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LEGISLATIVE COUNCIL

REPORT TO THE

COLORADO GENERAL ASSEMBLY

PUBLIC SCHOOLS

FINANCE

DISTRICT ORGANIZATION

HIGHER EDUCATION

PART I

RESEARCH PUBLICATION NO. 17

1955

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OF THE
COLORADO GENERAL ASSEMBLY

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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 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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Research Publication No. 17

1955

LEGISLATIVE COUNCIL
THIS IS PART I OF RESEARCH PUBLICATION NO. 17,
THE PROGRESS REPORT OF THE LEGISLATIVE COUNCIL
COMMITTEE ON EDUCATION.

PART II CONSISTS OF THE MAJOR RESEARCH STUDIES
COMPLETED BY THE SUBCOMMITTEES ON PUBLIC
SCHOOL FINANCE AND SCHOOL DISTRICT ORGANIZATION.
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PART I

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Research Publication No. 17

1955

LETTER OF TRANSMITTAL

November 23, 1955

The Honorable Palmer L. Burch, Chairman
Colorado Legislative Council
Denver, Colorado

Dear Representative Burch:

Transmitted herewith is the First Progress Report of the
Legislative Council Committee on Education, appointed pursuant
to the terms of House Joint Resolutions 8 and 14 (1955).

This report covers the studies of your committees into
school finance for primary schools, secondary schools, and
institutions of higher learning, and the organization, consoli-
dation, and reorganization of school districts.

Sincerely yours,

/s/ Donald G. Brotzman, Chairman
Committee on Education

* * * * *

The major findings and recommendations included in
this report were presented to the Legislative Council
at a special meeting held on November 23, 1955.

LEGISLATIVE COUNCIL COMMITTEE ON EDUCATION
Appointed pursuant to the terms of HJR 8 and 14 (1955).

Donald G. Brotzman, Chairman*
Palmer L. Burch, Vice-Chairman*

Senators

Frank L. Gill
Walter W. Johnson
James W. Mowbray
Ernest Weinland
George Wilson

Representatives

Robert E. Allen
W. K. Burchfield
Charles R. Conklin
David A. Hamil
Byron L. Johnson
John G. Mackie
C. Gales Sellens
Raymond H. Simpson
Rena Mary Taylor

Subcommittee on School Finance

Ernest Weinland, Chairman
Frank L. Gill
Robert E. Allen
W.K. Burchfield
David A. Hamil
Byron L. Johnson
Rena Mary Taylor

Subcommittee on Reorganization & Recodification

C. Gale Sellens, Chairman
Charles R. Conklin
Raymond H. Simpson

Subcommittee on Higher Education

John G. Mackie, Chairman
Walter W. Johnson
James W. Mowbray
George Wilson

* Members of all three subcommittees.

This committee was appointed by the Legislative Council at its regular quarterly meeting on April 22, 1955.

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I

THE RECOMMENDATIONS

Following are listed the recommendations of the Committee on Education, as presented to the Legislative Council on November 23, 1955.

School Finance

1. Amend the School Finance Act (Ch. 123-6-1 through 123-6-24, C.R.S. 1953) to provide for the following:

- a. Change the calculations of classroom units from Aggregate Daily Attendance to Average Daily Attendance (A.D.A. divided by 172).
- b. Study the use of "current attendance" in calculating classroom units of each school district.
- c. Integrate the Special Education program into the School Finance Act. Permit each district to have one classroom unit for (approximately) ten handicapped children in A.D.A.
- d. Change the pupil-teacher ratio to 1-20 for the first classroom unit and to 1 - 25 thereafter, calculating to the major fraction of one-tenth of a unit. Authorize the State Board of Education to allow one full classroom unit to necessary small schools with less than 20 A.D.A., and to permit up to three extra teachers in districts with less than 300 A.D.A., with the State Department of Education to review the necessity therefor.
- e. Eliminate the sparsity factor.
- f. Eliminate the "district qualifying levy" and increase the "county qualifying levy" to 11 1/2 mills. In those counties in which the levy of 11 1/2 mills will produce a sum greater than the sum of the aggregate classroom unit values within the county, permit the Board of County Commissioners to reduce the County Public School Fund levy accordingly (with the additional provision that a district may request the County Commissioners to make the county levy).
- g. Raise the classroom unit values to \$5,200 for a Graduate certificate and to \$4,500 for a non-graduate certificate.

In the event that the state appropriation shall not be sufficient to support this foundation, the amount appropriated should be prorated to the participating school districts.

- h. Change the "minimum salary" provision in the School Finance Act so as to guarantee ^{each teacher} not less than 65 per cent (65%) of the classroom unit value, ~~for teachers' salaries.~~

2. Amend Chapter 36-3-2 C.R.S. 1953, to require districts to reduce their respective district special levies, so that the amount of revenue received therefrom is reduced by the amount of money anticipated to be realized as a result of any increase of the County Public School Fund levy.

3. Consider the establishment of a transportation fund, with possible authorization to the State Board of Education to develop a formula to distribute this fund to school districts that will permit the gathering of data necessary for incorporating the transportation program into the School Finance Act at some future time.

4. Consider the feasibility of amending Chapter 35-7-17 C.R.S. 1953, so as to permit the County Treasurer in each county, upon notification by the County Commissioners, to place on the tax rolls improvements which have been completed after the legal date of assessment, and upon which no assessment has been made by the assessor.

5. Provide funds for a study to determine whether or not assessments in Colorado are equitable. At the same time, consider imposing a "small transfer" tax to permit the gathering of data for such study.

School District Organization and Recodification

1. Increased state aid must mean increased state concern of good school district organization.
2. Existing school laws do not adequately provide for new or continued school district organization.
3. The office of County Superintendent of Schools should be provided by statute rather than by the constitution. This would make it possible for the General Assembly to review the functions of this office in a reorganized county.

4. Along with any school district legislation which is enacted, there should be a thorough public relations program on the part of the Department of Education. The State Department must be financed and staffed in such a way as to assist the people of the state in their understanding of district organization in all of its ramifications as outlined by statute.
5. Consideration should be given to a "bond leveling" provision, to enable the sharing of liabilities along with the assets of newly organized districts. A limitation should be placed on the indebtedness to be assumed by the new district, i.e. only that which was incurred during the five years immediately prior to the organization.
6. A newly formed school district should be a unified district, offering grades one through twelve.
7. The Governor should be requested to include in his call the problems of school district organization and recodification of school laws for consideration by the Second Session of the 40th General Assembly.
8. Any proposed law to meet the problems of school district organization should include the following general provisions:
 - a. That a county committee be provided to evolve a plan of school district organization.
 - b. That all other methods of organizing school districts be repealed.
 - c. That any plan for organization receive approval of the State Commissioner of Education.
 - d. That a majority favorable vote in the proposed new district shall be required for acceptance by the people.
 - e. That "director districts" shall be established on the basis of population as near as practicable (bearing in mind the existing attendance areas at the time of reorganization); directors to be voted on by the entire district. The committee may be given flexibility in prescribing the number of director districts, varying in number between five and seven.
 - f. That there should be no expiration date in the law.
 - g. That the formation of new districts, all existing district lines be disregarded: i.e., joint districts, union high school districts, etc. Any territory included in a new district, which was formerly a part of a union or county high school district, shall cease to be a part of said former district.

Higher Education

The Subcommittee on Higher Education has initiated its study dealing with the financing of tax-supported schools of higher education, including the junior colleges. Although a number of preliminary conclusions have been reached, major gaps still remain in the information which is needed for full evaluation in this subject area. This has led to the conclusion that additional time needs to be devoted to research. The Committee on Education has approved the continuation of this subcommittee's study, and it will make a report of its findings to the Forty-First General Assembly.

At its meeting on November 8, 1955, the Committee on
Education approved unanimously the following motion:

"We feel that the problems included in our area
of study are of sufficient importance to be
included in the Governor's call for legislation
to the Second Regular Session of the Fortieth
General Assembly."

At a Special Meeting of the Legislative Council on November 23, 1955, the following motion was unanimously adopted:

"The Legislative Council officially advises the Governor that sufficient facts have been developed by the Committee (on Education), appointed pursuant to HJR 8 and 14, passed by the First Regular Session of the 40th General Assembly, to warrant inclusion in the call for legislation for the Second Regular session of the 40th General Assembly, amending the Public School Finance Act and related matters, and school district organization, if the Governor so desires."

II

THE PROBLEM

The financing of public schools in Colorado is one of the state's major problems. For example, during the past decade, expenditures for public elementary and secondary schools have risen from \$25 million to over \$107 million, an increase of more than 315 percent. Estimates prepared by the State Board of Education indicate that by 1959-60, the total cost of these schools may exceed \$160 million.

This increase can be attributed primarily to four factors. These are:

1. Increasing school enrollments, due to high birth rates and the in-migration of people to Colorado;
2. Increasing costs of new school buildings, replacements, and repairs;
3. Expanded educational programs and services;
4. Increased costs of materials, supplies, and teachers' salaries.

The rapid rise in the cost of public education has stimulated a strong demand for increased state support. The legislature has responded to this demand by increasing the appropriation from the General Fund for the support of schools to \$14,000,000¹ in 1955-56, as compared with approximately \$2,250,000 a decade ago; but this five-fold increase is not deemed sufficient by a number of educational observers. However, the matter of added state support has raised two major issues:

1. What should be the "level" of state support?
2. What is the most effective manner in which to distribute state aid so that an equitable apportionment may be had, which is consistent with the Constitutional directive calling for "the establishment and maintenance of a thorough and uniform system of free public schools throughout the state?"

1. Does not include special education, vocational education, institutions of higher learning, etc.

The Fortieth General Assembly, recognizing these and other current educational problems, adopted House Joint Resolutions No. 8 and 14, which directed the Legislative Council to appoint a permanent committee for the express purpose of making long-range studies of:

1. The state's role in financing public schools and institutions of higher learning. This would provide the General Assembly, for the FIRST time, with an OVERALL understanding of the financial requirements in the field of EDUCATION, elementary through college. To date these matters have been handled financially as separate subjects, even though they concern the same functional area; and
2. the revision and codification of school laws relating to school district organization, consolidation, and reorganization.

The committee was directed to make a first report of its studies and its specific recommendations to the 1956 session of the General Assembly.

Pursuant to these resolutions, the Legislative Council named sixteen legislators to a Committee on Education. At its initial meeting in May, 1955, this committee created the following three subcommittees; Public School Finance; Higher Education; and School District Organization and Recodification. (See page ii for membership of the committee and its subcommittee.)

These three subcommittees were charged with the responsibility of initiating a continuing study in their respective areas and reporting their progress to the full Committee on Education in November, 1955. This report constitutes the conclusions and recommendations of the three subcommittees, as presented in their First Partial Reports, and as accepted by the full Committee on Education.

The Committee and the Legislative Council wish to express their appreciation to the State Board of Education and the Commissioner of Education for making the services of Mr. John J. Coffelt available for this study. Mr. Coffelt has carried the major research responsibility for the subcommittees on Public School Finance and School District Organization and has made an invaluable contribution to this study.

III

REPORT OF THE SUBCOMMITTEE ON SCHOOL FINANCE¹

PROCEDURE

Following its creation in May, 1955, the Subcommittee on School Finance, in order to broaden its perspective, held several open hearings to which were invited individuals and representatives of organizations and agencies interested in public school finance. Among the organizations represented at these hearings were: Colorado Association of School Boards; Colorado Congress of Parents and Teachers; Colorado Federation of Teachers; Colorado Education Association; Colorado Public Expenditures Council; and the Colorado Citizens' Council for the Public Schools. Dr. H. Grant Vest, was invited to attend each meeting of the subcommittee. The Colorado Tax Commission, upon request, appeared before the subcommittee and explained how it intended to conduct the assessment studies in connection with Senate Bill 321, enacted in 1955.

Although there was a divergence of opinion expressed as to the specific basic changes needed in Colorado's Public School Finance Act, there was general agreement that the state must not only recognize the need for, but also attempt to define, the state's responsibility in the support of public school education. The testimony and recommendations of these groups were given careful consideration by the subcommittee.

After a careful study of all aspects of the problem, the subcommittee agreed that the primary objective should be the enactment of a new School Finance Act which would be more equitable, more realistic, and, if possible, less complicated than the existing Act.

¹ As approved by the full Committee at a meeting on November 8, 1955, and by the Legislative Council on November 23, 1955.

The subcommittee found that certain features of the present School Finance Act rewarded inefficiencies and penalized efficiencies, particularly in matters pertaining to school district organization. In this respect, it was evident that there must be close coordination and cooperation between this subcommittee and the Subcommittee on School District Organization and Recodification.

The committee expressed dissatisfaction with the results obtained from the existing method whereby local ability to support public education is measured by assessed valuation. Recent independent research in this matter indicates that there are wide inter-county and intra-county variances in the ratio of assessed valuation of taxable real property as related to the market value thereof. However, the subcommittee agreed to postpone the matter of developing an alternate method (e.g. an economic index) for measuring local ability, at least until the Colorado Tax Commission completed its assessment studies under the provisions of Chapter 256 of the 1955 Session Laws. The Commission, on November 7, reported to the State Board of Education "... that the State Board of Equalization did not determine that the appraised valuation of all taxable property for assessment purposes differed from the assessable valuation of the taxable property in any county of the state in 1955." This subcommittee has not yet had an opportunity to evaluate this finding.

Working Principles

The subcommittee accepted as its guiding principle the constitutional provision that the General Assembly shall "... provide for the establishment and maintenance of a thorough and uniform system of free public schools throughout the state, wherein all residents of the state, between the ages of six and twenty-one years, may be educated gratuitously..." In addition,

it concurred that the state can best accomplish this responsibility through a sound plan for financing public education.

As one of the first steps, the subcommittee developed a set of basic principles of school finance for guidance in its studies and evaluations. In developing these principles, the members thoroughly reviewed the considerable store of evidence which had been accumulated over a period of years and which is based upon carefully evaluated experience. The principles accepted as essential for the achievement of a satisfactory state plan of school finance are:

1. The law should provide for a state-local partnership in the financing of a realistic foundation program.
2. The law should encourage the development and exercise of local leadership and responsibility for education.
3. The law should insure that all taxpayers in the state provide their fair share of the cost of public education.
4. The law should seek to secure optimum educational returns from all expenditures.
5. The law should be as simple, equitable, and as administratively sound as possible.
6. The law should encourage the development of school districts and attendance areas large enough to facilitate the operation of complete, economical, and efficient schools.

Research Studies

The subcommittee, in order to proceed from a common level of understanding, devoted considerable time to the study of the existing Public School Finance Act. In this regard, the research staff was directed to prepare a detailed study on the mechanics and operation of the statutory provisions now in effect, and the products of this effort are presented in detail as Topic I in Part II of this study.

In evaluating the present Public School Finance Act by applying the above six basic principles to the provisions thereof, further research was deemed to be necessary. The staff was directed to compile data on the following:

Variations in local district ability to support public education.

Variations among school districts in per-pupil expenditures.

Pupil-teacher ratios.

Actual classroom unit expenditures.

Relationship between assessed valuation and various other measures of economic ability.

Long-range costs of public education in Colorado.

Formulating the Recommendations

Analysis and evaluation of the data presented in the material compiled by the research staff led to the formulation of several conclusions with respect to "gaps" in the existing Public School Finance Act. Various proposals were considered for correcting these weaknesses, and the research staff prepared district-by-district studies which showed the effect of incorporating these proposed changes in the statutes.

Upon the basis of these studies the subcommittee then formulated its recommendations on school finance. These data appear in detail in Part II of the study but are referred to in a summary manner in the specific recommendations which are enumerated on the following pages.

FINDINGS AND RECOMMENDATIONS

It appears to the Subcommittee on Public School Finance that most of the difficulty and confusion concerning Colorado's School Finance Act stems from the failure to differentiate between this Act as a means of distributing a fixed amount of revenue and a bona fide foundation program. While the Act has some characteristics of both types of programs, it is fundamentally a distribution plan. The studies of the Subcommittee on Public School Finance have resulted in several major findings which are set forth on the following pages.

FINDING: The major weakness in the existing School Finance Act is the basis for measuring local district financial ability.

** The ability of a local school district to provide education is reflected by the "wealth" of that district, and this, in turn, is measured by the assessed valuation of the property in that district.

** Recent independent research indicated that there are wide inter-county and intra-county variances in the ratio of taxable real property as related to the market value thereof.

** The Colorado Tax Commission, upon completion of its assessment studies in connection with Senate Bill 321 (1955) has reported assessed and appraised valuations which indicate that the relationship between the two is identical in all counties.

** In the judgment of the subcommittee, insufficient evidence has been presented to it whereby a determination may be made by this committee as to whether assessments ARE or ARE NOT equalized in Colorado.

Recommendations

In view of the fundamental role which assessed valuation occupies in the entire matter of public school finance, this committee recommends that the General Assembly:

1. Provide for a continuing study to determine whether or not assessments in Colorado are equitable, and, at the same time, consider imposing a "small transfer" tax to permit the gathering of data for such a study.
2. Consider the feasibility of amending Chapter 35-7-17, CRS, 1953, so as to permit the County Treasurer in each county, upon notification by the County Commissioners, to place on the tax rolls improvements which have been completed after the legal date of assessment, and upon which no assessment has been made by the assessor.

FINDING: The School Finance Act does not encourage the development of school districts large enough to facilitate the operation of a complete, economical, and efficient educational program; in fact, it tends to encourage the continuation of unnecessary small districts.

** In 1954-1955, more than fifty per cent (50%) of the elementary schools in Colorado had three or less teachers.

** The median district enrollment for grades one through eight was 41.9 pupils in 1954-55.

** The median district enrollment for grades nine through twelve was 77 pupils in 1954-55.

** In 1953-54, current operating expenditures in some school districts exceeded \$1,800 per child.

** In 1953-54, district contributions from local tax sources ranged from as little as \$1.09 per A.D.A. to as much as \$1,803 per A.D.A.

Recommendations

The Subcommittee on Public School Finance therefore recommends that the General Assembly:

1. Eliminate the "sparsity factor" from the School Finance Act.
2. Eliminate the "district qualifying levy" and increase the "county qualifying levy" to $11 \frac{1}{2}$ mills. In those counties in which a levy of $11 \frac{1}{2}$ mills would produce a sum greater than the sum of the aggregate classroom unit values within the county, permit the Board of County Commissioners to reduce the County Public School Fund levy accordingly.
3. Amend Chapter 36-3-2, CRS 1953, to require districts to reduce their respective district special levies, so that the amount of revenue received therefrom is reduced by the amount of money anticipated to be realized as a result of any increase of the County Public School Fund levy.

FINDINGS: Pupil-teacher ratios in the present School Finance Act are not realistic in that they do not reflect actual practices.

** In 1954-55, approximately thirty-five per cent of the school districts in Colorado employed fewer teachers than they were allowed under the procedure for calculating classroom units in the School Finance Act.

** By changing the pupil-teacher ratio from the present 1 - 3600 Ag.D.A. to 1 - 25 A.D.A., the classroom unit values can be increased approximately \$650.00 without the appropriation of additional monies at the state level.

** In 1954-55, the average pupil-teacher ratio in first-class districts (excluding Denver) was 1 - 23.9.

Recommendations

The Subcommittee on School Finance therefore recommends that the

General Assembly:

1. Change the pupil-teacher ratio to 1 - 20 for the first classroom unit and to 1 - 25 thereafter, calculating to the major fraction of one-tenth of a unit.
2. Authorize the State Board of Education to allow one full classroom unit to necessary small schools with less than 20 A.D.A.
3. Permit up to three (3) extra classroom units to be calculated for state aid purposes in districts with less than 300 A.D.A. with the State Department of Education to annually review the necessity therefor.

FINDINGS: The present School Finance Act is unnecessarily complicated and involves calculations which can be simplified.

- ** The term "aggregate daily attendance" (the basis for determining classroom unit entitlements), is not clearly understood even by those who have to work with the law.
- ** The "minimum foundation" supported by the state differs for each school district because of the "direct grant" distribution of state monies.
- ** Chapter 123-6-10, C.R.S. 1953, which in effect provides for minimum salaries for teachers, is so worded that its meaning is not clear.
- ** There are two separate and distinct methods for distributing monies in the Public Schools Finance Act, which leads to much confusion and misunderstanding.
- ** The "sparsity factor" greatly complicates the calculation of state aid and is of little value to the great majority of school districts.

Recommendations.

The Subcommittee on School Finance therefore recommends that the General Assembly:

1. Change the calculations of classroom units from Aggregate Daily Attendance to Average Daily Attendance (Ag.D.A. divided by 172).
2. Simplify the provisions relating to teachers salaries.
3. Eliminate the "flat-grant" distribution.
4. Eliminate the sparsity factor.
5. Study the use of "current attendance" in calculating the classroom units of each school district.

FINDING: The present School Finance Act is a method for distributing a given amount of state aid, rather than the joint maintenance of a defined minimum educational program.

** Flat-grant distributions are not at present tied to the foundation program in such a manner as to reflect the true state distribution to public schools.

** Essential related services, such as transportation, special education, vocational education, etc., are not included in the present School Finance Act.

** Some school districts spend as much as twenty per cent of their current operating budget for transportation, whereas others may spend less than one per cent.

** Some districts receive a higher percentage of state aid than do others of comparable or lesser economic ability.

Recommendations

The Subcommittee on School Finance therefore recommends that the

General Assembly:

1. Integrate the Special Education program into the School Finance Act, and permit each district to have one classroom unit for (approximately) each ten handicapped children in A.D.A.
2. Consider the establishment of a transportation fund, with possible authorization to the State Board of Education to develop a formula to distribute this fund to school districts in such a manner as to permit the gathering of data necessary for incorporating the transportation program into the School Finance Act at some future time.

FINDING: The classroom unit values of \$2,700 and \$3,000 in the present School Finance Act are not realistic.

** In 1953-54, the amount of current expenditure per teacher ranged from a low of \$2,150 to a high of \$8,978.

** The average current expenditure per teacher for 1953-54 was approximately \$5,850.

** In 1954, the median teachers' salary in Colorado was \$3,542.

** Historical studies of the State Department of Education show that expenditures for instructional salaries comprise approximately sixty-five per cent (65%) of the cost of a classroom unit.

Recommendations

The Subcommittee on School Finance therefore recommends that the General Assembly:

1. Raise the classroom unit values to \$5,200 for a Graduate certificate and to \$4,500 for a Non-graduate certificate. In the event that the state appropriation shall not be sufficient to support this foundation, the amount appropriated should be prorated among the participating school districts.
2. Change the "minimum salary" provision in the School Finance Act so as to guarantee ^{each teacher} not less than sixty-five per cent (65%) of the classroom unit value, ~~for teachers' salaries.~~

IV

REPORT OF THE SUBCOMMITTEE ON SCHOOL DISTRICT ORGANIZATION ¹

PROCEDURES

The Subcommittee on School District Organization and Recodification was charged with the responsibility to study school district organization, with a view toward revision and codification of school laws relating to this area.

State versus Local Responsibility

The subcommittee began its study with a consideration of the State's responsibility for establishing school district boundaries. Under the Colorado Constitution, school districts are political subdivisions of the State. Article IX, Section 15, of the Constitution provides that "the General Assembly shall, by law, provide for organization of school districts of convenient size..." Thus the constitution defines school district organization as a legislative responsibility.

The operation of school districts has been delegated to local school boards, and this "grass roots" operation of public schools has nurtured the concept that public school districts are local institutions. This traditional concept, combined with the practical necessity for local supervision and administration of schools, serves to support the principle that consideration be given to the desires of local citizens in planning school district realignment.

1. As approved by the full Committee at a meeting on November 8, 1955, and by the Legislative Council on November 23, 1955.

Reorganization Defined

Testimony given at the subcommittee's public hearings indicated that much confusion and misunderstanding existed relative to the meaning of the term "school district reorganization." To a majority of the people contacted the terms "reorganization" and "consolidation" were synonymous. To the subcommittee, reorganization meant a movement to improve educational conditions and opportunities by improving and expanding the school district. It viewed school district reorganization to be the creation of new school districts by combining the territory of two or more districts or parts of districts and placing the total area under a single school board.

The subcommittee recognized that it was possible to have school district reorganization without changing a single school or assigning a child to a different school.

In earlier attempts at school district reorganization in Colorado, many people apparently did not clearly differentiate between an administrative unit (or school district) and an attendance area. The subcommittee viewed these two as follows:

Administrative Unit:

A designated area or sub-division of the state, with boundaries legally defined, established for the express purpose of providing necessary administrative and supervisory services to schools in the area. Such an area is under the authority of a school board which is given the responsibility to organize, budget funds for and operate public schools. The boundaries are normally determined by a vote of the qualified electors, according to law.

Attendance Area:

A geographical area served by a single school. Its boundaries are determined by the school board which normally takes into account such factors as the number and density of school-age population, the nature or terrain of the school district, road conditions, weather, and transportation facilities.

School District Structure

The Subcommittee on School District Organization held several public hearings in Denver to afford representatives of organizations and agencies interested in school district organization an opportunity to acquaint the subcommittee with their views and recommendations. Among those organizations invited to participate in these public hearings were the following:

- Colorado School Protective Association
- Colorado Association of County Superintendents
- Colorado Congress of Parents and Teachers
- Colorado Education Association
- Colorado Federation of Teachers
- Colorado School Boards' Association

The State Department of Education prepared for the subcommittee a historical analysis of school district reorganization in Colorado. The information contained in this report served to provide an appraisal of the state's progress in district reorganization as well as a picture of the present situation.

Dr. Burtis Taylor, Assistant Commissioner of Education, attended several meetings of the subcommittee and provided much valuable information. In addition, the subcommittee, through the excellent cooperation of Dr. Harold Moore, Dean, University of Denver School of Education, was fortunate to have an opportunity at a point early in its deliberations, to meet with Dr. C. O. Fitzwater of the United States Office of Education, a nationally recognized authority on school district reorganization. Dr. Fitzwater acquainted them with national trends in this area, and also discussed the merits of school district reorganization statutes adopted by other states.

Early deliberations by the subcommittee led it to surmise that the principle of local control of schools may have been abused in an attempt to justify and perpetuate school districts and school boards that properly need no

longer exist. There appeared to be a tendency to preserve administrative units which not only did not operate schools, but also were far too small to function effectively and efficiently. At the same time, the subcommittee recognized that the geography as well as sparsity of population in some parts of the state might always necessitate some small school districts.

The subcommittee agreed that the formulation of sound reorganization legislation should be based on careful consideration of local needs and capabilities, and should involve much more than mere geographical regrouping of existing units, or the mechanical application of a "formula." For this reason, it seemed imperative to the subcommittee that it visit local school districts to obtain first-hand information about local problems relating to school district organization.

Field Trips

Between September 25 and October 8, 1955, the Subcommittee on School District Organization traveled more than 1600 miles and visited forty-two school districts in eleven different Colorado counties. The field trip had been planned so as to provide a representative cross-section of the various types and classes of school districts in the state. The districts visited ranged in size from twenty square miles to 2,203 square miles; in enrollment they ranged from six pupils to over 9,000 pupils. Specific purposes of the field trip were:

1. To study first-hand, major problems created by duplication, inconsistencies, overlapping, contradictions, and omissions in existing statutes relative to changing school district boundaries.
2. To view existing school districts, school programs, school facilities, and problems in transporting pupils.
3. To study the results of reorganization and consolidation in Colorado, and to visit school districts in counties where little or no school district reorganization had taken place.
4. To evaluate public opinion about school district organization.

In preparing for the field trip, the subcommittee was fortunate to obtain the services of Dr. O. L. Troxel, Professor of Education, Colorado State College of Education, who developed guide materials for use in the visits to local school districts. A temporary advisory committee, whose membership was composed of representatives of state-level organizations interested in school district reorganization, was appointed to review these guide materials. These materials were invaluable to the subcommittee as a means for calling its attention to areas which might otherwise have been overlooked. (See Part II.)

In addition, the following consultants accompanied the subcommittee on the field trips and provided much valuable information and advice:

Dr. C. O. Fitzwater, Specialist, County and Rural School Administration, U. S. Office of Education.

Dr. Burtis E. Taylor, Assistant Commissioner of Education, Colorado State Department of Education

Shelby F. Harper, Director, Legislative Council.

John J. Coffelt, Consultant, School Administration and Finance, Colorado State Department of Education.

John H. Swenson, Executive Director, Colorado School Board Association.²

Following are listed the counties which were toured and the number of school districts in each county which the subcommittee visited.

<u>County</u>	<u>Number of School Districts Visited</u>
Mesa	1
Delta	1
Garfield	1
Eagle	12
Lake	1
Kit Carson	5
Kiowa	4
Prowers	5
Baca	7
Crowley	4
Pueblo	1
	<hr/> 42

². Currently on leave of absence to act as Regional Coordinator, White House Conference on Education.

In conjunction with these field trips, the subcommittee held seven public hearings throughout the state of Colorado. Wide publicity was given these open hearings through press releases to local radio stations and daily and weekly newspapers. In addition, organizations interested in school district reorganization, such as the Colorado Education Association and the Colorado Public Expenditures Council, were individually notified of these public hearings. In the seven public hearings there was a total attendance of 316 in addition to the members of the subcommittee. Following is listed the place of each hearing and the number of persons attending the hearing, other than the members of the subcommittee.

<u>Place</u>	<u>Number of Participants</u>
Grand Junction	27
Delta	83
Eagle	97
Burlington	19
Lamar	36
La Junta	34
Pueblo	20
Total	<u>316</u>

FINDINGS

The work of the Subcommittee on School District Organization involved three major areas of activity. These were: (1) public hearings, (2) field trips to permit first-hand observation of school district organization problems, and (3) the compilation of statistical data to provide a complete picture of Colorado's school district structure. This phase of the report sets forth the findings resulting from the work of the subcommittee in these three areas.

Public Hearings

The subcommittee held a number of public hearings both in Denver and throughout the state. In all, several hundred individuals and spokesmen for organizations interested in school district organization availed themselves of the opportunity to appear before the subcommittee. Following are presented the major points emphasized by the various organizations in their testimony.

Colorado School Protective Association: (1) Colorado has arrived at a place where the juggling of school district boundaries will not lower school costs.

(2) A legally established school district should not be destroyed without there first being a favorable vote of the people within that district to that effect.

(3) A school district or portion of a school district should not be forced into a larger district without there first being a favorable (majority) vote in each district or portion of a district concerned.

(4) The transfer of territory from one district to another should not be permitted without there first being a favorable vote both in the area transferred, in the district from which the area is being transferred, and in the district to which the area is being transferred.

Colorado Education Association: (1) A "voluntary" type reorganization law (such as H.B. 391 introduced at the First regular session of the 40th General

Assembly) is the most desirable type of reorganization law.

(2) In any reorganization proposal, the voting procedure should be by the entire area in a proposed plan.

(3) The transportation problem should not be divorced from the reorganization problem.

Colorado Federation of Teachers: (1) The Labor movement in Colorado favors school district reorganization.

(2) Some type of "modified county unit bill" is desirable.

(3) There should be a "deadline" in any reorganization law. After the expiration of this deadline, the General Assembly should reorganize all unorganized districts.

(4) There should be no more than five school districts in any one county, and every school district should be required to operate an educational program from kindergarten through grade twelve.

Colorado Association of County Superintendents: (1) Any new reorganization bill should be "voluntary" in nature, rather than compulsory.

(2) In general, the provisions for selecting school board representatives by director districts is sound.

(3) The reorganization movement has contributed greatly to a broader understanding of, and interest in, public schools.

State Department of Education: (1) The subcommittee will not likely find any reorganization plan superior to a "modified" county unit plan in which each county constitutes a school district; provided, however, that in those existing districts having a unified program and having at least 1,000 pupils, such districts should continue as independent districts.

(2) There should be a Commission on Reorganization which is advisory to the State Board of Education.

(3) Reorganization of school districts should be accompanied by the reorganization of office of County Superintendent.

(4) There should be incorporated into one comprehensive law, all the necessary provisions for creating school districts and changing the boundaries of existing districts.

(5) The General Assembly should provide funds for the study and revision of ALL school laws which would result in a "school code" for Colorado.

Colorado School Board Association: (1) The Colorado School Board Association favors school district reorganization.

Although the number of private citizens testifying before the subcommittee was probably not sufficient in number to provide a representative cross-section of public opinion, their testimony does provide important insight into much of the criticism being leveled at reorganization. Following is summarized what appeared to be the concensus of the public as expressed in the open hearings:

1. A school district should not be dissolved without there first being a majority approval of the qualified electors in the district.
2. The number of school directors (school board members) should not be fixed by statute, but rather should be left to the discretion of local people.
3. The majority of persons expressing opinions indicated that the principle of school board representation by "director districts" was sound.
4. The state should not use coercion in forcing the reorganization of school districts.
5. Existing school laws relating to the organization of new school districts and changing district boundaries are overlapping, conflicting, and unduly complicated; they do not adequately provide for new or continued school district reorganization.
6. There should be legal provision made whereby the bonded indebtedness of school districts may be evenly distributed over the entire assessed valuation of a new district. This would permit the sharing of

liabilities as well as the assets in a new school district.

7. There is a need for state-level assistance for "transportation costs" of school districts.

Field Trips

As mentioned previously, the subcommittee visited forty-two different school districts throughout Colorado. During these visits, the members of the subcommittee met with superintendents, school board members, teachers, parents, and even students, to discuss local school problems. They visited classes in session, sat in on teacher meetings, and toured school buildings and facilities. They studied teacher and student class schedules, ate with the students in the "school lunch" program, and rode school buses. As a result of their observations and experiences, the Subcommittee on School District Organization made the following general conclusions:

1. The achievement of adequate local district structure will pay dividends in improved educational opportunity for all Colorado children and will make possible a sounder use of school funds.
2. Existing school laws do not adequately provide for new or continued school district organization.
3. The effective use of the Reorganization Act of 1949 varied greatly among the counties visited. Some small, reorganized school districts were formed where the geography, road conditions, and population distribution would have made it feasible to form fewer and larger districts.
4. The strongest opposition to reorganization appears to be in those areas where the existing district structure is most inadequate.

5. There is wide-spread misunderstanding of the purpose of "reorganization."
6. The attitude of the State Department of Education and the leadership which it provides greatly affects the progress of reorganization.
7. For the most part, in those areas where reorganization has been accomplished, it appears to have been accepted as desirable.
8. In general, local school administrators appeared to have little interest in exploring beyond present district patterns in search of better educational programs.
9. There was some question as to the need for the existence of the office of county superintendent of schools in those counties having only a few school districts.
10. In some instances, reorganization appeared to be merely the consolidation of elementary districts to those districts operating a high school, with little or no improvement evident other than the broadening of the tax base.
11. In some school districts as much as twenty per cent (20%) of the current operating budget was being allocated for transportation costs.
12. There are some areas in Colorado whose educational needs can best be served by transporting the children to schools in another state.
13. In many of the smaller high schools visited, the curriculum appeared to be designed to fit the qualification of the teachers rather than the needs of the enrolled pupils.
14. It appeared to the subcommittee that in some areas local pride in the athletic program may have been a major block to reorganization.

Research

Early in its deliberations, the subcommittee outlined the areas in which data were needed to provide an overall picture of the present status of school

district organization. The research staff was directed to compile statistical data which would answer the following questions raised by the subcommittee:

1. What has been the trend in school district organization in Colorado?
2. What is the enrollment of school districts:
 - a) by class?
 - b) by type?
3. How many school districts are there that support:
 - a) no school?
 - b) only elementary schools?
 - c) only high schools?
4. What is the assessed valuation of those school districts that do not directly support a twelve-grade program of public education?
5. How many one-teacher schools are there? Two-teacher schools? etc.
6. What is the number of schools by size of:
 - a) elementary enrollment?
 - b) high school enrollment?
7. What are the variations in per-pupil expenditures of different classes and types of school districts?

The data on the following pages, summarized from research studies made by the staff, underscores the need for remoulding the school district structure in many parts of Colorado. More detailed statistics appear in Part II of the study.

Question: What has been the trend in school district organization in Colorado since 1948?

Answer: Between 1948 and 1955, the number of school districts has been reduced by 789, a decrease of more than 44%.

Much of this decrease has been the combining of small school districts which has left the situation about as inadequate, at least educationally, as it was before. This has created the false impression that substantial progress is being made.

Changes in Types and Numbers of School Districts

1948-1954

Year	First Class	Second Class	Third Class	Union High School	County High School	Total
1948	44	92	1,595	31	25	1,787
1950	52	91	1,376	24	22	1,565
1952	52	86	970	18	22	1,148
1954	52	88	898	21	21	1,080
1955	52	82	822	21	21	998

Question: What is the enrollment in school districts?

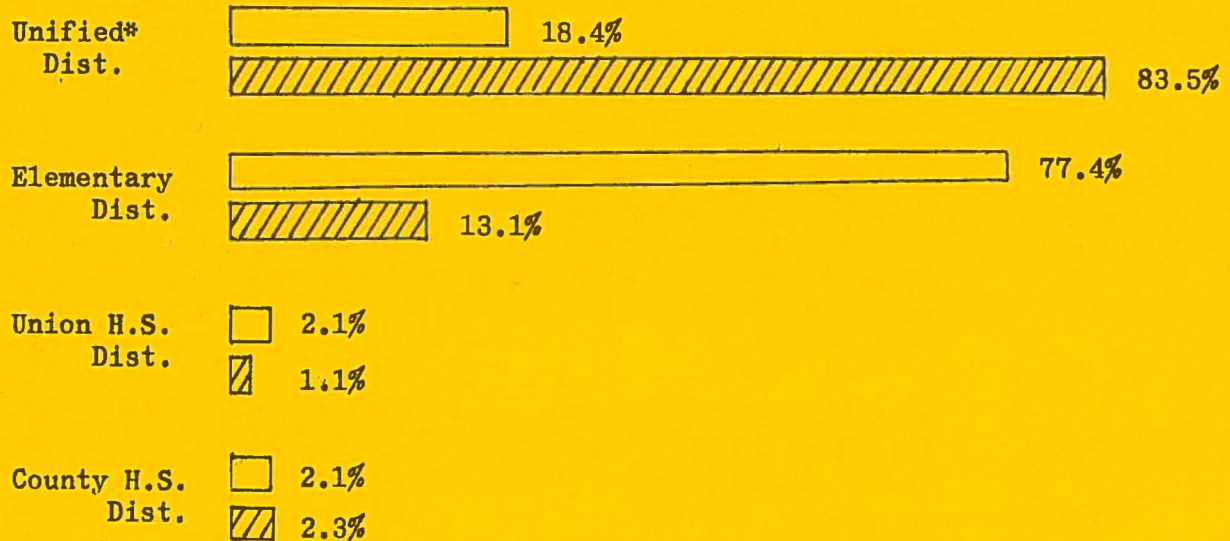
Answer: In March, 1955, the total enrollment in public schools was 275,174.

Unified school districts, which constituted only 18.4 per cent of the total number of school districts in the state, enrolled 83.5 per cent of all the school children.

The average enrollment in elementary school districts in March, 1955, was only 46.7 pupils.

Comparison of Public School Enrollments by Type of District

March, 1955



 Per cent of school districts to total - 998

 Per cent of school enrollment to total - 275,174

* Unified School District - Those offering grades 1-12 in one district, under one school board.

- Question: (1) How many school districts are there that support:
- a) no school?
 - b) only elementary schools?
 - c) only high schools?
- (2) What is the assessed valuation of those school districts that do not directly support a twelve-grade program of public education?

Answer:

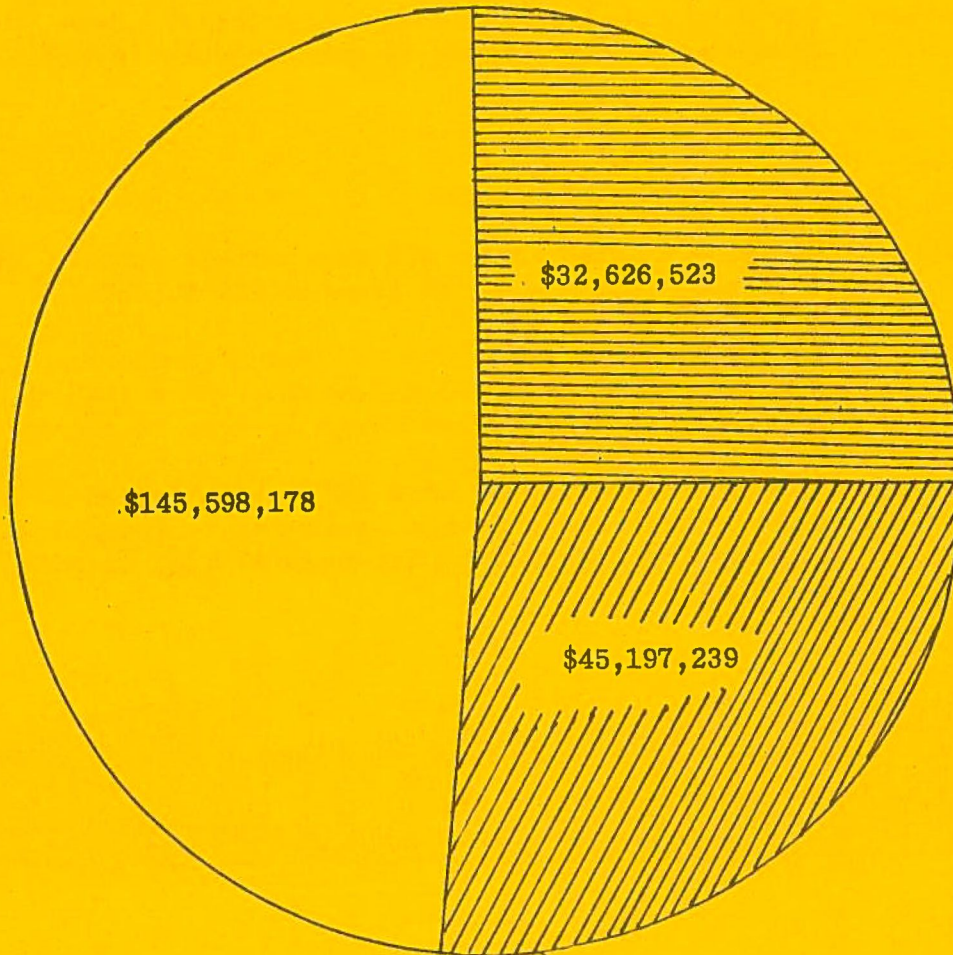
In March 1955, there were 124 school districts which did not maintain school; there were 213 school districts which maintained only grade schools (grades 1 - 8); and there were 113 school districts which directly supported only high school.

More than forty-five per cent (45%) of all school districts in Colorado did not directly support a twelve-grade program of public education in 1955.

The parents of children residing in these 450 districts had no legal voice in either the development or the administration of the educational program which is provided for their children by school districts other than their own.

Assessed Valuation of School Districts Not Directly* Supporting Twelve
Grades of Public School - March, 1955

\$223,421,940



Valuation supporting no school - 124 districts



Valuation supporting only high school - 113 districts



Valuation supporting only grade school - 213 districts

* Directly - refers to the support of an educational program within the district in which school taxes are levied.

Question: How many one-teacher schools are there? Two-teacher schools? Three-teacher schools? etc.?

Answer: In 1954-55, there were 255 one-teacher schools in Colorado; there were 162 two-teacher schools.

Twenty-five per cent (25%) of the elementary schools employed only one teacher; more than fifty per cent (50%) had three or less teachers.

Only thirty-seven per cent (37%) of the high schools had more than ten teachers, a recommended minimum for offering a well-rounded high school program.

Number of Elementary and Secondary Schools by Number of Teachers Employed *

1954-55 School Year

ELEMENTARY SCHOOLS			SECONDARY SCHOOLS **		
No. of Teachers Employed	Number Such Schools	Cumulative Percent of Total	No. of Teachers Employed	Number Such Schools	Cumulative Percent of Total
1	255	25.4%	1-3	28	10.3%
2	162	41.3	4-6	75	38.0
3	96	50.1	7-10	67	62.7
4-6	160	67.0	11-15	31	74.2
7-12	163	83.3	16-20	20	81.5
13-18	101	93.3	21-50	45	98.2
Over 18	67	100.0	Over 50	5	100.0
Totals	1,004			271	

* Excluding Denver

** Includes Junior High School

Question: What is the number of school districts by size of:

- a) elementary enrollments?
- b) high school enrollments?

Answer: On Page 41 is a distribution of all Colorado school districts by number of pupils enrolled in elementary and secondary grades.

In 1954-55 the median district enrollment in grades 1 - 8 was 20.5 pupils.

The median district enrollment in grades 9-12 for this same school year was 77 pupils.

More than eighty per cent (80%) of the districts maintaining a high school had less than 210 pupils, a recommended minimum high school enrollment.

Distribution of ALL Colorado School Districts by Number of Pupils Enrolled
in Elementary and Secondary Grades - 1954-55 School Year

Size of Enrollment	Elementary Enrollment (1-8)		Secondary Enrollment (9-12)	
	No. Such Districts	Cumulative Percent of Total Districts	No. Such Districts	Cumulative Percent of Total Districts
0	237	24.8	0	- %
1-5	50	30.0	7	3.1
6-10	87	39.1	6	5.8
11-15	61	45.5	7	8.8
16-20	48	50.5	7	11.9
21-25	40	54.7	3	13.3
26-30	26	57.4	12	18.6
31-35	23	59.8	8	22.1
36-40	20	61.9	5	24.3
41-45	25	64.5	8	27.9
46-50	25	67.2	5	30.1
51-55	20	69.2	8	33.6
56-60	16	70.9	7	36.7
61-70	24	73.4	18	44.7
71-80	19	75.4	20	53.3
81-90	18	77.3	7	56.6
91-100	16	79.0	5	58.8
101-125	26	81.7	18	66.8
126-150	23	84.1	10	71.2
151-175	14	85.6	8	74.8
176-200	15	87.1	12	80.1
201-250	22	89.4	4	81.6
251-300	17	91.2	7	85.0
301-400	18	93.1	6	87.2
401-500	16	94.8	3	88.9
Over 500	50	100.0	25	100.0

Question: What are the variations in per-pupil expenditures of different classes and types of school districts?

Answer: In 1953-54, per-pupil expenditures varied from as little as \$123.33 to as much as \$1,828.77.

Current Operating Cost per Average Daily Attendance By Class of District

1953-54 School Year

Class of District	No. Such Districts ⁽¹⁾	Low	High	Median	ADA Per Teacher
1st Class	52	\$178.16	\$325.05	\$227.32	23.9 (2)
2nd Class	82	125.90	598.26	297.26	20.3
3rd Class	597	123.33	1,828.77	325.98	17.2 (3)
Union High School	19	229.87	693.78	350.12	17.2
County High School	21	262.14	765.17	413.68	15.6

(1) Excludes districts not operating school.

(2) Excludes Denver.

(3) Average for 62 selected districts.

CONCLUSIONS AND RECOMMENDATIONS

The studies of the Subcommittee on School District Organization and Recodification have resulted in the following conclusions and recommendations:

Conclusions

1. In recent years, Colorado has made substantial progress in strengthening its school district structure through the elimination of many small districts, but in this process there seems to have emerged a number of inadequate administrative units which, under present laws, could continue to exist indefinitely and receive state financial assistance.
2. Sound school district organization is essential to the success of any program of state-local school financing. A state financial aid program which has as its base a district structure composed of many inadequate local administrative units, cannot possibly give full return on the dollars invested. In view of the strong demands being made for increased state support, the subcommittee believes that INCREASED STATE SUPPORT MUST MEAN INCREASED STATE CONCERN OVER GOOD SCHOOL DISTRICT ORGANIZATION.
3. Strong, well-organized school districts are a basic prerequisite to good public education. It is at the school district level that local control of schools is exercised, educational programs planned, services and facilities provided, and school budgets determined. School districts should be soundly organized in order to be able to provide the best possible education to all children at a reasonable cost.
4. The "local control" issue appears to be one of the most misunderstood issues in the current movement to realign school districts. There exists fear that the enlargement of a school district to include more people will result in a loss of local participation and control of schools.

In some instances, this argument is a smoke screen to hide the real reason for opposing any charge, namely, the desire to continue to enjoy the benefit of a "sub-normal" local property tax for school support. The subcommittee believes that the surest guarantee against centralization of power lies in the creation of school districts strong enough to resist effectively any attempts at domination from the state or Federal level.

5. The studies of the Subcommittee on School District Organization have resulted in the conclusion that careful, detailed study and planning of the realignment of the state's local school district structure is needed. The Legislature's attention should therefore be invited to the need for the enactment of state legislation to provide a method for putting local planning into effect. It is the subcommittee's conclusion that EXISTING SCHOOL LAWS DO NOT ADEQUATELY PROVIDE FOR NEW OR CONTINUED SCHOOL DISTRICT ORGANIZATION ON A SOUND BASIS.

Recommendations

The Subcommittee on School District Organization recommends that any proposed law to meet the problems of school district organization should include the following general provisions:

1. A county committee to study and evolve a plan of school district organization.
2. The repeal of ALL other methods of organizing school districts.
3. Provision for the establishment of "director districts" on the basis of population, as near as practicable (bearing in mind the existing attendance areas at the time of reorganization); also, provision for the county committee to have flexibility in prescribing the number of director districts, varying in number from five to seven.
4. A voting procedure which will require that the proposed plan be approved or rejected according to a majority vote of the qualified electors in

the entire proposed area.

5. Provision that any proposed plan of organization must receive the approval of the State Commissioner of Education prior to its submission to a vote of the people.
6. No expiration date in the law.
7. Provision that all existing district lines may be disregarded in the formation of new districts; that is, joint districts, union high school districts, etc. Any such territory included in a new district which was formerly a part of a union or county high school district shall cease to be a part of said former district.
8. Provision that a newly formed school district shall be a unified district offering grades one through twelve, under one board of education.

THE SUBCOMMITTEE FURTHER RECOMMENDS that along with any school district legislation which is enacted, there should be a thorough public relations program on the part of the Department of Education. The State Department must be financed and staffed in such a way as to assist the people of the state in their understanding of district organization and all of its ramifications as outlined by the statute.

THE SUBCOMMITTEE FURTHER RECOMMENDS that consideration be given to a "bond leveling" provision to enable the sharing of liabilities along with the assets of newly organized districts. A limitation should be placed on the indebtedness to be assumed by the new district; that is, only that incurred during the five years prior to the organization.

THE SUBCOMMITTEE FURTHER RECOMMENDS that the office of county superintendent for of schools be provided/by statute rather than by constitution. This would make it possible for the General Assembly to review the functions of this office in a reorganized county.

FINALLY, the subcommittee recognizes the possibility that a new or revised School Finance Act may be passed in the 1956 Session which will encourage school district organization. Because of the aforementioned shortcomings of existing statutes relating to school district organization, the subcommittee believes that a sound reorganization law should accompany any finance legislation designed to encourage the elimination of small districts. Therefore, the subcommittee recommends that the Governor be requested to include in his "call", the problems of school district organization and recodification.



