for each of these publications[2/]
4. The number of newspapers publishing this information, and the rate paid to each, if more than one.

In response to the questionnaire, usable information was provided by fifty-four counties and forty-two municipalities. This data for 1956 is shown in Tables I and II and includes estimated population; annual cost of publishing monthly proceedings; the average monthly cost for such publication; and annual per capita cost. These tables also show the annual and per capita cost of semi-annual and annual financial statements.

1/ As a charter city and county, Denver is exempt from the statutes providing for such publication.

2/ The rate for legal publication is set by statute (109-1-7, CRS, 1953) and is as follows: 13 cents per line one column wide, with second insertion to be at 9 cents per line. However, the statute provides that "any contract providing for payment of such notice at a lesser sum than is provided in this section should be valid."

T A B L E I

PUBLICATION COSTS, 1956, COLORADO COUNTIES [1]

County	Population [2]	Monthly Proceedings: Annual Cost	Monthly Proceedings: Average Monthly Cost	Monthly Proceedings: Annual per Capita Cost	Semi Annual and Annual Statements: Annual Cost	Semi Annual and Annual Statements: Per Capita Cost
Arapahoe	95,000	$1,080.00	$ 90.00	$ .011	$ 35.00	$ .0003
Archuleta	3,000	336.00	28.00	.112	43.00	.014
Baca	7,800	997.00	83.08	.128	218.00	.028
Bent	8,800	700.00	58.33	.079	137.00	.015
Boulder	60,000	1,436.00	119.67	.024	82.00	.001
Chaffee	7,200	577.00	48.08	.080	183.00	.025
Clear Creek	3,400	471.00	39.25	.139	112.00	.033
Costilla	6,000	2,987.00	248.92	.498	175.00	.029
Crowley	5,100	417.00	34.75	.082	33.00	.006
Custer	1,500	1,208.00	100.65	.805	408.00	.272
Delta	18,100	653.00	54.42	.036	24.00	.001
Douglas	4,100	388.00	32.33	.095	78.00	.019
Eagle	4,700	610.00	50.83	.130	318.00	.068
Elbert	4,300	310.00	25.83	.072	85.00	.020
El Paso	118,000	2,408.00	200.67	.020	686.00	.006
Garfield	12,500	488.00	40.67	.039	399.00	.031
Gilpin	850	238.00	19.83	.280	126.00	.148
Grand	4,100	256.00	21.33	.062	30.00	.007
Gunnison	5,800	1,055.00	87.92	.182	253.00	.044
Hinsdale	275	DID NOT PUBLISH EITHER REPORT				
Huerfano	9,800	780.00	65.00	.080	37.00	.004
Jackson	2,100	180.00	15.00	.086	98.00	.047
Jefferson	105,000	1,758.00	146.50	.167	212.00	.020
Kiowa	2,800	623.00	51.92	.312	163.00	.058
Kit Carson	8,300	1,950.00	162.50	.235	2,080.00	.251
La Plata	20,300	648.00	54.00	.032	106.00	.052
Larimer	49,500	1,646.00	137.17	.033	92.00	.002
Las Animas	24,300	748.00	70.67	.035	43.00	.002
Lincoln	5,600	2,306.00	192.17	.411	246.00	.044
Logan	21,100	899.00	74.92	.043	[3]	[3]
Mesa	53,500	1,249.00	104.33	.023	101.00	.002
Mineral	550	DID NOT PUBLISH EITHER REPORT				
Moffat	6,300	1,231.00	102.58	.200	190.00	.030
Montezuma	12,200	649.00	54.08	.054	220.00	.018
Montrose	16,400	559.00	46.58	.034	174.00	.012
Morgan	22,200	1,153.00	96.03	.052	44.00	.002
Otero	25,800	1,243.00	103.58	.048	229.00	.009
Ouray	2,100	961.00	80.08	.458	123.00	.059
Park	1,800	595.00	49.58	.330	132.00	.073
Phillips	4,800	378.00	31.50	.079	58.00	.012
Pitkin	2,300	340.00	28.33	.148	273.00	.119
Powers	14,300	782.00	65.17	.053	[3]	[3]
Pueblo	116,000	1,470.00	122.50	.013	[3]	[3]
Rio Grande	12,900	445.00	37.08	.034	265.00	.021
Routt	8,900	836.00	69.67	.094	175.00	.020
Saguache	5,200	985.00	82.08	.205	206.00	.040
San Juan	1,300	500.00	41.66	.385	115.00	.088
San Miguel	2,900	210.00	17.50	.072	32.00	.011
Sedgwick	4,900	545.00	45.42	.111	110.00	.022
Summit	1,200	722.00	60.17	.602	146.00	.122
Teller	2,800	484.00	40.33	.173	101.00	.036
Washington	7,300	983.00	81.92	.135	44.00	.006
Weld	75,500	494.00	41.17	.007	[3]	[3]
Yuma	10,500	1,096.00	91.33	.104	349.00	.033

[1] Based on information supplied by 54 County Clerks in response to a Legislative Council questionnaire.

[2] Estimates as of July 1, 1957 by the State Planning Division.

[3] Information not provided.

TABLE II

PUBLICATION COSTS, 1956, /1

Colorado Cities and Towns /2

City/Town	Pop-Ulation	Monthly Proceedings /3 Annual Cost	Average Monthly Cost	Annual Per Capita Cost	Semi-Annual & Annual Statements /3 Annual Cost	Per Capita Cost
Akron	1,600	$162.00	$13.50	$.101	/5	/5
Antonito	1,300	DID NOT PUBLISH EITHER REPORT				
Arvada	8,000	492.00	41.00	.061	/5	/5
Aspen	700	137.00	11.42	.200	$ 5.00	$.007
Ault	900	109.00	9.08	.121	/6	/6
Breckenridge	296 /4	125.00	10.42	.042	/6	/6
Brush	3,000	300.00	25.00	.100	/6	/6
Buena Vista	783 /4	388.00	32.33	.496	/6	/6
Burlington	2,200	196.00	16.33	.089	/6	/6
Center	1,800	DID NOT PUBLISH EITHER REPORT				
Cheyenne Wells	1,000	100.00	8.33	.100	/5	/5
Commerce Town	1,900	177.00	14.75	.094	/5	/5
Dolores	129 /4	89.00	7.42	.122	/6	/6
Dove Creek	1,025	77.00	6.42	.075	/5	/5
Eaton	1,200	97.00	8.08	.081	18.00	.015
Edgewater	3,000	218.00	18.77	.073	/6	/6
Fairplay	476	69.00	5.75	.145	/6	/6
Florence	3,500	85.00	7.08	.024	12.00	.003
Fort Lupton	2,000	DID NOT PUBLISH EITHER REPORT				
Golden	7,700	230.00	19.18	.030	45.00	
Granby	463	89.00	7.42	.192	/5	/5
Gunnison	3,000	580.00	48.33	.193	260.00	.087
Holyoke	1,800	144.00	12.00	.080	16.00	.009
Julesburg	1,950	162.00	13.50	.083	16.00	.008
Kremmling	625	151.00	12.58	.241	/5	/5
La Jara	900	113.00	9.41	.126	/5	/5
La Junta	8,000	191.00	15.92	.024	58.00	.024
Lafayette	2,500	160.00	13.33	.064	29.00	.011
Lamar	8,000	507.00	42.25	.073	/6	/6
Limon	1,800	156.00	13.00	.104	13.00	.008
Littleton	5,000	497.00	41.42	.099	41.00	.008
Loveland	9,000	538.00	44.83	.060	48.00	.005
Lyons	750	136.00	11.33	.181	/6	/6
Manitou Springs	2,580 /4	300.00	25.00	.116	/5	/5
Meeker	1,658	DIDN'T RESPOND				
Olathe	860	85.00	7.08	.099	/5	/5
Ouray	1,089	DIDN'T RESPOND				
Ovid	700	53.00	4.42	.076	6.00	.009
Pagosa Springs	1,376	192.00	16.00	.140	39.00	.028
Rangely	1,200	188.00	15.67	.157	/6	/6
Rockvale	380	53.00	4.42	.139	/5	/5
Rocky Ford	4,500	550.00	45.83	.122	/5	/5
Salida	5,000	262.00	21.83	.052	/5	/5
Steamboat Spgs.	2,100	333.00	27.75	.159	/5	/5
Walden	696 /4	70.00	5.83	.101	68.00	.098
Walsenburg	5,596 /4	182.00	15.17	.033	/6	/6
Westcliff	390 /4	DID NOT PUBLISH EITHER REPORT				
Yampa	421	/6	/6	/6	19.00	.045
Yuma	2,000	216.00	18.00	.108	32.00	.016

/1 Based on information supplied by municipal officials in response to a Legislative Council questionnaire.

/2 Non home rule municipalities with less than 10,000 population

/3 Estimates as of July 1, 1956 as reported by Colorado Municipal League unless otherwise noted.

/4 1950 Census

/5 Information not provided

/6 Did Not Publish

Total and Per Capita Costs

As can be seen from the summary information presented in Table III, it cost the 52 counties which reported publishing monthly proceedings in 1956 a total of slightly more than $46,000 or an average of $890.[1] Translated to per capita expenditures, the mean or average was almost $.15 and the median[2] slightly more than $.09. Actually the median is more representative of the average cost per person for these publications in 1956 because the average is unduly weighted by the eight counties which spent between $.30 and $.80 per capita for publishing monthly proceedings.

It is estimated that it cost a total of $59,000 for all counties (Denver excluded) to publish monthly proceedings in 1956. This estimate was made by multiplying the estimated population of the counties which did not report by the median per capita cost of those which did. While only an estimate, it provides an approximation of the total sum involved in county publication of monthly proceedings. The cost to counties of publishing annual and semi-annual statements is also shown in Table III with this information provided by 50 counties. The mean per capita cost of these publications was slightly more than $.04 and the median $.02. In other words, in the median county it cost each citizen almost $.12 to have his county publish both monthly proceedings and semi-annual and annual statements in 1956.

TABLE III

Summary of Colorado County Publication Costs, 1956[3]

Monthly Proceedings	
Total annual cost (52 counties)	$46,166.00
Total annual cost (62 counties)	59,000.00[4]
Mean[5] annual cost (52 counties)	890.00
Mean[5] monthly cost (52 counties)	75.44
Mean[5] annual per capita cost (52 counties)	.149
Median[2] annual per capita cost (52 counties)	.094
High annual per capita cost (52 counties)	.805
Low annual per capita cost (52 counties)	.007
Semi-Annual and Annual Statements	
Total annual cost (50 counties)	$ 9,840.00
Mean[5] annual cost (50 counties)	196.80
Mean[5] annual per capita cost (50 counties)	.042
Median[2] annual per capita cost (50 counties)	.021
High annual per capita cost (50 counties)	.272
Low annual per capita cost (50 counties)	.001

1. Hinsdale and Mineral county monthly proceedings not published; posted in Court House.
2. One-half the counties above and one-half below this figure.
3. Supplied by county clerks on Legislative questionnaire.
4. Estimated.
5. Average.

It cost residents of the 42 municipalities which reported, slightly more than $.11 to have monthly proceedings published in 1956 and from $.01 to $.02 for semi-annual and annual statements. This information is shown in Table IV. It cost a person living in an average city or town publishing this information less than $.30 for both county and municipal publication.

TABLE IV

Summary of Colorado Municipality Publication Costs, 1956[1]

Monthly Proceedings

Total annual cost (42 cities and towns)	$ 8,959.00
Mean[2] annual cost (42 cities and towns)	213.31
Mean[2] monthly cost (42 cities and towns)	14.65
Mean[2] annual per capita cost (42 cities and towns)	.115
Median[3] annual per capita cost (42 cities and towns)	.104
High annual per capita cost (42 cities and towns)	.496
Low annual per capita cost (42 cities and towns)	.024

Semi-annual and Annual Statements

Total annual cost (17 cities and towns)	$ 715.00
Mean[2] annual cost (17 cities and towns)	42.06
Mean[2] annual per capita cost (17 cities and towns)	.022
Median[3] annual per capita cost (17 cities and towns)	.009
High annual per capita cost (17 cities and towns)	.098
Low annual per capita cost (17 cities and towns)	.003

Tables V and VI show the distribution of counties and municipalities according to the per capita cost of publishing monthly proceedings in 1956. While it cost eight counties more than $.30 per capita, a third of the counties reporting spent less than $.06 per capita for this purpose in 1956. Only one city spent more than $.30 with the major portion of the municipalities falling in the $.06 to $.12 per capita categories.

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1. Supplied by municipal officials in response to Legislative Council questionnaire.
2. Average.
3. One-half the cities and towns above and one-half below this figure.

TABLE V

County Distribution of Per Capita Costs

for Publishing of Monthly Proceedings, 1956

Cost	Number of Counties	Cost	Number of Counties
$.00 - $.03	6	$.18 - $.21	2
.03 - .06	12	.21 - .24	1
.06 - .09	9	.24 - .27	0
.09 - .12	5	.27 - .30	1
.12 - .15	5	More than .30	8
.15 - .18	3	Total	52

TABLE VI

Municipal Distribution of Per Capita Costs

for Publishing of Monthly Proceedings, 1956

Cost	Number of Cities	Cost	Number of Cities
$.00 - $.03	2	$.18 - $.21	4
.03 - .06	4	.21 - .24	0
.06 - .09	11	.24 - .27	1
.09 - .12	12	.27 - .30	0
.12 - .15	5	More than .30	1
.15 - .18	2	Total	42

Rates Paid for Publication

Fourteen counties or almost 29% of the 49 counties reporting on this item pay less than the legal rate for publication of monthly proceedings. The rates paid by these 14 counties ranged from $.06 per line to $.12 per line. Six of these 14 counties paid this lower rate to more than one newspaper, with the result that the total per line cost to these six counties was equal to or higher than $.13 per line to one newspaper.

Five counties reported paying $.13 a line to more than one newspaper and three of these counties were among the top 10 in per capita expenditures. Only three cities and towns of the 38 reporting on this item indicated that they paid less than the legal rate for publication. None of the 38 have their proceedings published in more than one paper.

In general, the rate paid for these publications have little bearing on the per capita cost to a county or municipality. Two other factors are far more important in their effect on per capita costs: the population of the county or municipality and the number of vouchers issued. The lesser the population of a municipality or county, the greater the per capita cost in most instances, regardless of the rate paid for publication. Naturally, the more vouchers issued, the greater the cost of publication. Central purchasing, or one phone and one utility bill rather than several are examples why one county would issue fewer warrants

than another, although they both might spend the same amount of money.

Possible Cost of Publishing School Board Monthly Proceedings

Several newspapers are now publishing monthly proceedings of their school districts either paid for by the school board as is the case in Louisville, Colorado; or gratis as a public service by the newspaper in an attempt to rally public support for this type of publication, which is the situation in Grand Junction, Fort Collins, and Monte Vista. From an examination of three of these publications (Grand Junction, Louisville, and Monte Vista) a rough estimate was made of the approximate annual cost of publication to these school districts. As of 1956-57, the Grand Junction consolidated school district had an enrollment of 9937 pupils, Monte Vista Consolidated school district an enrollment of 1260, and Louisville an enrollment of 400. The approximate annual cost for Grand Junction would be $600, $240 for Monte Vista, and $170 for Louisville. Based on the estimated population of each one of these districts, the approximate annual per capita cost for Grand Junction would be less than $.02, for Monte Vista $.03 and Louisville $.07.

Although these are only three examples of possible cost to schools, they represent three distinctly different size school districts as to the number of pupils and provide a rough indication of what it might cost districts of a similar size to make such publication.

Summary

A careful analysis of the cost data shown above, reveals that cost is not as much of a factor in determining whether monthly proceedings should be published as the opponents of such publication have indicated. It is unlikely that it would cost more than $.50 per capita per year to publish monthly proceedings and semi-annual and annual statements for the county, municipality, school district, and one or two special districts, if a person happened to be residing within such a combination of political subdivisions.

On the other hand, low cost is justification for making these publications only if they do the job they were designed for -- providing the public with complete and intelligible information concerning local government financial affairs.

III

PUBLICATION PRACTICES IN OTHER STATES

The publication laws and practices of twenty-four selected states were examined to see if they contain any provisions or different methods of publication which might be of interest to the committee in making its study.[1] Except in a few instances, these laws offer little which would be of help in Colorado.

In general, the publication laws in other states lack uniformity in that they do not apply equally to all types of political subdivisions. Publication of monthly proceedings and semi-annual and/or annual financial statements are the forms of legal financial reporting most prevalent in the states surveyed. Several states require publication of budgets, and a few provide for limited forms of local determination in the publication of fiscal affairs.

Publication requirements for counties are more numerous and extensive than for other local units of government. Provisions applying to municipalities and school districts follow in that order with very little legislation in the states studied pertaining to special districts.

A reason for this pattern is suggested (and is supported to a large extent by comments on publication laws received from the Legislative Councils in some of the states surveyed). Many of these states passed requirements for publication of local government fiscal affairs at a time when these states were much more rural in character than they are now, and the counties were much more important relatively as local governmental units both as to functions performed and the amount of expenditures.

The lack of legislation providing publication requirements for schools and special districts are to a certain extent also a consequence of the age of the publication laws dealing with local government finances. Schools at the time many of these laws were passed did not spend as much money, proportionately, as they do now, and special districts were neither as numerous nor as comprehensive in scope and functions as they are now. While most of the states surveyed having provisions relating to counties, have extended such legislation to at least some categories of municipalities and a few to schools, special districts have been for the most part ignored.

Except for a few of the states surveyed, there has been a lack of interest in revising publication laws since World War II. In the few states where the statutes have been changed, the Press Association was usually one of the major, if not the main motivating force. In addition to the few states which have revised their publication laws in the past few years, several have increased maximum legal rates.

As mentioned above, monthly proceedings and semi-annual and annual statements are the forms of publication of local governmental finances most in use in the states studied, just as they are in Colorado. Fourteen of the twenty-four states require

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1. These states were selected on the basis of similarity to Colorado in local government organization and control. Time did not permit the inclusion of all states, but as definite trends in publication emerged from this sample, it was decided that it was quite unlikely that any other publication patterns would develop if the other 23 states were included.

that at least one type of political subdivision publish both monthly proceedings and semi-annual and/or annual financial statements. Five other states require only that financial statements be published by at least one category of subdivision, and only two states surveyed require the publication of monthly proceedings only.

Of the fourteen states providing for publication of monthly proceedings and semi-annual and/or annual financial statements, only five require both these types of publications for counties, municipalities, and school districts. One state provides for publication of monthly proceedings for counties, municipalities, and schools, but requires financial statements only of counties and municipalities. Two states require counties and municipalities to publish both monthly proceedings and financial statements, while one state which requires publication of monthly proceedings by counties and municipalities, also includes school districts in the publication of semi-annual and/or of annual financial statements.

Four states provide for the publication of monthly proceedings by counties only. Of these four, one requires that semi-annual and/or annual financial statements be published by counties, municipalities, and schools, and three have this requirement for counties and municipalities. One state requires that counties and schools publish monthly proceedings, but only that counties publish semi-annual and/or annual financial statements, while one state requires the publication of both monthly proceedings and semi-annual and/or annual financial statements of schools.

Publication of Budget

While many of the states have a requirement similar to Colorado's, i.e. that notification of budget hearing and the availability of the budget for examination must be published a specified number of days before the hearing, several states require that the budget be published. In most of the states which have this requirement, the publication form used is a summary of the proposed budget, showing the request for the coming year by category, as well as actual plus estimated expenditures for the present year (if not completed), and actual expenditures for the previous year. The same breakdown is presented for revenues.

Eight states have this requirement for counties and also for municipalities, except that one state (Virginia) exempts charter cities from complying with the statute if the charter contains a provision for some sort of budget publication. Only four states require that school districts publish budgets, and just one state (Kansas) provides for such publication by all special districts.

Local Option Provision

Four states provide for some form of local self-determination relative to publication of financial information. However, in all four of these states, the right of self-determination is given to the governing body of the political subdivision, rather than to the voters.

Illinois statutes provide that counties can decide not to publish monthly proceedings if the commissioners determine that the expense of such publication would be excessive. In Utah, first and second-class cities (30,000 population and over) may publish proceedings in pamphlet form for distribution instead of newspaper publication.

In Arizona, cities and towns may publish monthly proceedings or an abstract of the same, at the discretion of the municipal governing body. According to the Arizona Legislative Council, no municipalities are known to make either publication at present. In New Mexico, county, municipal, and school district governing bodies have the option of determining whether or not to publish monthly proceedings. In any event, a summary of the monthly proceedings of each of these subdivisions must be filed with the local newspaper for its use as it sees fit. None of these local units is now making such publication, according to the New Mexico Legislative Finance Committee, and the requirement that a summary be filed with the local newspaper is generally ignored.

Special Publication Rates

Two states provide that the publication of monthly proceedings shall be at less than legal rate. In Nebraska, counties, municipalities, and school districts publish their proceedings at one-half the legal rate, and sanitary, improvement, drainage, and weed eradication districts at one-third of the legal rate.

Iowa statutes provide that municipalities publish statements at three-fourths of the legal rate; counties and schools at one-half. However, Iowa allows an increased legal rate for the publication of tabular material. The rate reduction allowed for publication of monthly proceedings is applied to this increased rate and results in a rate per line higher than the standard legal rate for non-tabular material.

Other Provisions of Interest

Several states tie in the publication of the annual statement with the annual audits, so that a summary of the annual audit is published, rather than a financial statement by the local government's treasurer. In Arizona, the annual statement is published in connection with the budget, with the result that the publication becomes a combined financial statement for the year past and the budget for the coming year. California counties are required to reproduce copies of the budget and announce their availability in the publication of notice of budget hearing.

IV

POSSIBLE PUBLICATION PROGRAMS FOR COLORADO

Publication of Monthly Proceedings

Most of the interest in the publication of financial affairs of political subdivisions has revolved around the question of whether the publication of monthly proceedings should (1) be extended to other or all local government units; (2) apply only to counties and certain municipalities, as is required at present; or (3) not be required of any political subdivision. An example of this type of publication is shown in figure 1, page 18.

The committee is not al all certain that the so-called "to whom, how much, and what for" publications are the best way to inform the average citizen regarding the expenditure of funds by his local governments. On the other hand, the committee's cost study shows that such publication is not very expensive, while serving the purpose of providing a convenient and readily accessible public record of how a political subdivision is spending its money. Neither has the committee ascertained that there is any concerted citizen opposition to the expenditure of tax money for this purpose.

The committee has considered the possibility of changing the format to provide for itemization of vouchers by specific category under each fund. (For example, the enumeration of vouchers pertaining to office supplies, rent, etc, would be placed under the sub-heading "administrative expenses" in the County General Fund, with a total for the month shown in comparison with the amount of money budgeted for this classification.)

While this change might be more informative than the straight itemization of vouchers, this method of publication should be the end product of the record-keeping process, and not an additional clerical chore. This approach merits consideration only when and if all local government financial internal and post audit controls are examined and changed accordingly.

While the committee does not wholeheartedly endorse the publication of monthly proceedings as the best or most effective method of keeping the public informed, it recognizes that, under present circumstances, this method of publication provides one of the easiest, least expensive ways of reaching the public. (Another possibility for monthly publication is discussed below in the section on budgets.)

It would appear further that there should be a uniform state policy as to whether publication should be required of all political subdivisions (with some recommended exceptions). If it is agreed that such publication is of sufficient value to require it of some political subdivisions, then it should be extended to others. If it is agreed that such publication has no value, then no local government should be required to make such publication.

This is a policy question to be decided by the General Assembly. If it is agreed that such publication is of sufficient value, and should be extended to other local units of government, then the following recommendations are made:

1. Continued Exclusion of all Home-Rule Cities

Home-rule cities should continue to be excluded from this publication provision, in order to be consistent with the philosophy of local municipal self-government, as embodied in Article XX, Sections 1 through 6 of the state constitution.

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS PHILLIPS COUNTY, COLORADO

Holyoke, Colo. May 17, 1957

The Board met at 9:00 A. M. as a Board of Public Welfare with H. B. Radford Sr. Chairman, Arthur Schmidt, and W. J. Runge, Commissioners, Goldyn Warren, County Welfare Director and Cora E. McDorman County Clerk, present.

On motion the following recipients were allowed payment in the amount of $21,338.41 for Old Age Pension. The Breakdown is as follows: 219 A's-$19,416.07; 14 B's-$1203.50 and 8 C's-$718.84.

Board adjourned to meet at the call of the Chairman.

Holyoke, Colo. June 3, 1957

The Board met in regular session with all members of the Board and Clerk present. On motion the following claims were allowed.

COUNTY ROAD & BRIDGE FUND

Arthur Schmidt, Mileage and Expense	$ 28.00
Darvin Krueger, Wages	266.26
Don Karraker, Wages	250.04
Ray Leben, Wages	242.97
H. E. Arterburn, Wages	236.68
Keith Gaskill, Wages	242.97
Amherst Coop Lumber and Hardware, Rep.	12.61
Amherst Coop Oil Co., Supplies and Repairs	449.76
Highline Electric Assn., Lights	5.85
W. J. Runge, Mileage and Expense	15.84
Leonard Jung, Wages	266.26
Walter Jenkins Jr., Wages	215.89
Edwin Milner, Wages	231.11
John Baskins, Wages	231.37
Francis E. Fisher, Wages	262.26
Sinclair Refining Co., Supplies	132.10
Standard Oil Co., Supplies	24.52
Sagehorn Oil Co., Supplies	154.98
Holyoke Wrecking Yard, Repairs	11.00
Kans. Neb. Nat. Gas Co., Inc., Gas	10.81
Armco Drainage and Metal Products Inc., Supplies	754.38
Denver Oxygen Co., Oxygen	15.18
American Refining Co., Repairs	29.95
Wm. Dominick Co., Repairs	76.70
Safety Metals Co., Supplies	21.48
T. F. Kinch, Labor	9.77
Macdonald Equipment Co., Supplies	32.58
H. B. Radford Sr., Mileage and Exp.	61.12
Henry Brahmstadt, Wages	273.61
Robert B. Anderson, Wages	274.48
Frederick P. Secrist, Wages	274.48
W. C. Cheramy, Wages	252.54
Walker Lambert, Wages	207.72
Haxtun Telephone Co., Tolls	15.80
Haxtun Coop Oil Co., Supplies	168.54
Lees Carter Service, Repairs	2.00
Standard Oil Co., Supplies	257.94
Harvey Smith Blacksmith Shop, Repairs	2.50
Burton Auto Electric, Repairs	12.62
Smith Hardware, Repairs	27.71
Quick Charge Inc., Repairs	36.73
Safety Metals Co., Supplies	44.20
Continental Oil Co., Supplies	125.20
Foster Lumber Co., Repairs	8.50
Kans. Neb. Nat. Gas Co., Inc., Gas	11.46
Holyoke Implement Co., Repairs	533.86
George B. Garland, Ins.	20.12
Schmidt Motor Supply Inc., Repairs	60.00
Brooks Transfer, Freight on Repairs	2.00
M. and S. Blade and Supply Co., Repairs	356.08
McCoy Co., Repairs	621.31
Denver National Bank, Fed. wh	222.60
State Treasurer, State Tax	8.88
Cora E. McDorman, Co. Clerk, Ins.	47.57
Cora E. McDorman, Co. Clerk, Soc. Sec.	92.33
Lewis Getchell, Supplies	68.00
Chas. J. Holtzman, Labor	6.00
John Baldwin Chev. Co., Pick-up	1,379.00
Ahnstedt Truck Line, Supplies	34.14
Kings Upholstery Shop, Repairs	8.00
Phillips County Tele. Co., Tolls	4.50
O. K. Rubber Welders, Repairs	7.00

Board adjourned to meet as a Board of Public Welfare.

On motion the following claims were allowed.

PUBLIC WELFARE ADMINISTRATION

Goldyn Warren, Salary and Expenses	$328.13
Gladys Bjorklun, Salary and Expenses	252.60
Phyllis Jean Sheff, Wages	201.64
Denver National Bank, wh	91.40
Cora E. McDorman, Co. Clerk, Soc. Sec.	35.34
Cora E. McDorman, Co. Clerk, Ins.	8.22
State Treasurer, State Tax	3.66
Holyoke Enterprise, Supplies	4.89
Out West Printing and Stat. Co., Supplies	14.64
Phillips County Telephone Co., Tolls	36.76
Glen E. Stenson, Co. Treas. Dues	8.00
RECIPIENTS OF AID TO THE BLIND	233.50
RECIPIENTS OF AID TO DEPENDENT CHILDREN	1,609.30
RECIPIENTS OF AID TO NEEDY DISABLED	704.00
RECIPIENTS OF ASSISTANCE FOR CHILD CARE	53.00

GENERAL ASSISTANCE

Ada Carpenter, Kind	$ 25.00
F. M. Dille, M.D. Medical	14.67
Florence Crittenton Home, Medical	158.00
Gebhard Drug Store, Medicine	17.50
Nora's Grocery, Groceries	40.00
Alvina O'Connor, Kind	25.00
Phillips County Hospital, Hosp.	103.73
Standard Drug Store, Medicine	59.10
George Thornton, Back Brace	45.00
N. E. Colorado Memorial Hosp. Hosp.	379.00
J. Sayler, M.D., Physical	10.00

Board adjourned.

Holyoke, Colo. June 4, 1957

Board met in regular session with all members of the Board and Clerk present.

On motion the following claims were allowed:

COUNTY GENERAL FUND

F. B. Flanagan, Post Master, Supplies	$ 40.40
H. B. Radford Sr., Salary and Exp.	172.59
W. J. Runge, Salary and Expenses	154.61
Arthur Schmidt, Salary and Expenses	160.75
Cora E. McDorman, Co. Clerk, Clerk to Board, Postage and Supplies	55.79
Marguerite Brown, Salary	179.74
Janet L. Railsback, Salary	35.81
State Association of Co. Clerks, Dues	20.00
Pauline Watson, Salary	202.29
B. A. Stephenson, Salary and Postage	294.96
Lois Lipker, Salary	170.17
Earlean F. Jung, Salary and Postage	277.70
Martha Mathews, Salary	22.73
Leon Kepler, Salary	263.99
George A. Barker, Salary	204.70
Sherman E. Walrod, Salary and Expense	28.39
Fred H. Blackett, Salary	36.66
William J. Walsh, Salary	32.56
A. R. Church, J. P. Fees	13.50
Walter Owens, J. P. Fees	5.00
Fred Kropp, Salary and Exp.	376.49
Elmer B. Hansen, Salary and Supplies	215.91
F. A. Hethcote, Salary	44.76
Arthur Brandt, Salary	183.94
Robert H. Wardlaw, Salary and Expense	85.19
Marjorie H. Evans, Salary	183.85
Marion Krueger, Salary and Expense	167.97
C. F. Hoeckel Blank Book and Litho Co.,	320.38
M. V. Book, Supplies	
Schmidt Motor Supply, Inc., Repairs	3.50
Equitable Life Assurance Society of the U. S., Ins. Prem. for June	257.96
Kans. Neb. Nat. Gas Co., Inc. Gas	97.48
Colorado Information, Sub. and Service	100.00
Town of Holyoke, Lights, Power and Sewer	50.54
Haxtun Harvest, Comm. Proc. Supplies, Ad	68.80
Holyoke Drug Co., Supplies	3.01
Zeller and Son, Repairs	22.30
Phillips County Telephone Co., Dues and Tolls	93.25
Holyoke Cafe, Meals	1.95
Mel Collier Radio and Television, Repairs	51.64
The Holyoke Enterprise, Proceedings and Supplies	84.58
State Board of Land Commissioners, Equities, Certificates and Entries	1.25
Holyoke Furniture Co., Lawn Mower	346.49
Out West Printing and Stationery Co., Supplies	186.25
G. B. Garland Agency, Ins.	194.40
G. B. Garland Agency, Ins. on Jail	24.65
Denver National Bank, Fed wh	261.69
State Treasurer, State Tax	10.50
Cora E. McDorman, Co. Clerk, Ins.	84.04
Cora E. McDorman, Co. Clerk, Soc. Sec.	270.99

HOSPITAL FUND

Phillips County Hospital, May Expenses	$4,528.02

PUBLIC WORKS FUND

Town of Holyoke, Materials	$142.70
Holyoke Lumber and Supply Co., Supplies	84.71
John H. Lorance, Labor	14.00
John W. Lorance, Labor	211.38
Highline Electric Assn., Poles	265.44
Donald G. Hill, Labor	20.00
Charles H. Hulse, Labor	24.44
Richard Tracey, Labor	45.00
Gary C. Vyrotesk, Labor	20.00
Lewis Getchell, Gravel	56.00
Foster Lumber Co., Supplies	169.19
Albert H. Barber, Labor	9.00
Dale Kohrell, Labor	19.00
Ed Krueger, Labor	45.00
Wilbur E. Davis, Labor	15.00
Darrell Harvey, Labor	20.00
Schmidt Motor Supply Inc., Labor	.75
T. F. Kinch, Labor	147.60
Winkler Manufacturing Co., Inc., New Grandstand	7,607.39
Holyoke Implement Co., Supplies	14.09
W. L. Sagehorn, Labor	441.30
Lloyd Smith, Labor	148.09
Gaylen L. Hayes, Labor	18.50

Board adjourned.

(SEAL)

Cora E. McDorman, County Clerk
Phillips County,
Holyoke, Colorado.

FIGURE 1.

Colorado now has seventeen home-rule cities, with four more in the process of drawing up a charter. These cities range in size from Wray with 2200 population to the City and County of Denver.[1] The citizens of these communities having provided for home rule, should also provide for the kind of financial reporting they desire.

2. Exclusion of Political Subdivisions Which Spend Only a Small Amount of Money Annually

Consideration should be given to exempting municipalities, school districts, and special districts which spend only small sums of money from the requirement of publishing itemized monthly proceedings, providing they are required to make some type of annual and/or semi-annual financial statement.

The maximum amount of expenditure which should be allowed before publication is required, might be somewhere between $5,000 and $10,000.

As an example, the State Department of Education reports that in 1956-57, there were 183 one-teacher school districts in Colorado, with an average expenditure of $4,909 , with 114 of these one-teacher districts spending less than $5,000. There were also 52 two-teacher school districts, with an average expenditure less than $10,000. . These 235 districts constituted approximately 34% of the 689 school districts in operation during 1956-57. Since the bulk of the expenditures of these districts was for teachers' salaries, the committee questions whether publication of monthly proceedings would be at all necessary.

3. Salaries Should Be Listed Only Once Annually

The present statute should be amended to provide that the salaries of local government officials be published only once, at the beginning of the annual payroll period.

Such publication would meet the need for public information regarding salaries and would be more meaningful to the general public than monthly enumeration showing only the net take-home pay, which depends on tax exemptions and other deductions from the base salary.

4. Lower Legal Rates For Such Publication

While the cost study has shown that the present cost of monthly proceedings' publication is not excessive, and is not working a financial hardship on the local units of government required to publish, such publication might work a hardship on small political subdivisions with limited budgets, if these subdivisions are not exempt from publication because of the small amount of money spent, as recommended in (2) above.

If consideration is given to reducing the legal rate in hardship cases, it should be reduced for all political subdivisions so required to publish, in order to provide uniformity and avoid discrimination. Publications of this sort are much more in the public interest than other legal notices, and, therefore, might be

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1. The seventeen home-rule cities include: Alamosa, Boulder, Canon City, Colorado Springs, Cortez, Craig, Delta, Denver, Durango, Fort Morgan, Grand Junction, Montrose, Monte Vista, Pueblo, Sterling, Wray and Fort Collins. The four cities in the process of drawing up home-rule charters are: Englewood, Greeley, Lafayette and Westminster.

deserving of a special rate. The relationship of legal advertising rates to display and classified advertising rates should be taken into consideration in any evaluation of whether legal rates should be reduced. While a rate reduction might not work a hardship for smaller newspapers, especially weeklies, many larger dailied might be unable to meet costs at a rate lower than $.13 per line.

Local Option

The matter of local option or granting political subdivisions the authority to determine for themselves whether or not they wish to publish monthly proceedings or any other type of financial report is again an overall policy question for determination by the general assembly.

The various problems involved in local option and the pros and cons are set forth for the General Assembly's information.

The only provisions for local self-government are those for municipalities (home-rule) as spelled out in Article XX of the state constitution. Other political subdivisions derive their authority for the most part from state statutes. Included in these statutes are provisions for financial control and for various types of required legal publication. In relation to these other statutes, it does not appear inconsistent for the General Assembly to set the requirements for publication of local government fiscal information. On the other hand, the determination as to whether or not such publication should be made could be left up to the political subdivision if the General Assembly determines that there is enough variation in local conditions and circumstances to make the imposition of a uniform law unequitable in its application.

The right of self-determination with respect to legal publication of financial information could be granted by statute either to the governing body or to the citizens of the political subdivision. A survey of publication practices in other states, disclosed that the few examples of local option gave the power of choice to the governing body It has been reported to the Legislative Council that in most instances where this has been done, the local officials generally have chosen not to publish; in one state, they have even failed to comply with a provision that a summary of the proceedings be filed with the local newspaper if publication is not made. This raises the question as to whether the public can depend upon the governing officials to carry out their wishes, assuming the public's wishes are ascertainable.

It would be advisable, however, if publication be made a local option matter, a procedure should be specified by which the citizens of the local unit can compel action on the part of the local officials.

Another method of granting local option would be to leave the decision up to the citizens themselves instead of the local officials. If this were done, some sort of initiative provisions should be included, spelling out the procedure by which the citizens of a political subdivision could call for a vote of the electorate to determine whether or not publication should be made and in what form.

There is one more item to be considered with respect to local option: Whether publication should be required for a specific period of time (e.g., one year) before an election on the question can be initiated, in order to have a basis for the decision whether or not publication should be continued.

Those who oppose local option provisions feel that it is unlikely that people will take steps to require that publication be made. They assert that this would be the case, especially, if the local governing body is opposed to such publication. If there must be any local option provision at all, they prefer that publication be made mandatory for a specific period of time, with the people then given the opportunity to take steps to reject publication, if they so desire.

The supporters of a local option provision counter that the local newspaper has an extensive effect upon public opinion and should be able to convince the people of the merit of publication, if their argument has any justification at all.

It is not inconsistent with other local government controls to allow local self-determination as to these publications, if the General Assembly decides that this is a decision which is better left at the local level. In general, the committee feels that to require publication of subdivisions' fiscal affairs is as much state policy as it is to set up financial controls for these local units, with the exception of home-rule cities.

Semi-Annual and Annual Financial Statements

The cost survey shows that semi-annual and annual statements are the least expensive and perhaps one of the most informative of the various types of financial publication. An example of annual financial statement publication is shown in figure 2, page 22. It is suggested that all political subdivisions, with the exception of home-rule cities, be required to make such publication, unless a provision for local option is adopted.

The quality of the annual financial statement might be improved if the local government audit law were amended to provide that a summary of the local audit be published either in place of the annual financial statement or in addition to the annual financial statement. Such a change would tie in one aspect of financial reporting with the accounting controls over public funds. If this were done, the audit law would also have to be amended to include special districts among those political subdivisions which are required to have an annual audit.

Sections 110-1-2 and 110-1-3, CRS 1953, now limit the requirement for annual audit to counties, non-home-rule municipalities, and school districts which spend in excess of $10,000 annually. A review of this provision should be made to determine if all local units, regardless of amount of expenditures, should be audited annually, especially if (1) a summary of the audit is published in place of the annual financial statements, and (2) political subdivisions, spending less than this amount, are exempt from publication of monthly proceedings.

If publication of the audit summary is considered desirable, a uniform format for publication would be desirable for each class of political subdivision, if not for all of them in the aggregate. A possible agency to undertake this responsibility would be the office of the State Auditor. Under the provisions of 110-1-6, CRS 1953, each local unit governing body is required to file a copy of its audit within thirty days of receipt of same from the person making the audit. Under the same statute, the State Auditor has the responsibility for inspecting the audit, to ascertain whether the requirements of the audit law have been complied with.

ANNUAL FINANCIAL STATEMENT
Of School District Number 25 of Lincoln County, Colorado
For the School Year July 1, 1956 to June 30, 1957

CASH ON HAND AS OF JULY 1, 1956
Special Fund $2,778.53
Total Cash on Hand, All Funds **$2,778.53**

RECEIPTS
Special Fund 2,137.79
Total Receipts, All Funds .. **2,137.79**
TOTAL CASH AVAILABLE DURING CURRENT YEAR 4,916.32

PAYMENTS—WARRANTS AND DEDUCTIONS
Special Fund 2,661.10
Total Payments of Current Items **2,661.10**

TOTAL DEDUCTIONS AND WARRANTS PAID DURING THE YEAR 2,661.10

CASH ON HAND AS OF JUNE 30, 1957
Special Fund 2,255.22
TOTAL CASH ON HAND, ALL FUNDS 2,255.22

July 13, 1957
TONY WURDINGER
Secretary
Published in PLAINSMAN 7-18-57

ANNUAL FINANCIAL STATEMENT
Of Valley School District Number 37 of Lincoln County, Colo.
For the School Year July 1, 1956 to June 30, 1957

CASH ON HAND AS OF JULY 1, 1956
Special Fund $2,092.15
Total Cash on Hand, All Funds **2,092.15**

RECEIPTS
Special Fund 6,317.72
Total Receipts, All Funds .. **6,317.72**
TOTAL CASH AVAILABLE DURING CURRENT YEAR 8,409.87

PAYMENTS—WARRANTS AND DEDUCTIONS
Special Fund 6,045.13

Total Payments of Current Items **6,045.13**

WARRANTS ISSUED IN PREVIOUS YEARS—PAID IN FULL
Special Fund 72.59
Total Payments of Warrants Issued in Previous Years **72.59**
TOTAL DEDUCTIONS AND WARRANTS PAID DURING THE YEAR 6,117.72

TOTAL CASH ON HAND, ALL FUNDS, JUNE 30, 1957 ..... 2,292.15
Warrants Outstanding July 1, 1957
Special Fund 93.69

July 15, 1957
CALVIN HIXSON,
Secretary
Published in PLAINSMAN 7-18-57

ANNUAL FINANCIAL STATEMENT
Of Fairview School District No. 19 of Lincoln County, Colo.
For the School Year July 1, 1956 to June 30, 1957

CASH ON HAND AS OF JULY 1, 1957
Special Fund ..... $ 348.66
Total Cash on Hand, All Funds **348.66**

RECEIPTS
Special Fund 3,182.37
Total Receipts, All Funds .. **3,182.37**
TOTAL CASH AVAILABLE DURING CURRENT YEAR 3,531.03

PAYMENTS—WARRANTS AND DEDUCTIONS
Special Fund 1,047.90
Total Payments of Current Items **1,047.90**

TOTAL DEDUCTIONS AND WARRANTS PAID DURING THE YEAR 1,047.90

TOTAL CASH ON HAND, ALL FUNDS, JUNE 30, 1957 ..... 2,483.13

July 1, 1957
HELEN J. McKNIGHT
Secretary
Published in PLAINSMAN 7-18-57

ANNUAL FINANCIAL STATEMENT
Of Arickaree School District No. 10 of Lincoln County, Colo.
For the School Year July 1, 1956 to June 30, 1957

CASH ON HAND AS OF JULY 1, 1956
Special Fund $3,313.93
Total Cash on Hand, All Funds **3,313.93**

RECEIPTS
Special Fund 12,032.98
Total Receipts, All Funds .. **12,032.98**
TOTAL CASH AVAILABLE DURING CURRENT YEAR 15,346.91

PAYMENTS—WARRANTS AND DEDUCTIONS
Special Fund 7,543.00
Total Payments of Current Items **7,543.00**

WARRANTS ISSUED IN PREVIOUS YEARS—PAID THIS YEAR
Special Fund 331.05
Total Payments of Warrants Issued in Previous Year .. **331.05**
TOTAL DEDUCTIONS AND WARRANTS PAID DURING THE YEAR $7,874.05

TOTAL CASH ON HAND, ALL FUNDS, JUNE 30, 1957 ..... 7,372.86

Warrants Outstanding July 1, 1957
Special Fund 388.82

July 15, 1957
ED EIDEM
Secretary
Published in PLAINSMAN 7-18-57

ANNUAL FINANCIAL STATEMENT
Of Boyero School District No. 8 of Lincoln County, Colo.
For the School Year July 1, 1956 to June 30, 1957

CASH ON HAND AS OF JULY 1, 1956
Special Fund $11,157.66
Total Cash on Hand, All Funds **11,157.66**

RECEIPTS
Special Fund 9,171.59
Total Receipts, All Funds .. **9,171.59**
TOTAL CASH AVAILABLE DURING CURRENT YEAR 20,328.64

PAYMENTS—WARRANTS DEDUCTIONS
Special Fund 12,211.22
Total Payments of Current Items **12,211.22**

WARRANTS ISSUED IN PREVIOUS YEARS—PAID THIS YEAR
Special Fund 53.32
Total Payments of Warrants Issued in Previous Years .. **53.32**
TOTAL DEDUCTIONS AND WARRANTS PAID DURING THE YEAR 12,264.54

TOTAL CASH ON HAND, ALL FUNDS, JUNE 30, 1957 ..... 8,064.10
Warrants Outstanding July 1, 1957
Special Fund 57.90

July 15, 1957
WILLIAM A. CULLEN
Secretary
Published in PLAINSMAN 7-18-57

FIGURE 2.

Publication of Budgets

One-third of the states whose publication laws the committee surveyed require that political subdivisions publish their proposed annual budget prior to the budget hearing. There would be considerable merit to adopting a similar proposal in Colorado, depending upon the publication format used.

Publication of the budget might be one way to create greater interest on the part of the public in local governmental affairs and provide an opportunity for examination prior to the budget hearing, so that interested citizens can determine whether or not they have questions which should be answered at the hearing before the final budget is adopted.

The format used in most of the states with a budget publication provision requires that a meaningful summary be shown, by funds and distinct categories, with an itemization of both revenues and expenditures. The format used in Kansas is shown in figure 3, page 24. These budget publications cover a three-year period: The coming year, showing estimated revenues and expenditures; the current year, showing actual and estimated revenues and expenditures if the year has not been completed; and the previous year, showing actual revenues and expenditures.

Most of these states makes a state agency responsible not only for preparing the forms for the full budget, but also for the summary which is to be published. For example, in Kansas, this task is the responsibility of the Department of Post-Audits.

In order to provide for such publication in Colorado, several sections of the Local Government Budget Law would have to be changed. At present, the budget law requires only that a notice of budget hearing be published, stating the time of the hearing and that a copy of the budget has been filed in the local unit's office and is available for public inspection. To provide for publication of the proposed budget, along with notice of the hearing, this section (88-1-9, CRS 1953) would have to be amended.

If the format mentioned above is the one which should be used, not only for publication, but also for the budget itself (and in the committee's judgment it is the best format), then 88-1-4, CRS 1953, would have to be amended, so that the proposed budget form could be written into the statutes.

It may also be desirable that the state agency with which a certified copy of the budget is required to be filed, have the responsibility for designing the format for publication. Under the provisions of 88-1-17, CRS 1953, this agency is the State Tax Commission. Whether or not this is the proper agency for this function should be a subject of any further study dealing with all aspects of local government financial control.

While publication of local government budgets would be an effective means of providing the public with financial information, the question of whether such publication should be made in the place of, or in addition to, the publication of monthly proceedings is again a matter of general policy toward publication by political subdivisions which should be decided by the General Assembly as a whole, and the purpose here is to call attention to such a possibility.

FIGURE 3.

STATE OF KANSAS
Budget Form No. 5A

(For Cities of the Third Class)

CITY OF....., KANSAS

NOTICE OF BUDGET HEARING

PUBLIC NOTICE is hereby given, in compliance with the provisions of G. S. 1949, 79-2929, that the governing body will meet on the_____day of_____, 1957, at_____o'clock, _____M., at_____ for the purpose of hearing objections and answering questions of taxpayers relating to the following budget and the proposed tax levy, and considering amendments relating thereto.

_____*Clerk.* _____*Mayor.*

PROPOSED TAX LEVIES BY FUNDS

FUNDS	1957 Tax Requirements	Less: June 1957 Residue Sales Tax	Net 1957 Ad valorem Tax Requirements	Add____% for Delinquent Taxes	Total 1957 Ad valorem Tax Requirements
General Operating					
Library					
Municipal Band					
Noxious Weed					
Bond and Interest		XXXXXXXXX			
Total All Funds					

COMPARISON OF INDEBTEDNESS, VALUATIONS, TAX LEVIES AND TOTAL EXPENDITURES

Indebtedness:	Jan. 1, 1955	Jan. 1, 1956	Jan. 1, 1957
Bonds Outstanding	$	$	$
No-Fund Warrants Outstanding			
All Other Indebtedness			
Total	$	$	$

Tangible Valuation	1955 $		1956 $		1957 $	
	Year 1956		Year 1957		Year 1958	
FUNDS	Tax Levy	Expenditures	Tax Levy	Expenditures	Tax Levy	Expenditures
General Operating						
Library						
Municipal Band						
Noxious Weed						
Bond and Interest						
.....Utility	XXX		XXX		XXX	
.....Utility	XXX		XXX		XXX	
.....Utility	XXX		XXX		XXX	
Total						

GENERAL OPERATING FUND	Preceding Year, 1956	Current Year, 1957	Proposed Budget, 1958
Expenditures:			
General Government			
Salaries			
Office Expense and Printing			
Building Expense and Rent			
Equipment and Equipment Expense			
Election Expense			
Miscellaneous			
Total General Government			
Highway Department			
Salaries			
Materials and Supplies			
Equipment			
Transfer to Machinery Fund			XXXXXXXXXXX

If the local governmental unit budgets are published, it might be possible to design a new type of monthly publication which could replace the publication of monthly proceedings. The format for such publication would be very similar to that for the budget publication and would be, in effect, a monthly summary of expenditure according to budget categories and a monthly summary of revenues according to source. Before such publication were put into effect, however, it would be necessary to examine the entire internal financial procedures of local governments, and also to determine if this presentation would be more effective in informing the public than the "to whom, how much, and for what" type of publication.

Special Districts

The study has shown that there is a complete lack of financial publication requirements for special districts. At present, these political subdivisions are not required to publish either monthly proceedings or semi-annual and annual financial statements. Whatever type of publication requirements are adopted by the General Assembly, they should be extended to include special districts.

According to the preliminary report of the U. S. Bureau of the Census, 1957 Census of Governments, Colorado has 425 special districts--an increase of 128, or 43%, since 1952. These districts perform a multitude of functions. There are police and fire protection districts, recreation districts, conservation districts, and irrigation districts, just to give a few examples. These districts spend a considerable amount of the taxpayers' money without being required to make a public accounting, and the trend is toward the creation of even more kinds of special districts to provide specific services not available through existing political subdivisions.

Conclusion

In making its findings and evaluation alternative methods of publishing local governmental fiscal affairs, the committee found it difficult to make definite recommendations when these publications are considered aside from the internal and post-audit controls over local government finances, of which reporting to the public is only a part. Because of the limitations of the study, as set by the provisions of H.J.R. 34, the committee has confined itself to the publication laws, except in those instances where some of the financial control statutes have a direct bearing upon publication (e.g., the relationship between the audit law and publication of annual financial statements, and between the budget law and possible budget publication).

From its experience with this study, the committee feels that there is a need for a review of all financial controls, as they apply to political subdivisions, of which financial reporting is a part, and that an evaluation of financial reporting would be more meaningful within such a context.

Within the scope of this study, however, the committee has enumerated some of the factors involved in publication of local government financial matters and outlined some possible approaches for Colorado, with an evaluation of their good and bad points, for consideration by the General Assembly.