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A Study of the Factors Affecting the Financial Status of Consolidated School District #74, Jeffers, Minnesota for the Fiscal Years, 1949 Through 1954

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A STUDY OF THE FACTORS AFFECTING THE FINANCIAL STATUS OF CONSOLIDATED SCHOOL DISTRICT #74, JEFFERS, MINNESOTA FOR THE FISCAL YEARS, 1949 THROUGH 1954

BY

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SECTION I

INTRODUCTION

Location of Community

Jeffers, with a population of five hundred and sixteen, is situated in the heart of some of Minnesota's richest agricultural land. It is located in the center of Cottonwood County in southwestern Minnesota near the junction of state highway number 47 and U. S. highway number 71. Windom, the county seat of Cottonwood County, is located sixteen miles to the south. The South Dakota border is sixty miles to the west and the Iowa border is forty five miles to the south.

Size and Organization of School

The school, which serves this progressive community, is presently classified as an Independent Consolidated School District. It is accredited by the State Department of Education and is a member of the Minnesota State High School League, the Minnesota State High School Music League, and the Red Rock Athletic Conference.

The six-six plan of organization is in effect with three approved departments in the high school, commercial, vocational home economics, and industrial arts. Five grade teachers, eight high-school teachers, a high-school principal, and a superintendent comprise the faculty. The district employees five drivers to operate its five buses, two cooks to handle the hot-lunch program, a janitor, and a full-time office secretary. The present school district includes about twenty-nine sections of land.

Brief History of School

In January of 1902 the district was officially organized. This same

year a six-room brick school was constructed and equipped. Two rural districts consolidated with the Jeffers district in 1920. The following year a building to house a high school was built and equipped. The district was expanded by consolidation to its present size when all or parts of several districts joined in 1951. To better the educational facilities a $270,000.00 building addition was completed in 1953. Other district-owned property included a four-stall bus garage, a recently acquired six-acre plot on which is located a lighted athletic field, and a house for the superintendent.

Purpose and Analysis of the Study

With school costs and school-tax levies on the rise, the problem of giving relief to the taxpayer and still provide a high standard of education has confronted the administration and school board of the Jeffers school district. This writer, as the superintendent of schools, felt that a study of the factors affecting the financial status of the district would help clarify the problem and aid in finding approaches to its solution.

Although considerable financial help is given the school district through state aids, it is improbable that these aids will be increased enough to give the necessary tax relief. It appears then, that the best solution is to obtain a much broader tax base. This can be accomplished only through some form of consolidation. As future action in this area seems evident this study will provide the necessary facts and figures that can be used to take the problem to the people.

This study should also serve as a continual source of information

for the board in its endeavor to provide a good school at an economical mill levy. Digging into the history of the school and collecting the data necessary to complete this study has served to give this writer a clearer understanding of the school's background and likewise result in a better comprehension of the schools problem.

Sources of Material

Much of the data used in this study were taken from the following annual reports to the State Department of Education:

Annual Report of Public School, Code X-C-5
Annual Financial Report, Code XXIII-C-2
Financial Report and Budget, Code X-C-23

Other information was obtained from the office of the Cottonwood County Superintendent of Schools and the office of the Cottonwood County Auditor. In all cases, two sources were used to verify the data for the tables. Background material and the history of the school was obtained from the clerks' record of the Jeffers school. This record was found to be very complete as were all school records that were consulted. Some difficulty was encountered in compiling the financial data needed. This came about when a uniform system of accounting was adopted for Minnesota public schools in 1952. The financial material needed for the period prior to its adoption had to be sorted to correspond to the new accounting system.

SECTION II

ENROLLMENT OF CONSOLIDATED SCHOOL DISTRICT #74, JEFFERS, MINNESOTA, FOR THE FISCAL YEARS, 1949 THROUGH 1954

Enrollment and school costs are inseparable. A study of a school's finances would mean very little without a corresponding study of enrollment. The administration and school board of the Jeffers district are not concerned about a large enrollment but are interested in an economically sound venture. With state aids based on average daily attendance, a full class room of pupils is financially sounder than a small class enrollment.

A breakdown of enrollment by grades, resident pupils, and non-resident pupils is shown in Table I. In explanation, resident pupils are the students that reside within the school district. Those students that do not live in the school district are classified as non-residents.

Total Enrollment

A steady increase in the total enrollment for the five-year period is shown in Table I, except for 1951-'52 which shows a drop. Normal fluctuation in school population is the only accountable reason for this decline as noted by the smaller first grade over the previous year and th the smaller senior class. The over-all increase is in line with the times: that of increased population. Although the five-year period shows an increase it has not created an overcrowded situation.

High School Enrollment

Except for the 1951-'52 school year, the high-school enrollment has steadily increased. By comparing the senior classes of 1951 and 1952 the drop is understandable. For the period covered two rather large increases

TABLE I

ENROLLMENT OF CONSOLIDATED SCHOOL DISTRICT #74, JEFFERS, MINNESOTA, FOR THE FISCAL YEARS, 1949 THROUGH 1954

	Year														
	1949-'50			1950-'51			1951-'52			1952-'53			1953-'54		
GR	R	NR	T	R	NR	T	R	NR	T	R	NR	T	R	NR	T
1	12	4	16	13	6	19	10	3	13	23	8	31	14	8	22
2	17	3	20	10	3	13	17	3	20	10	3	13	23	6	29
3	12	1	13	15	3	18	12	4	16	14	1	15	9	3	12
4	21	8	29	12	1	13	16	2	18	13	3	16	12	1	13
5	25	4	29	20	10	30	14	3	17	18	4	22	13	3	16
6	19	2	21	20	3	23	29	2	31	15	2	17	16	4	20
TG	106	22	128	90	26	116	98	17	115	93	21	114	87	25	112
7	11	11	22	17	13	30	22	4	26	26	11	37	13	17	30
8	12	6	18	11	12	23	16	13	29	21	9	30	25	12	37
9	16	11	27	14	10	24	13	8	21	16	12	28	21	8	29
10	10	5	15	15	10	25	14	7	21	12	8	20	15	13	28
11	15	11	26	10	7	17	15	8	23	12	7	19	11	6	17
12	7	9	16	14	12	26	11	4	15	13	8	21	12	6	18
THS	71	53	124	81	64	145	91	44	135	100	55	155	97	62	159
TE	177	75	252	171	90	261	189	61	250	193	76	269	184	87	271

GR - Grade
TG - Total Grades
THS - Total High School
TE - Total Enrollment

R - Resident Pupils
NR - Non-Resident Pupils
T - Total

can be cited, the increase of twenty-one pupils from the school year concluded in 1951 to the term started in the fall of the same year and the increase of twenty from the 1951-'52 period to the 1952-'53 period. By checking the size of the senior classes and the size of the seventh grade for these two comparative periods the increases are accounted for. Again the usual fluctuations in school-age population is the only reason that can be given for these increases.

It should be noted that the high-school classes run larger in size than the grade classes. Since the Jeffers school is on the six-six plan the high school consists of grades seven through twelve. Most of the rural districts operate a six-year elementary school and send their pupils into Jeffers for grades seven through twelve, thus accounting for the increases from grade six to grade seven.

The inconsistency of class sizes in the high school for the period studied should also be noted. However, it is very encouraging to find that with the graduation of the 1954 and 1955 seniors the classes will show more size consistency throughout..

Grade School Enrollment

The total grade enrollment shows a slight decline over the period studied with the largest drop coming in 1950, as Table I indicates. Here again normal fluctuations are accountable. It must be kept in mind that the movement of one or two families with several school children can create enrollment fluctuations. This situation comes about primarily from the movement of hired help from one farm to another, in and out of the school district.

In studying the grade enrollment it is again important to notice the inconsistency of grade-class sizes. This has made it difficult to combine grades and still maintain a class unit of thirty or less. Because of this and in the face of a total enrollment decline it was necessary this past year to increase the grade faculty from four to five teachers.

Resident and Non-Resident Pupil Enrollment

The reader will discover by examination of Table I that approximately one out of every three pupils enrolled in the Jeffers school is a non-resident, with a heavier percentage in the high school than in the grades. The proportion is about one to four in the grades and about one to two in the high school.

The non-resident pupils listed in the grade enrollment come from districts with closed schools and from districts with open schools where the pupils' residence is closer to Jeffers than it is to the rural school that is operating.

The non-resident grade enrollment has shown a slight increase for the period covered while the resident enrollment shows a decline. The same increase of non-residents is present in the high school. The enrollment of resident pupils in the high school also shows an increase except for the last year of the study when a slight decline appears.

The drop from ninety to sixty-one non-resident pupils in 1951 was caused by the consolidation of all or parts of several districts with the Jeffers district. As a result the resident enrollment shows a sharp increase as the students were transferred from a non-resident to a resident status.

In summary, despite an over-all enrollment increase for the period of this study, most of the grade classes need more pupils in order to provide a more economically operated classroom. The high-school grades will have more size consistency after the graduation of the Class of 1955.

SECTION III

TOTAL AND CLASSIFIED RECEIPTS OF JEFFERS CONSOLIDATED SCHOOL DISTRICT

Revenue to operate the Jeffers school is received from many sources. In order to avoid a lengthy and complex table these many sources have been combined under five general catagories in Table II. As this table is studied it is easy to see that much revenue is received from other than local tax sources. However, the greatest burden still rests with the taxpayer.

From Local Taxes

As Table II indicates, revenue from local taxes increased considerably from the first year of the study to the last year. It can also be noted that this increase came mainly in the last two years of the period with the largest increase in 1953-'54. The increased local tax revenue of 1952-'53 was needed for debt service purposes as interest payments on the bond issue for a recent addition become due. These same interest installments plus the first payment on the principal required even more revenue in 1953-'54. Other factors that necessitated the increased tax receipts of 1953-'54 were the purchase of ground for a new athletic field and the installation of floodlights on same, and the purchase of bleachers for the new gymnasium. As the factors just mentioned are classified as debt service or capital outlay, the cost has to be borne almost entirely by the local taxpayer.

From County, State, and Federal Aid

The money that the county receives from liquor licenses, fines, estrays, tax penalties, etc., is apportioned to the schools. The state

TABLE II

TOTAL AND CLASSIFIED RECEIPTS OF JEFFERS CONSOLIDATED SCHOOL DISTRICT

	Year				
	1949-'50	1950-'51	1951-'52	1952-'53	1953-'54
Local Taxes	$29,089.70	$27,832.23	$ 28,469.22	$ 39,436.74	$ 63,491.84
County, State, Federal Aid	25,612.88	29,429.01	38,726.19	30,108.56	46,893.61
Other Districts	8,007.11	10,752.17	7,318.01	7,597.37	11,347.50
Other Revenue Receipts	821.92	1,138.16	3,187.82	773.61	1,192.50
Non-Revenue Receipts	4,956.05	5,008.31	226,540.68	64,259.15	14,976.79
Total	68,487.66	74,159.88	304,241.92	142,175.43	137,902.24

distributes to the public schools the income from the permanent school fund and special state aids as appropriated by the legislature. Aid from the federal government supplements state aid for the operation of a vocational home economics department and hot-lunch program.

The revenue from county, state, and federal aids has increased steadily over the five-year period, mainly because of the increased state aids. The drop that occurred in 1952-'53 was the result of a reduced non-resident enrollment which followed the consolidation of the previous year. Because of this, less secondary-pupil tuition money was received from the state.

From Other Districts

The tuition charged for non-resident elementary children and the charge for transporting non-resident elementary and secondary-school children is paid by the child's home district.

Again referring to Table II, the receipts from other districts fluctuated somewhat during the period of this study. The increases noted for 1950-'51 and 1953-'54 are the result of increased non-resident enrollment which resulted in increased tuition and transportation revenue. The decreases that occurred in 1951-'52 and 1952-'53 were due to the consolidation in 1951 which reduced non-resident enrollment.

Other Revenue Receipts

The revenue listed in this catagory comes from bus rent, fines, fees, and tuition and transportation not paid by a district but paid by individual parents. This area of revenue contributes very little to the total revenue of the Jeffers school district.

As Table II indicates, other revenue receipts fluctuated considerably from 1949 through 1954. The main source of revenue for this category is the tuition and transportation paid by parents. This comes about because some children live closer to the Jeffers school than they do to the open school in their home district and therefore, attend the school at Jeffers. In these situations the home district generally pays the tuition and the parents pay the transportation charge. As the number of children in this situation fluctuates so does the other revenue receipts.

Non-Revenue Receipts

The receipts listed under this heading result from the sale of material and supplies, sale of hot lunches, refunds received, and transfers from other funds. Also included in this category are the receipts received from the sale of bonds. The unusual amount listed in Table II under this category for the 1951-'52 and 1952-'53 fiscal years resulted from the sale of bonds. The bond issue in late '51 brought in $220,791.00 while a second bond issue in 1952 acquired another $50,299.00. Aside from the revenue received from the sale of bonds, the largest source of non-revenue receipts is the sale of hot lunches. Refunds and the revenue from the sale of material and supplies add only slightly to the receipts of this category.

Transfers from other funds had some affect on receipts as listed in this category for the last two years. Money in the building fund was transferred to the general fund on two occasions when the general fund was getting low. When the money was needed again by the building fund it was transferred back.

SECTION IV

TOTAL AND CLASSIFIED DISBURSEMENTS OF JEFFERS CONSOLIDATED SCHOOL DISTRICT

The cost of operating the Jeffers school has increased just as other costs have risen. Practically all classifications under disbursements show an increase over the period of this study. The total expenditures of the last two years appears completely out of line compared to the previous years. A building program was completed during this period to account for the tremendous increase.

Rather than list every heading under which an expenditure is made, Table III has been set up listing only the general disbursement categories. It should be explained that the Jeffers school district keeps its money in two accounts at the bank, the general fund and the building fund. The clerk's and treasurer's books, however, list disbursements under five funds, general, community school lunch, capital outlay, debt redemption, and building.

Administration

Included in this general classification are the salaries of the office secretary and superintendent, the cost of office supplies, school board expenses, publishing, elections, and audits. Excluding the last year of this study, the cost of administration increased steadily from year to year. Better salaries accounts for most of the increase. A change of superintendents in 1953 caused the administrative cost to drop slightly in 1953-'54 due to the difference in salary.

Instruction

Salary increases can be held accountable for the increased instructional cost during the five years of this study. Besides teacher salaries,

TABLE III

TOTAL AND CLASSIFIED DISBURSEMENTS OF JEFFERS CONSOLIDATED SCHOOL DISTRICT

	Year				
-	1949-'50	1950-'51	1951-'52	1952-'53	1953-'54
Administration	$ 5,588.25	$ 5,843.03	$ 6,743.35	$ 7,224.96	$ 7,026.44
Instruction	32,159.44	35,637.46	36,820.04	43,891.67	48,570.13
Operation of Plant	5,858.77	5,640.40	6,381.93	9,267.45	10,106.84
Repair, Upkeep of Plant	5,170.44	1,714.03	1,562.71	3,678.37	1,745.46
Auxiliary Services	6,219.23	6,603.37	6,894.14	7,174.68	8,101.01
Fixed Charges	779.26	1,583.22	1,298.89	2,927.31	1,410.06
Transportation	6,671.68	7,486.41	8,388.99	8,538.97	9,083.10
Capital Outlay	5,208.72	10,552.57	17,009.45	251,063.57	39,173.09
Transfer to Other Funds	-- --- --	-- --- --	-- --- --	7,512.00	6,512.00
Debt Service	-- --- --	-- --- --	-- --- --	5,926.21	6,523.53
Total	67,662.35	75,250.29	85,131.90	347,205.19	138,251.66

this catagory includes all disbursements for actual instruction such as books, supplies for the departments of home economics, industrial arts, commercial, music, physical education, and other incidentals that are used up in the course of a year for classroom work. The addition of an elementary teacher to the staff added to the increase of 1953-'54.

Disbursements for Operation of Plant

This catagory involves the expenditure of money for utilities, fuel, lavatory and maintenance supplies, and janitor salary. Again Table III shows an increase for the period with the largest increases appearing in the last two years. This can be accounted for because operational and maintenance costs went up with the completion of a new addition. The drop that occurred in 1950-'51 can be attributed to normal fluctuations that will occur over a period of time. This drop was short lived as the next year shows a decided increase.

Repair and Upkeep of Plant

A further study of Table III for this catagory reveals a considerable fluctuation over the five-year period. Knowing that repairs to the plant and furniture, upkeep of grounds, and contractural services for repair of such items as typewriters make up this classification, it is easier to understand these fluctuations.

The biggest expenditure for the period occurred in 1949-'50. A policy of redecorating all the rooms was started in this year to extend over a three-year period. Because the plant was badly in need of paint, most of this was done the first year. The second high year noted was 1952-'53, when the high-school building was remodeled along with the new building

program. The cost of redecorating, after the remodeling, was borne by tax money rather than as a part of the bond issue.

Auxiliary Services

Expenditures for the hot-lunch program is the biggest item of this category. The promotion of health is the other item involved but its cost is very slight.

With the number of participants in the hot-lunch program increasing every year, it is only natural that the cost of the program would increase. Of course it is subject to some fluctuation because of the donated surplus foods which will vary the cost of food for the program.

Fixed Charges

Referring again to Table III, much fluctuation is noted in the disbursements for this classification. Insurance, excluding transportation, is the main item of expenditure. In 1952-'53 the insurance program was revised. To put the new program into effect required a greater initial outlay than the following years will require, thus accounting for the increase of that year. Other fixed charges such as Post Office box rent is also listed here but the cost is negligible.

Disbursements for Transportation

All the expense of operating five buses is included under this heading. Here again, Table III reveals that disbursements increased for the period, although the increases from year to year differ in amounts. As buses do not need a major repair every year, expenditures for this cat gory can fluctuate. A major repair was needed on one of the buses the last year of the study to account for the increase over 1952-'53. Except for the

items of repair and repair parts the expenditures for the period would have only a slight increase.

Capital Outlay

Expenditures for office and classroom furniture, new buses, equipment, new grounds, and anything else that is of long range durability is classified under this heading. Payments on the new building, as the program progressed, during 1952-'53 and 1953-'54 caused the last two years of the study to be distorted. Although a separate building fund is maintained, the disbursements are listed under capital outlay in Table III.

In 1952-'53, $232,022.93 was expended from the building fund for the new building. New equipment for the new addition used up a $10,000.00 surplus that had accumulated in the capital outlay fund plus a major portion of the 1952-'53 revenue for capital outlay. Of the amount expended in 1953-'54, $25,336.14 was for the new addition. Other major expenditures in this same year went for ground for a new athletic field, a new school bus, and bleachers for the gymnasium.

The purchase of a new bus was the major expenditure in 1949-'50. In 1950-'51 a policy of replacing the classroom furniture was adopted. This expense extended over the last four years of the study. A new bus was also purchased in 1950-'51. The cost of getting ready for the building program before the money from the bond issue was available absorbed most of the expenditures listed in 1951-'52.

Debt Service and Transfers to Other Funds

Disbursements for debt service didn't start until 1952-'53, when a building program incurred a bonded indebtedness of $270,000.00. No bonded

indebtedness existed during the first three years of the study. The expenditures listed in Table III, went for interest payments on the bonds. Beginning in 1955 payments on the principal will add to the disbursements from this category.

During the period that the building fund was maintained, transfers were made from the general fund to the building fund or from the building fund to the general fund depending upon where the money was needed. As was true with debt service, disbursements listed under transfers to other funds occurred only in the last two years of the study.

In summary, the cost of operating the Jeffers school has increased over the period of this study. For administration and instruction the increase rests with salaries. The addition of a new building raised operational costs plus the new expense of debt retirement. Because of a conservative board that operated the school during the 1940's, no surplus was built up in any of the funds and the building was not maintained properly. This has also been a factor in the increased costs of the last five years.

The present school board of the Jeffers school district has been very liberal, but not extravagant, in the spending of money for the school. Because the board believes in education, it wants a well-maintained plant, a well-supplied classroom, good teachers that are well paid, and a sound educational program. The school could be operated on less money, but the program, as the public wants it, would suffer. The expenditures are well budgeted and well spent.

SECTION V

MILL LEVY, TAXES LEVIED, AND ASSESSED VALUATION OF JEFFERS CONSOLIDATED SCHOOL DISTRICT

The general public is quite aware of mill levies and taxes. However, it takes mill levies and assessed valuation to determine taxes. Thus, mill levy, taxes, and assessed valuation are three of a kind with each dependent on the other in the total picture.

As far as local tax money to run the school is concerned, a local school board has technically little to say about any of the three afore mentioned factors. The school board determines the amount of money it will need to operate the school for a fiscal year. The county auditor then takes over and figures the mill levy and taxes from the assessed valuation.

The key to mill levy is assessed valuation. If the assessed valuation for the same property were doubled the mill levy could be reduces by one-half. This would have no effect on taxes if the amount of money to be raised remains the same. However, taxes and mill levy can be reduced if the amount of property is increased thus increasing assessed valuation.

It is the opinion of this writer that the assessed valuation of the Jeffers school district is too low. For tax purposes, a section of farm land is valued at about $15,000.00, while the farms sell for approximately two hundred dollars an acre. If the valuation were raised, taxes would not be affected, but the mill rate, which is of such concern to the public, would be lowered.

The Jeffers school board reports to the county auditor the amount of money it will need under three catagories, maintenance, capital outlay, and debt service. The county auditor further breaks it down, for tax

purposes, into agricultural land and non-agricultural land. Since 1951 the law has specified that the mill levy on agricultural land shall be for school maintenance, one-half the rate levied on non-agricultural land. This limitation holds true up to fifty mills on non-agricultural land and twenty-five mills on agricultural land. Any additional levy that may be needed is shared equally by both catagories. For capital outlay and debt service the levy is uniform on both throughout.

Mill Levy

As reported by Table IV, the mill levy on agricultural land for maintenance was reduced during the first four years of the study. On non-agricultural land, reductions are noted for only two periods, 1950-'51 and 1952-'53, with the latter being very slight.

A big mill-levy increase on non-agricultural land can be noted for the third year of the study when the twenty-five mill difference went into law. The effect was just the opposite on agricultural land. Another factor that had a mill-reducing effect on agricultural land in 1951 was the consolidation of all or parts of several rural districts with the Jeffers district. The mill levy went up for both agricultural and non-agricultural land in 1953-'54.

No one single factor can be credited entirely for the mill-levy drop for maintenance during the period of this study. However, most credit can be given to the fact that assessed valuations increased more than the amount of money needed to run the school increased.

The amount of money to be raised by local taxes for maintenance varies from year to year depending upon: anticipated state aids and tuition;

TABLE IV

MILL LEVY OF JEFFERS CONSOLIDATED SCHOOL DISTRICT

	Year									
	1949-'50		1950-'51		1951-'52		1952-'53		1953-'54	
	Ag	N-Ag	Ag	N-Ag	Ag	N-Ag	Ag	N-Ag	Ag	N-Ag
Maintenance	37.0	48.0	32.1	43.4	29.0	54.0	28.5	53.5	34.1	59.1
Capital Outlay	20.4	20.4	14.3	14.3	7.5	7.5	17.1	17.1	36.2	36.2
Debt Service	-- -	-- -	-- -	-- -	-- -	-- -	7.7	7.7	25.6	25.6
Total	57.4	68.4	46.4	57.7	36.5	61.5	53.3	78.3	95.9	120.9

fluctuating teachers salaries (new teachers can generally be hired for less salary than when a teacher returns for another year); deficits incurred because of unexpected expenditures; and expenditures may be over-estimated and anticipated revenue under-estimated which creates a surplus.

In checking the mill levy for capital outlay in Table IV a considerable variance appears from year to year. The mill levy first went down and then went up with a high point being reached the last year. Many factors created this fluctuation. New school buses were purchases in 1949, 1950, and 1953. A policy of replacing the classroom furniture and redecorating the classrooms was started in 1949. Also in 1949 much new equipment for the hot-lunch kitchen was purchased.

The low point during the five-year period was 1951-'52. This was the first year under the twenty-five mill difference between agricultural and non-agricultural land for maintenance. This alone created a considerable rise in the mill levy on non-agricultural land. To offset this rise the amount needed for capital outlay was reduced.

During the last year of the study a "high" for the five-year period was reached. This considerable increase can be attributed mainly to two causes. A six-acre plot of land was acquired for an athletic field and new lights installed on it. The other factor was the purchase of new bleachers to cover one side of the newly constructed gymnasium. Had the school board been able to spread these costs over a period of time the rise in mill levy would have been only slight by comparison.

The mill levy for debt service concerns only the last two years of the study. Prior to that no bonded indebtedness existed. A new building

addition completed in 1953 created a bonded indebtedness of $270,000.00. The levy for 1952-'53 was needed to pay the interest on the bonds. With the first payment on the bonds proper due in February of 1955 it was necessary to levy for it the last year of this study, thus creating the big increase over the previous year.

Taxes Levied

The explanations given in the previous section on mill levy also apply to this section on taxes levied.

Over the five-year period the amount of money raised by taxes more than doubled, as Table V shows. The main factors in this were capital outlay and debt service. The amount raised for maintenance increased only $8000.00 over the period. Increased salaries and the addition to the staff of one more teacher account for most of this.

It should be kept in mind that considerable aid from other-than-local tax sources supplement the monies raised by taxes for maintenance. Capital outlay and debt service are primarily a local-tax problem with very little outside help. This will be discussed further in Section VIII.

Assessed Valuation

For the period of this study the assessed valuation of agricultural land increased more than 50 per cent. Most of this rather large increase took place in 1951-'52, as a result of the consolidation in 1951. It should also be noted that the assessed valuation of the agricultural land in the Jeffers school district contributes more to the total assessed valuation than the other two catagories combined.

As Table VI shows, the assessed valuation of non-agricultural land

TABLE V

TAXES LEVIED AGAINST JEFFERS CONSOLIDATED SCHOOL DISTRICT

	Year				
	1949-'50	1950-'51	1951-'52	1952-'53	1953-'54
Maintenance	$20,478.00	$19,458.00	$23,847.70	$24,562.67	$28,615.00
Capital Outlay	10,014.00	7,536.00	5,034.48	12,041.26	25,520.00
Debt Service	-- --- --	-- --- --	-- --- --	5,422.08	18,047.00
Total	30,492.00	26,994.00	28,822.18	42,026.01	72,182.00

TABLE VI

ASSESSED VALUATION OF JEFFERS CONSOLIDATED SCHOOL DISTRICT

	Year				
	1949-'50	1950-'51	1951-'52	1952-'53	1953-'54
Agricultural	$279,704.00	$302,154.00	$407,841.00	$428,917.00	$431,266.00
Non-Agricultural	93,771.00	113,793.00	117,669.00	119,892.00	122,356.00
Personal Property	117,430.00	111,094.00	145,755.00	155,358.00	151,370.00
Total	490,905.00	527,041.00	671,265.00	704,167.00	704,992.00

also increased during this five-year period. This only involves the village of Jeffers. Of the total assessed valuation non-agricultural land has the smallest share, only providing 17 per cent of the total assessed valuation of the Jeffers school district.

Referring to Table VI again, the reader can see that the assessed valuation of personal property increased in three of the five years of this study. The decreases that occurred in 1950-'51 and 1953-'54 were due to the fluctuations that will occur in the assessment of personal property. The increased valuation noted in 1951-'52 was again the result of the consolidation.

The total assessed valuation of the Jeffers school district, as shown by Table VI, increased considerably from 1949 to 1954. The main reason for the increase can be credited to the consolidation. To provide an even better tax base more consolidation will be needed.

In summary, mill levy, taxes levied, and assessed valuation show a definite increase over the period of this study. Mill levy and taxes levied increased because more money was needed to operate the school. The addition of more land to the school district through consolidation increased the assessed valuation.

SECTION VI

COST PER PUPIL FOR JEFFERS CONSOLIDATED SCHOOL DISTRICT

The best unit for measuring school costs that we can use is to analyse the cost per pupil. In Minnesota a good basis on which to judge is to compare the maximum allowance from state aids for tuition of non-resident secondary pupils with the cost per pupil of the school.

The amount of money the Jeffers school district receives from state aids for non-resident secondary pupils is based on the per-pupil-unit in average daily attendance. Elementary pupils are counted as one unit and secondary pupils are counted as one and one-half units. Average daily attendance is determined by dividing the total number of days attended by all pupils for the year by the total number of pupils enrolled. Inasmuch as the basis for determining state aids, the same factors were used to set up Table VII and Table VIII. The tuition charge for non-resident elementary pupils is determined on the same basis as the rate allowed by the state for non-resident secondary pupils.

Cost Per-Pupil-Unit for Maintenance

The adjusted maintenance cost that appears as a part of Table VII is determined by adding the cost of administration, instruction, operation of plant, repair and upkeep of plant, auxiliary services, and fixed charges, less the revenue received from sale of material and supplies and hot lunches. To determine the cost per-pupil-unit, the adjusted maintenance cost has been divided by the average daily attendance.

As Table VII indicates, the cost per-pupil-unit for maintenance has risen considerably from 1949 through 1954. The adjusted maintenance cost

TABLE VII

COST PER-PUPIL-UNIT FOR MAINTENANCE FOR JEFFERS CONSOLIDATED SCHOOL DISTRICT

	Year				
	1949-'50	1950-'51	1951-'52	1952-'53	1953-'54
Average Daily Attendance	287.5	301.7	278.9	316.2	325.8
Adjusted Maintenance Cost	$50,336.29	$56,335.29	$58,066.63	$66,325.00	$68,919.73
Cost Per-Pupil-Unit	$178.55	$186.73	$208.20	$209.75	$211.54

TABLE VIII

COST PER-PUPIL-UNIT FOR CAPITAL OUTLAY AND DEBT SERVICE FOR JEFFERS CONSOLIDATED SCHOOL DISTRICT

	Year				
	1949-'50	1950-'51	1951-'52	1952-'53	1953-'54
Average Daily Attendance	287.5	301.7	278.9	316.2	325.8
Capital Outlay, Debt Service	$ 5,208.72	$10,552.57	$17,009.45	$24,866.85	$20,360.38
Cost Per-Pupil-Unit	18.12	34.97	60.98	78.63	62.49

has increased about 36 per cent while the average daily attendance has risen about 17 per cent for the period. The biggest increase in cost per-pupil-unit for maintenance came in 1951-'52. The main reason for this was the decrease in average daily attendance.

Cost Per-Pupil-Unit for Capital Outlay and Debt Service

The figures listed under capital outlay and debt service in Table VIII do not include the money received from the bond issues of 1951 and 1952. It includes only the actual expenditures from the capital outlay and debt service funds. The cost per-pupil-unit was determined by dividing the cost of capital outlay and debt service by the average daily attendance. The cost per-pupil-unit for capital outlay and debt service more than quadrupled the first four years of this study. As was true with maintenance, the expenditures for capital outlay and debt service increased greater than the average daily attendance.

The big increase in 1951-'52, according to Table VIII, was the result of increased expenditures for capital outlay and a decrease in average daily attendance. It should be kept in mind that expenditures for debt service applies only to 1952-'53 and 1953-'54, but it will be a factor for many years to come.

Total Cost Per-Pupil-Unit

A combination of the cost per-pupil-unit as listed in Table VII and Table VIII is presented in Table IX.

The reader can see that the total cost per-pupil-unit as presented in Table IX merely re-emphasizes the facts as stated in the previous two sub sections: that the cost per-pupil-unit has risen considerably. This

material will be more meaningful when discussed with the facts of Table X in the next sub section.

TABLE IX

TOTAL COST PER-PUPIL-UNIT FOR JEFFERS CONSOLIDATED SCHOOL DISTRICT

	Year				
	1949-'50	1950-'51	1951-'52	1952-'53	1953-'54
Maintenance	$178.55	$186.73	$208.20	$209.75	$211.54
Capital Outlay, Debt Service	18.12	34.97	60.98	78.63	62.49
Total	196.67	221.70	269.18	288.38	274.03

Maximum Allowances of State Aid for Non-Resident Secondary Tuition Per-Pupil-Unit

The amount of state aid for non-resident secondary tuition is set by law and the monies for such appropriated by the legislature. As Table X indicates, the tuition from state aid for maintenance has increased thirty dollars per-pupil-unit, while the amount allowed for capital outlay and debt service increased five dollars. Prior to 1951-'52 no allowance was made for capital outlay and debt service, the tuition was based entirely on maintenance costs.

TABLE X

MAXIMUM ALLOWANCES OF STATE AID FOR NON-RESIDENT SECONDARY TUITION PER-PUPIL-UNIT

	Year				
	1949-'50	1950-'51	1951-'52	1952-'53	1953-'54
Maintenance	$160.00	$160.00	$170.00	$170.00	$190.00
Capital Outlay, Debt Service	---	---	15.00	15.00	20.00
Total	160.00	160.00	185.00	185.00	210.00

It must be kept in mind that the amounts listed in Table X are maximum and are paid to the paid to the school only when the cost per-pupil-unit equals or exceeds the amount prescribed by law. It should also be explained that the amount allowed per-pupil-unit is multiplied by one and one-half to determine the tuition for non-resident secondary pupils, making a maximum of $315.00. By comparing Table X with Table IX, it can be noted that the total cost per-pupil-unit exceeded the maximum allowance of state aid for non-resident secondary tuition in every year of the study. While the maintenance cost per-pupil-unit exceeds the maximum allowed for tuition on maintenance, the big difference rests with capital outlay and debt service. For non-resident pupils the difference between per-pupil cost and allowable tuition is absorbed by the Jeffers school district.

In summary, the cost per-pupil-unit has increased considerably over the five-year period of this study. As a means of comparison, it has also exceeded the maximum allowable tuition from state aids for non-resident secondary pupils. The main reason for the increase rests with capital out-lay and debt service. The cost per-pupil-unit for maintenance rose 18 per cent from 1949 through 1954, while the cost-per-pupil-unit for capital outlay and debt service rose 244 per cent.

SECTION VII

TOTAL RECEIPTS FROM VARIOUS SOURCES FOR JEFFERS CONSOLIDATED SCHOOL DISTRICT

In a previous section, the total receipts for the period of this study was discussed. In order to get a clearer perspective of where the receipts for the Jeffers school come from, the various tables that follow and Figure 1 have been made up on a percentage basis. For purposes of comparison the receipts have been divided into four categories: Local taxes; county, state, and federal aid; other districts; other sources. The percentages for the various tables presented in this section were computed from the data in Table II. The reader should refer to Table II when a comparison of the actual monetary receipts is needed.

Local Taxes

In no year of this five-year study have the receipts from local taxes reached 50 per cent of the total receipts, according to Table XI. The high point for the period was 46 per cent in 1953-'54, while the low was 34 per cent.

TABLE XI

PER CENT OF TOTAL RECEIPTS RECEIVED FROM LOCAL TAXES FOR JEFFERS CONSOLIDATED SCHOOL DISTRICT

	Year				
	1949-'50	1950-'51	1951-'52	1952-'53	1953-'54
Local Taxes	43	38	34	43	46

in 1951-'52. The average per cent of the total receipts from local taxes for the period was forty-one. For the five-year period, the percentage for

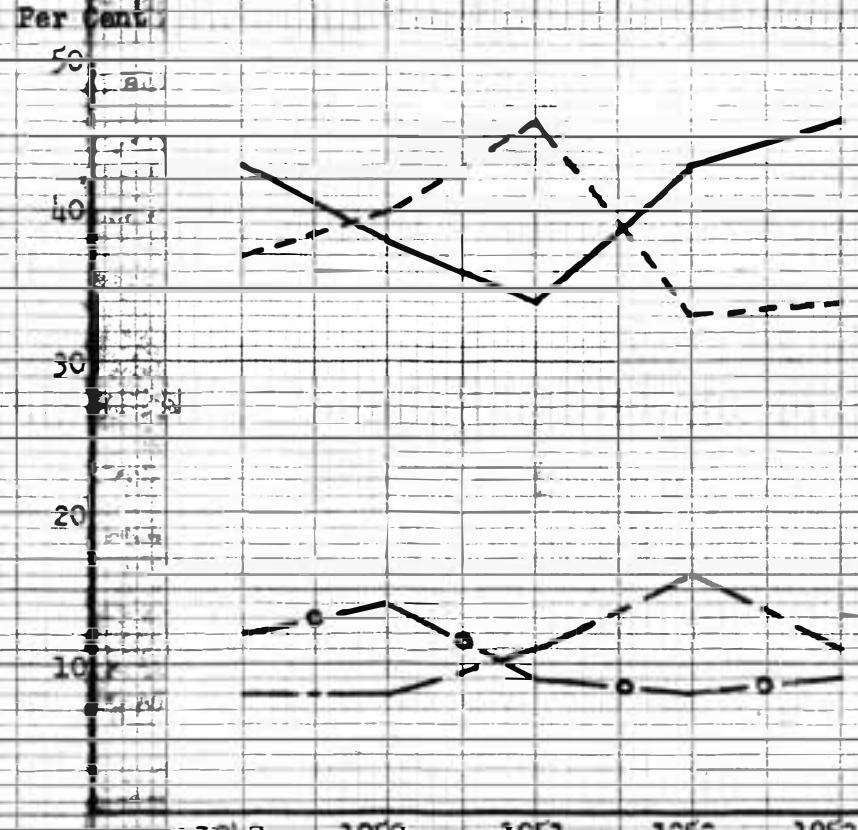

FIGURE 1

PER CENT OF TOTAL RECEIPTS RECEIVED FROM VARIOUS SOURCES FOR JEFFERS CONSOLIDATED SCHOOL DISTRICT

three of the years was above the average, while the percentage for two of the years was below the average.

After the budget for the school is set up, the determiner of local taxes, as a general rule, is the anticipated revenue from sources other than taxes. When anticipated revenue from these sources increase, the amount from local taxes will decrease and the opposite is true when anticipated revenue from sources other than taxes decreases. This applies mainly to the maintenance budget. A check of Figure 1 will bear out this fact.

County, State, and Federal Aid

According to Table XII, receipts from county, state and federal sources averaged 38 per cent of the total receipts for the period of this study. Revenue from the above sources is almost as much, on the average, as

TABLE XII

PER CENT OF TOTAL RECEIPTS RECEIVED FROM COUNTY, STATE, AND FEDERAL AID FOR JEFFERS CONSOLIDATED SCHOOL DISTRICT

	Year				
	1949-'50	1950-'51	1951-'52	1952-'53	1953-'54
County, State, Federal Aid	37	40	46	33	34

revenue from local taxes.

The peak year, in percentage, for receipts from county, state and federal aid was 1951-'52, when 46 per cent of the total came from these sources. The low was 33 per cent in 1952-'53. In two of the five years, 1950-'51 and 1951-'52, the per cent from county, state and federal sources was higher than the per cent from local taxes.

The receipts from county, state, and federal aid has a direct bearing on local taxes. As Figure 1 indicates, when receipts from county, state, and federal sources increase in percentage, the per cent of local taxes decreases and vice versa.

In order that the reader might know what each of county, state, and federal aid contributes to the whole amount from these three sources, Table XIII has been set up. The table covers only 1952-'53 and 1953-'54 because prior to these two years a different accounting system existed which did not accurately break down the amounts received from each of county, state, and federal sources.

It can be ascertained from Table XIII that the state gives well over 70 per cent of the total amount from these three sources. Aid from the state for the Jeffers school comes from these six forms:

1. Basic aid at the rate of $80.00 per-pupil-unit in average daily attendance.
2. Transportation aid for consolidated districts at the rate of $60.00 per pupil or 80 percent of the total cost, which ever is less.
3. Vocational aid for the home economics department. This aid varies, depending on teacher salary, cost, etc..
4. School Lunch Program aid was based on one cent per meal for the period.
5. Income-tax school aid is based on $10.00 per child on the school census rolls of the ages from six through fifteen, and sixteen-year olds actually attending school.
6. Tuition for non-resident secondary pupils is paid at the rate of the maintenance cost per-pupil-unit in average daily attendance, not to exceed $170.00 per-pupil-unit in average daily attendance except when an additional charge equal to one-half the excess over $170.00 up to $210.00 is made. In addition, provision is made for an additional allowance of up to $20.00 per-pupil-unit for capital outlay and debt service.

TABLE XIII

AMOUNT AND PER CENT OF TOTAL RECEIPTS RECEIVED FROM COUNTY, STATE, AND FEDERAL AID, CONTRIBUTED BY EACH OF COUNTY, STATE, AND FEDERAL SOURCES

	Year 1952-'53	1953-'54
County		
Amount	$ 5,774.41	$11,993.80
Per cent	19	26
State		
Amount	23,045.30	33,344.02
Per cent	77	71
Federal		
Amount	1,288.85	1,555.79
Per cent	4	3

Referring again to Table XIII, it can be noted that the county contributed between 19 and 26 per cent for the period. County aid comes from apportionment (fines and penalties), county share of tuition payment and transportation reimbursement for non-resident secondary pupils.

The amount from federal aid, as noted in Table XIII, ranged from 3 to 4 per cent for the period. George Barden Aid contributed a small amount for the vocational home economics department and the rest came from federal reimbursement for the hot-lunch program.

Other Districts and Other Sources

To refresh the readers' memory, receipts from other districts include tuition for non-resident elementary pupils and transportation charges for non-resident elementary and secondary pupils. Receipts from other sources

include the revenue from rentals, fines, fees, tuition and transportation charges not paid by other districts but paid by individual parents, sale of material and supplies, sale of hot lunches, refunds received, and transfers from other funds.

By referring to Table XIV it can be noted that the receipts from other districts ranged from 8 to 14 per cent of the total receipts for the five-year period. It can also be noted that when the receipts from other districts

TABLE XIV

PER CENT OF TOTAL RECEIPTS RECEIVED FROM OTHER DISTRICTS AND OTHER SOURCES FOR JEFFERS CONSOLIDATED SCHOOL DISTRICT

	Year				
	1949-'50	1950-'51	1951-'52	1952-'53	1953-'54
Other Districts	12	14	9	8	9
Other Sources	8	8	11	16	11

went down the receipts from local taxes went up in percentage, according to Figure 1.

Other revenue receipts and non-revenue receipts as listed in Table II, have been combined under other sources in Table XIII and Figure 1. In 1949-'50 and 1950-'51, other sources contributed 8 per cent of the total receipts. Eleven per cent came from other sources in 1951-'52 and 1953-'54. The high for the five-year period was in 1952-'53, when 16 per cent of the total receipts came from other sources. Transfers of money from one fund to another during this year accounts for the higher percentage. Receipts

from other districts and other sources, when combined, are a definite factor in reducing local taxes. The data as presented in Table XI,Table XII, and Table XIV have been combines and presented in Figure 1. References to Figure 1 have been made through-out this section.

In summary, local taxes and aid from county, state, and federal sources contribute the greatest percentage of the total revenue of the Jeffers school district. However, revenue from other districts and other sources does play an important part in the total receipts picture, but it is not a major factor. Revenue from sources other than local taxes is a definite factor in determining the amount to be raised by local taxes.

SECTION VIII

AREA, ENROLLMENT, AND FINANCIAL CONDITIONS OF JEFFERS CONSOLIDATED SCHOOL DISTRICT UNDER A FULL CONSOLIDATION

Although the Jeffers school district has been consolidated since 1920 and underwent further consolidation in 1951, the tax base is still not broad enough to provide a sound financial backing. The only solution that will guarantee a reasonable mill rate for the taxpayers of the Jeffers school district is consolidation of all the school districts serviced by the Jeffers school. It will also provide a more economical classroom situation especially in the grades. It will also provide a more economical section to show what it would be like with a full consolidation.

Size of Present School District and Size of Proposed School District

For approximately fifteen years the State of Minnesota, by law, has been divided into high-school-attendance areas. Most of the high-school-attendance areas are made up of one district operating a secondary as well as an elementary-school program, plus a number of smaller districts which operate either no school at all or only an elementary school. These areas were set up to facilitate and control the transportation of non-resident pupils and no public school can go into another schools' attendance area to transport pupils.

These attendance area boundaries are widely accepted as representing logical school district boundaries. Thus, the outer boundary line, as drawn on Figure 2, is the boundary line of the high-school-attendance area and of the proposed Jeffers school district. The inner line, as drawn on the map, is the boundary of the present Jeffers school district.

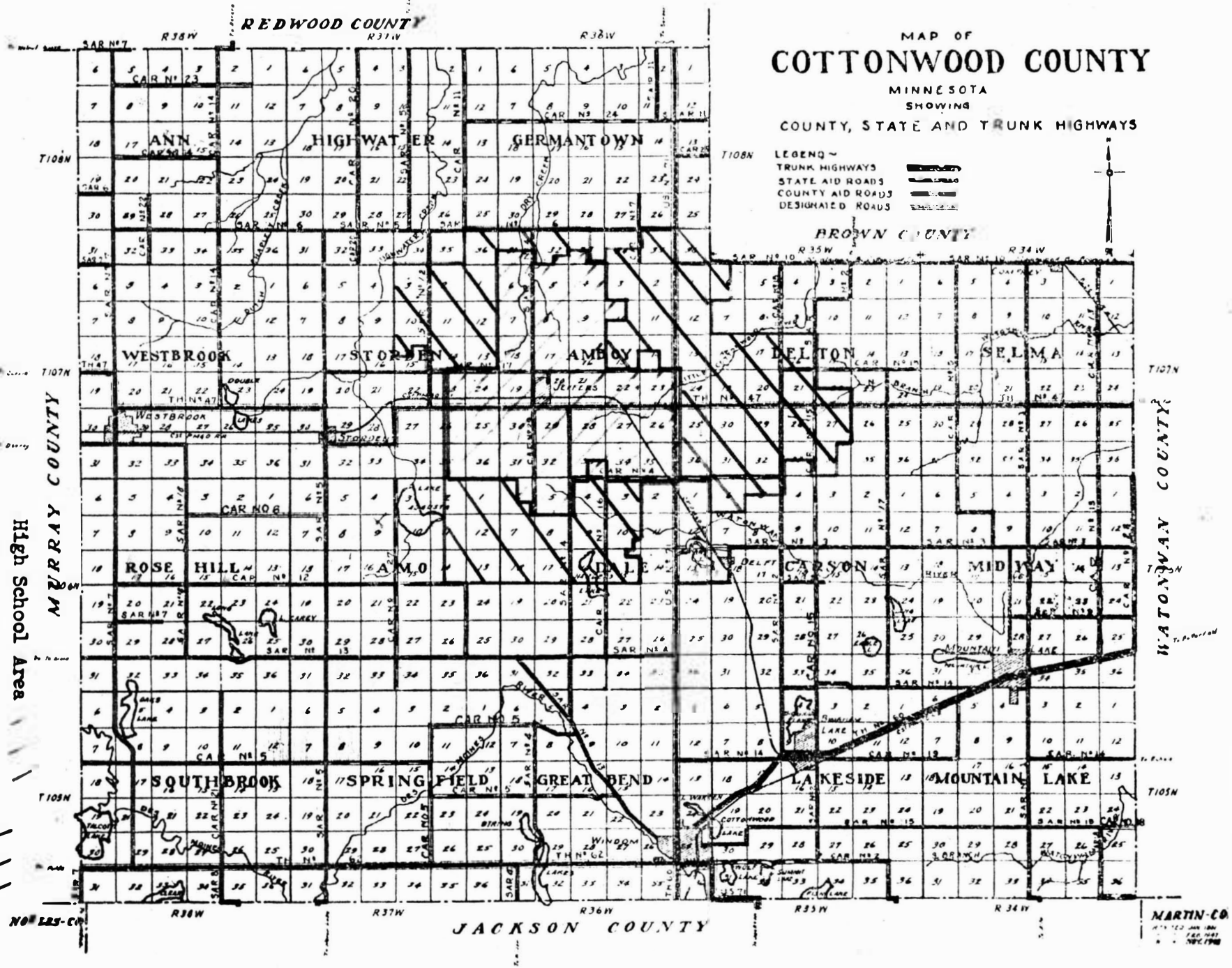

Figure 2

High School Area

Jeffers School District

Enrollment

If all the rural-school districts in the Jeffers High School area were consolidated with the Jeffers district, only the enrollment of the elementary school would be affected. All of the high-school students in the area involved come to Jeffers High School now.

Because the high-school enrollment would remain the same, Table XV has been set up for the elementary grades only. The enrollment for 1953-'54 of the Jeffers elementary grades and the open rural schools was used for the table. Only the enrollment of the open rural schools was used because the closed rural schools send their students to the Jeffers school now.

TABLE XV

ENROLLMENT OF THE ELEMENTARY GRADES OF JEFFERS CONSOLIDATED SCHOOL DISTRICT UNDER A FULL CONSOLIDATION

	Grade						
	1	2	3	4	5	6	Total
Present Enrollment	22	29	12	13	16	20	112
Enrollment in Rural Districts	12	11	15	11	12	10	71
Total	34	40	27	24	28	30	183

Under a full consolidation, the enrollment of the grades would show more uniformity throughout than the present enrollment of the Jeffers Elementary School, as can be observed in Table XV. The total enrollment would be increased by seventy-one pupils.

The only grade that would be too large in size, is the second grade with forty pupils. As a temporary solution, part of the second grade could be combined with the third grade. This would not be an ideal situation, but until the census could be checked to obtain the future enrollment picture, splitting of the grade into two second grade rooms and hiring an additional teacher would be unwise. As the enrollment status of the proposed district now stands, an additional elementary teacher would be needed, making one teacher for every grade.

Although the enrollment would increase under the proposed consolidation, the length of the bus routes would not be affected greatly as the buses now travel through this same area. A few more stops would have to be made, however.

A more economical classroom could be operated in the grade school with the enrollment of a full consolidated school district. No further room would be needed for the present to take care of the increased enrollment.

Assessed Valuation

The assessed valuation of the Jeffers school district would be more than doubled under a full consolidation, as shown in Table XVI. This would certainly provide a sound tax base on which to operate the school.

In order to set up Table XVI, it was necessary to estimate the assessed valuation of some of the rural districts. Some of these districts are not wholly within the Jeffers High School area, thus the assessed valuation of that part of the district that would be included in the consolidation has been estimated on a proportional basis.

As Table XVI indicates, the new district would increase the land area

from the present twenty-nine sections to approximately 76 sections. It can also be noted in Table XVI, that of the nine rural districts that now comprise the Jeffers High School area, three are not operating a school. Although, the elementary and secondary pupils from these closed schools now attend the Jeffers school and are included as a part of the present Jeffers school enrollment, the assessed valuation of these districts can not now be included with that of the Jeffers school district.

TABLE XVI

ASSESSED VALUATION OF JEFFERS CONSOLIDATED SCHOOL DISTRICT UNDER A FULL CONSOLIDATION

Rural District	School Open	School Closed	Sections of Land	Assessed Valuation
14	X		6	$ 92,173.00
*16	X		1½	22,500.00
36		X	6	92,662.00
44	X		8½	130,777.00
45	X		8½	133,601.00
*46		X	3	53,648.00
*49		X	3	45,000.00
55	X		4½	77,562.00
75	X		6	102,720.00
74 (Jeffers School District)			29	704,992.00
Total	6	3	76	1,455,635.00

*Estimated

If a consolidation of all the rural-school districts with the Jeffers

school district becomes a reality, the assessed valuation and land area could vary from what Table XVI shows. As is the case in many such consolidations, families that live on the fringe of the area involved can go to another school district. This is permissable under the high-school-area law. However, where a family living on a farm in the fringe of the area may decide to go to another school district, another farm family from the fringe area of an adjoining district may decide to be included in the consolidation with the Jeffers school district.

TABLE XVII

MILL RATE OF RURAL SCHOOL DISTRICTS IN THE JEFFERS HIGH SCHOOL AREA, 1953-'54

Rural District	1953-'54 Mill Rate
14	43.9
16	35.7
36	55.1
44	32.6
45	39.8
46	23.1
49	31.3
55	49.6
75	40.7

Mill Levy

As Table XVII affirms, a considerable variation exists between the mill levies of the various rural districts that now comprise the Jeffers High

School area. The range is from 23.1 mills to 55.1 mills. The two lowest mill rates, District #46 with 23.1 mills and District #49 with 31.3 mills, represent closed schools. Their mill levy is low because very few elementary school children live in the district. These children now attend the Jeffers school and their tuition and transportation is paid by the home district. District #36, which has the highest mill levy of the group with 55.1 mills, is also a closed school. In contrast to the other closed schools, many elementary-school children reside in this district that attend the Jeffers school. For the open schools, the range is from 32.6 mills in District #44 to 49.6 mills in District #55.

The proposed mill rate under a full consolidation is shown in Table XVIII. This mill rate is based on an assessed valuation of $180,000.00 for non-agricultural land. The condensed budget, from which the mill rates were determined for Table XVIII, is as follows:

Maintenance	$32,500.00
Capital Outlay	11,500.00
Debt Service	18,000.00
Total	62,000.00

The above amounts are based on the taxes assessed against the Jeffers school district for 1953-'54. However, capital outlay has been reduced by the amounts spent for the new lighted athletic field and new bleachers. The amount for maintenance has been increased because of the increased enrollment. Although the revenue from the rural districts for tuition and transportation will be lost under consolidation, the revenue from state aids will increase enough, due to the increased enrollment, to offset the loss.

Looking at the mill rates as shown in Table XVIII, one can see that the mill rate on non-agricultural land would be approximately 60.5 mills

and on agricultural land the mill levy would be approximately 40.5 mills. Since all the rural districts involved would come under the agricultural mill rate, the comparisons will be made on this basis.

TABLE XVIII

PROPOSED MILL RATE OF JEFFERS CONSOLIDATED SCHOOL DISTRICT UNDER A FULL CONSOLIDATION

	Mill Rate Non-Agri.	Amount	Mill Rate Agri.	Amount	Total
M	40.0	$ 7,200.00	20.0	$25,400.00	$32,600.00
CO	8.0	1,440.00	8.0	10,160.00	11,600.00
DS	12.5	2,250.00	12.5	15,875.00	18,125.00
T	60.5	$10,890.00	$40.5	$51,435.00	$62,325.00

M - Maintenance
CO - Capital Outlay
DS - Debt Service
T - Total

Of the mill rates listed for the nine districts in Table XVII, four had a higher mill rate than 40.5 in 1953-'54, and five had a lower mill rate. Of the nine districts two show very little difference from the proposed mill rate.

With 39 mills as the average mill rate for the nine districts, the average increase under consolidation would be 1.5 mills. Excluding the three closed rural schools in the area involved, the greatest increase in mill levy would be 7.9 mills for District #44, while the biggest decrease would be 9.1 mills for District #55.

The greatest benefactor, from the mill-levy viewpoint under the proposed

consolidation, would be the taxpayer of non-agricultural land, where the mill rate would be reduced by one-half. The rural districts will also benefit from the consolidation. The reader should refer to Section IX for a brief discussion of this.

SECTION IX

SUMMARY OF CONCLUSIONS AND RECOMMENDATION

Summary of Conclusions

It has been the purpose of this paper to study the factors affecting the financial status of the Jeffers school district. The school has always been in a rather healthy financial state, so when this writer accepted the responsibility as superintendent of the school it was hoped the same status would continue. As Table IV has previously pointed out, the tax-mill rate for the operation of the school has reached a point where the burden on the taxpayer is quite heavy and some relief is needed.

Although the school could be operated on a smaller budget, it is the desire of the school board and the school patrons that a sound educational program be maintained. Keeping this in mind this writer has the following findings to offer as a result of this study:

1. The enrollment of the school is too small, especially in the grade school. Filling up the classroom with pupils would increase the revenue from state aids and lower the per pupil cost.

2. Although much revenue is received from other than local tax sources, the main burden is still on the taxpayer.

3. The mill levy will come down from the high of 1953-'54, but it will not decrease enough to relieve the taxpayer.

4. With teacher and administrative salaries continually on the rise plus the additional cost of operating, maintaining, and paying off the bonded indebtedness on the new building, disbursements will not decrease enough at the present rate to offer tax relief.

5. The assessed valuation is not large enough to offer a broad tax base.

6. The per-pupil-unit cost is higher than the reimbursement received from state aids for non-resident secondary-school pupils. The difference between the per-pupil-unit cost and the amount received from state aids is absorbed by the taxpayer.

Recommendation

This writer is of the firm opinion that the only real sound solution to the problem of high taxes is to offer a consolidation plan to the entire area serviced by the Jeffers school. Permitting the rural districts to close their schools and send the pupils into Jeffers may raise the enrollment and increase state aids but it will not provide the necessary broad tax base. Extending the land area is the only sound long-range solution, unless the State chooses to increase state aids to the point where the taking of non-resident pupils by a high-school district becomes a paying proposition, and this is very unlikely. Some form of consolidation involving all the rural districts will do the following for the Jeffers school district:

1. Increase the enrollment to make a more economically operated classroom.
2. Reduce the mill levy enough to provide the necessary tax relief.
3. Increase the assessed valuation enough to provide the necessary broad tax base.
4. Lower the per pupil cost.

Although this study is basically concerned with the Jeffers school district, this writer does not wish to leave the impression with the reader that the rural-school districts will not benefit from a full consolidation. The time is not too far off when many of these rural districts will be faced with the replacement of their wooden school house, and thus a big increase in their mill levy. In brief, some of the benefits to the rural districts would be:

1. Some of the districts would have a lower mill rate.

2. It will put the rural people in a high-school district, and assure their children of a high-school education.

3. It will offer better facilities and a larger instructional staff for the education of the rural children.

4. It will give every citizen in the high-school area a voice in both the elementary and secondary programs of the school which their pupils attend.

The reader should understand that much more material than has been presented in this study would have to be collected and arranged before the plan could be offered to the rural districts. What has been presented covers the over-all picture. As each district is confronted with the consolidation plan, facts and information pertinent to the particular district would be presented as well as the over-all plan.