8-1-1937

A Financial Survey of School Districts in Nelson County

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A FINANCIAL SURVEY
OF SCHOOL DISTRICTS IN NELSON COUNTY

A Thesis

Submitted to the Graduate Faculty

of the

University of North Dakota

By

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In Partial Fulfillment of the Requirements

For the Degree of

Master of Science in Education

August 1937

This thesis, offered by M. R. Lazenby, as a partial fulfillment of the requirements for the Degree of Master of Science in Education in the University of North Dakota, is hereby approved by the Committee under whom the work has been done.

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ACKNOWLEDGMENTS

The writer wishes to acknowledge his gratitude to those who have given assistance in the preparation of this study. In particular he wishes to express his appreciation to Dr. A. V. Overn, Professor of Education in the University of North Dakota, for his guidance and helpful criticism. He is also indebted to the various county officers in Nelson County, particularly Mr. B. J. Burreson, County Superintendent of Schools, and Mr. Oscar Berg, Deputy County Superintendent of Schools, whose assistance in obtaining data was greatly appreciated.

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CHAPTER 1

INTRODUCTION

One of the most important problems in the administration of the public schools is that of finance. This problem is so important because it concerns every one within the school district. Those who must spend the most time and work in regard to the financial problem are the school administrators and board of education. It becomes their duty to plan a tax program that will adequately finance the school program and still be within the limits as set by law and the demands of the patrons.

This problem has indeed become a very difficult one in the past few years. The economic conditions of the country and the extreme drought throughout the agricultural section of North Dakota has lowered the tax receipts in all school districts and upset many well made plans. Then again the regular progress of civilization in general has demanded better schools and an enriched school curriculum. Along with this has come a general increase in enrollment which has taxed the capacities of many schools, requiring the building of some of our fine new school buildings, the addition of teachers, and the general demand for more money to finance the maintenance of our schools and the education of all children. Some school districts have been fortunate in being able to meet these increased financial demands, others have strived to meet them while a third group has been prone to put forth little effort in these regards.

The Problem

This inequality of education as given by the various school districts presents a problem that requires considerable study and planning. The present study will be confined to conditions as they exist in Nelson County, the actual receipts and expenditures of the various school districts, the financial help as received from outside sources, the ability to support education and the actual effort put forth. The problem then is: first, to make the survey as mentioned above; second, to see if inconsistencies exist in regard to revenue and expenditures, resulting in inequalities of education; and third, on the basis of this data arrive at a conclusion whether or not a change in our present method of school financing is necessary.

Source of Data

The data for this study were obtained from original records on file in the offices of the county superintendent of schools, county auditor, and county treasurer. Also from reports compiled by the state tax commissioner, the state board of equalization and the state commissioner of agriculture. The data as obtained from these sources are for the years 1930 to 1936. The general data used in most of the tables is for the 1935-36 school year which ended on June 30, 1936.

Reliability and Limitations

This study applies to Nelson County, North Dakota, and is limited principally to the financial conditions existing in its school districts with recommendations for proposed changes. Errors may have existed in some reports as turned in by school clerks but every precaution was used to make the results as reliable as possible. Undoubtedly the individual figures in amounts of income, valuations and other factors have been affected by the extended period of drought and depression which preceeded and held forth during this study. However the conditions have been uniformly prevalent in all sections of the county so that the relationship of the various items will remain true among the individual school districts that are included.

CHAPTER 2

GENERAL CONDITIONS IN NELSON COUNTY

A study of some of the general conditions in Nelson County is herewith presented in order that the reader might understand the situation better and associate these general conditions with the data conerning the schools. No attempt will be made to give a detailed account of these conditions but just a brief outline.

Geographical

Nelson County is located in the northeast central part of the state, within the water shed of the Red River of the North, one County removed from the river, and is bounded on the North by Walsh and Ramsey Counties, on the south by Griggs and Steele, on the east by Grand Forks, and on the west by Ramsey, Benson and Eddy Counties.[1]

The county has an approximate land area of 627,840 acres, of which 96 per cent is in farms. Of the land in farms, 63 per cent is devoted to crop production. The average size of farms is 485 acres. The average annual precipitation is 18 inches, being slightly less in the north and somewhat more in the south.

The average temperature for the months of June, July and August is 63 degrees. The growing season is about 120 days and about 80 per cent of the seasons are frost-free for 105 days or more.

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[1] Andreas' Historical Atlas of North Dakota, R. R. Connelley and Sons, Lake Side Press, Chicago, Ill., 1884, p. 203.

As is shown in Figure A, Nelson County is in the first group of the production series of the State and is in the Black-Earth belt. The soils are derived from glacial till and are generally composed of a deep, black loam, with an underlying sub-soil of yellow clay.[2]

Most noted feature in the geography of this county is the peculiar shaped sheet of water commonly known as Stump Lake, but called in the Indian tongue Wamduska, which in the expressive language of the Dakotas signifies, "When on the waters, oh look!" In other words, behold the beauties which surround you. The Lake is seventeen miles in length with a breadth of one fourth to three miles. It covers approximately sixteen square miles or more than 10,000 acres. It was once connected with Minnewaukan or Devils Lake and it's waters are impregnated with the same chemical substance. The main characteristics are beautiful beaches, wooded shores and commanding bluffs and hills.

The Blue Mountains, lying west of Wamduska Lake rise abruptly in the midst of a fine level country to the height of 500 feet or more. Their slopes are destitute of timber, and very rocky and barren. They cover an area of several square miles altogether and form a conspicuous part of the landscape.[3]

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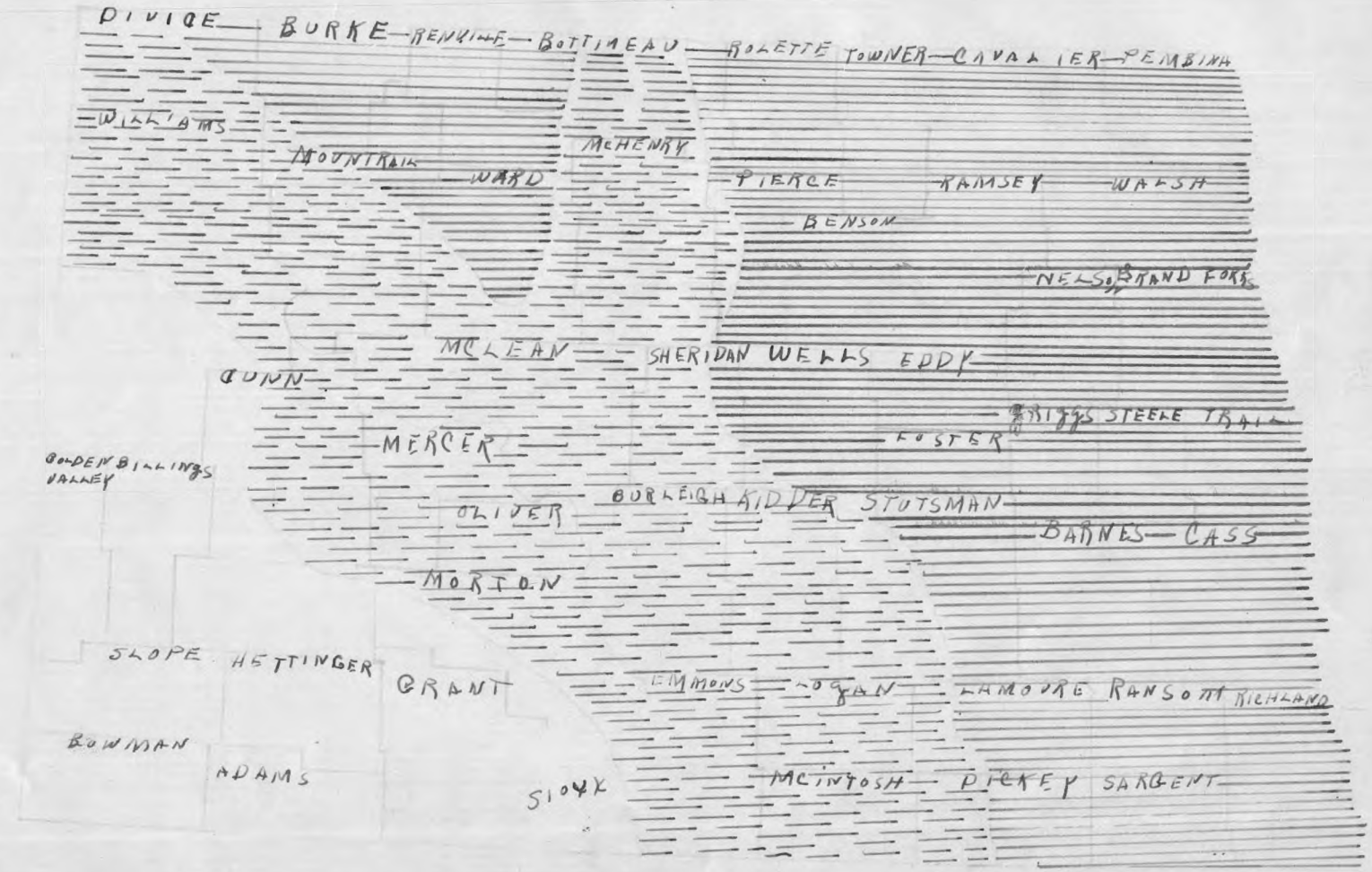
[2]Rex E. Willard, The Agricultural Regions of North Dakota, (December, 1924) p. 127-128.

[3]Andreas' Historical Atlas of North Dakota, op. cit., p. 204.

NORTH DAKOTA



The Black Earth Belt

The Farm-Grazing Belt

The Grazing Forage Crop Belt

Figure A

Agricultural Regions of North Dakota

Historical and Population

Nelson County was formed at the last session of the legislature in the spring of 1883, from portions of Grand Forks, Ramsey and Foster Counties. Early in the summer of 1883, D. S. Dodds, F. I. Kane and George Martin were appointed County Commissioners, and in the month of June they met, organized, fixed the seat of Justice at Lakota, and appointed the following county officers: Register of Deeds, H. W. Alexander; Clerk of Court, W. S. Tallant; Judge of Probate, D. J. Tallant; Treasurer, E. L. Owen; Sheriff, Josiah Pierce; Assessor, M. A. Koons; Surveyor, Mr. Tucker.

The county seat is Lakota which was laid out about July 1, 1883, by Messrs. Howard and Kane, a syndicate of English capitalists. The railroad came through late in the fall of 1882. Michigan City, about eleven miles east of Lakota, is the oldest town in the county, the earliest improvements having been commenced in October, 1882.[4]

The population according to the 1930 Census was 10,203. Among this number were 8,437 native whites and 1,745 foreign born.[5]

Railroads and Highways

Nelson County is quite well served with four railroad lines crossing its territory. The northern tier of townships is served by the Soo Line; the second northern tier is served by the main line of the Great Northern; the southwestern part is served by a branch line of the Great Northern; and the

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[4]Andres' Historical Atlas of North Dakota. op. cit. p. 204.
[5]United States Census, 1930.

northwestern part is also served by a branch of the Great Northern line running from Lakota to Sarles.

The first railroad came to Nelson County in 1882 when the Great Northern extended its line west of Grand Forks through Michigan. There is at the present time 92 miles of railroad trackage in the county. The Great Northern has 67.5 miles and the Soo Railroad 24.5 miles. Fifteen, or one-half of the school districts have trackage within their limits. The range is from 1.5 miles in district number sixty to 12 miles in district number sixty eight. Two of the districts,numbers sixty six and sixty eight, have the trackage of two railroads within their limits. The number of miles of trackage is shown in Table 1.

Table 1

Number of Miles of Trackage in School Districts as Reported by School Board Clerks[a]

District Number	Number of Miles of Railroad Trackage
20	3
28	7.5
32	6
34	7
40	6
42	6.5
44	2
46	6
52	6
54	6
58	5.5
60	1.5
66	11
68	12
74	6
Total	92

[a]Figures in this table were obtained from records in the County Superintendent's Office.

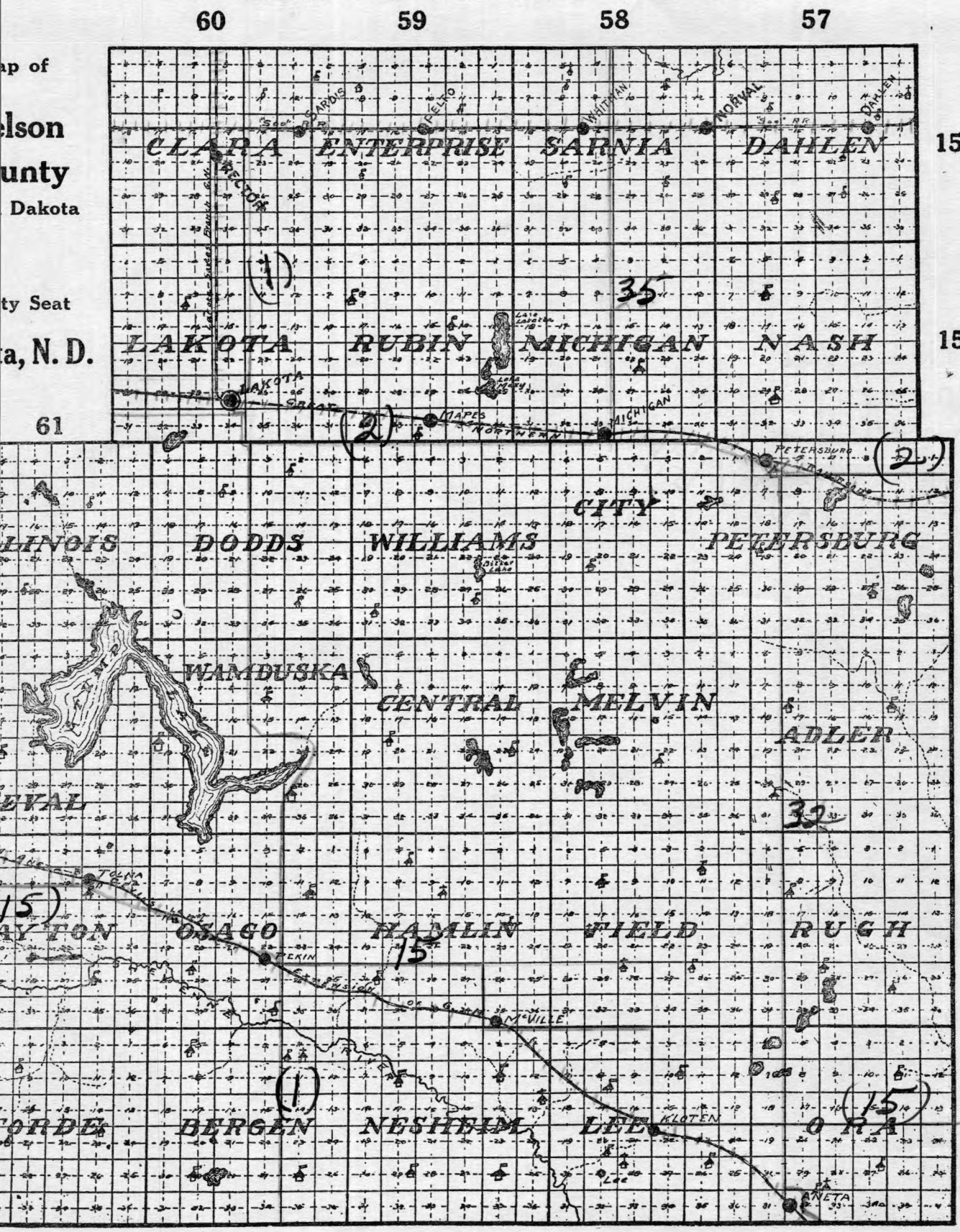
Nelson County has one Federal Highway, U. S. two, running east and west through the northern part of the county. This is one of the main federal highways in the state and is known as the Theodore Roosevelt Highway. It extends from Portland, Maine to Portland, Oregon. This road has an all weather surface and is usually kept in good condition. In the winter time it is kept free of snow if at all possible. In addition to this highway there are some state highways that link up all the principal towns of the county. These highways are all gravelled and are as good as any to be found in the state. In addition to the federal and state highways there are some very good county and township highways. Figure B shows the location of the railways and the main highways.

Industries and Occupations

The chief industry in the county is agriculture, as is readily seen from the data compiled in Table 2. This data was taken from the United States Census Report for 1930.

Figure B

Railroads and Highways in Nelson County



Railroads ++++++ Highways ——

Table 2

Occupations and Number Engaged in Each in Nelson County, in 1930

Occupations	Number Engaged
All Industries	3,653
Agriculture	2,356
Wholesale and retail trade, except auto's	212
Other professional and Semi-Professional	209
Other domestic and personal service	208
Building Industry	72
Industry not Specified	61
Hotels, restaurants and boarding houses	55
Steam and Street Railroads	52
Garages, Greasing Stations and etc.	46
Other Trade Industry	43
Construction and Maintenance of Streets and etc.	38
Other Transportation and Communication	29
Banking and Brokerage	29
Other Public Service	28
Postal Service	28
Telegraph and Telephone	26
Automobile Agencies and Filling Stations	24
Other Food and Allied Industry	22
Recreations and Amusements	17
Other Manufacturing Industries	16
Bakeries	11
Iron and Steel Industry	11
Automobile Factories and Repair Shops	9
Paper, Printing and Allied Industries	8
Insurance and Real Estate	8
Clothing Industry	2
Textile Industry	1
Laundering, Cleaning and Press Shops	1

The fact that Nelson County is located in the Black-Earth belt makes it suitable for a diversified farming program. Although it is one of the smaller counties in size it ranks well up to the front in farm crops harvested as will be seen by Table 3. Durum wheat and flax are the principal crops. In 1930 the county ranked fifth in the bushels of durum wheat harvested and seventh in flax. Millet, sweet clover and prairie hay are the principal crops cut for hay

and the county ranks next to the top for the state in the numbers of tons cut each year. Nelson County also ranks high as a dairy center, being fourth among the counties in the number of pounds of cream sold. It also ranked fourth in the number of sheep on the farms and third in the number of pounds of wool clipped. Table 3 gives the various agriculture products, the numbers of live stock and the ranking with other counties in the state.

Table 3

Agricultural Products and Live Stock in Nelson County in 1931 and rankings with other Counties[a]

Agricultural Activity or Live Stock	Amount	Ranking
Acres of Spring Wheat Sown	19,948	48
Bushels of Spring Wheat Harvested	254,048	47
Acres of Durum Wheat Sown	115,411	7
Bushels of Durum Wheat Harvested	1,409,947	5
Acres of Flax Sown	39,306	11
Bushels of Flax Harvested	226,276	7
Acres of Oats Sown	42,342	10
Bushels of Oats Harvested	878,853	10
Acres of Barley Sown	48,462	13
Bushels of Barley Harvested	796,790	14
Acres of Winter Rye Sown	2,518	49
Bushels of Winter Rye Harvested	26,433	48
Acres of Speltz Sown	2,058	30
Bushels of Speltz Harvested	44,375	14
Acres of Corn Planted	4,112	43
Bushels of Corn Husked	100	51
Acres of Potatoes Planted	799	18
Bushels of Potatoes Harvested	50,754	16

Table 3 (Continued)

Agricultural Activity or Live Stock	Amount	Ranking
Acres Of Millet Sown	520	42
Tons of Millet Cut	4,677	2
Acres of Sweet Clover Sown	32,574	2
Tons of Sweet Clover Cut	14,537	2
Acres of Alfalfa Sown	3,824	25
Tons of Alfalfa Cut	2,222	25
Acres of Timothy Sown	556	16
Tons of Timothy Cut	388	14
Acres of Brome Grass Sown	414	26
Tons of Brome Grass Cut	18	26
Tons of Prairie Hay Cut	33,770	4
Number of Pounds of Cream Sold	1,277,154	4
Number of Milk Cows	8,813	19
Number of Cattle (all ages)	23,548	21
Number of Horses (all ages)	6,724	32
Number of Sheep (all ages)	23,552	4
Number of Pounds of Wool Clipped	174,465	3
Number of Chickens	57,673	22

[a]Compiled Agricultural Statistics of North Dakota for period ending June 30, 1932, compiled by John Huseby, Commissioner of Agriculture.

The high quality of the land in Nelson county is shown in Table 3. This will be seen by the fact that in several cases the harvest ranks higher than the number of acres sown. In order to take care of the grain products, Nelson County has thirty-six elevators with a total capacity of 914,000 bushels.

Land values in Nelson County have continually ranked above the average for the state. It has also stayed about normal in regard to the values of the other counties. It lost one place in 1933 and then stayed the same in 1935. In 1935 when the average value per acre for the whole state was listed at $14.22 the value for Nelson County was $16.56. The average values for all the counties and rankings for the years 1931, 1933 and 1935 are given in Table 4. These data were obtained from the Thirteenth Biennial Report of the State Tax Commission for the period of 1934 to 1936.

Table 4

The Average Value Per Acre of Farm Land by Counties in North Dakota for the Years 1931, 1933 and 1935

County	1931	Rank	1933	Rank	1935	Rank
Adams	$ 9.03	47	$ 8.81	47	$ 8.31	47
Barnes	25.49	7	22.45	8	20.99	8
Benson	17.08	22	16.01	21	15.06	22
Billings	6.07	53	5.99	53	4.98	53
Bottineau	16.32	23	14.70	23	13.93	23
Bowman	8.64	48	7.90	48	7.53	49
Burke	13.48	31	13.29	28	13.17	27
Burleigh	10.90	41	9.61	43	9.24	43
Cass	32.60	2	29.16	2	27.76	2
Cavalier	20.18	18	17.96	17	16.85	18
Dickey	22.62	12	20.18	14	18.52	13
Divide	13.42	32	11.96	33	11.39	33
Dunn	10.79	42	9.64	42	9.07	45
Eddy	19.05	19	17.71	18	16.78	19
Emmons	14.49	29	12.89	30	12.66	30
Foster	20.90	16	18.45	16	17.75	16
Golden Valley	8.64	48	7.23	50	6.80	50
Grand Forks	28.29	4	25.47	4	24.17	4
Grant	11.39	40	9.94	40	9.62	41
Griggs	22.24	14	20.47	13	20.11	10
Hettinger	11.59	39	10.87	37	10.39	38
Kidder	10.39	45	9.33	46	9.16	44
LaMoure	23.58	10	21.46	9	20.37	9
Logan	15.51	25	14.03	25	13.34	27

Table 4 (Continued)

The Average Value Per Acre of Farm Land by Counties in North Dakota for the Years 1931, 1933 and 1935

County	1931	Rank	1933	Rank	1935	Rank
McHenry	$12.85	34	$11.59	35	$10.95	35
McIntosh	15.83	24	14.29	24	13.07	28
McKenzie	6.63	52	6.09	52	5.44	52
McLean	12.81	35	11.68	34	11.32	34
Mercer	12.11	37	10.82	38	10.27	40
Morton	1o.45	44	9.51	44	10.84	36
Mountrail	10.07	46	9.73	41	9.40	41
Nelson	19.05	19	17.18	20	16.56	20
Oliver	10.49	43	9.42	45	8.91	45
Pembina	23.65	9	20.85	11	19.81	12
Pierce	14.17	30	12.76	31	12.09	31
Ramsey	23.52	11	21.09	10	19.99	11
Ransom	22.54	13	20.54	12	19.54	13
Renville	14.69	28	13.09	29	12.35	30
Richland	28.15	5	24.70	5	23.51	5
Rolette	15.46	26	13.83	27	13.25	26
Sargeant	25.39	8	22.88	7	21.59	7
Sheridan	13.31	33	12.14	32	11.57	32
Sioux	7.79	51	7.11	51	5.95	51
Slope	8.49	50	7.70	49	7.27	49
Stark	12.09	38	11.02	36	10.56	38
Steele	29.02	3	26.12	3	24.81	3
Stutsman	17.35	21	15.33	22	15.16	22
Towner	21.71	15	19.29	15	18.34	15
Traill	33.05	1	30.28	1	28.92	1
Walsh	27.24	6	24.03	6	22.85	6
Ward	14.77	27	13.87	26	13.82	23
Wells	20.49	17	17.66	19	17.31	17
Williams	12.18	36	10.78	39	10.65	36
State Average	16.49		14.87		14.22	

Schools and School Districts of Nelson County

There are four forms of school districts provided for in our school laws, namely:

1. Common School Districts.
2. Special Districts.
3. Independent Districts.
4. Districts in Certain Cities.[6]

If a study of the school laws is made it will be found that several different types of schools may be operated within the above mentioned districts. There is therefore no direct relationship between the type of school district and the kind of school operated therein. The different types of schools in North Dakota are as follows:

1. One room school
2. Consolidated school
   a. Open county consolidated
   b. Town consolidated
3. Graded Schools
   a. Open country graded
   b. Town graded
4. Classified High Schools

Each of the above groups is further divided into first, second and third class for the basis of state aid distribution. The gradings are made by the state department accordingly as each district meets the requirements.

There are none of the third type, or graded schools in Nelson County, either open country or town graded. There are in all thirty school districts as is shown in Figure C.

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[6]State of North Dakota, General School Laws, Arthur E. Thompson, Superintendent, 1935, article 2, p. 40.

Most of these school districts are of the same size and contain thirty six sections of land. There is another group that contains eighteen sections. The smallest district is the Special District of Aneta which contains six and seven eights sections. The largest is Michigan which contains sixty sections and operates a classified high school and two one room rural schools.

The Superintendent's Annual Report for 1935 revealed the kinds of schools in Nelson County as is shown in Table 5.

Table 5

The Number and Kinds of Schools in Nelson County in 1935

Kind of School	Number	
1. One Room Schools	48	
2. Consolidated Schools	9	
a. Open Country		(3)
b. Town Consolidated		(6)
3. Classified	5	

If one would attempt to study the school districts as given in Table 5 there would immediately be difficulties encountered. The one room rural school districts are much the same but not so the others. Two of the classified school districts operate one room rural schools and likewise one consolidated school district. Then again some of the consolidated school districts maintain four years of high school, some but two and some none at all. With the exception of the sixteen districts operating only one room rural schools, Table 6 will show the various districts in Nelson County and the types of school maintained in each district.

Table 6

Kinds of Schools in Various Districts in Nelson County in 1935

District Number	Classified High School	Consolidated	One Room Rural
20	1		
68		1	
32		1	
74		1	
54		1	
46	1		
66	1		
34		1	
52		1	2
40	1		2
58		1	
28	1		1
42		1	
50		1	

A comparison similar to what has been made in other studies of this nature will be made of the districts and they will be classified as follows:

All of the districts maintaining elementary schools and a four year high school will be placed in one group, whether classified or consolidated schools, and called High School Districts. There are ten such districts in the county, employing seventy-two teachers and having an enrollment of 1,617 pupils.

All the districts that maintain consolidated schools having but two years of high school. These will be called the Consolidated Districts. Although there are some consolidated schools in the High School classification, these in the Consolidated group are operated principally for the elementary department and have but few students in the high school department. There are four such school districts in the county em-

ploying thirteen teachers and having 230 pupils enrolled.

In the third group will be placed all the districts that maintain only one room rural schools and it will be called the One Room School Districts. There are sixteen such districts in the county with forty-eight school houses, employing forty-eight teachers and having an enrollment of 548 pupils.

The first of the comparisons to be made in this study will deal with each of the districts in regard to their size and the number of miles of railroad trackage. Table 7 gives these comparisons for the High School Districts.

Table 7

Comparison of High School Districts in Nelson County in Size and Number of Miles of Railroad

District Number	Number of Sections	Number of Miles of Railroad
20	6 7/8	3
32	36	6
74	18	6
46	36	6
66	36	11
34	36	7
40	60	6
58	18	5.5
28	48	7.5
42	36	6.5
Totals	330 7/8	64.5

It will be noted by Table 7 that most of the districts are of uniform size, containing thirty-Six sections. The average for all of them is approximately thirty three sections. There is one small district, containing only six and seven eights sections and two larger than the normal township--numbers twenty-eight and forty, containing forty-eight and

sixty sections respectively. All of the districts have railroad trackage. The number of miles ranges from three in district twenty to eleven in district sixty-six. The average for all is 6.45 miles.

Table 8

Comparison of Consolidated Districts in Nelson County in Size and Number of Miles of Railroad

District Number	Number of Sections	Number of Miles of Railroads
68	36	12
54	36	6
52	36	6
50	36	0
Totals	144	24

All of the Consolidated School Districts are of uniform size, containing thirty-six sections. Two of them are located in town and the other two are in the country. Three of the four have railroads running through the districts. One of them has no railroad trackage while one has two different railroads crossing through the district. This district, incidently, has twelve miles of trackage, the most of any school district in the county.

Table 9

Comparison of One Room School Districts in Nelson County in Size and Number of Miles of Railroad

District Number	Number of Sections	Number of Miles of Railroads
26	36	0
56	36	0
48	36	0
60	18	1.5
64	36	0
36	36	0
70	36	0
78	36	0
76	40	0
38	36	0
30	36	0
44	36	2
22	29 1/8	0
24	36	0
72	18	0
62	32	0
Totals	533 1/8	3.5

Eleven of the sixteen One Room School Districts are of the same size, thirty-six sections. Two of the others have eighteen sections and one has twenty-nine and one eighth sections. This last one, number twenty two, fills out the township after the Aneta Special School District has taken out six and seven eights sections. The remaining two districts have seventy-two sections between them but due to the peculiar formation of the country about four sections are completely cut off from the balance of the district in Wamduska Township, district number sixty-two, by Stump Lake. The three districts, numbers sixty-two, seventy-six and seventy-eight, although collectively reporting 108 sections of land,have considerable of their territory taken up by the formation of Stump Lake.

This is the second largest lake in the state and covers approximately 10,000 acres. This reduces the actual territory of land by about one-fourth in districts sixty-two and seventy-six. District seventy-eight loses but about two sections or one eighteenth of its area. Districts sixty-two and seventy-six also show the lowest average valuation of any of the districts in the county. This will be discussed further in a later chapter.

Only two of the One Room Schools Districts have any railroad trackage and those two have but three and one-half miles between them. This is mainly due to the fact that a classified or consolidated school is located in each township through which the railroad passes and each of these schools use a full township, or thirty-six sections, for their district.

The various school districts of the county, their names, numbers and boundaries are shown in Figure C.

Figure C

School Districts in Nelson County

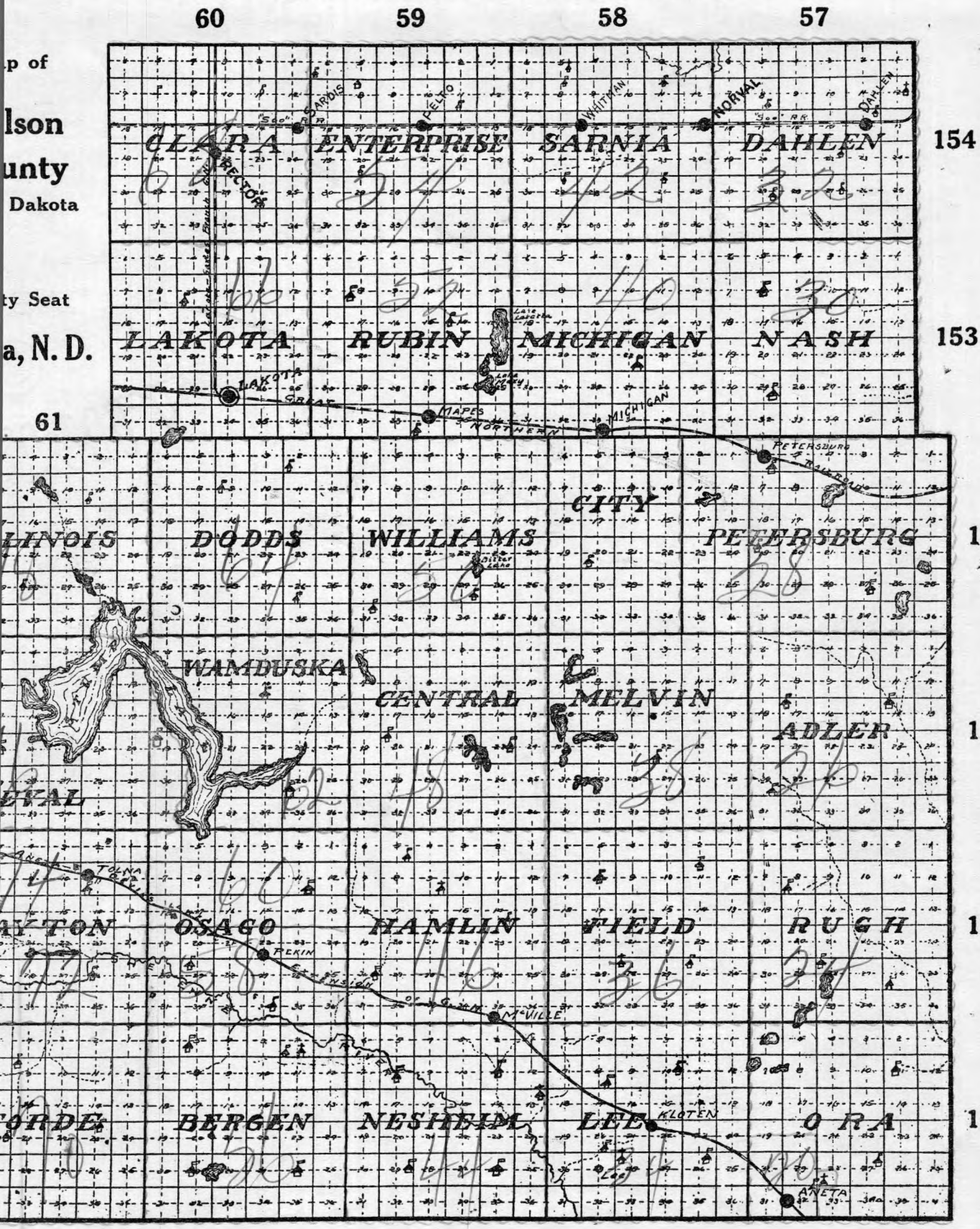


Table 10

Comparison of High School Districts in Nelson County in Number of Students, Number of Teachers and Pupil-Teacher Ratio

District Number	Students	Teachers	Pupil Teacher Ratio
20	170	8	21.25
32	111	5	22.20
74	83	4	20.75
46	195	8	24.38
66	352	13	27.08
34	137	6	22.95
40	217[a]	10	21.70
58	114	5	22.80
28	144[b]	8	18.00
42	94	5	18.80
Totals	1,570	69 Av.	22.75

[a]This district maintains two rural schools with a total enrollment of thirty-seven, with two teachers. If these were figured out of the table it would make an enrollment of 180 with 8 teachers and a pupil-teacher ratio of 22.50 to 1.

[b]This district maintains one rural school with an enrollment of ten, with one teacher. If these were figured out of the table it would show an enrollment of 134, with 7 teachers and a pupil-teacher ratio of 19.14 to 1.

The general accepted standard for the pupil-teacher ratio, as outlined in the North Dakota Administrative Manual, is twenty-five to one. It is also considered a violation of this standard to exceed a ratio of thirty to one. The average ratio for Nelson County, as is shown in Table 10, is 22.75 which is below the general standard. Only one district, number sixty-six, is above the general standard and none are above the limit of thirty to one. District number sixty-six, which is the largest in the county, and has an enrollment of three hundred and fifty two, has the highest ratio which is 27.08 to 1. The difference between the highest ratio and the

lowest, which is 18.80 in district forty-two, is a little over eight.

Table 11

Comparison of Consolidated Districts in Nelson County in Number of Students, Number of Teachers and Pupil-Teacher Ratio

District Number	Students	Teachers		Pupil Teacher Ratio
68	50	2		25.00
54	59[a]	3		16.33
52	58	5		11.60
50	63	3		21.00
Totals	210	11	Av.	19.09

[a]This district maintains two rural schools with a total enrollment of twenty, with two teachers. If these were figured out of the table it would make an enrollment of thirty eight, with three teachers and a pupil-teacher ratio of 12.67 for the district and an average for all the schools of 18.75.

Table 11 discloses the fact that the pupil-teacher ratio in the four Consolidated schools that offer but two years of high school work is considerably lower than in the four year high schools. This is due principally to the fact that the high school enrollment in these schools is quite low, sometimes only four or five pupils. The difference in pupil-teacher ratio of the lowest school in this group and the highest is 13.40 pupils. This low ratio of students would signify that three of these schools could handle more students. If these students are not available then it might be more economical to discontinue the high school departments. The author has ascertained that in some cases the high school departments of these schools were kept open because the parents of the few students felt they could not afford to send their

children to nearby high schools. Then in another case one high school department was kept going because the principal of the school did not locate another position that year. This practice may be good for a few but it puts the burden on several others and at the same time lowers the quality of the instruction. Teachers must devote most of their time to the elementary department and the high school students are given little attention.

Table 12

Comparison of One Room Districts in Nelson County in Number of Students, Number of Teachers and Pupil-Teacher Ratio

District Number	Students	Teachers		Pupil Teacher Ratio
26	36	4		9.00
56	52	4		13.00
48	36	4		9.00
60	9	1		9.00
64	47	4		11.75
36	47	4		11.75
70	47	3		15.67
78	20	2		10.00
76	37	3		12.33
38	35	3		11.67
30	28	3		9.33
44	29	4		7.23
22	14	2		7.00
24	59	3		19.67
72	26	2		13.00
62	26	2		13.00
Totals	548	48	Av.	11.42

Most of the pupil-teacher ratios in the One Room Districts fluctuate little from the average for all of them. The lowest ratio if 7.00 while the highest is 19.67 which gives a range of 12.67 pupils. The high ratio in this one district, number twenty-four, is caused by the enrollment of twenty-six students in one school in the district. The enrollment in most of the one room schools in the county runs from about seven to fifteen.

If we take the average of the pupil-teacher ratios in the three groups of districts we find that they decrease from 22.75 in the High School Districts to 19.09 in the Consolidated Districts to 11.42 in the One Room Rural Districts. These figures show that the districts maintaining four year high schools have an enrollment and teaching force more in proportion to the general standard.

When we look at the length of terms of the various districts, as is shown in Table 13, we find that all of them have either eight or nine months.

Table 13

Comparison of the Three Types of Districts

in Length of Term in Months

Number of Months	High School Districts	Consolidated Districts	One Room Districts
8	0	0	12
9	10	4	4

As is shown in Table 13, only twelve of the One Room School Districts have an eight month term. All the Consolidated schools and high schools have a nine month term. Our state course of study is best suited to a nine month term. The twelve districts that have an eight month term affect thirty-two teachers and about 436 pupils. These schools usually start about the middle of September and then have a month of vacation at Christmas time. Their work is somewhat hurried in order to cover the material as laid out by the state manual.

SUMMARY

Nelson County is in the first group of the production series of the State and is in the Black-Earth Belt. Most noted geographical feature of the county is Stump Lake, the second largest lake in the state.

The population of Nelson County according to the 1930 Census was 10,203. Among this number were 8,437 native whites and 1,745 foreign born.

Nelson County was formed in the spring of 1883, from portions of Grand Forks, Ramsey and Foster Counties.

There are four railroads operating through the county with all but three and one-half miles of the trackage in the high school and consolidated districts.

The county is covered with a good system of highways, having one federal, four state and two county highways.

The chief industry of the county is agriculture of which 2,356 people were engaged in 1930.

Durum wheat and flax are the principal grain crops. Millet, sweet clover and prairie hay are the principal hay crops.

Nelson County land values rank above the average for the whole state.

There are ten high school districts, four consolidated districts and sixteen one room districts in the county.

The high school districts have an average size of thirty-three sections, the consolidated districts thirty-six, and the one room rural about thirty-three and one-third.

The high school districts employ sixty-nine teachers and have an enrollment of 1,570 students; the consolidated districts employ eleven teachers and have an enrollment of 210 pupils; the one room districts employ forty-eight teachers and have an enrollment of 548 pupils.

The average pupil-teacher ratio in the high school districts is 22.75; in the consolidated districts it is 19.09; and in the one room districts it is 11.42.

Only twelve of the one room districts in the county have an eight month term. All the others have nine.

CHAPTER 3

RECEIPTS AND EXPENDITURES

One of the most important duties of a school administrator is that of making out the budget for the school district. A good administrator will keep records of expenditures that were made during the school terms prior and from those records figure the approximate amount to be used for each specific purpose for the year to follow. In addition to these records one must take into consideration needs which may be of a specific purpose, such as a change in text books, new sets of maps, or changes to the school plant. When the budget has been figured and the amount of expected outside revenue deducted, the levy can be made on the taxable valuation of the local school district.

In the last few years it has been rather difficult to go by any set budget as in most cases the approximated revenue has not been received. Budgets will be figured, and the levy made only to find at the end of the year that a large per cent of the taxes have not been paid. This then sets up what is known as a delinquent tax and varies in all the districts. Certificates of indebtedness or warrants must be issued then to make up the difference in receipts. This uncontrollable factor of delinquent taxes has caused much worry and hardship to the school districts.

This chapter will give a survey of the receipts and expenditures of the various districts in Nelson County. The Source of Revenue will be treated first.

SOURCES OF REVENUE

About seventy-five per cent of all revenue to support any school must come from the district in which the school is located and is known as local receipts. The remaining twenty-five per cent comes from other sources. This amount of outside revenue has been greatly increased in the past two years by aid of the state equalization fund. The money for this is supplied by the sales tax. However one source of aid which formerly gave considerable to the schools according to their classification has been discontinued. That was the state aid and was distributed by the superintendent of public instruction according to the class of the school.

The sources of revenue for school districts in Nelson County in 1936 were: (1) Local district taxes, (2) State apportionment, (3) County tuition fund, (4) tuition from other districts, (5) State equalization fund, (6) federal aid, (7) Sale of certificates and bonds, and (8) other minor revenue and non-revenue sources.

The standard accounting form used by all school boards in North Dakota has two main divisions; the receipts in the general fund and the expenditures of the general fund. Into the general fund goes all receipts for the current expenditures of the school district. In this study, receipts in the general fund will be considered under three main heads, namely, (1) receipts from local taxation or local sources, and (2) receipts from other than local sources and (3) State equalization fund. This division is used in order to arrive at a basis of

comparison between local support and support from other sources. The "Receipts from Local Sources," will be made up entirely of local taxes. The "Receipts from other than local Sources" will be divided up as follows: first, the receipts from the state apportionment; second, the receipts from the county tuition fund; third, the tuition from other districts; and fourth, miscellaneous. Under miscellaneous will be included revolving fund receipts, Federal aid and bonds and certificates. While bonds and certificates probably should be considered receipts from local sources since the money to repay them comes from local taxes in this report it will be treated as "other revenue." The third division which is the "State Equalization Fund" will be divided as follows: First, high school tuition; second, Teacher unit; and third, Basis of Need.

In the three tables to follow, 14, 15 and 16, the receipts for the year 1935-36 will be given for all the districts of Nelson County and a comparison can be made as to the amount received from each source. The total expenditures for all the districts are also given.

Table 14 gives the total receipts and expenditures for all the high school districts.

Table 14

Total Receipts and Expenditures for the High School Districts in Nelson County for the year 1935-36[a]

Dist.	Local Tax Receipts	Other Receipts	Equal. Fund	Total Expend.
20	4,141.82	3,108.06	2,059.50	8,934.50
32	6,048.75	1,717.14	876.00	8,858.60
74	3,988.12	1,608.24	1,236.50	5,913.98
46	7,599.26	6,920.46	2,460.50	15,820.74
66	11,482.50	4,606.08	4,908.00	20,076.12
34	5,698.12	2,253.40	1,512.00	8,314.97
40	11,515.62	2,841.68	3,022.50	16,604.91
58	4,174.12	1,435.67	1,276.50	6,286.26
28	9,700.91	1,591.48	1,474.00	11,203.07
42	4,295.63	908.89	1,203.25	7,332.08

[a]County Superintendent's Annual Reports 1936.

It will be seen from Table 14 that the district that received the highest percentage of its receipts from local taxation was district twenty-eight. In this district 76% of the receipts were from local taxes. Then again we find two districts, numbers twenty and forty-six, that received less than fifty per cent of their receipts from local taxation. District number twenty received 44% of their receipts from local taxation and district number forty-six received 45%. District number twenty is the smallest in the county and draws many of its students from outside the district thus getting quite a bit of its revenue from tuition. They collected $1,805.70 in tuition from other districts which was due them for the year 1934 and then they also collected $985.50 from the equalization fund for tuition for the year 1935. District number forty-six supplemented their receipts by a sale of bonds amounting to $5,100.

Figure D

Receipts from Local Sources, Other than Local Sources and Equalization Fund for High School and Consolidated Districts in 1936

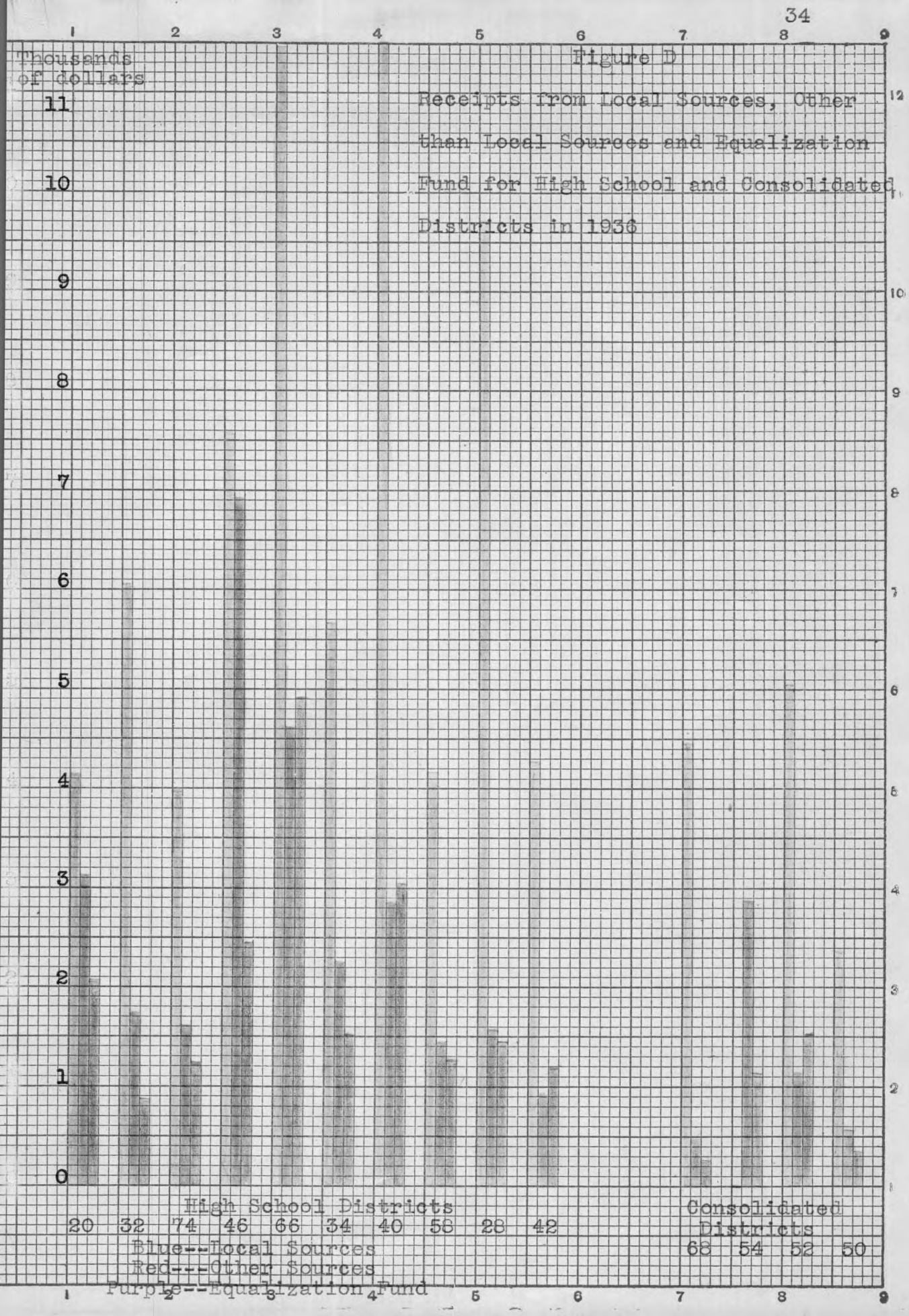


Table 15

Total Receipts and Expenditures for the Consolidated Districts in Nelson County for the year 1935-36[a]

Dist.	Local Tax Receipts	Other Receipts	Equal. Fund	Total Expend.
68	4,441.85	487 65	283.00	4,719.23
54	4.12	2,881.63	1,130.00	5,363.35
52	5,070.15	1,223.35	1,517.00	6,616.89
50	2,369.07	574.34	341.00	4,653.85

[a]County Superintendent's Annual Report 1935.

Table 15 shows one of the consolidated schools which received only one-tenth of one per cent of its receipts from local sources. This was caused by the fact that practically all the local taxes were held out by the county treasurer to apply on certificates of indebtedness. District number sixty-eight received 85% of its receipts from local taxes.

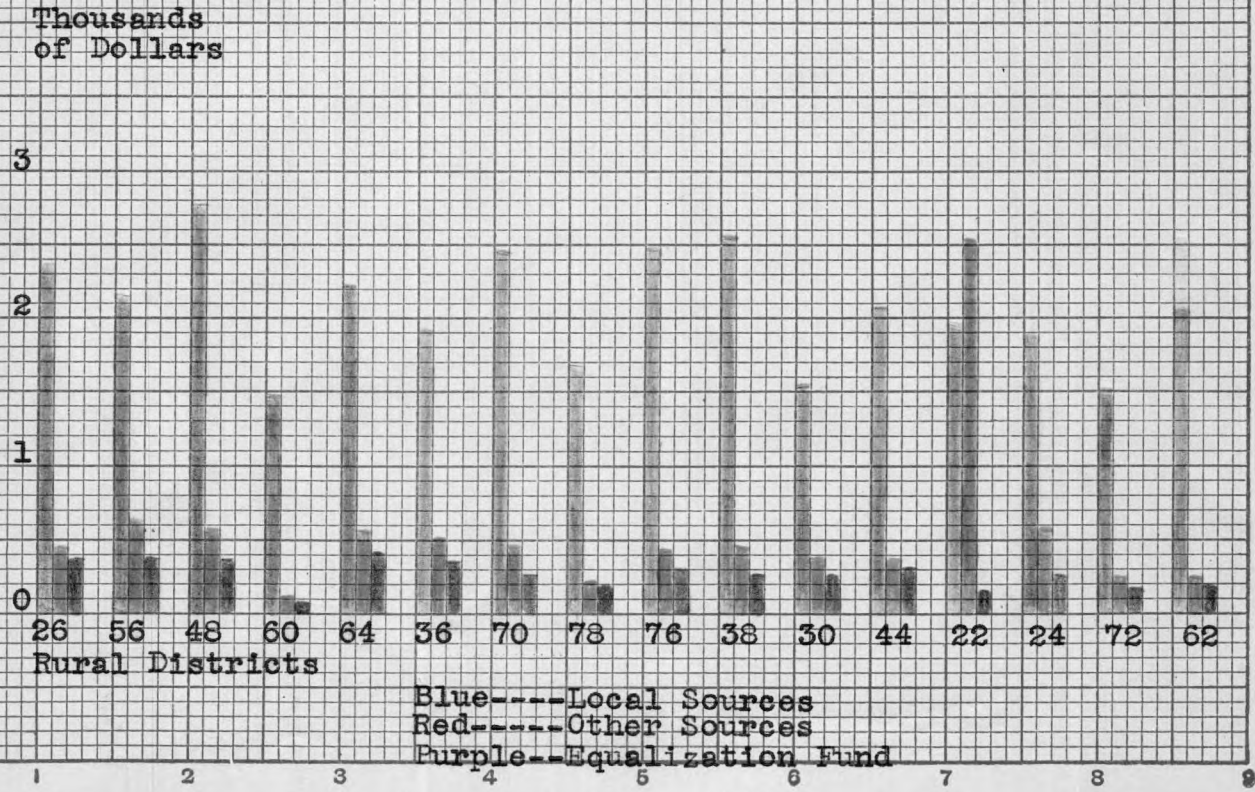
Table 16

Total Receipts and Expenditures for the One Room Districts in Nelson County for the year 1935-36

Dist.	Local Tax Receipts	Other Receipts	Equal. Fund	Total Expend.
26	2,391.11	476.39	385.00	2,696.59
56	2,160.05	617.67	378.00	2,755.95
48	2,760.84	566.47	388.50	2,378.85
60	1,423.98	141.16	94.50	1,310.99
64	2,235.63	588.73	406.00	3,176.27
36	1,911.87	515.13	351.75	2,297.45
70	2,466.21	478.08	280.00	3,804.46
78	1,681.45	213.12	203.00	1,786.36
76	2,490.78	435.00	304.50	2,308.33
38	2,551.61	465.34	273.00	2,700.86
30	1,594.04	391.68	252.00	2,178.79
44	2,088.51	374.33	336.00	2,685.46
22	1,914.49	2,547.49	175.00	2,350.77
24	1,895.57	595.27	283.50	2,011.01
72	1,536.54	265.23	189.00	1,809.23
62	2,075.99	224.64	203.00	2,490.02

Figure E

Receipts from Local Sources, Other Than Local Sources, and Equalization Fund for Rural Districts in 1936



Most of the One Room Rural districts received about seventy per cent of their receipts by means of local taxes. One exception is noted and that is in district number twenty two. This district received $2,324.17 in dividends from funds that had previously been tied up in a closed bank.

Receipts from Other than Local Sources

For the year 1935 it was found that the receipts from other than local sources in Nelson County made up from ten to thirty-three per cent of the school district receipts. The high was reached in the McVille district number forty-six where they received $5,100 from the sale of bonds. In former years all schools received a certain amount which was called "State Aid". This was apportioned to the schools on the basis of their classification. This was discontinued however in the year 1934 due to the lack of receipts. It was partially replaced by what we now call the "State Equalization Fund" derived mostly from the sales tax. Tuition from other districts was also a large factor in the receipts to some high school districts but this has been taken over by the state department in 1935 and the tuition is now paid by the state from the equalization fund. This report will show tuition from other districts which was due for the year 1934.

These different classes of receipts will be explained here in order with tables later on to show the amount of each received by the various districts.

State Apportionment

The state apportionment or state tuition is derived from the following: (1) the net proceeds from all fines and penalties for violation of state laws; (2) from leasing the school lands; and (3) the interest and income from the state permanent school fund. This fund shall be apportioned among the several counties of the state in proportion to the number of children of school age in each as shown by the last enumeration authorized by law.[1]

County Apportionment

The county apportionment is derived from the following: (1) county school poll tax; and (2) a tax of one-half mill on the dollar on taxable property in the county. This money shall be apportioned among the school districts of the county according to the school census.[2]

Another county aid which is sometimes given is the county tax in aid of rural, graded, and consolidated schools. This aid is established when ten per cent of the voters, who voted for governor during the last election, petition the county commissioners at least forty days prior to a general election asking the levy to be made and it is voted upon with a majority favoring its adoption. The amount of the aid shall consist of a tax not to exceed one mill levied on each dollar of assessed valuation of all taxable property in the county.[3]

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[1]State of North Dakota, General School Laws, 1935, Arthur E. Thompson, Superintendent, Section 374, p. 133.

[2]Ibid., Section 386, p. 137.

[3]Ibid., Section 389, p. 138.

Tuition From Other Districts

The school district board of education in any school district having a standardized high school shall admit to the high school department, whenever the facilities for seating and instruction will warrant, any non-resident pupil who is prepared to enter such high school department.[4]

The General School Laws of the year 1931 set the amount of tuition to be paid by those districts from which the pupils come as "not more than two dollars per week for the time such non-resident pupils are in attendance.[5] The Supplement to School Laws of 1931--laws which were enacted at the 1933 session of the legislature of the State of North Dakota--sets the amount to be paid as not to exceed one dollar and fifty cents per week for the time such non-resident pupils are in attendance.[6]

In the year 1935 the payment of tuition for non-resident pupils was taken over by the state department by the advent of a larger appropriation to the state equalization fund. This will be shown in tables relating to this fund.

Miscelaneous

Under this heading is listed all the receipts which are derived from revolving funds, sale of books and property, federal aid, sale of bonds and certificates of indebtedness, and anything else that contributes to the district receipts.

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[4]State of North Dakota, General School Laws, 1931, Bertha R. Palmer, Superintendent, Section 1438a1, p. 114.

[5]Ibid., Section 1438a2, p. 115.

[6]Supplement to School Laws of 1931, Department of Public Instruction, Arthur E. Thompson, Superintendent, p. 14.

Table 17

Amounts received by High School Districts in Nelson County in 1936 from "Other than Local Sources"

Dist.	State Tuition	County Tuition	Tuition From Other Districts	Miscellaneous	Total
20	739.20	528.00	1,805.70	36.06	3,108.96
32	403.20	288.00	1,013.01	12.93	1,717.14
74	235.20	168.00	1,048.00	157.04	1,608.24
46	759.36	542.40	508.70	5,110.00[a]	6,920.46
66	1,202.88	859.20	1,216.50	1,327.50[bc]	4,606.08
34	688.80	492.00		1,072.60[b]	2,253.40
40	880.32	628.80	135.45	1,197.11[b]	2,841.68
58	362.88	259.20	756.50	57.09	1,435.67
28	497.28	355.20	644.25	94.75	1,591.48
42	349.44	249.60	159.00	150.85[d]	908.89
Total	6,118.56	4,370.40	7,287.11	9,215.93	26,992.00

[a] $5,100 of this is bonds.
[b] $1,000 of this is certificates of indebtedness.
[c] $127.50 of this is Federal Aid.
[d] $127.16 of this is certificates of indebtedness.

Only one school, Lakota district number 66, received federal aid. This was for Smith-Hughes home economics work. Only one school issued bonds and four of them had certificates of indebtedness. About one-fourth of the outside receipts come from the state apportionment.

Table 18

Amounts received by Consolidated Districts in Nelson County in 1935 from "Other than Local Sources"

Dist.	State Tuition	County Tuition	Tuition From Other Districts	Miscellaneous	Total
68	265.44	189.60	20.00	12.61	487.65
54	262.08	187.20		2,432.35[a]	2,881.63
52	309.12	220.80		693.43[b]	1,223.35
50	268.80	192.00		113.54	574.34
Total	1,105.44	789.60	20.00	3,251.93	5,166.97

[a] $2,410 of this is certificates of indebtedness.
[b] $600 of this is certificates of indebtedness.

Only one of the consolidated school districts received any receipts for non-resident pupils. Two of them had issued certificates of indebtedness. One of these, district number fifty-four, had to issue $2,410 in certificates as they received but $4.12 in local tax receipts for the year.

Table 19

Amounts received by One Room Districts in Nelson County in 1936 from "Other than Local Sources"

Dist.	State Tuition	County Tuition	Tuition From Other Districts	Miscellaneous	Total
26	241.92	172.80	32.00	29.67	476.39
56	292.32	208.80		116.55	617.67
48	235.20	168.00		163.27	566.47
60	53.76	38.40		50.00	142.16
64	292.32	208.80		87.61	588.73
36	245.28	175.20	81.00	13.65	515.13
70	278.88	199.20			478.08
78	124.32	88.80			213.12
76	235.20	168.00		31.80	435.00
38	238.56	170.40		56.38	465.34
30	228.48	163.20			391.68
44	144.48	103.20		126.65	374.33
22	124.32	88.80	10.20	2,324.17[a]	2,547.49
24	339.36	242.40		13.51	595.27
72	147.84	105.60		11.79	265.23
62	131.04	93.60			224.64
Total	3,353.28	2,395.20	123.20	3,025.05	8,896.73

[a]$2,324.17 dividends from a closed bank.

None of the rural one room districts issued any bonds or certificates during the year 1935-36. Three of them had received some tuition from other districts. These were for grade school children who lived closer to these schools than one in their own districts. Their own districts paid tuition rather than pay transportation.

Receipts from State Equalization Fund

One of the greatest financial aids that has been received by the school districts in North Dakota is that of the State Equalization Fund. This was originally established in 1933 when the state legislature passed Senate Bill Number 233 which reads in part as follows, "There is hereby appropriated out of any moneys in the state treasury not otherwise appropriated, the sum of two-hundred thousand ($200,000.00) dollars for the State Equalization Fund to be expended and disbursed in accordance with the provisions of law, relating to the State Equalization Fund for Schools, for the biennium, beginning July 1, 1933, and ending June 30, 1935."[7]

The Equalization Fund was greatly increased when the 1935 State Legislature passed a new law with the following main provisions: (1) The first $500,000 to be distributed per year to the needy elementary schools of the state. The State Superintendent to determine if a school was in need. The schools were to receive the aid for a seven month term only; (2) the payment of $1.50 per week to each high school for the actual attendance of each non-resident high school pupil; (3) the payment for high school correspondence work not to exceed $40,000.00; (4) the remainder to be distributed among the public school districts of the state upon the basis of $175.00 per year for each grade school teacher-unit and $150.00 per year for each high school teacher-unit.[8]

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[7]Supplement to School Laws of 1931, op. cit., p. 21.
[8]General School Laws, 1935, op. cit., p. 26-32.

Should the balance in said Fund prove insufficient to make payment in full of the amounts shown to be due the several districts, the State Auditor shall pro-rate such balance among the districts. During the year 1935-36 the pro-rating was on the basis of $126.00 per year for the grade teacher unit and $108.00 per year for the high school teacher unit.

The revenue for the Equalization Fund comes from the Sales Tax Act passed by the 1935 state legislature. This was referred to a vote of the people on July 15, 1935, and upheld by them by a large majority. In order that the law should go into effect immediately and funds would be available, the legislature provided for a transfer of $1,038,865.41 from the Hail Fund Surplus. This amount will be paid back to the Hail Fund by installments starting in the fall of 1938.

The 1937 state legislature re-enacted the Sales Tax Act and also arranged for $3,500,000.00 to be used out of the Equalization Fund for educational pruposes. The general provisions of the law have been changed somewhat so that in the future school districts will receive assistance on a different basis. The important changes are in the amount of teacher unit which is set at $120 for both grade and high school teachers and the payment of the basis of need. In the future a school district must issue certificates of indebtedness against delinquent taxes which when collected will be paid into the Equalization Fund. However if a district has reached its limit of indebtedness then an outright grant will be made on the basis of need.

Table 19a

Amounts received by High School Districts in Nelson County in 1936 from the State Equalization Fund

Dist.	Tuition	Teacher Unit	Basis of Need	Total
20	985.50	754.00	320.00	2,059.50
32	397.50	478.50		876.00
74	859.50	377.00		1,236.50
46	586.50	754.00	1,120.00	2,460.50
66	1,464.00	1,204.00	2,240.00	4,908.00
34	132.00	580.00	800.00	1,512.00
40	352.50	990.00	1,680.00	3,022.50
58	798.00	478.50		1,276.50
28	720.00	754.00		1,474.00
42	264.00	459.25	480.00	1,203.25
Total	6,559.50	6,829.25	6,640.00	20,028.75

The figures in Table 19awere taken from the records in the County Superintendent's Office. The totals for the three units of distribution show that there is little difference in the amounts as they were apportioned although for the different schools there was quite a bit of difference. Four districts received no aid on the basis of need. In order to qualify for the basis of need a district must have levied its maximum amount and then not be able to sell certificates of indebtedness or if they should their basis of credit would be endangered. A total of over $20,000.00 was received by the high school districts from the state Equalization Fund. The tuition which is shown is only for the first semester. This is paid in February. The tuition for the second semester is paid in July and will show up in the report for the year 1937. This being the first year that the Equalization Fund paid the tuition only this half shows, while all future reports will show tuition for both semesters.

Table 20

Amounts received by Consolidated Districts in Nelson County in 1936 from the State Equalization Fund

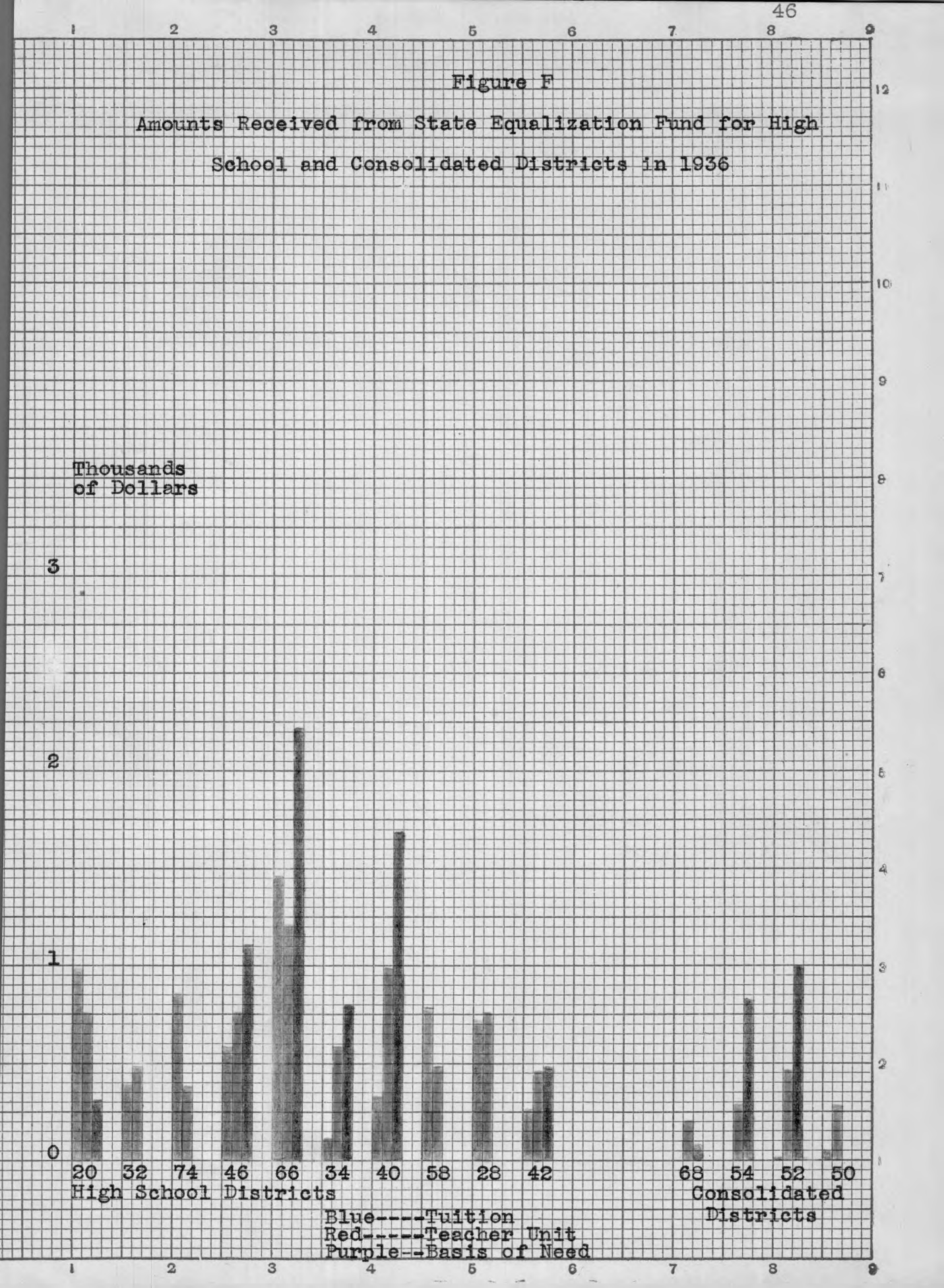
Dist.	Tuition	Teacher Unit	Basis of Need	Total
68		$203.00	$80.00	$283.00
54		290.00	840.00	1,130.00
52	$24.00	493.00	1,000.00	1,517.00
50	51.00	290.00		341.00
Totals	$75.00	$1,276.00	$1,920.00	$3,271.00

Figure 20, which shows that the Consolidated Schools in the county received $3,271.00 from the State Equalization Fund, reveals the fact that about two-thirds of this came on the basis of need. District number 52 received almost half of the total while numbers 52 and 50 combined received over 80 per cent of all of it. Only two districts received any for tuition.

The only funds that were received by the One Room districts from the Equalization Fund were for the Teacher Units. None were paid on the basis of need. In Table 21 will be shown the amounts paid for the teacher units and also the amounts that were paid to other districts by the equalization fund for tuition students from that district. This, of course, is not a receipt, but it is the amount that is saved to the district by the operation of the Equalization Fund law. The rural districts received a sum of $4,502.75 on a teacher unit basis and had $4,930.90 paid for them for non-resident tuition. Then in reality the rural districts benefitted by a total of $9,433.65. This figure represents a large portion of the

Figure F

Amounts Received from State Equalization Fund for High School and Consolidated Districts in 1936



receipts for the rural districts.

Table 21

Amounts received by One Room Districts in Nelson County in 1936 from the State Equalization Fund and the amounts paid to other districts in tuition

District	Teacher Unit	Paid for Tuition
26	$385.00	$108.00
56	378.00	255.00
48	388.50	98.00
60	94.50	244.50
64	406.00	727.50
36	351.75	112.50
70	280.00	443.50
78	203.00	147.00
76	304.50	338.50
38	273.00	467.40
30	252.00	307.50
44	336.00	258.00
22	175.00	339.50
24	283.50	267,00
72	189.00	417.00
62	203.00	400.00
Totals	$4,502.75	$4,930.90

Expenditures

Tables 14, 15 and 16 showed the total amount of expenditures for the various districts in Nelson County. However every accounting system used by the school districts must have the following divisions:

1. GENERAL CONTROL
   a. School board salaries
   b. School board expenses

2. INSTRUCTIONAL SERVICE
   a. Teachers' salaries
   b. Textbooks
   c. Library books
   d. Teaching supplies
   e. Teachers retirement fund

3. AUXILIARY AGENCIES
   a. Transportation
   b. Tuition
   c. Health
   d. Play
   e. Lunches

4. OPERATION OF PLANT
   a. Fuel
   b. Light and Water
   c. Janitor's wages
   d. Janitor's supplies

5. MAINTENANCE

6. FIXED CHARGES

7. OUTLAY
   a. New sites
   b. New buildings
   c. New equipment

8. DEBT SERVICE

9. GRAND TOTAL

A study of the total expenditures for all the school districts in Nelson County for the last five years reveals the fact that amount has fluctuated quite a bit. In the years 1932 and 1933 the amount was quite high. This was caused principally by the building of the new school building at Lakota which cost approximately $120,000.00. It will be seen by Table 22 that the low was reached in 1935 when only $148,990.11 were spent. This was increased in 1936 to $169,437.99 which was over $10,000.00 more than was spent in 1934. This shows that salaries are again on the increase and that school districts are buying many needed supplies that were sorely needed for some time but were let slip by during the few years of hard times.

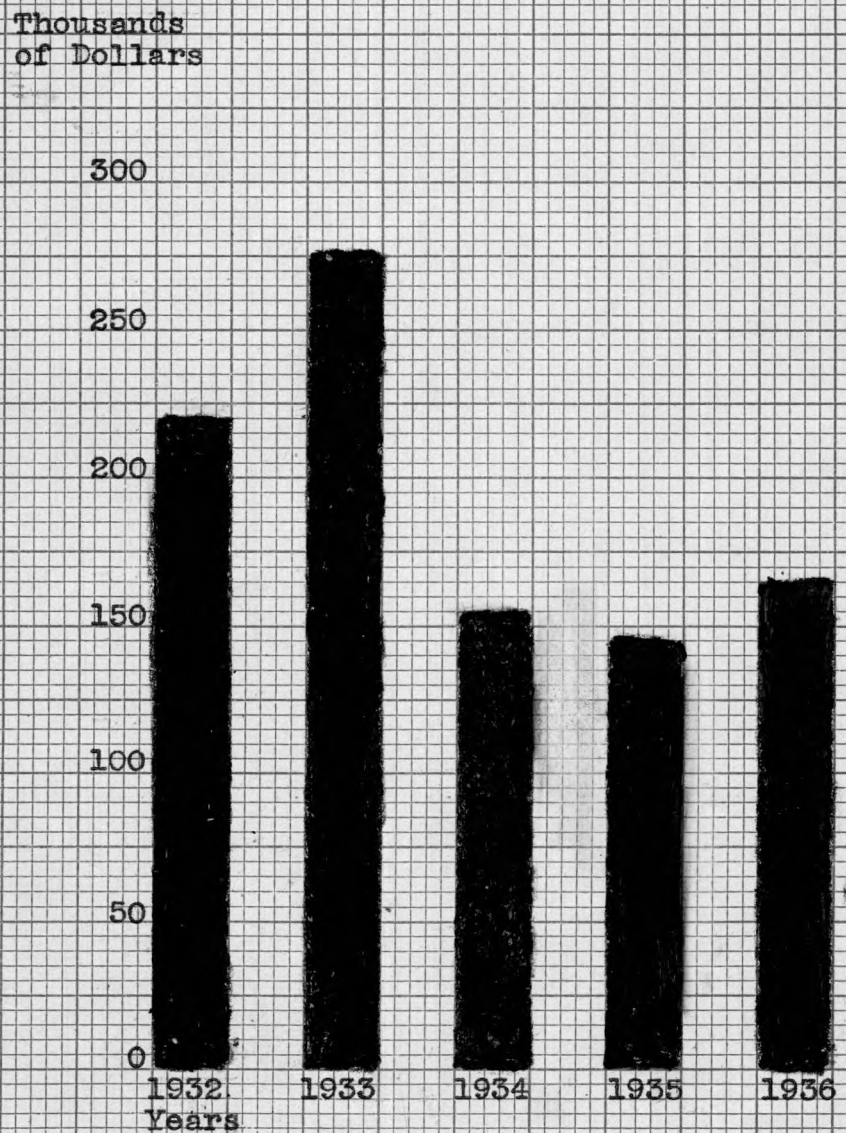
Table 22

Total Amount of Expenditures for all the School Districts in Nelson County for a Five Year Period

Year	Expenditures
1932	$221,329.22
1933	277,909.75
1934	159,115.31
1935	148,990.11
1936	169,437.99

Figure G

Total Amount of Expenditures for all the School Districts in Nelson County for a Five Year Period



The payment of teachers' salaries averages about fifty per cent of the total cost of school expenditures in the state of North Dakota. This about the average for expenditures in Nelson County. In 1936 the teachers in this county were paid $83,729.15 or 49.42 per cent of the total of the school costs.

Table 23

Total Expenditures for School Purposes in Nelson County for the year 1936

Item	Amount Expended	Per Cent
Teachers Salaries	$83,729.15	49.42
Transportation	20,286.05	11.97
Fuel	13,156.36	7.77
Debt Service	11,205.03	6.61
Janitors Salaries	6,042.85	3.57
Tuition	5,337.10	3.15
Maintenance	5,048.38	2.98
School Board Salaries and Expenses	4,307.44	2.54
Teaching Supplies	4,286.71	2.53
Fixed Charges	3,878.34	2.29
Janitor's Supplies	2,793.25	1.65
Text Books	2,570.58	1.52
New Equipment	2,277.64	1.34
Light and Water	1,822.03	1.07
Teachers Retirement Fund	1,151.47	.68
Library Books	787.04	.46
Health and Play	738.98	.44
New Sites and Buildings	19.59	.01
Total	$169,437.99	100.00

Along with the amount spent for teachers salaries we find that the amount spent for transportation, fuel and debt service play a large part in the expenditures of the County.

The teaching supplies in the county were well taken care of with 2.53 per cent of the expenditures going for this item. This is above the usual average for the state. The amount spent for text books kept well in line with the state average. Library and reference books, which should be a bigger item than it is, only took .46 per cent.

Transportation, which took 11.97 per cent of the total expenditures of the count, is one of the major problems. Some districts have the bus system and others a family system, while others use both methods. Tables 24, 25 and 26 give the data pertaining to the transportation of the school children of the county.

Table 24

The Number of School Children Transported, the Total Cost, the Pupil Cost and System Used by the High School Districts in Nelson County in 1936[a]

Dist.	Number Transported	Total Cost	Pupil Cost	System
20	3	$42.00	$14.00	Family
32	96	2,513.94	26.18	Bus
74	5	161.56	32.32	Family
46	61	2,747.00	45.03	Bus and Family
66	27	726.95	26.92	Family
34	120	2,427.35	20.23	Bus
40	61	1,351.04	22.14	Bus and Family
58	20	214.20	10.71	Family
28	32	1,143.82	35.74	Family
42	60	1,687.57	28.12	Bus
Total	485	$13,015.43	$26.14	

[a]County Superintendent's Annual Report, 1936.

There was $13,015.43 spent for transportation of students by the high school districts. This was about two-thirds of all that was spent in the county. The average per pupil cost was $26.14. Five of the districts used family system of transportation wherein each family was paid according to a set schedule a certain amount for transporting their own children. Three of the districts used a bus system where the school district hired the bus drivers and paid them a set amount, usually an amount that was bid on before the school year started. Two of the districts used both the bus and family method.

Table 25 gives the data on the transportation of pupils in the four consolidated schools in the county. In these districts we find the average per pupil cost is higher, being $30.73.

Table 25

The Number of School Children Transported, The Total Cost, the Pupil Cost and System Used by the Consolidated Districts in Nelson County in 1936[a]

Dist.	Number Transported	Total Cost	Pupil Cost	System
68	54	$1,387.95	$25.70	Bus and Family
54	59	1,899.91	32.20	Bus
52	34	1,175.00	34.55	Bus and Family
50	63	1,977.07	31.39	
Total	210	$6,439.93	$30.73	

[a]County Superintendent's Annual Report, 1936.

A little less than one-third of the transportation for the county was paid by the four consolidated schools. Two of them used the Bus system while the other two used both the bus and family system. The average cost was about the same for the two, running just a little higher for the bus system alone.

Only eight of the school districts among the one room schools transported any children and then only thirty-five children in all were transported. Table 26 lists the one room districts which transported children.

Table 26

The Number of School Children Transported, the Total Cost the Pupil Cost and System Used by the One Room Districts in Nelson County in 1936[a]

Dist.	Number Transported	Total Cost	Pupil Cost	System
60	8	$183.60	$22.95	Family
64	1	20.00	20.00	Family
70	1	27.20	27.20	Family
30	1	50.00	50.00	Family
44	9	85.71	9.52	Family
22	3	113.80	37.93	Family
72	3	35.38	11.76	Family
62	9	315.00	35.00	Bus
Total	35	$850.69	$26.80	

[a]County Superintendent's Annual Report, 1936.

All of the One Room districts that transported children but one used the family system. The cost varied quite a bit among the districts but of course that depends upon the distance the children are away from the school. The average

cost of $26.80 per pupil was just a few cents higher than the average cost to the high school districts.

Comparison of Two School Districts

There are many inequalities that exist between school districts all over the country. These same inequalities exist even in our own county. Here we find some districts struggling to get enough revenue to run the schools while others have a large surplus on hand and are able to cut their levy down to a minimum and still keep going quite easily. A brief comparison of two of these districts in Nelson County, one a district in good means and the other a district in poor circumstances will reveal these facts.

District Number Fifty-Four

The district that probably has the hardest time to finance their school is district number fifty-four. It contains thirty-six sections of land, has six miles of railroad trackage and yet has a valuation of but $185,853. It levies a tax of 16 mills, the legal limit for consolidated schools, and if all the taxes were paid it would receive but $2,973.65. The total expenditures in 1936 were $5,363.35. This would leave a deficit of $1,389.71 if they could have collected all of their taxes. However they only collected $4.12 in taxes. The balance went to pay on certificates that had been issued. The County Superintendent's annual report for June 1936 showed $2,500 of outstanding certificates plus $1,319.52 as warrants. They issued during the year $2,410 in certificates.

Surely no district in the state can continue to operate with conditions such as these. They are maintaining a con-

solidated school which has the elementary department and two years of high school. Their enrollment in 1936 was 59 with three teachers. Their per-pupil cost of instruction was but $90.90 which was below the average for the state.

District Number Twenty-Two

District number twenty-two which is located in the opposite part of the county has a situation which is the exact opposite of that in number fifty-four. It has an area of twenty-nine and one-eighth sections of land with no railroad trackage and has a valuation of $179,894. There is considerable difference here in the number of pupils as this district has but fiteen and operates two rural one-room schools and employs two teachers. If they would levy the legal limit of fourteen mills and if all the taxes were paid they could raise $2,518.52. Their expenses for the year were $2,350.77. They levied but 2.65 mills for schools purposes and received $1,914.49 in receipts as much of their delinquent tax money was paid up. A view of the County Superintendent's annual report also showed that this district had a cash balance on hand June 30, 1936 of $5,392.10. This would be enough to run the schools for over two years without any levy. Their cost of instruction per-pupil in 1936 ran $156.72. This is a high cost for any school. Certainly no area as small as any county should have these inequalities.

SUMMARY

In the year 1936 only from 44 to 76 per cent of the school district revenue came from local sources. One consolidated district received 85 per cent of its revenue from local taxes. The average for the one-room districts was about 70 per cent.

Only one school district in the county received any federal aid.

None of the rural school one-room districts issued any bonds or certificates during the year 1935-36.

The high school districts received $20,028.75 from the equalization fund in 1935-36. The consolidated schools received $3,271.00 and the one-room districts received $4,502.75.

The rural schools received all of their money from the equalization fund for "teacher unit" while the consolidated schools received most of theirs for "teacher unit" and "basis of need" while that for the high schools was divided about equally among those two and "tuition."

The amount of expenditures increased in 1936 over the amounts spent in 1934 and 1935.

Teachers salaries make up approximately fifty per cent of all the expenditures for the county. The total amount expended in 1936 for the entire county was $169.437.99.

Three methods of transportation are used, bus, family and the combination of bus and family.

The average per-pupil cost of transportation in the high school districts was $26.14, in the consolidated dis-

tricts $30.73 and in the rural districts $26.80.

In the high school districts 485 pupils were transported, in the consolidated districts, 210 and in the rural districts, 35.

One of the poorest districts in the county has 59 pupils and spent $90.90 per pupil. They levy the legal limit of 16 mills and still have a large deficit.

One of the best districts in the county has 15 pupils and spent $156.72 per pupil. They levied but 2.65 mills and yet had a cash balance on hand June 30, 1936 of $5,392.10.

CHAPTER 4

DEBT SERVICE

As has been mentioned in a former chapter one of the biggest problems of any school board is to figure out the source of enough revenue to meet all the expenditures encountered. The revenue for our schools is collected seasonally and during any year, whether good or bad, many school boards find themselves without any funds with which to meet current expenses. In order that school districts may meet these current needs, secure better housing facilities, plant operation and instructional service the laws of North Dakota permit said districts to secure credit from various sources under certain restrictions.

Much has been written about the dangers of increasing the public school debt and it is sometimes thought that for a school board to "go into debt" is quite unsound. However the application of sound principles to the management of public schools will justify borrowing under certain conditions, in the form of temporary loans or bond issues.[1]

There are two main methods whereby school districts may borrow money with which to tide them over between these "seasonal" collections of revenue or for the other purposes already mentioned. The method that is used the most is the issuing or selling of certificates of indebtedness and the method which is used by which the larger amounts of money are raised is the selling of bonds.

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[1]Engelhardt and Engelhardt. Public School Business Administration, p. 407.

In the first method of borrowing, the selling of certificates of indebtedness, we find that school districts have the power to borrow in anticipation of revenues to be derived from taxes already levied. The aggregate amount of such borrowings shall not at any time exceed the amount of delinquent taxes which have been levied during the year in which the borrowing is made, plus uncollected taxes remaining upon the tax lists of four preceding years, exclusive of levies for the purpose of retiring bond issues and the interest thereon.[2] Certificates of indebtedness shall not be issued for a longer period than twenty-four months and shall draw an interest of not to exceed seven per cent per annum which shall be paid semi-annually.[3] When the certificates have been issued the county auditor shall register them in his bond register.[4] He shall also set aside all taxes collected from levies for the respective years against which the certificates have been issued, except those for sinking and interest funds, and the same shall be held by the county treasurer in a special fund to be used only for the purpose of retiring such certificates of indebtedness and paying interest thereon. In the event sufficient taxes are not collected from such levies to retire such certificates, both principal and interest, within two months after their due date, then there shall be set aside from current tax collect-

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[2]State of North Dakota, General School Laws, 1935, Arthur E. Thompson, Superintendent, Section 420, p. 152.

[3]Ibid., p. 152-153.

[4]Ibid., Section 423, p. 154.

ions not less than ten per cent nor more than thirty per cent of such collections until such past due certificates have been paid. Upon accumulation of funds sufficient to retire a certificate, whether same is due or otherwise, the holder thereof shall be notified by the county auditor and shall be required promptly to present the certificate for payment and cancellation and thereafter interest thereon shall cease.[5]

In case any school district is unable to sell its certificates of indebtedness, it may issue warrants in payment of current expenses, in excess of cash on hand, but not in excess of taxes levied but uncollected, and not otherwise encumbered, and the funds derived from the collection thereof shall constitute a special fund and the exclusive source of revenue for the payment of such warrants.[6] When these warrants have been presented to the districts treasurer and he has registered them they shall draw interest, from that time until they are paid, at a rate not to exceed seven per cent per annum.[7] During the last few years many districts took advantage of the opportunity to register warrants as they found no market for certificates of indebtedness.

In case a school district borrows in excess of $4,000 upon certificates of indebtedness it must advertise same for bids. However, in case the certificates of indebtedness can be sold at par, to bear not more than 5½% interest per annum,

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[5]General School Laws, 1935, op. cit.,Section 424 p.154-155.
[6]Ibid., Section 432, p. 155.
[7]Ibid., Section 106, p. 50.

the same may be sold without advertising for bids. A district may make successive borrowings, each for less than $4,000 without advertising for bids, provided that not more than $6,000 may be borrowed in any fiscal year from July 1 to June 30, without advertising for bids.[8]

The second method of borrowing which is used very little for the meeting of current needs but mainly that of bettering the housing facilities, plant operation and instructional service, is that of selling bonds. The North Dakota laws specify that any common school district, independent school district, special school district, or any other class of school districts by whatever name designated may issue bonds: to purchase, erect, enlarge and improve school buildings and teacherages, and to acquire sites therefor and for play grounds and to furnish and equip such buildings with heat, light and ventilation or other necessary apparatus.[9]

Before any school district can issue bonds, however, it must hold an election and be authorized to do so by a vote of sixty-six and two-thirds per cent of all voters of such district voting upon the question of such issue.[10]

No bonds issued shall bear interest at a rate higher than six per cent per annum, payable semi-annually, nor shall the rate thereof exceed the maximum rate specified in the initial resolution for the issuance of such bonds. No bonds issued shall run for a longer period than twenty years from

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[8]General School Laws,1935, op. cit., Section 436, p. 159.
[9]Ibid., Section 441, Article 4, p. 163.
[10]Ibid., Section 442, p. 164.

their date. Bonds issued shall be in denominations of $100 each or some multiple thereof, not exceeding $1000. No bonds issued shall bear a date earlier than the date of the election authorizing their issuance.[11]

There are two general classes of bonds, sinking fund bonds and serial or installment bonds. There are many variations and combinations of these plans which are used in current practice.

Sinking fund bonds are those which are paid, when due, out of accumulations of money which have been set aside in accordance with an agreement provided when the bonds were issued. This plan has many admirable features when the business management shows superior skill. In public school administration, however, it has not worked out very satisfactorily, and hence is not usually recommended as a plan to be followed for redemption of school bonds, according to Engelhardt.[12] Out of the list of general objections as stated by Engelhardt[13] to this plan of bonding the main ones are:

> Difficulty is encountered in providing proper investment for the sinking fund.
>
> Changing personnel of school boards makes regular deposits to fund uncertain.
>
> The abuses such funds are subjected to under unscrupulous and careless management.
>
> The possible insecurity of the investment due to careless management.

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[11] General School Laws, 1935, op. cit., Section 443, p. 164-165.

[12] Engelhardt and Engelhardt, Public School Business Administrations, p. 434.

[13] Fred Engelhardt, Repayment of Bonds and Temporary Loans. Pennsylvania School Journal, (December, 1921), p. 143.

The frequent necessity of refunding because of shortage in sinking fund when payments fall due.

The bonding plan which is generally recommended to be followed in all public school business is that which serial or installment bonds are issued. By this plan, bonds are issued to be repaid serially over a period of usually from fifteen to twenty years. Provision is made in the school budget for a tax sufficient to pay the annual interest due, plus a fixed part of the principal. The more serviceable plans which are commonly used for payment are as follows:[14] (1) The annual equal installment plan (Equal annual principal payments to maturity); (2) The annuity payment plan (Total annual payments, principal plus interest, are equal or approximately so); (3) Installment and unequal payment plan (Annual principal payments for a period (Payments of principal to begin some years after date of issue).

When bonds have been issued by any taxing district they shall be registered by the county auditor. A certain levy which shall be known as a sinking fund shall be made by the district and certified by the taxing board. This fund shall be kept by the county treasurer and it shall be his duty to retire these bonds and pay the interest whenever a warrant is drawn for same upon him by the county auditor, as the bonds mature.[15]

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[14]Engelhardt and Engelhardt, op. cit., p. 436.
[15]General School Laws, 1935, Sections 427 and 428, p. 156.

Bonds may also be issued by a school district in order to fund outstanding indebtedness. This form of bonding, however, is judged by most school authorities of finance as being generally unsound. It should be resorted to only when every other policy suggested would endanger the educational setup. As this form of bonding does not increase the indebtedness of the district a vote of the people is not required. The bonds shall be in such form as the board may determine and shall draw interest not to exceed six per cent per annum. If the bonds mature serially the first installment shall become due in not more than five years and the last installment in not more than twenty-five years from the date of the issue. The bonds issued may be sold for cash or may be exchanged for outstanding bonds or other indebtedness, or part sold and part exchanged.[16]

The total indebtedness of the school districts in Nelson County on June 30, 1936 amounted to $153,458.01. Of this amount $133,000 was in the form of bonds, $15,380 in certificates of indebtedness and $5,078.01 was warrants. A part of this amount for warrants was merely warrants outstanding and not registered warrants. Of the total bonded indebtedness we have but five districts represented, four high school and one consolidated.

Table 27 gives the various districts and the amount of their indebtedness in the different forms.

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[16]General School Laws, 1935, op. cit., Sections 469-470, p. 178-179.

Table 27

Bonds, Certificates of Indebtedness, Warrants and Total Indebtedness of School Districts in Nelson County, June 30, 1936[a]

Dist.	Bonds	Certif-icates	Warrants	Total
		High School Districts		
46	$38,700		$2,391.62	$41,091.62
66	75,800	$6,000		81,800.00
34		3,800	103.35	3,903.35
40	14,500		74.97	14,574.97
28	2,000		223.90	2,223.90
42			627.80	627.80
		Consolidated Districts		
54		2,500	1,319.52	3,819.52
50	2,000			2,000.00
		One Room Districts		
56		2,080	67.39	2,147.39
60			3.20	3.20
36			182.96	182.96
70			13.20	13.20
78			10.80	10.80
30			16.50	16.50
22			8.40	8.40
24			7.50	7.50
72			8.00	8.00
62		1,000	18.90	18.90
Totals	$133,000	$15,380	$5,078.01	$153,458.01

[a]County Superintendent's Annual Report, 1936.

Table 27 shows that the bonded indebtedness is the principal part of the total indebtedness of the county. Of the indebtedness outstanding for the coutry districts only $3,080 is in the form of certificates and none in the form of bonds. The balance is in the form of warrants which were merely "outstanding" at the time of the closing of the books and would be paid in a few days. None of them were registered.

We find that every taxing body must submit to the vote of the people any bond issue that they wish to make. We also find that no district is entitled to make their total bonded indebtedness more than five per cent of the assessed valuation of their taxable property. The state laws also disclose the fact that upon a favorable vote of two-thirds of the voters of a district voting upon the issue the bonded indebtedness may be increased another five per cent, making the amount ten per cent of the assessed valuation of the taxable property.[17]

Table 28 shows that two of the districts have exceeded the five per cent limit for bonded indebtedness but none of them have exceeded the ten per cent limit. The Lakota district number sixty-six has the largest bonded indebtedness which was caused by the building of the new school building in 1931 when their old one burned down.

Table 28

Bonded Indebtedness, Fiver Per cent Bonded Limit, Ten Per Cent Bonded Limit for All School Districts in Nelson County Having a Bonded Indebtedness, June 30, 1936

District	Bonded Indebtedness	Five Per Cent Limit	Ten Per Cent Limit
46	$38,700	$21,324	$42,648
66	75,800	39,644	79,289
40	14,500	30,888	61,776
28	2,000	28,804	57,609
50	2,000	9,866	19,733

[17]General School Laws, 1935, op. cit., Section 440,p. 161,

Of all the school districts which showed some indebtedness at the end of the year, only five needed to levy a special tax for their sinking fund. That was because only five schools had bonded indebtedness. The other indebtedness in the form of certificates and registered warrants is taken care of by the delinquent tax money as it comes in as that is what the certificates and warrants are issued against. The mill levy and the general school levy for the five schools are shown in Table 29.

Table 29

Mill Levy for School Purposes and for Interest and Sinking Fund for Districts Having Bonded Indebtedness

District	Mill Levy for School Purposes	Mill Levy for Interest and Sinking Fund
46	18.00	11.21
66	18.00	10.14
40	17.81	2.67
28	18.00	1.08
50	16.00	2.64

The mill levies of all of the districts but one are the legal limit as set by law for school purposes. The one district, number foty, which had a levy of but 17.81 was set by error. It was intended to be the full 18.00 mills but the budget was made out too low and of course the levy was made to fit the budget. The levy of district number forty-six for interest and sinking fund is set higher than that for district number sixty-six. This is rather irregular in face of the fact that district number sixty-six had about twice as much bonded indebtedness.

SUMMARY

The two main methods of borrowing money are that of selling certificates of indebtedness and issuing bonds.

The aggregate amount of certificates shall not exceed the total amount of delinquent taxes.

Certificates may be issued for a period not to exceed twenty-four months and must not draw more than seven per cent interest.

Warrants may be issued and registered in case a district is unable to sell its certificates of indebtedness.

There are two types of bonds, sinking fund and serial or installment bonds.

Bonds are usually issued for the purpose of bettering the housing facilities, plant operation or instructional service.

Before any district can issue bonds it must hold an election and have the issue voted upon favorably by two-thirds of the voters in the district voting.

The serial bonds are the most favorable for school purposes as the sinking fund bonding plan has many objections.

Refunding bonds, for the purpose of paying outstanding indebtedness, may be issued without an election.

The total indebtedness of the school districts in Nelson County June 30, 1936 was $153,458.01. Of this amount $133,000 was in the form of bonds.

Only five school districts in Nelson County had a bonded indebtedness in 1936. Four of these districts were high school and one was a consolidated district.

None of the rural school districts had any bonded indebtedness and only two had issued certificates.

A district may issue bonds up to five per cent of its assessed valuation. By an election they may increase this bonded limit by another five per cent.

Only two districts exceeded their five per cent bonded limit and none exceeded their ten per cent limit.

All the bonds were of the sinking fund type and a special levy is made for their payment.

CHAPTER 5

ABILITY OF THE SCHOOL DISTRICTS IN NELSON COUNTY TO SUPPORT EDUCATION

Since there are many inequalities existing in the sources of income for the various districts of the county it would seem reasonable that there would be many inequalities in the ability of the different districts to support education. Many factors enter in when we start to figure the ability of a district to support education. Since about seventy-five per cent of the income for schools comes from local sources it would seem that the best indication that a district has of supporting its schools is the valuation put on the real and personal property that is located within that district. In other words, we must first look at the taxable valuation. If one district has twice as high a valuation as another then we would naturally think it would receive twice as much local revenue, and be twice as able to support the education of children in the district. However we must figure in a second main factor when we start figuring ability and that is the number of children in the district.

In chapter three where a comparison of two school districts was made we found that one district has a slightly higher taxable valuation but had to educate fifty-nine children while the second district had to educate only fifteen. This presents the problem then of the amount of taxable valuation in a certain district per pupil. And along with this will come a third factor and that is the actual amount of income that a district receives to support its schools.

This chapter then will present the abilities of the various districts to support education on the three points: (1) the taxable valuation of the district; (2) the taxable valuation per pupil enrolled in the school or schools; and (3) the actual income per pupil.

Taxable Valuations

Inasmuch as Nelson County is located in the Black-Earth Belt, most of the county has good farming land and is of about the same valuation. The cities which have the high school districts naturally have the highest taxable valuations. Lakota being the county seat and the largest city in the county, its district, number sixty-six, which contains thirty-six sections of land with eleven miles of railroad trackage, has the highest taxable valuation, $792,891. The Michigan district which is the largest in the county with sixty sections of land and containing six miles of main line railroad trackage has the second highest valuation, $617,762.

The consolidated district which has the lowest taxable valuation is the Enterprise district number fifty-four. This district has a valuation of $185,853 and it finds itself unable to support its schools. It has been made extremely difficult since the fifty per cent valuations went into effect. The Williams district number fifty with a valuation of $197,338 finds itself in a difficult position to keep up to standard. However their effort is not so great as some of the others as will be explained in the following chapter. The other two consolidated districts have a much higher valuation and are more able to support their schools.

All the rural school districts have about the same relative valuations in proportion to their size. There are two rural districts which have but eighteen sections of land apiece and one of these, number seventy-two, has probably the poorest land. It is located in the valley of the Sheyenne river and is somewhat cutup and hilly. Most of the rural school districts are able to support their schools in a fair manner.

Taxable Valuation Per Child

In looking over the valuations of the different districts, we do not find as much a variation as we do when we start looking at the valuations per child. Here is where many inequalities really exist. If all the districts has the same valuation and the same number of school children then with other factors remaining about constant, the children would have equal opportunities. However, these conditions are far from being a fact. It will be seen right in this county that it is true about one district being more valuable than another and in addition this richer district may have a very small number of children to educate. So when we start figuring the abilities of different districts to support education on the per pupil valuation basis the total valuation of the district is divided by the number of pupils enrolled in school. A glance at Table Number 30 will give the figures not only for the valuation of the district but for the valuation per child. This table reveals that only one of the high school districts is outstanding. That one is number twenty-eight which has a valuation of $4,000 per child. The other nine districts

run somewhere between $2,000 and $3,000. The Aneta district number twenty, which has but six and seven-eights sections of land, located in and around the city of Aneta, has the lowest valuation per child, $2,061. This is closely followed by the Pekin district number fifty-eight with a valuation of $2,075.

All of the consolidated schools have a higher valuation per child than the nine lower high school districts. The district having the highest valuation per child is district number sixty-eight which has the greatest number of miles of railroad trackage through its district. This is closely followed by the Mapes district number fifty-two which has a valuation per child of $6,254. District number sixty-eight's valuation is $6,292.

Most all of the rural districts have a high valuation per child. Two of them run up quite high. However district number sixty, which has but eighteen sections of land and operates only one school, has a valuation per child of $14,931. This is closely followed by district number twenty-two, which was used in a comparison in chapter three, which had a valuation per child of $12,849. The district with the lowest valuation is number seventy-two, which has but eighteen sections of land and runs two schools in the Sheyenne river country. It's valuation per child is $3,502.

Taking an average per pupil taxable valuation for the different classes of districts we find that the high school districts have an average of $2,576 per pupil enrolled, the consolidated districts $4,707, and the rural districts

Table 30

Taxable Valuations per District and the Taxable Valuation per Child in each District in Nelson County in 1936

District	Taxable Valuation	Enrollment	Taxable Valuation Per Child	Sections of Land
		High Schools		
20	$288,624	170	$2,061	6 7/8
32	269,366	111	2,427	36
74	235,512	83	2,838	18
46	426,486	195	2,187	36
66	792,891	352	2,252	36
34	343,543	137	2,507	36
40	617,762	217	2,847	60
58	236,589	114	2,075	18
28	576,090	144	4,000	48
42	241,480	94	2,569	36
		Consolidated Schools		
68	314,611	50	6,292	36
54	185,853	59	3,150	36
52	362,736	58	6,254	36
50	197,338	63	3,132	36
		Rural Schools		
26	202,136	36	5,615	36
56	202,103	52	3,886	36
48	216,914	36	6,025	36
60	134,384	9	14,931	18
64	225,645	47	4,801	36
36	226,698	47	4,823	36
70	186,036	47	3,958	36
78	183,559	20	9,178	36
76	165,604	37	4,476	40
38	180,984	35	5,171	36
30	198,921	28	7,104	36
44	232,602	29	8,021	36
22	179,894	14	12,849	29 1/8
24	193,104	59	7,427	36
72	91,054	26	3,502	18
62	145,519	26	5,597	32

$6,710 per pupil. This would tend to show that although the high school districts have city property to raise their district valuation, the increased enrollment more than offsets this to bring the valuation per pupil down to a much lower figure.

Income Per Child

The third method of figuring the ability of a district to support its schools depends on the actual income that it received during the year. This is a very important factor especially during the years when few taxes are collected. One district may have a high taxable valuation but collect a small amount of taxes while another district might collect a much higher per centage of its taxes and be better able to pay its education costs. Of course the income from local sources is somewhat controlled by the amount of levy that is made by the district board of education for school purposes. However, in the high school and consolidated districts we find that they are levying the limit while the rural districts vary all the way from the limit of fourteen mills to a low of two and fifty-two hundredths. Table 31 shows the amount of income that was collected per child for all the districts in 1936. We find that the greatest amount collected per child in the high school districts was by district number twenty-eight and amounted $88.65. This was closely followed by district forty-six with $87.08. District number forty-six supplemented their collections that year however with a $5,000 bond issue. The lowest income per child was in district

Table 31

The Average Income Per Child in School Districts in Nelson County in 1936

District	Total Income	Enrollment	Income Per Child
	High Schools		
20	$9,309.38	170	$54.76
32	8,641.89	111	77.86
74	6,832.86	83	82.32
46	16,980.22	195	87.08
66	20,996.58	352	59.65
34	9,463.52	137	69.07
40	17,380.10	217	80.00
58	6,886.29	114	60.40
28	12,766.39	144	88.65
42	6,407.77	94	68.17
	Consolidated Schools		
68	5,212.50	50	104.25
54	4,015.75	59	68.06
52	7,810.50	58	134.66
50	3,284.41	63	52.13
	Rural Schools		
26	3,252.50	36	90.34
56	3,155.72	52	60.69
48	3,715.81	36	103.22
60	1,659.64	9	184.40
64	3,230.36	47	68.94
36	2,778.75	47	59.12
70	3,224.29	47	68.60
78	2,097.57	20	104.88
76	3,230.28	37	87.30
38	3,289.95	35	94.00
30	1,985.72	28	70.91
44	2,798.84	29	96.58
22	4,636.98	14	324.07
24	2,774.34	59	47.02
72	1,990.77	26	76.34
62	2,503.63	26	96.29

twenty with only $54.76. This district also had the lowest taxable valuation per child. Two of the consolidated districts had incomes of over one hundred dollars per child. The top ranking one was district number fifty-two with $134.66.

The rural schools again come to the front in the ability to support their schools when we find their income per child running higher than that of the high or consolidated schools. The top ranking district here was number twenty-two with an income per child of $324.07. Their proceeds, however, were partly supplement by a large dividend from a closed bank. The district with the lowest income per child was number twenty-four which had but $47.02. This, incidently was the lowest for any of the districts of all kinds. All but four of them had an average income of less than one hundred dollars per child.

Taking an average of the income per child for the high school districts we find it to be $72.80. The average for the consolidated schools is $89.77 and that for the rural schools is $102.04. Here we find the same ranking as we did in taking the average for the taxable valuation per child. The rural schools seem to be more able to support their schools by whatever method we consider. And in considering the income per child we find that several of the rural districts are levying far below the legal limit.

If we take the last two methods of figuring the abilities of districts to support their schools and place them in a table as they would be according to a rank order distribution

chart we find there is little difference among the high school and consolidated districts. Table 32 gives their ranking first according to their taxable valuation per child and then according to the income per child. Among the high schools district number twenty-eight ranks first by both methods and district number twenty ranks last by both methods. About the only notable shifting among the other districts is where number forty-six moves up from eighth place according to taxable valuation to second for income. This can be explained by the fact that this district obtained receipts in the amount of $5,000 from the sale of bonds. On a yearly average this great change would not occur. The only difference in the consolidated districts is the alternating of number's sixty-eight and fifty-two from first to second by the two methods.

The top ranking districts among the rural schools also exchange places by the two methods of ranking. District number sixty occupies first place according to taxable valuation per child while it shifts to second and district number twenty-two takes first according to the income per child. Some of the districts have the same ranking by both methods, and then again some of them shift quite a bit. The greatest change made by any one district is that of number twenty-four when it drops from fifth place according to taxable valuation to sixteenth, or last place by the income per child. This is caused by the low tax collection in that district plus the large enrollment of students in their schools. They have fifty-nine pupils which is the greatest number for any of the rural districts.

Table 32

Districts in Nelson County Ranked According to Their Ability to Support Education by Taxable Valuation and Income Per Child

District	Rank According to Taxable Valuation	Rank According to Income Per Child
	High Schools	
20	10	10
32	6	5
74	3	3
46	8	2
66	7	7
34	5	6
40	2	4
58	9	8
28	1	1
42	4	7
	Consolidated Schools	
68	1	2
54	3	3
52	2	1
50	4	4
	Rural Schools	
26	8	8
56	15	14
48	7	4
60	1	2
64	12	12
36	11	15
70	14	13
78	3	3
76	13	9
38	10	7
30	6	11
44	4	1
22	1	1
24	5	16
72	16	10
62	9	6

SUMMARY

In this study the ability to support education is based on the taxable valuation, the taxable valuation per child and the income per child.

The high school districts have the highest taxable valuation. The rural school districts all average about the same.

One high school district had a taxable valuation per child of $4,000. The others were all less than $3,000.

Two of the consolidated districts had a taxable valuation of over $6,000 while the other two were only a little over $3,000.

One rural district had a taxable valuation per child of over $14,000. The lowest valuation was $3,502.

The average per pupil taxable valuation for the high school districts was $2,576, for the consolidated districts $4,707 and for the rural districts $6,710.

The income per child is affected by the levy made, the tax collections and the amount of money borrowed.

The average income per child for the high school districts was $72.80, for the consolidated districts $89.77 and for the rural districts $102.04.

Several of the districts ability to support education varies in rank when comparing by the taxable valuation per child and the income per child.

CHAPTER 6

EFFORT OF THE SCHOOL DISTRICTS IN NELSON COUNTY TO SUPPORT EDUCATION

The chapter just completed has shown many inequalities existing among the districts in their ability to support education. However in order to find the true picture of educational opportunities among the districts we must take into consideration the 'effort' put forth by a district. Effort has long been recognized as a factor in the apportionment of state school funds. As early as 1874 Massachusetts passed legislation denying aid to the wealthiest districts.[1] Cubberley recognized the effort factor as essential in any method of apportioning state school funds. His theory was that the effort of a community could be measured through the tax rate on property.[2] This fundamental concept is still in use in presentday state educational equalization programs. Updegraff, who laid great stress on the effort factor, held that the effort of a community to support education could be measured "by its tax rate based upon the valuation of its taxable property for school purposes, at 100 per cent of its value or at its true value."[3] Mort, in his studies on state school finance, has used the value of taxable property as a

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[1]Paul R. Mort, State Support for Public Schools, New York. Bureau of Publications, Teachers College, Columbia University, 1926, p. 4.

[2]Ellwood P. Cubberley, School Funds and Their Apportionment, New York. Teachers College, Columbia University, 1905, p. 213.

[3]Harlan Updegraff, "Constructive Criticism of Proposed Plans for Distribution of State Moneys to Local School Districts." Tenth Annual Schoolmen's Week Proceedings, 1923. Philadelphia, University of Pennsylvania Press, 1923, p. 102.

measure of the ability of a community to support education. Equalization of burden obviously requires a measure of effort. According to Mort, "no substitute has as yet been developed for the assessment of property as a measure of ability to pay."[4]

In this study then we will first compare the districts on their effort to support education accordingly as they have taxed their own district. That is we will show the effort put forth according to the levy made on their taxable valuation. Table 33 gives the tax rate, or mill levy, made by each district in the county for the last five years and also the average for these five years. This table shows, according to column seven, that only two high school districts have levied an average of more than the legal limit of eighteen mills for general school purposes. These were districts number thirty-two and sixty-six. Then we find that they exceeded the limit but little. The greatest effort was put forth by district number thirty-two with a five year period average of 19.35 mills for their tax rate. The smallest amount of effort was put forth by district number twenty-eight when we find that they levied an average of only 14.65 mills. During the last three year period most of the high school districts levied the full amount regulated by law. To exceed this limit an election must be held and a favorable vote cast by sixty (60%) per cent of the legal voters of the district.[5]

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[4]Paul R. Mort, State Support for Public Education, Washington, D. C. American Council on Education, 1933, p. 135.

[5]General School Laws, 1935, op. cit., Section 410,p. 147.

Table 33

The Mill Levy of Tax Rates for School Purposes For a Period of Five Years in All School Districts in Nelson County[a]

Dist.	Levies					
	1932	1933	1934	1935	1936	Average
			High Schools			
20	16.41	10.86	16.15	18.00	18.00	15.88
32	18.00	18.00	24.01	21.00	15.75	19.35
74	18.00	17.50	18.00	18.00	15.85	17.47
46	13.44	18.00	18.00	18.00	18.00	17.09
66	13.73	18.00	18.00	25.65	18.00	18.68
34	13.99	15.90	18.00	18.00	18.00	16.72
40	9.13	15.77	18.00	18.00	17.81	15.74
58	14.84	16.79	18.00	18.00	18.00	17.17
28	12.44	12.28	12.52	18.00	18.00	14.65
42	17.04	18.00	18.00	18.00	18.00	17.81
			Consolidated Schools			
68	8.52	10.40	13.55	11.03	16.00	11.90
54	15.92	16.00	16.00	16.00	16.00	15.98
52	12.32	16.00	13.70	16.00	16.00	14.80
50	12.16	16.00	13.73	9.80	16.00	13.52
			Rural Schools			
26	0	2.93	6.94	14.00	14.00	7.57
56	5.43	11.66	14.00	14.00	13.07	11.63
48	5.58	10.15	12.76	12.92	11.54	10.59
60	12.34	12.84	12.95	4.58	5.70	9.68
64	10.63	12.36	8.14	8.33	12.65	10.42
36	7.57	9.90	10.51	6.35	6.62	8.19
70	7.93	7.62	12.80	14.00	11.83	10.82
78	5.06	11.02	5.13	8.05	8.60	7.57
76	14.00	14.00	14.00	14.00	14.00	14.00
38	9.32	9.61	13.97	14.00	12.47	11.87
30	10.80	14.00	14.00	6.70	2.52	9.10
44	3.24	9.86	14.00	10.68	10.75	9.71
22	7.25	10.87	13.72	12.80	2.65	9.46
24	5.02	7.59	9.78	9.74	10.40	8.51
72	9.23	13.44	14.00	14.00	13.20	12.77
62	11.54	10.00	14.00	14.00	14.00	12.71

[a]County Superintendent's Annual Reports for the Years, 1932, 1933, 1934, 1935 and 1936.

None of the consolidated school districts exceeded the legal limit of sixteen mills for their levy. The one that put forth the greatest effort as shown by a levy was that of district number fifty-four when they had a five year average of 15.98 mills. The one putting forth the least effort was district sixty-eight with a five year average of 11.90 mills.

Only one of the rural school districts had a five year average of fourteen mills and that was district number seventy-six. They maintained a constant levy of fourteen mills for the entire five years. There was a great variation among these districts. The average low levy made was by two districts numbers twenty-six and seventy-eight. Both of them had a five year average of 7.57 mills. District number twenty-six made no levy at all in 1932. There was a great variation also in the districts as we find that some of them lowered their levy as the period went along while others raised. This would tend to show that they levy for school purposes as their needs arise instead of levying a certain amount and accumulating a reserve in revenue.

The data in Table 33 shows that there are vast inequalities of education according to the effort put forth by the different districts in levying taxes on their own taxable property. Only three of the thirty districts in the county levied the maximum amount as allowed by law for general school purposes. Most of the districts showed no great effort as they levied only to meet the general expenses and tried to hold the costs down as much as possible.

Expenditure Per Pupil

To compare the effort put forth by the different districts only on the basis of the tax rate that they levied on their own taxable property will not show the true picture of effort. Therefore in this study a second method will be used and that is the expenditures as made by the different districts for their educational purposes. In using the tax rate only, no consideration is made of the number of pupils enrolled. The enrollment makes a big difference in the amount that must be expended.

Table 34 presents data showing the average amount of the expenditures for all the districts in Nelson County for a five year period ending in 1936. This table also shows the average number of pupils enrolled for that period and the average of the expenditures per pupil for each district.

When we look at the last column in this table we find that that district number twenty-eight of the high schools made the greatest effort based on the expenditure per pupil. The one making the least effort by expenditure was district number twenty which spent only $48.98. District twenty-eight spent $85.80 per pupil. The average for the entire high school group was $67.74 per pupil.

In the consolidated districts we find one, number fifty-two which spent $102.40 per pupil for the five year period average. The lowest one, number fifty spent $72.07 per pupil. The average for this group was $89.16 per pupil.

Table 34

The Average Expenditures Per Child for School Districts of Nelson County for the Five-Year Period 1932-1936[a]

District	Average Total Expenditures	Average Enrollment	Per Pupil Expenditure
	High Schools		
20	$9,649.36	197	$48.98
32	8,238.93	107	77.00
74	6,879.02	95	72.43
46	12,899.08	205	62.92
66	19,887.58	345	57.62
34	9,127.57	144	63.39
40	15,593.55	221	70.56
58	6,587.28	115	57.28
28	12,440.97	145	85.80
42	7,657.69	94	81.46
		Av.	67.74
	Consolidated Schools		
68	4,560.25	53	86.04
54	5,090.78	53	96.05
52	6,655.94	65	102.40
50	4,623.90	60	72.07
		Av.	89.16
	Rural Schools		
26	3,192.38	50	63.85
56	2,868.19	59	47.09
48	2,545.20	45	56.56
60	1,619.87	10	169.87
64	4,012.97	53	75.72
36	2,811.91	49	57.39
70	2,959.98	46	64.33
78	1,866.11	23	81.14
76	3,703.21	44	84.16
38	2,538.05	32	79.31
30	2,490.83	34	73.26
44	2,716.81	28	97.03
22	2,512.13	20	125.61
24	2,230.58	62	35.98
72	1,955.78	29	67.44
62	2,176.89	27	80.63
		Av.	78.71

[a]County Superintendent's Annual Reports for the years 1932, 1933, 1934, 1935 and 1936.

In the rural districts we find the effort put forth by two districts is considerably greater than in any of the districts. The high is by district number sixty which spent an average of $169.87 for the five year period for each of its pupils enrolled. This was followed by district number twenty-two which spent an average of $125.61 for each of its pupils. The district which spent the least was number twenty-four which spent but $35.98 per pupil. The variations in these districts are considerably greater than in the other classes of schools. We find that the average for the rural districts is $78.71 which is more than the high school average but less than the consolidated school average.

When districts are compared by this method for their effort put forth there are several factors that enter in however which should be taken in consideration. Sometimes we find a district has a very low enrollment and in that case the expenditures will be higher per pupil than one which has a large enrollment. If that enrollment becomes too small then it is not always a case of effort but waste. In order then to make the table more accurate we would have to find out the correct size of a school for the best economy. Nothing was attempted like that in this study. A third method of comparison, however, will be used and the data for that is given in Table 35.

Effort as Expressed in Ratio of Expenditures Per Pupil Enrolled to Wealth Per Pupil Enrolled

The two former methods of comparing the districts as to the amount of effort they put forth for educational purposes depended upon their tax levy and upon their expenditures per pupil enrolled. Several factors might enter in whereas a true effort would not be measured in these methods. A third method will now be used and in this one the amount expended per pupil will be used in a ratio to the actual wealth per pupil as measured by the per pupil taxable valuation.

The effort of any district to support education may be defined, in general, as the extent to which the district exerts itself toward that end in terms of its financial ability. There are many complicating factors which make precise measurement of the efforts of the districts exceedingly difficult, if not impossible. However, it is believed that the use of the formula for the measurement of effort developed in a study recently published in a Research Bulletin of the National Education Association[6] provides a better measure of the relative efforts of the districts to support education than has hitherto been available. In this study this formula is used and the amount spent for education is taken as the expenditure per pupil for general educational costs. The amount spent for capital outlay was omitted in figuring these expenditures.

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[6]National Education Association, Research Bulletin, "The Efforts of the States To Support Education." XIV--No. 3, (May, 1936), p. 111.

Table 35

The Ratio of Average Expenditures Per Pupil Enrolled to the Average Wealth Per Pupil Enrolled in Nelson County School Districts for a Five Year Period

District	Expenditure Per Pupil	Valuation Per Pupil	Ratio in Ten-Thousandths
	High Schools		
20	$48.98	$2,061	237
32	77.00	2,427	317
74	72.43	2,838	255
46	62.92	2,187	288
66	57.62	2,252	256
34	63.39	2,507	252
40	70.56	2,847	248
58	57.28	2,075	276
28	85.80	4,000	215
42	81.46	2,569	317
	Consolidated Schools		
68	86.04	6,292	137
54	96.05	3,150	305
52	102.40	6,254	164
50	72.07	3,132	230
	Rural Schools		
26	63.85	5,615	114
56	47.09	3,886	121
48	56.56	6,025	94
60	169.87	14,931	114
64	75.72	4,801	158
36	57.39	4,823	119
70	64.33	3,958	163
78	81.14	9,178	88
76	84.16	4,476	188
38	79.31	5,171	153
30	73.26	7,104	103
44	97.03	8,021	121
22	125.61	12,849	98
24	35.98	7,427	48
72	67.44	3,502	193
62	80.63	5,597	144

The formula that is used is as follows: The effort of a district to support education equals the amount spent for education divided by the financial resources. The financial resources used in this study will be the taxable valuation per pupil.

Table 35 gives the data for this comparison. The effort is figured in ten-thousands and in order to make it more readable the decimal point and ciphers are omitted before the numbers.

When this formula is used to compare the districts as to the effort they are putting forth we find there is some shifting around of the districts. This will be easier seen if the reader will refer to Table 36 where all the districts are ranked by the three methods used. In the high school group district twenty-eight makes the greatest effort when the expenditure per pupil is considered but ranks last when considered by the levy made and by the use of the formula. In the consolidated groups there is little changing around. However, again in the rural districts we find number sixty ranks first by expenditures per pupil but tenth by the other two methods. This would tend to show that the enrollments are too low for economy and a true effort is not shown by expenditures alone. Many inequalities are shown by these comparisons of the effort put forth by the various districts.

Table 36

Ranking of the Districts as to the Effort They Put Forth to Support Education by Three Methods of Comparison

District	Average Mill Levy	Per Pupil Expenditure	Ratio of Expenditure to Value
	High Schools		
20	8	10	9
32	1	3	1
74	4	4	6
46	6	7	3
66	2	8	5
34	7	6	7
40	9	5	8
58	5	9	4
28	10	1	10
42	3	2	1
	Consolidated Schools		
68	4	3	4
54	1	2	1
52	2	1	3
50	3	4	2
	Rural Schools		
26	15	12	10
56	5	15	7
48	7	14	14
60	10	1	10
64	8	8	4
36	14	13	9
70	6	11	3
78	15	5	15
76	1	4	2
38	4	7	5
30	12	9	12
44	9	3	7
22	11	2	13
24	13	16	16
72	2	10	1
62	3	6	6

SUMMARY

The average mill levy for the last five years shows that the high school and consolidated districts are in most cases levying the limit set by law. Several of the rural districts have a small levy.

Only one rural school district had a five year average of the maximum amount of levy as set by law.

The average expenditure per pupil in the high school districts was $67.74; in the consolidated districts $89.16; and in the rural districts $78.71.

On the ratio of the expenditure per pupil to the valuation per pupil, the high school and consolidated districts showed much greater effort than the rural districts.

CHAPTER 7

CONCLUSIONS AND RECOMMENDATIONS

The introduction of this study indicated that it would deal with the conditions as they exist in Nelson County in regard to the actual receipts and expenditures of the various school districts, the financial help as received from outside sources, the ability to support education and the actual effort put forth. The problem was to find if inconsistencies existed among the various districts resulting in inequalities of education and the recommendation of a change in the present method of school financing if necessary.

Nelson County is in a very desirable location in the state (chapter 2). Agriculture is the chief industry of the county. There are four railroads operating through the county with practically all the trackage in the high school and consolidated districts. The county has a good system of roads. There are ten high school districts, four consolidated districts, and sixteen one-room districts in the county. The school year that ended in 1936 found 128 teachers employed and 2328 students enrolled. Practically all the districts had nine months of school.

School costs for local sources have been reduced materially (chapter 3). In a similar study made by Sather[1] of McClean County in 1935 he found that about ninety per cent of the educational costs were borne by the local districts.

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[1]Emil F. Sather, "Financial Survey of School Districts in McClean County," University of North Dakota, 1936.

This study shows that the costs to local districts have been reduced to a little over seventy per cent. Table 37 gives the exact figures on the percentage of costs as they are divided into the three classifications, local, other sources, and equalization fund. The one-room rural schools had the highest percentage of local costs while the consolidated schools had the lowest. The high school districts received the highest percentage of their costs from the equalization fund.

Table 37

Percentage of School Costs Paid by Local Sources, Other Than Local Sources and the Equalization Fund in Nelson County for the Year 1935-36

District	Local Sources	Other Sources	Equalization fund
High School	73.3	9.7	17.0
Consolidated	71.6	12.7	15.7
One-Room	75.0	14.8	10.2
Average	73.3	12.4	14.3

No one-room district recieved any apportionment from the equalization fund on the 'basis of need' in Nelson County during the year 1935-36. However, most high school and consolidated districts did receive large amounts on this basis. The law, however, that regulates the apportionment of this fund was changed by the 1937 session of the legislature. It seems quite fitting too, that this should have been done.

The inequalities that existed in regard to the apportionment of this 'basis of need' money are shown in table 38. This table gives the rankings of the various districts in regard to their ability to support education according to the valuation of the district per pupil and the effort they put forth according to the ratio of the amount they spent per pupil to the valuation of the district per pupil. District number forty which ranked second in ability to support their own schools, ranked eighth in their effort put forth and received the greatest amount per pupil on the 'basis of need.' District number thirty-two, which ranked sixth in the ability to support their own schools and first in their effort put forth, received nothing on the 'basis of need.' In the consolidated group district number fifty, which ranked last in the ability to support their own schools and second in the effort put forth, received nothing while the other three districts received various amounts.

According to the present law no school district will be apportioned money from the equalization fund on the basis of need without issuing certificates of indebtedness to the equalization fund and then not until they have been unable to sell certificates elsewhere. School districts have the power of borrowing money by issuing certificates of indebtedness but must not exceed the aggregate amount of delinquent taxes for the year, plus uncollected taxes for the four preceeding years.

By the present method money will be returned to the equalization fund when the district pays its certificates. No district will be given an outright 'gift' on the basis of need unless it has issued its limit on certificates.

Table 38

Amount Received Per Pupil in Nelson County in 1936 on the Basis of Need and Rank of the District as Compared to its Ability and Effort to Support Education

District	Amount Received Per Pupil	Rank	Rank of Ability	Rank of Effort
		high schools		
20	$1.88	6	10	9
32	00	7	6	1
74	00	7	3	6
46	5.74	4	8	3
66	6.36	2	7	5
34	5.83	3	5	7
40	7.74	1	2	8
58	00	7	9	4
28	00	7	1	10
42	5.10	5	4	1
		Consolidated		
68	$1.60	3	1	4
54	14.24	2	3	1
52	17.24	1	2	3
50	00	4	4	2

The amount of expenditures for the districts have mounted during the last year. This is due chiefly to the building and repairing program and the increased schedule of teachers salaries. Teachers salaries made up approximately fifty per cent of the school costs. The per pupil cost of transportation amounted to on the average less than thirty dollars per year. In comparing the rich and poor districts

a large variance was found in the amounts that could be raised. This was shown in chapter 3, where districts fifty-four and twenty-two were compared. District number fifty-four can levy only about half enough to support its schools. District number twenty-two maintained its schools in 1936 with a levy of but 2.65 mills and has enough surplus cash on hand to maintain its schools for two years without a levy being made. Several schools have had trouble in levying enough to meet their needs since the fifty per cent valuation was put into effect.

The two main methods of borrowing money are by selling certificates of indebtedness and issuing bonds (chapter 4). Bonds may be issued by a school district to purchase, erect, enlarge and improve school buildings and teacherages, and to acquire sites for the same and for play grounds, and to furnish and equip such buildings, when voted upon successfully by two-thirds of the qualified voters in the district voting on the question. Only five districts in Nelson County are bonded with four of these being high school districts and one a consolidated district. Only two districts had bonded indebtedness which exceeded the five per cent limit. All bonds issued in the county were of the sinking fund type and a special sinking fund levy is made for their payment.

Only five districts had any outstanding certificates of indebtedness on June 30, 1936. Two of these were high school, one consolidated, and two rural districts. Certificates of

indebtedness may be issued without a vote but must not exceed the amount of delinquent taxes for the current year, plus the amount uncollected for the four preceeding years.

Several districts had outstanding warrants but only two had them registered. All of them but the registered ones would be paid as soon as they were presented to the bank in which the school district money was kept. Warrants for the payment of current expenses are issued against cash in the hands of the districts treasurer. In case a school district is unable to sell its certificates of indebtedness, it may issue warrants in payment of current expense, in excess of cash on hand, but not in excess of taxes levied but uncollected, and not otherwise encumbered. These warrants must be registered by the district treasurer and paid for out of the taxes collected against which the warrants were issued. Nelson County has a small amount of indebtedness for its school districts.

The ability of the different districts to support their educational programs is presented in chapter 5. Two methods of rating are used: first, according to the valuation of the district per child; and second, according to the actual income per child. Several factors enter into these computations but it would seem that the fairest method of figuring the ability is to use the valuation per child. This is the method that has been used in Table 39 in comparing the rankings of the abilities to the effort put forth. One high school

district, number twenty-eight, was outstanding in its ability to support its schools with a valuation per pupil of $4,000. All other high school districts had a per pupil valuation of less than $3,000. Two consolidated districts showed valuations of over $6,000 per pupil, while the other two had but little over $3,000. One rural district had a per pupil valuation of close to $15,000.

Several of the one-room rural districts had high valuations which was due mainly to the fact that enrollments were small. In most cases the size of the districts was about the same with thirty-six sections of land. The income per child average for the high school districts was about seventy dollars, for the consolidated districts about ninety, and for the rural districts it ran over a hundred.

Three methods of figuring the effort of the districts to support their schools were used (chapter 6). They were first ranked by the average levy they had made for the last five years, then by the average expenditure per pupil, and lastly by the ratio of their average expenditure per pupil to their valuation per pupil. The last method seems to be the most fair. Considering the expenditure per child as the effort put forth, some rural districts would rate higher than the high school districts but this is due to the small enrollments causing a higher expenditure or really a loss for economical educational purposes. It would seem that the cost per pupil in the small consolidated schools is too high.

Table 39

Ranking of the Districts in Nelson County According to the Ability They Have to Support Education and the Effort They Put Forth

District	Ability	Effort
	high schools	
20	10	9
32	6	1
74	3	6
46	8	3
66	7	5
34	5	7
40	2	8
58	9	4
28	1	10
42	4	1
	consolidated	
68	1	4
54	3	1
52	2	3
50	4	2
	rural schools	
26	8	10
56	15	7
48	7	14
60	1	10
64	12	4
36	11	9
70	14	3
78	3	15
76	13	2
38	10	5
30	6	12
44	4	7
22	1	13
24	5	16
72	16	1
62	9	6

This is caused by the fact that some of them offer one or two years of high school work and have but three or four enrolled in a grade. These consolidated schools should not maintain a high school department without an enrollment large enough to insure a high educational value and efficient management.

Comparing the districts on their ability to support their schools with the effort they are putting forth it was found that several of them were below the standard they should maintain. The comparison is made in table 39. In the second column is shown the ability of the district to support their schools according to their actual valuation per pupil. In the third column is shown the effort put forth as shown by the ratio of the expenditure per pupil to the valuation per pupil. District number twenty-eight ranks first in ability but last in the effort put forth. District number forty ranks second in ability and eighth in their effort put forth. And then on the other extreme, district number thirty-two which ranks sixth in their own ability to support their schools, ranks first in the effort they put forth. In the consolidated and one-room group the same situation exists. District number sixty-eight ranks first in ability but fourth in the effort put forth. This would lead to the conclusion that the schools which have the ability to support their schools are not putting forth the effort they should to provide an adequate educational program that is on a basis with their ability.

General Conclusions

From the data presented in the first part of this study, plus the summary in this chapter the following general conclusions may be drawn:

1. Nelson County is well situated agriculturally. Most district valuations are high enough to supply ample income for the support of the schools.

2. Increased state support of schools, due chiefly to the equalization fund, has decreased local costs to about seventy per cent of the entire educational expenditures.

3. Apportionment to school districts from the equalization fund on the basis of need seemed unfair to some districts.

4. Debt service amounted to only a little over six per cent of the school costs.

5. There was considerable difference in the ability of school districts to support education, principally between the different classes of districts, high school, consolidated, and one-room rural.

6. There was a wide difference in the amount of effort put forth by districts to support their schools.

7. People in poorer districts and ones with large enrollments paid much more for educational purposes than rich districts or ones with small enrollments.

8. Many resulting inequalities exist in regard to the educational facilities of districts which are relatively close together.

9. Schools with the greatest ability did not put forth the greatest effor to support education.

10. Schools with the least ability and putting forth the most effort did not receive the most help from the state.

General Recommendations

After making the survey and presenting the material herewith, the writer is not prepared to make any specific recommendations. To remedy all the maladjustments presented would indeed be a problem. The ideal situation of course would equalize the tax burden and at the same time equalize the educational opportunities of the children in all the districts.

Probably the county plan of organization would help in that the wealth wherever it is found would do its share of the educational work and no district lines would separate the poor and rich districts. As long as we have a system of 'free' education certainly no child should suffer educationally because he happens to live in a district which is poor or has a large enrollment while another child living a few miles away with an imaginary line separating them is afforded many educational opportunities because his district is rich or has a small enrollment making the income per child much higher. This county system might lead to inequalities existing between the various counties but it would increase the area over which educational costs would be apportioned. In the future a state set-up could be made and eventually the whole system could be worked out on a national scale.

The equalization fudn provided about fifteen per cent of all school costs in Nelson County. This was a great help to the school districts. The writer would recommend that the method of apportionment of this fund be changed somewhat. The 'basis of need' could eventually be discontinued and this amount apportioned on the teacher unit basis. Probably a part of the equalization fund could be apportioned on the 'per pupil' basis and there would be a more equal distribution. This plan would tend to equalize abilities of the districts with large enrollments. Certainly this method of support by the state with payments from an equalization fund should be continued and increased if possible to the place where it would represent about twenty-five per cent of the school costs.

No plan of school support seems to be complete, however, without national support. A plan similar to the Harrison-Fletcher bill which was introduced in Congress this last year which would have allocated $300,000,000 to the various states on a per pupil basis would have helped materially in the support of our schools. A system of support requiring fifty per cent from the local district and fifty per cent from the state and nation would seem to be a very favorable situation.

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