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ABSTRACT

This preliminary report summarizes much of the work and findings of the research staff of the Committee on Equal Educational Opportunity of the Oregon Legislature. The research staff's task was to analyze Oregon's current school finance system and its various alternatives and to develop a computer simulation for predicting the impact of alternative school finance plans on all school districts in Oregon. Section 1 of the report briefly describes the current Oregon school finance system and some of its major problems. Section 2 outlines the criteria that should be met by any changes to the present system. Section 3 describes three alternative school finance plans that are consistent with the criteria discussed in section 2. Each plan is described, its strengths and weaknesses are discussed, and its impacts are analyzed for 38 Oregon school districts. Section 4 discusses a variety of policy issues and staff recommendations that accompany consideration of school finance reform. (Author/JG)

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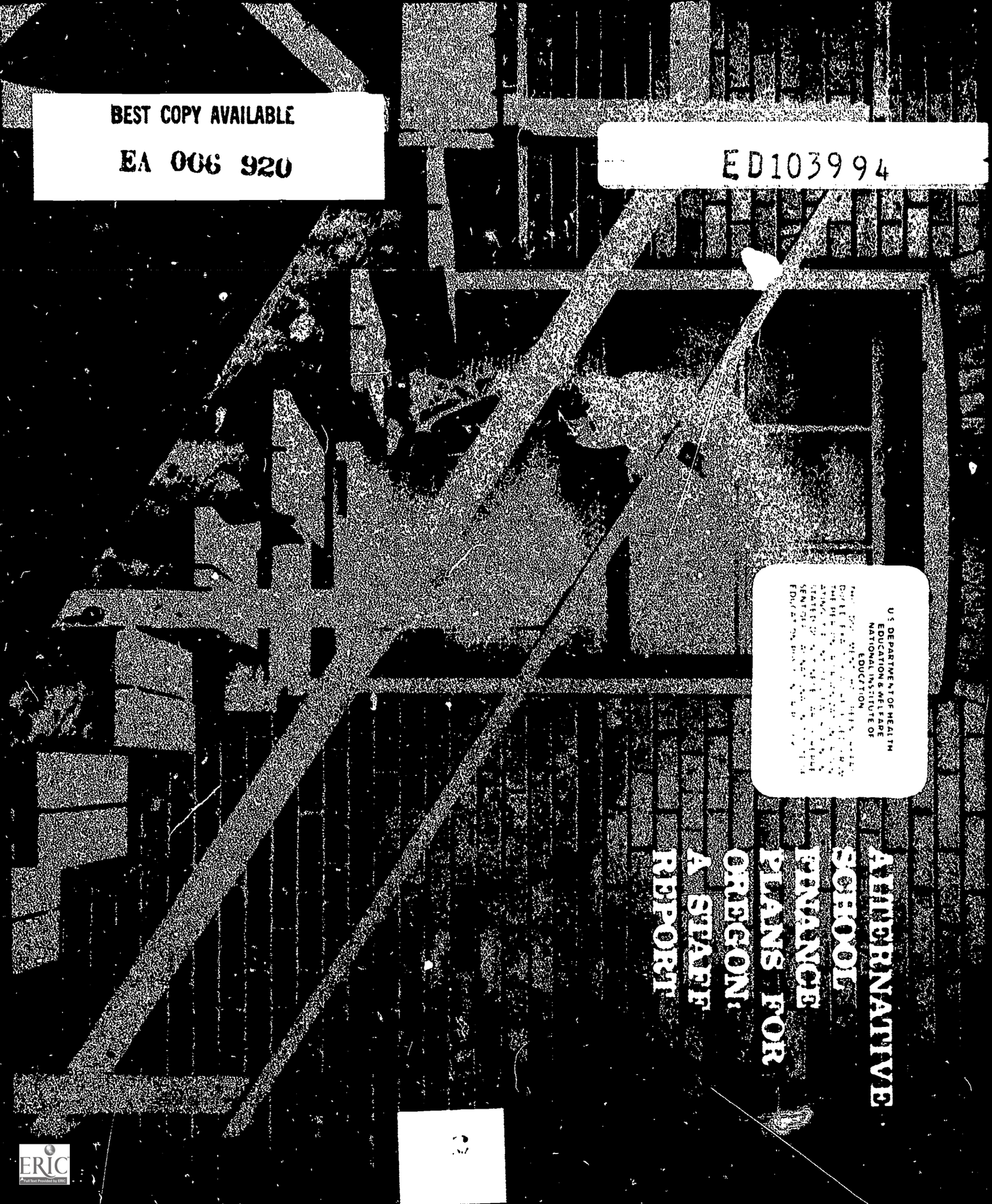

U.S. DEPARTMENT OF HEALTH
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION

ALTERNATIVE SCHOOL FINANCE PLANS FOR OREGON: A STAFF REPORT

Prepared for the Committee on Equal Educational Opportunity of the Oregon Legislature

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INTRODUCTION

1.

The Committee on Equal Educational Opportunity first met in December, 1973 tc study Oregon's system of financing public schools. To facilitate the committee's work, the leadership of the Oregon legislature had asked the Ford Foundation for funds to support a research staff for the committee. With these funds, a research staff was employed and directed to analyze the current system of school finance and alternatives to it. The staff was also asked to develop a school finance computer simulation which would enable the committee to study the impact of alternative school finance plans on all school districts in Oregon.

This preliminary report summarizes the work and findings of the staff through September, 1974. A detailed staff report will be available in late December. This report is organized into four sections. The first section briefly describes the current state school finance system and some of its major problems. The second part outlines the criteria that should be met by any changes to the present system. Section three describes three alternative school finance plans which are consistent with the criteria discussed in section two. Each plan is described, its strengths and weaknesses discussed, and its impacts analyzed for thirty-eight school districts. The final section covers a variety of policy issues and staff recommendations which accompany consideration of school finance reform.

Seven months of intensive research activity underlie the proposals outlined in this report. During the first five months, primary emphasis was given to collecting essential information and developing a computer simulation capability to analyze the impact of alternative school finance plans. Information was also collected from public hearings held by the Committee on Equal Educational Opportunity during the spring of 1974. The staff worked closely with personnel in the Department of Education to gather and check the accuracy of the data used in the computer simulation. In addition, the staff visited a number of school districts to find

out the problems facing educators in different parts of the state, and the reforms they would support.

The Oregon School Finance Computer Simulation was developed to analyze the costs and impacts of a variety of school finance plans on each school district in Oregon. The simulation is a flexible tool for analyzing school finance alternatives. It can provide answers quickly. By using projections of school enrollments and local property values, it can estimate the fiscal impacts of alternatives for five years into the future. It can also estimate the fiscal consequences of school district reorganization. In the three plans described in this report, only the most essential data are printed out for each plan. It is possible, however, for the computer to print out as many as 260 pieces of information per district for each alternative plan.

For the past two months, the staff has analyzed a variety of school finance plans. The three plans presented in this report are different approaches to reforming Oregon's system of school finance. Each would provide greater equality of educational opportunity for the children of Oregon than the present system. And the plans are realistic as they accommodate the fiscal and political realities of school finance in Oregon; they require only small increases in state funds and modest changes in the system of distributing state school aid. Furthermore, they maintain local control.

This report provides background information for the next meeting of the Committee on Equal Educational Opportunity to be held on October 2-4 at Otter Crest on the Oregon coast. At that time, the committee will consider the plans and recommendations contained in this report, and will attempt to reach general agreement on the direction school finance reform legislation should take. The staff will then prepare final proposals for consideration by the committee later in the fall.

OREGON'S CURRENT SCHOOL FINANCE SYSTEM

3.

In the United States, public primary and secondary education is the responsibility of the states. Most states, however, delegate much of the operation and financing of schools to local school districts. The role of states in public education is usually limited to setting program requirements for schools and providing funds to insure that school districts provide adequate educational programs.

The level of state support of public schools in Oregon is one of the lowest in the country. In 1973-74 the state provided only 24.4% of total revenue sources for school districts compared to a national average of 43%. Only five states provided less. Since most school revenues in Oregon are raised by property taxes, the property wealth of school districts determines their ability to finance educational programs. In other words, a district with high per student wealth requires lower tax rates than a poor district to spend at the same level.

The state of Oregon, as mentioned above, provides a relatively small proportion of the revenue sources of public elementary and secondary schools. Ninety-four percent of this state school aid is distributed through the Basic School Support Fund; the remaining 6% is distributed to school districts from the Common School Fund, the Educational Improvements Account and through categorical grants. The purpose of the Basic School Support Fund, according to the Oregon statutes, is to "equalize educational opportunity" and to conserve and improve the standard of education.

Before examining whether it accomplishes these purposes, it is necessary to describe the BSSF and its components. Table 1 shows the amount of state money distributed through the BSSF since 1967 and its relationship to total current operating expenditures for all schools.

The BSSF, which is made up of funds appropriated by the legislature every biennium, is divided among five apportionment accounts: 1) transportation, 2) equalization 3) flat grants, 4) growth, and 5) decline in enrollment. The amounts and relationships among the five accounts are shown in Table 2.

TABLE 1

Growth of the Basic School Support Fund in Oregon since 1967 (in thousands)

School Year	BSSF	Current Expenditures	BSSF as a % of current expenditures
1967-68	$77,786	$286,729	27.1%
1968-69	77,431	325,536	23.8
1969-70	88,9[illegible]	363,363	24.5
1970-71	88,9[illegible]	398,013	22.3
1971-72	99,428	433,926	22.9
1972-73	104.063	467,815	22.2
1973-74	143,520	513,380*	28.0*

*estimated figures

TABLE 2

The Basic School Support Fund 1973-74	Millions of Dollars	Percent of total
A. Total	143.5	100%
B. Transportation Grants	9.4	6.5
C. Equalization Account (20% times A-B)	26.8	18.7
D. Flat Grants Growth and Declining Enrollment Accounts	107.2	
Flat Grants	105.2	73.3
Growth	1.5	1.
Decline	.5	.3

5.

The procedure for determining how much money a district receives from the state is too complicated to present in all of its byzantine complexity. In very simple terms, the state first establishes the level of per pupil expenditure which is supposed to provide each child with a basic educational program. Instead of being determined by an analysis of program needs, however, the basic program, or foundation level, is computed according to a formula which increases the foundation level in 1955-56 in proportion to the increase in expenditures since that year. In 1973-74 this computation produced a foundation of $682.23 per weighted average daily membership (ADMW), well below the average current expenditure for children in the state. (This amounts to $682.23 for elementary students and $886.89 for high school students.)

The foundation determines the total amount to be distributed by the BSSF. State reimbursement for transportation, which is 60% of the approved expenditures for transportation two years earlier, is then subtracted from the total. The remainder is divided among the four other apportionment accounts. The amount available for equalization is set by statute at 20%. Most of the rest is distributed as flat grants, with a small amount reserved for the growth and declining enrollment adjustments. The following diagram illustrates how the state equalization to districts is determined:

Dollar amount of basic program	minus	State supplied flat grants	minus	Federal forest fees & common school fund receipts		
		State required rate x district true cash value			=	State equalization to the district

The enrollment growth and decline adjustments demand explanation, for they favor districts which are losing students. A district with growing enrollment receives a flat grant and an equalization grant based on the previous year's enrollment. In addition, it receives a growth grant computed by multiplying the growth in enrollment by the amount of the flat grant. A district with declining enrollment receives not only a flat grant allocation and an equalization allocation based on the previous year's enrollment, but also a declining enrollment adjustment computed by multiplying 75% of the enrollment decline by the amount of the flat grant. For example, if a district had 3000 ADMW on June 30, 1973 and 2000 ADMW on December 30, 1973, it would receive that year flat grants for 3000 ADMW and declining enrollment grants (which are computed the same as flat grants, $206.42 x ADMW) for 750 ADMW. The district would receive, in other words, a total grant in 1973-74 as if it was receiving flat grants for 3750 ADMW rather than the 2000 ADMW actually enrolled that year. If the same district's enrollment remained at 2000 ADMW the next year it would only receive a flat grant allocation for 2000 ADMW, a loss of 1750 ADMW from the year before. In other words, a district would receive considerably more state money if its enrollment declined than if it remained constant, but would face a large reduction in state funds the next year. The enrollment decline adjustment, therefore, accentuates the loss from declining enrollment by building up a district's state allocation one year and taking it away the next.

The purpose of the BSSF, as mentioned earlier, is to provide equal educational opportunity. Under the present system, slightly less than 20% of the BSSF is available for equalization. In 1973-74 this amounted to $26.8 million or about 2.5% of total state and local school revenues. Although the dollar amount is small, the current formula does provide some equalization. In 1973-74, 174 or 51.3% of the districts in the state received state equalization funds. These districts provided services for 66.2% of the students in the state.

In addition to the equalization account of the BSSF, some equalization of local school district revenues occurs through the intermediate education district levy. The

state is divided into 29 Intermediate Education Districts. These districts basically follow county lines and exist in those counties lacking county-wide school districts. If the voters in an IED agree, a uniform property tax is levied, and the receipts are distributed to component school districts on a per student basis. In 4 IED's a different procedure is followed. The approved district budgets are extended against the IED tax base and receipts from the IED levy are counted as revenue by the districts. The purpose of the IED equalization levy, in other words, is to tax all the property in the IED and distribute it where the children are.

The IED equalization levy provides a significant proportion of the budget for a few districts which are generally small and poor. Nevertheless, IED equalization is unsuccessful in at least three ways. First, it redistributes only $9.5 million out of $93.7 million IED equalization funds from rich districts to poor districts. Second, even though wealth varies substantially among IED's, the system does not permit redistribution among them. Consequently, under the state formula for equalization, some districts that receive state equalization money are, at the same time contributing districts under the IED equalization formula. The opposite also holds true. Third, the amount of equalization that can be accomplished within an IED depends on the size of the IED levy. Because of differences in total tax bases and voter acceptance, the levy can be both important in some IED's and trivial in others.

In summary, the burden for supporting public elementary and secondary schools in Oregon falls most heavily on the local property owner. The state contributes less than a third of the costs of education, and distributes most of that money on a flat grant basis. The amount remaining for direct equalization ($26.8 million in 1973-74) can only equalize up to the foundation level, which is considerably below the average student expenditure local school boards and voters have chosen to spend. The IED equalization levy also has a limited impact on equalizing expenditures among Oregon school districts.

Finally, the current system is needlessly complicated. Districts

have difficulty planning because they do not know how much money they will receive each year. And, the public does not understand how state, local, IED and other funds interact to produce a school budget. Consequently, school levies are often defeated because the voters are confused. The strength and stability of the educational system in Oregon requires that the people understand and have control of their public institutions.

CRITERIA FOR REFORM

9.

In developing the three finance plans presented in this report, the staff first agreed upon certain criteria that should be met by any adequate school finance system. Some of these objectives may be unattainable immediately. Nevertheless, they act as benchmarks against which the strengths and weaknesses of the proposed plans can be assessed.

1. A new school finance plan should be simple.

This is perhaps the most important but most difficult standard to meet. Any system of finance is complicated. And school finance is more complicated than most. It involves transferring large amounts of money between different levels of government. Furthermore, in a state as diverse as Oregon, it is extremely difficult to design a single system for distributing state money which meets the special problems of both large urban school systems and small rural school districts. Over the years Oregon's once simple "minimum foundation program" has been amended to accommodate the particular problems of different areas around the state. As a result, Oregon's school finance system is incomprehensible not only to the voters, but to most educators and legislators as well. In placing a high priority on keeping the school finance system simple, some adjustments to provide equity may have to be omitted. If government is to be accountable, the public must be able to understand the laws. The plans presented in this report attempt to avoid needless complexity and build upon concepts that can be understood by the layman.

2. A new school finance plan should be fiscally neutral.

Frequently referred to as the Serrano criteria, fiscal neutrality means that the educational resources provided a child should not be a function of the wealth of the school district where he or she happens to live. In Oregon, education is the responsibility of the state and it is the wealth of the entire state that should stand behind each child. Since most school revenues are raised locally, a greater proportion of state school aid should be used to equalize the ability of school districts to support their educational programs.

This criterion should apply to capital outlay and debt service, as well as to operating expenditures. If the quality of school facilities affects the educational opportunities of children, then it follows from the Serrano principle that the ability of a district to construct facilities should not depend on the wealth of the district in which the child lives.

Fiscal neutrality does not mean that educational expenditures in every district must be the same for every child, or that local property taxes may not be used to support education. To the contrary, the principle allows for local choice of educational expenditures if the voters are willing to tax themselves to do it. In other words, districts which have the same educational tax rates should be able to provide approximately the same level of expenditures for each student.

3. In a new school finance plan, the state should assume a larger share of the excess costs of extra educational programs mandated by the legislature.

The current state aid system requires local districts to fund additional educational programs enacted by the legislature. For example, the state requires districts to provide handicapped education programs, but covers only part of the costs. Furthermore, the state funds some special programs completely, and others only marginally. And state reimbursement is not adjusted to take into account the ability of districts to finance special education programs from local sources. Another example is career education. Districts are required to provide career education programs but the state provides almost no money to pay for them.

4. Reform of the state school aid system should be treated apart from tax reform.

Undoubtedly, there are tax inequities in Oregon that deserve the attention of the legislature. But, legislation to provide equal educational opportunities for children can and should be separated from legislation to provide greater tax equity. We have there-

fore attempted to devise plans which would not increase costs more than 10% (or $50 million) above current state costs. School finance reform in other states has invariably been accompanied by large increases in state and total educational costs. The primary reason for this is the political difficulty of reducing expenditures in high spending districts. To provide equal opportunity, states have had to raise the expenditures of low spending districts, which results in increased costs.

In attempting to present school finance plans that provide distributional equity within the existing tax structure, we are not suggesting that the present level of state support is appropriate. If a decision is made to put more money into basic school support, the computer can quickly determine how to distribute the extra funds. Given the history of tax reform in Oregon and the unsettled condition of the economy, however, a revised school finance plan should not be tied to tax reform, or to expectations of large amounts of additional state revenue.

5. A new school finance system should provide for identifiable cost differences among different geographic areas of the state.

This criterion includes cost of living differences, cost of construction differences, possible teacher salary differences, and small school cost differences. The Serrano principle requires, or at least permits, adjustments to the rule of equal expenditures for equal tax effort, when those adjustments are based on cost differences which are not controllable by school district officials. A cost of living study recently completed by the Department of Revenue shows a 7% cost of living difference between the highest and lowest economic regions in the state. A new school finance formula should provide for this. Similarly, the sparcity of population in some areas creates necessary small schools with justifiably higher per student costs. Again, equality of educational opportunity requires that these schools receive extra support.

6. School finance reform should be implemented gradually.

In May, 1973, the voters of Oregon decisively voted down a one-time

shift in school support from local districts to the state. Any proposal which attempts such a sweeping change of the present system undoubtedly would be defeated again. Similarly, district expenditures should not be permitted to fluctuate wildly. Expenditures should be limited in the amount they increase or decrease in any year. This follows from evidence that districts cannot increase or decrease expenditures rapidly without considerable inefficiencies. In the following plans, we recommend limitations on annual increases in district costs, as well as other provisions to encourage greater productivity in the schools.

THREE FINANCE PLANS

13.

This section presents three alternative school finance plans for the consideration of the committee. Each plan is designed to equalize the educational opportunities of children in Oregon.

They differ in the extent to which they emphasize one set of values as opposed to another. The local guaranteed yield plan gives high priority to local choice. The foundation phase-in plan emphasizes continuity with the present system and a more gradual equalization of district expenditures. The total tax effort equalization plan focuses on the need to consider the total tax levy borne by taxpayers in each school district. The staff believes that all three plans are reasonable alternatives for reforming Oregon's school finance system.

Each plan is described in general terms. Most of the information on the effects of the plans is contained in a set of tables following each description. To facilitate comparison of the plans, we have included tables 3 and 4, which provide basic data on the thirty-eight school districts used to illustrate the impacts of the plans. The data on these two tables remain unchanged for the three plans.

The first table accompanying each plan indicates the decisions which went into the plan. The other three tables provide information on the results of the plans. The column entries for the tables are defined below.

DEFINITIONS OF TABLE ENTRIES

STATE LGY EQUALIZ SIM PER ADMW	The amount of equalization money provided by the state to bring a district up to the state guarantee.
TOTAL STATE RCPT SIM PER ADMW	The sum of state receipts from equalization aid, special grants, transportation, cost of living adjustment, less any reductions resulting from the 15% expenditure increase limitation.
TOTAL STATE RCPT DIFF PER ADMW	The difference between total state receipts under the plan and actual receipts in 1973-74.

TOT RECEIPTS SIMULATED PER ADMW	This includes all federal, state, intermediate, and local receipts.	The reader may discover that some of the figures in the tables do not correspond exactly to those provided by individual districts or by the Department of Education. This results because the data reported in district budgets and those used by the Department do not always correspond with one another. For example, the Department's estimates of local levy receipts and federal forest fee receipts used in computing a district's BSSF allocation sometimes differ from the budgeted figures districts use in setting the local levy. It is impossible, therefore, to simulate perfectly BSSF allocations and district tax rates using the same data. The data provided us by the Department were budgeted data. We are checking this data against the audited data for 1973-74 which has only recently become available. Corrections will be made where there are significant differences. None of these minor data problems, however, affect the basic relationships contained in the three plans.
TOT RECEIPTS DIFFERENCE PER ADMW	The difference between total district receipts and the comparable 1973-74 receipts under the current system.	
TOT OPER TAX RATE SIM	The tax rate used in the simulation. It is calculated to be halfway between the current tax rate and the rate needed to maintain current expenditures.	
OPER TAX RATE DIF	The difference between the simulated rate and the actual 1973-74 operating rate.	
SAVING FROM PHASE-IN PER ADMW	The saving to the state resulting from limiting a district's expenditure increases to 15% a year.	

TABLE 3 . BASIC DATA

THE FOLLOWING DATA ARE REPORTED FOR A REPRESENTATIVE SAMPLE OF SCHOOL DISTRICTS, BUT THE TOTALS OR MEANS ARE FOR THE WHOLE STATE.

SCHOOL DISTRICT NAME	WEIGHTED ADM SIMULATED	PREV YEAR ADJ TCV PER ADMW	PRESENT YEAR ADJ TCV PER ADMW	TOTAL RCPTS 1973-74 PER ADMW	TOTAL STATE RCPT 1973-74 PER ADMW	SCHOOL OPER TX RATE 73-4	1973-74 BOND LEVY	1973-74 BOND RATE	1973-74 TOT TAX RATE
BAKER NO. 5J	3086.30	36053.20	37152.90	1050.73	302.71	10.77	3.22		21.84
OAK GROVE NO. 4	200.00	19495.71	22766.02	1023.18	328.90	9.15	0.84		21.41
CORVALLIS NO. 509J	8098.09	41466.19	45176.89	1520.54	294.84	20.62	2.91		29.19
LAKE OSWEGO NO. 7J	7066.59	38988.69	43166.43	1341.36	263.56	17.20	3.60		27.91
OREGON CITY NO. 62	6538.50	30011.54	39034.54	953.63	301.76	14.18	2.09		24.64
NINETY-ONE NO. 91	400.00	21821.43	30691.91	990.17	412.69	6.78	2.03		17.94
ASTORIA NO. 1	2220.00	37134.23	39190.44	1429.12	307.69	12.96	3.39		29.59
COOS BAY NO. 9	6584.40	36065.21	39635.36	1173.82	296.73	19.22	1.24		27.70
NORTH BEND NO. 13	3751.30	29905.38	36212.17	1200.37	365.70	18.22	1.73		28.76
BEND NO. 1	6052.00	40955.17	49158.84	1144.92	222.40	15.02	1.43		21.86
REDMOND NO. 2J	3380.60	30275.97	35829.18	1221.95	335.50	17.92	3.17		27.10
SOUTH UMPQUA NO. 19	2554.00	20087.29	24560.01	1130.06	444.73	8.58	1.83		16.27
REEDSPORT NO. 105	1691.90	60448.01	67098.49	1238.41	233.82	12.49	1.27		20.14
OLEX NO. 11	39.22	202065.22	183985.90	1820.38	415.69	11.64	0.0		17.09
BURNS UH NO. 2	653.90	39778.00	40974.23	1313.68	224.77	6.90	0.34		26.01
HOOD RIVER NO. 1	3465.07	39873.07	42828.28	1397.52	244.44	18.17	2.08		24.99
ASHLAND NO. 5	3235.00	35286.98	38070.07	1123.54	317.89	16.43	1.78		21.51
MEDFORD NO. 549	10882.59	38387.26	41992.99	1012.27	270.14	15.26	0.98		22.08
KLAMATH FALLS NO. 1	2125.00	45247.33	47821.37	1245.34	231.87	8.59	0.92		23.53
PLUSH NO. 18	8.05	425341.59	482994.41	2786.96	278.85	5.02	0.0		9.06
EUGENE NO. 4J	22260.29	39324.92	43772.49	1247.60	236.54	19.19	1.26		30.45
SPRINGFIELD NO. 19	10889.84	36266.76	39509.35	1218.84	271.52	18.46	1.95		27.37
CRESWELL NO. 40	1092.40	23723.58	30653.87	1157.52	414.16	14.72	2.16		19.82
MC KENZIE NO. 68	481.05	117664.84	163071.00	1831.13	257.13	14.95	0.0		17.40
SCIO NO. 95C	923.10	22704.08	24891.73	966.94	413.00	9.79	1.27		14.73
CENTRAL LINN NO. 552	1085.50	88573.08	89819.58	1357.99	234.46	14.09	0.0		18.05
HARPER NO. 66	110.50	65923.96	68191.07	1218.03	248.83	16.91	0.0		21.84
SALEM NO. 24J	24894.19	39082.07	42687.29	1213.95	266.47	16.92	1.86		29.80
CASCADE UH NO. 5	1330.00	21583.39	23131.98	1219.08	453.21	9.29	1.79		23.81
PORTLAND NO. 1J	70290.56	61350.64	67790.33	1306.65	265.68	13.65	0.0		27.21
PARKROSE NO. 3	5745.77	40961.43	50635.40	1153.70	267.13	14.92	0.89		25.95
GRESHAM NO. 4	3400.00	28716.51	34462.99	1234.09	357.98	11.20	2.02		29.49
FALLS CITY NO. 57	218.00	25385.32	38109.75	1367.41	426.64	14.13	0.0		20.13
SHERMAN UH NO. 1	251.40	98580.79	108781.04	1789.77	280.71	5.23	0.0		17.37
HERMISTON NO. 8	2790.80	24084.88	26222.51	1147.31	432.55	16.56	2.81		29.76
PENDLETON NO. 16R	4006.92	39594.75	41392.41	1091.50	277.69	18.45	1.37		30.30
REEDVILLE NO. 29	875.00	18169.58	22851.54	940.58	410.23	7.78	1.95		25.40
BEAVERTON NO. 48J	21896.59	42292.21	46814.57	1249.62	235.77	18.94	2.21		27.89
TOTAL OR MEAN	516233.45	41687.54	46964.15	1210.94	289.52	3899.82	303.63		7007.49

THE WEIGHTED ADM ARE CALCULATED USING 1972-73 DATA AS THE BASE AND ALLOWING 100% OF INCREASE AND 75% OF DECREASE BETWEEN 1972-73 AND DECEMBER 1973. THE ADJUSTED TCV IS ADJUSTED USING THE PRESENT PERCENTAGES STIPULATED BY LAW FOR THE BSSF PROGRAM. THE TOTAL TAX RATE IS COMPUTED BY DIVIDING ALL LOCAL LEVIES WITHIN A SCHOOL DISTRICT BY THE TCV OF THE DISTRICT AND MULTIPLYING BY 1000.

THE FIGURES IN THIS TABLE MAY VARY SLIGHTLY FROM THOSE REPORTED BY OTHER SOURCES. SEE TEXT FOR EXPLANATION.

TABLE 4 BASIC DATA: STATISTICAL SUMMARY

WEIGHTED ADM
SIMULATED

RANGE	DISTRICT	VALUE
HIGH:	PORTLAND NO. 1J	70290.50
90TH %TILE:	HOOD RIVER NO. 1	3465.07
80TH %TILE:	REEDSPORT NO. 105	1691.90
MEDIAN:	FOSSIL NO. 21	336.00
20TH %TILE:	CRABTREE NO. 116	85.00
10TH %TILE:	AROCK NO. 81	38.40
LOW:	FLORA NO. 32	4.92

TOTAL STATE
RCPI 1973-74 PER ADMA

HIGH:	FLORA NO. 32	909.36
90TH %TILE:	MONROE NO. 25J	414.65
80TH %TILE:	LEBANON UH NO. 1	375.02
MEDIAN:	SIUSLAW NO. 97J	281.84
20TH %TILE:	NORTH POWDER NO. 8J	238.37
10TH %TILE:	CAMAS VALLEY NO. 21	233.21
LOW:	LAKEN NO. 1A	134.78

PREV YEAR
ADJ TCV PER ADMH

HIGH:	BROTHERS NO. 15	536624.94
90TH %TILE:	CRANE UH NO. 1J	114061.44
80TH %TILE:	SEASIDE NO. 10	80963.44
MEDIAN:	KLAMATH FALLS UH 2	38987.68
20TH %TILE:	VERNONIA NO. 47J	27409.35
10TH %TILE:	HERMISTON NO. 8	24084.88
LOW:	KNOX BUTTE NO. 19	14135.29

SCHOOL OPER
TX RATE 73-4

HIGH:	GRAPINE NO. 13R	25.17
90TH %TILE:	ROCKVILLE NO. 2	18.19
80TH %TILE:	NORTH DOUGLAS NO. 22	15.56
MEDIAN:	BROOKS NO. 31	10.83
20TH %TILE:	MC DERMITT NO. 51	7.26
10TH %TILE:	BETHANY NO. 63	6.10
LOW:	DICKIE PRAIRE NO. 25	3.38

PRESENT YEAR
ADJ TCV PER ADMH

HIGH:	BROTHERS NO. 15	537760.75
90TH %TILE:	GRASS VALLEY NO. 23	123998.69
80TH %TILE:	TUM-A-LUM NO. 4	87179.75
MEDIAN:	WEST UNION NO. 1	43002.93
20TH %TILE:	GRESHAM UH NO. 2J	31463.42
10TH %TILE:	LAKEVIEW NO. 11A	26357.07
LOW:	KNOX BUTTE NO. 19	15171.13

1973-74 BOND
LEVY RATE

HIGH:	PHILOMATH NO. 17J	6.75
90TH %TILE:	BEAVERTON NO. 48J	2.21
80TH %TILE:	LYNCH NO. 28	1.71
MEDIAN:	LACOMB NO. 73	0.59
20TH %TILE:	MORO NO. 17	0.0
10TH %TILE:	TROY NO. 54	0.0
LOW:	THREE LYNX NO. 123	0.0

TOTAL RCPTS
1973-74 PER ADMH

HIGH:	PISTOL RIVER NO. 16	5038.46
90TH %TILE:	POWERS NO. 31	1847.86
80TH %TILE:	ULNEY NO. 11C	1583.28
MEDIAN:	STAYTON UH NO. 4J	1209.15
20TH %TILE:	MONITOR NO. 142J	1011.49
10TH %TILE:	GRAND PRAIRE NO. 14	953.77
LOW:	PRICE NO. 6C	670.31

1973-74
TOT TAX RATE

HIGH:	CARUS NO. 29	30.63
90TH %TILE:	DAVID DOUGLAS NO. 40	27.25
80TH %TILE:	WEST STAYTON NO. 61	24.27
MEDIAN:	HARRIS NO. 46	20.80
20TH %TILE:	ULNEY NO. 11C	17.11
10TH %TILE:	SPRAY NO. 1	14.23
LOW:	SILVER LAKE NO. 14	7.05

THE FIGURES IN THIS TABLE MAY VARY SLIGHTLY FROM THOSE REPORTED BY OTHER SOURCES. SEE TEXT FOR EXPLANATION.

a. local guaranteed yield plan

The first broad school finance distribution formula we wish to present to the committee is a local guaranteed yield plan--sometimes known as district power equalizing. This plan stresses the value of local choice. Within limits, it permits local school districts to select their tax rate and expenditure levels. However, it does not do so at the expense of equity. In fact, it would probably meet a court test of fiscal neutrality should the courts require such a standard in Oregon.

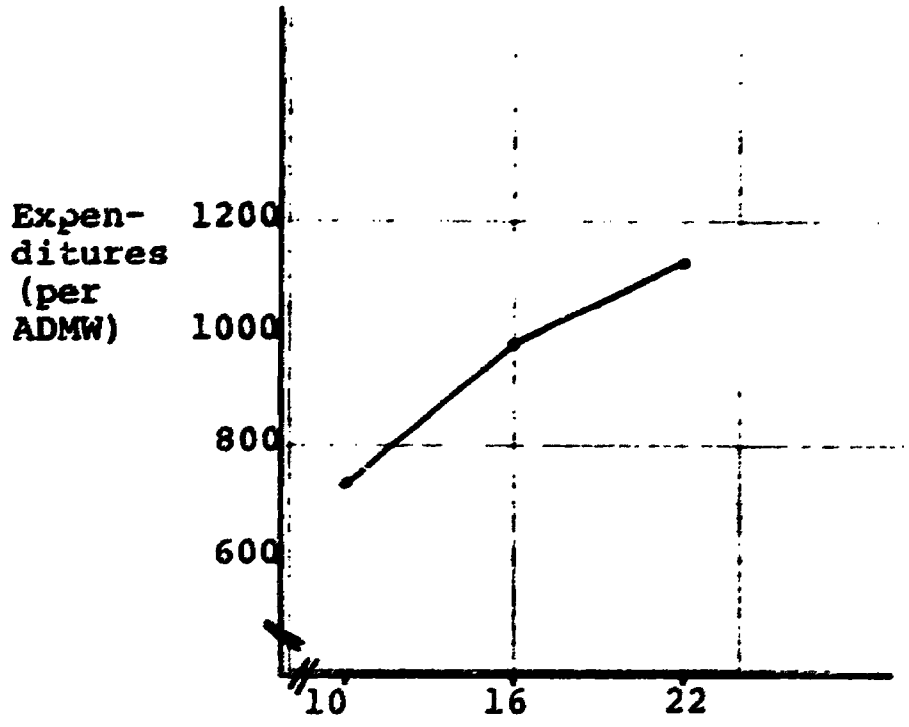
Variations of this local guaranteed yield plan can be devised which take into account special conditions affecting local district costs, such as concentrations of children from low income families, handicapped children, or regional cost-of-living differences. Also, this can be easily phased-in over two to five years if necessary. Such a phase-in provision might be designed to mesh with other educational reforms, such as school district reorganization or consolidation.

To provide the committee with an understanding of a local guaranteed yield system, we have designed such a plan for Oregon and have simulated its results for every school district in the state. The results for thirty-eight sample districts are shown on Tables 5-8 which follow.

This plan requires an expenditure minimum, or floor, of $740 per ADMW. In order to raise this amount, a school district must levy a school tax of $10 per $1000 of true cash value against all taxable property within its boundaries. At the discretion of the school board, and in some cases with the approval of local voters, a district may increase its revenues per ADMW by $40 for each additional dollar on its tax rate, up to a total of $980 per ADMW. From that point, the district may further increase per pupil expenditures by $25 for each added tax dollar up to a maximum expenditure of $1130. These expenditures and tax rate conditions are summarized in the figure below.

Under a local guaranteed yield plan such as this, if a district taxes itself at a rate between $10 and $22 but does not have enough taxable property wealth to produce the guaranteed amount, the state makes up the difference. Districts

LOCAL GUARANTEED YIELD SCHEDULE



can also tax themselves above the $22 maximum guarantee level but there is no equalization above this point. Thus state aid is computed in the following manner.

The guaranteed amount x ADMW minus School tax rate x district true cash value minus Federal forest fees and federal impact aid = State equalization to the district

This plan has no provision for "recapture"; the state does not take any revenue back from a district if the district raises more revenue than is guaranteed at a given tax rate. It costs the state around $7 to $8 million to forego recapture. It may be worth this price for political acceptability.

This plan weights secondary pupils at 30 per cent more than elementary pupils, provides the same special grants for handicapped students as the present system, and provides $360 per eligible compensatory education student if the district has more than 5% of its students in low income families. Present transportation

allotments are maintained. Also, state aid cuts off at the point where a district's annual revenue increase reaches 15 per cent.

TABLE 5 LOCAL GRARANTEED YIELD PLAN: DECISIONS

D100	YEAR TO BE SIMULATED	1973-74
D101	KINDERGARTEN COST FACTOR	1.00
D102	GRADES 1-8 COST FACTOR	1.00
D103	GRADES 9-12 COST FACTOR	1.30
D116	COMPENSATORY (AFDC) COST FACTOR	0.0
D117	COMPENSATORY (INCOME) COST FACTOR	0.0
D118	CAREER EDUCATION COST FACTOR	0.0
D120	NECESSARY SMALL SCHOOL COST FACTOR	0.0
D200	FLAT GRANT PROGRAM	NO
D202	AMOUNT OF FLAT GRANT ($/ADMW)	0.0
D210	FOUNDATION PROGRAM	NO
D212	AMOUNT OF FOUNDATION ($/ADMW)	0.0
D215	FNDN REQD LOCAL EFFORT ($/1000)	0.0
D220	LOCAL GUARANTEED YIELD (LGY)	YES
D222	LGY REQUIRED LOCAL EFFORT ($/1000)	10.00
D225	LGY AMT AT REQD LOCAL EFFORT ($/ADMW)	740.00
D228	LGY LOWER LINE RATE ($/MILL/ADMW)	40.00
D231	LGY UPPER LINE RATE ($/MILL/ADMW)	25.00
D234	LGY KINK POINT TAX RATE ($/1000)	16.00
D237	LGY MAX ALLOWED TAX RATE ($/1000)	22.00
D238	DIST ALLOWED TO TAX ABOVE LGY MAX RATE	YES
D240	DISTRICT TAX RATE	CALCD
D241	ELEMENTARY SPECIFIED TAX RATE ($/1000)	0.0
D242	HIGH SCHOOL SPECIFED TAX RATE ($/1000)	0.0
D243	UNIFIED SPECIFIED TAX RATE ($/1000)	0.0
D249	IED EQUALIZING PROGRAM	NO
D250	REQUIRED IED RATE ($/1000)	0.0
D251	OPTIONAL IED RATE	SPECIF
D252	SPECIFIED OPTIONAL IED TAX RATE ($/1000)	0.0
D253	IED EQUAL TYPE	FOUNDATN
D254	IED FNDN AMT ($/ADMW)	0.0
D255	IED GUAR YLD AMT AT RQD RATE ($/ADMW)	0.0
D256	IED GUAR YLD LOWER LINE RATE ($/MILL/ADMW)	0.0
D257	IED GUAR YLD UPPER LINE RATE ($/MILL/ADMW)	0.0
D258	IED GUAR YLD KINK PT TAX RATE ($/1000)	0.0
D259	IED GUAR YLD MAX ALLOWED TAX RATE ($/1000)	0.0
D301	GRANT FOR KINDERGARTEN ($/STUDENT)	0.0
D303	GRANT FOR SPECIAL STUDENTS (% OF 73-74)	100.00
D316	GRANT FOR COMP ED (AFDC) ($/STUDENT)	360.00
D317	GRANT FOR COMP ED (INCOME) ($/STUDENT)	0.0
D318	GRANT FOR CAREER ED ($/STUDENT)	0.0
D320	GRANT FOR NECESSARY SMALL SCHOOLS ($/STUD)	0.0
D330	TRANSPORTATION PRESENT ALLOTMENT	YES
D331	TRANSPORTATION PERCENT OF REIMB COSTS	0.0
D335	CAPITAL OUTLAY PERCENT OF PRESENT NEEDS	0.0
D336	CAPITAL OUTLAY PERCENT OF 1980 NEEDS	0.0
D338	DEBT SERVICE PERCENT OF PRESENT EXPEND	0.0
D340	BASIS FOR DISTRICT TYPE ADJUSTMENT	PRESENT
D345	TCV YEAR USED IN EQUALIZATION PROGRAMS	PREVIOUS
D350	NON-RESIDENTIAL TCV LOCALLY TAXABLE	YES
D351	NON-RESIDENTIAL TCV TAXABLE BY IED	YES
D360	STATE RECAPTURE ALLOWED	NO
D361	DISTRICTS HELD HARMLESS	NO
D362	COST OF LIVING ADJUSTMENT	YES
D363	MAX % INCREASE IN TOT RCPTS OVER 73-74	15.00
D368	USE CHERRY FACTOR	NO
D400	DISTRICTS PRINTED	SAMPLE
D401	PRINT ORDER	COUNTY

THIS IS A LOCAL GUARANTEED YIELD PROGRAM. IT GUARANTEES A UNIFIED DISTRICT $740 PER ADMW AT A MINIMUM TAX RATE OF $10.00 PER $1000. THE GUARANTEE INCREASES $40 PER ADMW FOR EACH $1 INCREASE IN TAX RATE UNTIL THE GUARANTEE IS $980 AT A RATE OF $16. FROM THAT POINT THE GUARANTEE INCREASES $25 PER ADMW FOR EACH $1 INCREASE IN TAX RATE TO A MAXIMUM GUARANTEE OF $1130 AT A TAX RATE OF $22. DISTRICTS ARE ALLOWED TO TAX ABOVE THE $22 RATE, BUT THERE IS NO FURTHER EQUALIZATION ABOVE THAT POINT. THERE IS A GRANT FOR SPECIAL STUDENTS EQUAL TO THE AMOUNT PROVIDED BY THE STATE IN 1973/74, AND IN ADDITION A GRANT OF $360 PER AFDC STUDENT (ONLY DISTRICTS WITH AFDC STUDENTS CONSTITUTING MORE THAN 5% OF THEIR ADM GET THE AFDC GRANT). TRANSPORTATION SUBSIDY IS CONTINUED AT THE PRESENT RATE. THERE IS A COST OF LIVING ADJUSTMENT APPLIED TO MOST OF THE INCOME A DISTRICT RECEIVES. DISTRICTS ARE RESTRICTED TO RECEIVING FROM THE STATE MORE MONEY THAT WOULD INCREASE THEIR GENERAL OPERATING EXPENDITURES BY 15% OVER THE 1973-74 EXPENDITURE. APPROPRIATE ADJUSTMENTS ARE MADE IN THE PROGRAM FOR NONUNIFIED DISTRICTS.

TABLE 6 LOCAL GUARANTEED YIELD PLAN: RESULTS

THE FOLLOWING DATA ARE REPORTED FOR A REPRESENTATIVE SAMPLE OF SCHOOL DISTRICTS, BUT THE TOTALS OR MEANS ARE FOR THE WHOLE STATE.

SCHOOL DISTRICT NAME	STATE LGY EQUALIZ SIM PER ADMW	TOTAL STATE RCPT SIM PER ADMW	TOTAL STATE RCPT DIFF PER ADMW	TOT RECEIPTS SIMULATED PER ADMW	TOT RECEIPTS DIFFERENCE PER ADMW	TOT OPER TAX RATE SIM	OPER TAX RATE DIF
BAKER NO. 5J	358.29	353.59	50.38	1070.29	19.56	11.76	0.99
OAK GROVE NO. 4	568.64	611.48	266.13	1153.42	79.08	7.85	-1.30
CORVALLIS NO. 509J	222.49	311.28	16.44	1556.77	36.23	21.31	0.69
LAKE OSWEGO NO. 7J	308.58	396.76	129.55	1544.50	184.54	17.89	0.69
OREGON CITY NO. 62	437.08	505.66	184.54	1180.56	165.74	13.28	-0.90
NINETY-ONE NO. 91	521.48	596.57	163.25	1182.65	142.97	6.76	-0.02
ASTORIA NO. 1	379.04	433.51	125.81	1501.67	72.55	15.03	2.07
COOS BAY NO. 9	364.02	385.87	83.61	1238.12	42.43	18.08	-1.14
NORTH BEND NO. 13	486.19	493.79	122.88	1286.24	68.75	16.92	-1.30
BEND NO. 1	277.77	266.79	35.94	1213.21	24.77	14.76	-0.26
REDMOND NO. 2J	457.85	446.06	107.31	1294.77	60.99	17.63	-0.29
SOUTH UMPQUA NO. 19	492.71	512.62	67.80	1031.84	-98.44	10.08	1.50
REEDSPORT NO. 105	0.48	0.0	-233.62	1165.34	-73.08	14.32	1.83
OLEX NO. 11	0.0	104.05	-311.64	2036.80	216.41	9.75	-1.69
BURNS UH NO. 2	238.13	221.64	0.62	1268.00	-82.24	7.38	8.48
4000 RIVER NO. 1	248.93	245.23	0.79	1388.79	-8.73	17.88	-0.29
ASHLAND NO. 5	391.11	395.80	74.96	1191.87	57.91	15.44	-0.99
MEDFORD NO. 549	345.58	332.62	62.48	1056.39	44.12	14.07	-1.19
KLAMATH FALLS NO. 1	218.67	248.99	17.12	1242.03	-3.31	8.50	-4.09
PLUSH NO. 18	0.0	0.0	-278.85	3170.09	363.14	4.13	-0.69
EUGENE NO. 4J	288.81	349.01	108.83	1342.95	76.15	19.25	0.86
SPRINGFIELD NO. 19	358.41	429.21	156.37	1313.52	88.78	18.64	0.18
CRESWELL NO. 40	520.62	599.62	185.12	1236.10	77.63	13.97	-0.75
MC KENZIE NO. 68	0.0	2.91	-267.33	2307.99	383.49	12.15	-2.80
SCIO NO. 95C	484.18	564.11	143.18	982.94	-2.54	10.32	8.53
CENTRAL LINN NO. 552	0.0	93.65	-147.18	1497.67	102.78	13.28	-0.81
HARPER NO. 66	0.0	9.90	-244.78	1234.10	-12.59	16.57	-0.34
SALEM NO. 24J	338.68	410.46	141.64	1367.07	142.32	15.84	-1.08
CASCADE UH NO. 5	622.70	703.03	240.11	1317.20	72.00	9.70	0.41
PORTLAND NO. 1J	36.55	179.12	-86.56	1332.68	26.23	14.01	0.36
PARROSE NO. 3	321.76	391.56	124.43	1254.81	131.11	14.65	-0.27
GRESHAM NO. 4	487.59	562.76	194.26	1412.29	141.90	11.73	0.53
FALLS CITY NO. 57	516.19	617.53	190.89	1487.59	120.18	12.31	-1.82
SHERMAN UH NO. 1	0.0	24.67	-256.04	1633.77	-156.01	5.63	8.40
KENNISTON NO. 8	576.21	570.69	133.90	1173.60	15.03	16.95	0.39
PENDLETON NO. 16R	310.95	310.47	32.78	1143.98	52.47	16.88	-1.57
REEDVILLE NO. 29	649.28	672.70	227.32	1213.51	192.31	6.94	-0.84
BEAVERTON NO. 48J	225.22	304.46	65.86	1394.95	130.35	19.74	0.80
TOTAL OR MEAN	295.88	360.74	67.17	1300.58	72.68	3782.17	-117.65

THE FIGURES IN THIS TABLE MAY VARY SLIGHTLY FROM THOSE REPORTED BY OTHER SOURCES. SEE TEXT FOR EXPLANATION.

TABLE 7 LOCAL GUARANTEED YIELD PLAN: STATISTICAL SUMMARY

SCHOOL FINANCE STATISTICAL SUMMARY

VARIABLES	RANGE	DISTRICT	VALUE
STATE LGY EQUALIZ SIM PER ADMW	HIGH:	NORTH SANTIAM NO. 12	722.13
	90TH %TILE:	LAKEVIEW NO. 114	539.52
	80TH %TILE:	CARLTON NO. 11	481.58
	MEDIAN:	KLAMATH CO. UNIT	305.32
	20TH %TILE:	MORO NO. 17	0.0
	10TH %TILE:	TROY NO. 54	0.0
	LOW:	SANDRIDGE NO. 30	0.0
TOTAL STATE RCPT SIM PER ADMW	HIGH:	NORTH SANTIAM NO. 12	823.46
	90TH %TILE:	AUMSVILLE NO. 11	606.14
	80TH %TILE:	NORTH MARION NO. 15	540.53
	MEDIAN:	OPHIR NO. 12	344.24
	20TH %TILE:	ATHENA NO. 29R	54.22
	10TH %TILE:	CULVER NO.4	1.47
	LOW:	JOSEPH NO. 6	0.0
TOTAL STATE RCPT DIFF PER ADMW	HIGH:	COTTRELL NO. 107	368.17
	90TH %TILE:	ALBANY NO. 5	215.88
	80TH %TILE:	MARION NO. 20	169.68
	MEDIAN:	ROSEBURG NO. 4	70.23
	20TH %TILE:	REEDSPORT NO. 105	-233.82
	10TH %TILE:	CONDON NO. 25J	-257.89
	LOW:	DOUBLE O NO. 28	-593.57
TOT RECEIPTS SIMULATED PER ADMW	HIGH:	SUNTEX NO. 10	6520.83
	90TH %TILE:	JOSEPH NO. 6	2038.57
	80TH %TILE:	ADEL NO. 21	1647.47
	MEDIAN:	ESTACADA NO. 108	1272.52
	20TH %TILE:	CANBY UH NO. 1	1117.03
	10TH %TILE:	BETHANY NO. 63	1036.41
	LOW:	CENTRAL HOWELL 540C	763.20
TOT RECEIPTS DIFFERENCE PER ADMW	HIGH:	SUNTEX NO. 10	3272.23
	90TH %TILE:	CLOVER RIDGE NO. 136	202.87
	80TH %TILE:	MCFARLAND NO. 25	148.03
	MEDIAN:	FERNRIDGE NO.26J	77.34
	20TH %TILE:	BROOKINGS-HARBOR 17	-18.19
	10TH %TILE:	PT-ORE-LANGLOIS 2CJ	-75.49
	LOW:	TROY NO. 54	-911.67
TOT OPER TAX RATE SIM	HIGH:	UMAPINE NO. 13R	23.58
	90TH %TILE:	HERMISTON NO. 8	16.95
	80TH %TILE:	HEREFORD-UNIT 30J	15.26
	MEDIAN:	JOSEPHINE CO. UNIT	10.42
	20TH %TILE:	GOWE NO. 81	6.82
	10TH %TILE:	ALPINE NO. 26C	6.00
	LOW:	FORT ROCK NO. 24	3.28
OPER TAX RATE DIF	HIGH:	TROY NO. 54	5.89
	90TH %TILE:	MT ANGEL NO. 91	1.32
	80TH %TILE:	OLNEY NO. 11C	0.45
	MEDIAN:	VALE UH NO. 3	-0.42
	20TH %TILE:	NORTH MARION NO. 15	-1.24
	10TH %TILE:	JEWELL NO. 9	-1.75
	LOW:	FRENCHGLEN NO. 16	-4.29

THE FIGURES IN THIS TABLE MAY VARY SLIGHTLY FROM THOSE REPORTED BY OTHER SOURCES. SEE TEXT FOR EXPLANATION.

TABLE 7a LOCAL GUARANTEED YIELD PLAN: TOTAL STATE RECEIPTS COMPONENTS

THE FOLLOWING DATA ARE REPORTED FOR A REPRESENTATIVE SAMPLE OF SCHOOL DISTRICTS, BUT THE TOTALS OR MEANS ARE FOR THE WHOLE STATE.

SCHOOL DISTRICT NAME	TOTAL STATE RCPT DIFF	STATE LGY EQUALIZ SIM PER ADMW	INSTR CATEG RCPT SIM PER ADMW	TRANSPORT RCPT SIM PER ADMW	COST OF RE-CAP NEGATION PER ADMW	SAVING FROM PHASE-IN PER ADMW	LIVING COST ADJMT SIM PER ADMW	TOTAL STATE RCPT SIM PER ADMW
BAKER NO. 5J	157041.19	358.29	11.37	15.37	0.0	0.0	-31.44	353.59
OAK GROVE NO. 4	53226.14	568.64	3.85	18.48	0.0	0.0	20.52	611.48
CORVALLIS NO. 509J	133117.31	222.49	36.62	22.52	0.0	0.0	29.64	311.28
LAKE OSWEGO NO. 7J	915445.56	308.58	16.17	13.43	0.0	0.0	56.58	396.76
OREGON CITY NO. 62	1206633.00	437.08	8.97	15.32	0.0	0.0	44.29	505.66
NINETY-ONE NO. 91	65299.41	521.48	2.50	29.45	0.0	0.0	43.15	596.57
ASTORIA NO. 1	279306.19	379.04	23.26	16.98	0.0	0.0	14.22	433.51
COOS BAY NO. 9	550547.94	364.02	34.64	23.67	0.0	0.0	-36.46	385.87
NORTH BEND NO. 13	460943.88	486.19	26.72	18.67	0.0	0.0	-37.79	493.79
BEND NO. 1	217509.69	277.77	6.33	16.27	0.0	0.0	-35.57	266.79
REDMOND NO. 2J	362778.69	457.85	8.90	17.77	0.0	0.0	-38.47	446.06
SOUTH UMPQUA NO. 19	173172.68	492.71	27.27	20.88	0.0	0.0	-28.25	512.62
REEDSPORT NO. 105	-395602.38	0.48	5.02	22.98	0.0	-6.32	-34.80	0.0
ALEX NO. 11	-12222.61	0.0	2.55	232.18	1283.69	72.62	-58.06	104.05
BURNS UH NO. 2	402.90	238.13	5.06	26.32	0.0	0.0	-37.86	231.64
SNAKE RIVER NO. 1	2739.35	248.93	7.59	29.48	0.0	0.0	-40.77	245.23
SHLAND NO. 5	242498.13	391.11	31.07	9.79	0.0	0.0	-36.17	395.80
EDFORD NO. 549	679897.38	345.58	5.54	13.13	0.0	0.0	-31.64	332.62
KLAMATH FALLS NO. 1	36385.94	218.67	56.06	10.39	0.0	0.0	-36.12	248.99
PLUSH NO. 18	-2244.77	0.0	2.61	45.47	3632.54	-47.11	-95.18	0.0
JGENE NO. 4J	2422603.00	288.81	26.89	7.57	0.0	0.0	25.74	349.01
SPRINGFIELD NO. 19	1702878.00	358.41	30.56	15.54	0.0	0.0	24.70	429.21
CRESWELL NO. 40	202223.38	520.62	37.46	18.73	0.0	0.0	22.82	599.62
MC KENZIE NO. 68	-128600.13	0.0	42.44	56.54	719.89	141.24	45.18	2.91
CIO NO. 95C	132173.56	484.18	29.40	32.85	0.0	0.0	17.68	564.11
CENTRAL LINN NO. 552	-159762.75	0.0	25.58	40.41	366.97	0.0	27.69	93.65
JASPER NO. 66	-27048.56	0.0	2.71	43.64	127.22	0.0	-36.45	9.90
SALEM NO. 24J	3469400.00	338.68	33.76	12.69	0.0	0.0	25.35	410.48
CASCADE UH NO. 5	319348.44	622.70	24.32	31.89	0.0	0.0	24.12	703.03
PORTLAND NO. 1J	-6084277.00	36.55	90.48	4.78	0.0	0.0	47.32	179.12
PARROSE NO. 3	714933.13	321.76	11.31	11.50	0.0	0.0	46.99	391.56
GRESHAM NO. 4	660472.94	487.59	3.97	18.01	0.0	0.0	53.20	562.76
FALLS CITY NO. 57	41613.19	516.19	53.49	19.71	0.0	0.0	28.15	617.53
HERMAN UH NO. 1	-59247.43	0.0	8.71	64.43	487.12	0.0	-48.47	24.67
ERMISTON NO. 8	373685.56	576.21	6.80	21.17	0.0	0.0	-33.49	570.69
PENDLETON NO. 16R	131355.25	310.95	9.60	23.73	0.0	0.0	-33.81	310.47
REEDVILLE NO. 29	198902.63	649.28	2.29	17.66	0.0	43.52	47.00	672.70
BEAVERTON NO. 48J	1442155.00	225.22	10.78	15.75	0.0	0.0	52.71	304.46
TOTAL OR MEAN	34674894.50	295.88	30.21	18.38	13.30	0.38	16.64	360.74

THE FIGURES IN THIS TABLE MAY VARY SLIGHTLY FROM THOSE REPORTED BY OTHER SOURCES. SEE TEXT FOR EXPLANATION.

TABLE 7b LOCAL GUARANTEED YIELD PLAN: STATISTICAL SUMMARY

SCHOOL FINANCE STATISTICAL SUMMARY

VARIABLES	RANGE	DISTRICT	VALUE
TOTAL STATE RCPT DIFF	HIGH:	SALEM NO. 24J	3469400.00
	90TH %TILE:	REDMOND NO. 2J	362778.69
	80TH %TILE:	ORIENT NO. 6.I	193431.75
	MEDIAN:	BONNEVILLE NO. 46	17421.06
	20TH %TILE:	WILLOWCREEK NO. 42	-20537.92
	10TH %TILE:	HEREFORD-UNIT 30J	-49505.21
	LOW:	PORTLAND NO. 1J	-6084277.00
STATE LGY EQUALIZ SIM PER ADMW	HIGH:	NORTH SANTIAM NO. 12	722.13
	90TH %TILE:	LAKEVIEW NO. 114	539.52
	80TH %TILE:	CARLTON NO. 11	461.58
	MEDIAN:	KLAMATH CO. UNIT	305.32
	20TH %TILE:	MORO NO. 17	0.0
	10TH %TILE:	TROY NO. 54	0.0
	LOW:	SANDRIDGE NO. 30	0.0
INSTR CATEG RCPT SIM PER ADMW	HIGH:	GERVAIS NO. 76	96.98
	90TH %TILE:	MC KENZIE NO. 68	42.44
	80TH %TILE:	OAKRIDGE NO. 76	31.84
	MEDIAN:	JORDAN VALLEY UH 1	7.12
	20TH %TILE:	DIAMOND NO. 7	3.25
	10TH %TILE:	OLEX NO. 11	2.55
	LOW:	SODAVILLE NO. 13	0.0
TRANSPORT RCPT SIM PER ADMW	HIGH:	CRANE UH NO. 1J	544.31
	90TH %TILE:	CONDON NO. 25J	82.98
	80TH %TILE:	ELDRIDGE NO. 60	49.85
	MEDIAN:	WEST STAYTON N/. 61	26.94
	20TH %TILE:	ASTORIA NO. 1	16.98
	10TH %TILE:	ONTARIO NO. 8C	12.26
	LOW:	NORTH ALBANY NO. 34	0.0
COST OF RE-CAP NEGATION PER ADMW	HIGH:	BROTHERS NO. 15	6129.00
	90TH %TILE:	PINE EAGLE NO. 61	741.16
	80TH %TILE:	CLOVER RIDGE NO. 136	247.04
	MEDIAN:	BEND NO. 1	0.0
	20TH %TILE:	ESTACADA NO. 108	0.0
	10TH %TILE:	POWERS NO. 31	0.0
	LOW:	YAMHILL-CARLTON UH 1	0.0
SAVING FROM PHASE-IN PER ADMW	HIGH:	MC KENZIE NO. 68	141.24
	90TH %TILE:	CANBY NO. 86	0.0
	80TH %TILE:	OPHIR NO. 12	0.0
	MEDIAN:	WYATT NO. 63J	0.0
	20TH %TILE:	FERNDALE NO. 10	0.0
	10TH %TILE:	GASTON NO. 511J	0.0
	LOW:	SUNTEX NO. 10	-62.30
LIVING COST ADJMT SIM PER ADMW	HIGH:	TIGARD NO. 23J	75.76
	90TH %TILE:	SANDY NO. 46	46.56
	80TH %TILE:	CROW-APPLEGATE NO.66	30.84
	MEDIAN:	CENTRAL HOWELL 540C	17.29
	20TH %TILE:	GOLD BEACH UH NO. 1	-40.63
	10TH %TILE:	PETERSBURG NO. 14C	-52.38
	LOW:	SUNTEX NO. 10	-195.70

THE FIGURES IN THIS TABLE MAY VARY SLIGHTLY FROM THOSE REPORTED BY OTHER SOURCES. SEE TEXT FOR EXPLANATION.

TABLE 8 LOCAL GUARANTEED YIELD PLAN: RESULTS FOR ALTERNATIVE ASSUMPTIONS

THE FOLLOWING DATA ARE REPORTED FOR A REPRESENTATIVE SAMPLE OF SCHOOL DISTRICTS, BUT THE TOTALS OR MEANS ARE FOR THE WHOLE STATE.

SCHOOL DISTRICT NAME	TOTAL STATE RCPT DIFF	TOT RECEIPTS SIMULATED PER ADMW	TOT OPER TAX RATE SIM	TOT RECEIPTS SIMULATED PER ADMW	TOT OPER TAX RATE SIM	OPER TAX RATE DIF	TOT RECEIPTS SIMULATED PER ADMW	TOT OPER TAX RATE SIM
BAKER NO. 5J	169651.19	1069.25	11.67	1025.80	10.77	0.0	1113.10	12.97
OAK GROVE NO. 4	62853.70	1178.39	7.30	1297.16	9.15	0.0	999.87	5.44
CORVALLIS NO. 509J	170729.31	1611.66	21.11	1591.46	20.62	0.0	1631.87	22.00
LAKE OSWEGO NO. 7J	1113637.00	1546.82	17.22	1546.14	17.20	0.0	1547.51	17.25
OREGON CITY NO. 62	1552466.00	1152.48	12.54	1197.10	14.18	0.0	1068.80	10.90
NINETY-ONE NO. 91	78405.06	1162.42	6.39	1195.46	6.78	0.0	1129.39	6.00
ASTORIA NO. 1	284797.19	1513.91	14.44	1450.88	12.96	0.0	1576.94	15.93
COOS BAY NO. 9	753081.94	1250.66	17.29	1304.06	19.22	0.0	1188.02	15.37
NORTH BEND NO. 13	532045.88	1294.50	16.54	1345.44	18.22	0.0	1227.03	14.86
BEND NO. 1	447936.69	1207.71	14.00	1255.35	15.02	0.0	1160.08	12.98
REDMOND NO. 2J	419995.69	1321.40	16.69	1357.86	17.92	0.0	1277.09	15.46
SOUTH UMPQUA NO. 19	176284.19	1062.10	10.00	1062.10	10.00	1.42	1099.81	10.87
REEDSPORT NO. 105	-395602.38	1166.46	14.19	1089.18	12.49	0.0	1280.57	15.89
OLEX NO. 11	-14168.15	2035.35	9.49	2376.17	11.64	0.0	1772.73	7.34
BURNS UH NO. 2	24434.65	1244.81	7.22	1224.32	6.90	0.0	1265.31	7.55
HOOD RIVER NO. 1	18943.34	1394.48	17.80	1404.41	18.17	0.0	1384.55	17.44
ASHLAND NO. 5	280886.13	1188.08	15.36	1226.20	16.43	0.0	1143.71	14.29
MEDFORD NO. 549	715359.38	1064.79	13.96	1119.12	15.26	0.0	1009.81	12.66
KLAMATH FALLS NO. 1	49327.94	1262.93	8.26	1285.61	8.59	0.0	1240.25	7.93
PLUSH NO. 18	-2244.77	3164.61	4.14	3590.35	5.02	0.0	2738.88	3.26
EUGENE NO. 4J	3216796.00	1357.13	18.23	1386.03	19.19	0.0	1328.22	17.27
SPRINGFIELD NO. 19	1944128.00	1343.21	17.52	1370.42	18.46	0.0	1314.00	16.57
CRESWELL NO. 40	205745.75	1243.25	13.88	1283.31	14.72	0.0	1203.19	13.05
MC KENZIE NO. 68	-80914.81	2297.19	12.11	2663.24	14.95	0.0	1864.99	9.27
SCIO NO. 95C	143577.63	987.57	10.00	987.97	10.00	0.21	990.19	10.06
CENTRAL LINN NO. 552	-158843.75	1500.12	12.82	1616.76	14.09	0.0	1383.48	11.54
HARPER NO. 66	-27080.25	1214.79	16.43	1246.46	16.91	0.0	1183.11	15.95
SALEM NO. 24J	3778741.00	1369.27	15.61	1413.23	16.92	0.0	1311.22	14.31
CASCADE UH NO. 5	349173.69	1318.92	9.16	1325.30	9.29	0.0	1312.54	9.03
PORTLAND NO. 1J	-5338439.00	1350.14	13.75	1345.46	13.65	0.0	1354.81	13.84
PARKROSE NO. 3	742342.13	1267.12	14.50	1287.84	14.92	0.0	1245.40	14.08
GRESHAM NO. 4	802718.94	1419.00	10.90	1435.02	11.20	0.0	1402.99	10.60
FALLS CITY NO. 57	46548.38	1416.88	13.70	1440.04	14.13	0.0	1393.72	13.27
SHERMAN UH NO. 1	-59364.87	1650.18	5.56	1562.28	5.23	0.0	1738.08	5.90
HERMISTON NO. 8	406520.56	1181.96	15.31	1188.54	16.56	0.0	1175.37	16.06
PENDLETON NO. 16R	154179.25	1156.40	16.72	1201.26	18.45	0.0	1096.97	15.00
REEDVILLE NO. 29	294034.38	1209.03	6.53	1213.24	7.78	0.0	1079.90	5.27
BEAVERTON NO. 48J	2248565.00	1415.19	16.65	1424.14	18.94	0.0	1406.23	18.36
TOTAL OR MEAN	44383377.83	1306.92	3715.32	1327.77	3924.53	24.71	1279.12	3512.84

IGURES IN THIS MAY VARY SLIGHT-OM THOSE REPORTED HER SOURCES. SEE FOR EXPLANATION

THESE COLUMNS REPEAT DATA SHOWN ON TABLE 6. THEY ARE FOR THE SITUATION WHERE THE TAX RATES ARE ASSUMED TO BE HALFWAY BETWEEN THE PRESENT RATE AND THE RATE REQUIRED TO MAINTAIN PRESENT UNRESTRICTED EXPENDITURES. COST TO THE STATE WOULD BE AN ADDITIONAL $44.5 MILLION ABOVE 1973-74, AS SHOWN BY THE TOTAL IN THE FIRST COLUMN.

THESE COLUMNS SHOW THE EFFECTS ON TOTAL RECEIPTS AND TAX RATE IF PRESENT TAX RATES WERE MAINTAINED. COST TO THE STATE WOULD BE AN ADDITIONAL $41.5 MILLION ABOVE 1973-74.

THESE COLUMNS SHOW THE EFFECTS ON TOTAL RECEIPTS AND TAX RATE IF TAX RATES SUFFICIENT TO MAINTAIN PRESENT EXPENDITURES WERE LEVIED. THE COST TO THE STATE WOULD BE $43.5 MIL ABOVE 1973-74.

ERIC

b. foundation phase-in plan

Oregon has a foundation program with a foundation of $682.23. This is considerably less than what most school boards and voters think is adequate to support the educational programs in their districts. One reason the foundation level is low is that most state school aid money is distributed in flat grants, and only a small amount is given for equalization.

The Foundation Phase-In Plan eliminates flat grants and uses most of the funds available from the state to increase the foundation level. This approach, in combination with a gradual limitation on expenditures above the foundation level, would reduce variations in district expenditures resulting from disparities in wealth.

One of the problems in raising the foundation level is that it requires more state money. For example, an immediate increase in the foundation level to $1,000, while maintaining the current local required tax rate of $10.78 and flat grants of $206.42, would cost the state $142 million more than is currently being spent. Undoubtedly, most legislators and voters would find this unacceptable.

It is possible, however, to do this over five years. (The Courts gave the state of California six years to equalize educational expenditures in the Serrano decision.) This would hold increases in state costs to acceptable levels. It would rely most heavily upon increases in property values and state income tax receipts to finance the increased costs. Such a plan is likely to work in Oregon because pupil enrollments are expected to remain relatively constant while property tax receipts and state receipts are expected to continue growing rapidly.

The plan proposed here would set the foundation level at $825 in 1973-74. This level would be increased annually, by approximately 7% more than the rate of inflation for the next five years, or until the foundation reached a level considered high enough to guarantee an adequate education.

Every district would be required to tax itself at a rate of $12 per $1,000 in true cash value (with appropriate adjustments made for non-unified districts). If a district raised less than the foundation level with this rate,

the state would make up the difference. If it raised more than the foundation level, the state would recapture the excess amount and redistribute it as equalization aid. (If no recapture were allowed it would cost the state about $7 million more in 1973-74 than we would project for this plan.)

Districts would be permitted to tax their local property at a higher tax rate to support a more expensive program. The permissible add-on tax rate would be limited initially to 50% of the required local tax rate and then would be reduced gradually. By reducing the range between the required local tax rate and the maximum add-on tax rate, the advantages of greater local wealth would be reduced over time.

To recap, the phase-in foundation plan would gradually equalize the state school finance system. It would increase the level of expenditures guaranteed by the state and reduce the maximum permissible tax gradually. The range of expenditures above the foundation level which districts could support on their own would be reduced. Although there would be no equalization or recapture above the $12 local required rate, the effects of district wealth on expenditures would be reduced by gradually limiting the add-on tax.

Finally, like the first plan, provisions are made for special students, transportation reimbursement, a cost of living adjustment and a 15% phase-in limitation on increases in district expenditures. Tables 9 through 12 provide data on the impact of the plan for thirty-eight sample districts. The plan as presently designed would have cost the state $44.4 million more in 1973-74 than the present system.

The principal advantage of this plan is that it is easy to understand. For each year, districts would know the foundation level, the local required tax rate, and the maximum add-on tax rate.

Other advantages of the plan:

1) It probably meets the Serrano criterion without costing large sums of state money in any one year;

2) It is similar to the present system and could be installed without much dislocation at the

district level;

3) The state could predict in advance the plan's total cost.

The plan's major disadvantages:

1) It does not equalize expenditures above the foundation level. This lets wealthy districts have more expensive programs with less effort. While this discrepancy would be reduced as the foundation increased and the maximum local tax rate was reduced, it might not produce equity fast enough to satisfy the courts or those who favor more rapid change.

2) The requirement that every district levy on a $12 tax rate has the same impact as a statewide property tax at that rate.

TABLE 9 FOUNDATION PHASE-IN PLAN: DECISIONS

D100	YEAR TO BE SIMULATED	1973-74
D101	KINDERGARTEN COST FACTOR	1.00
D102	GRADES 1-8 COST FACTOR	1.00
D103	GRADES 9-12 COST FACTOR	1.30
D116	COMPENSATORY (AFDC) COST FACTOR	0.0
D117	COMPENSATORY (INCOME) COST FACTOR	0.0
D118	CAREER EDUCATION COST FACTOR	0.0
D120	NECESSARY SMALL SCHOOL COST FACTOR	0.0
D200	FLAT GRANT PROGRAM	NO
D202	AMOUNT OF FLAT GRANT ($/ADMw)	0.0
D210	FOUNDATION PROGRAM	YES
D212	AMOUNT OF FOUNDATION ($/ADMw)	825.00
D215	FNDN REQD LOCAL EFFORT ($/1000)	12.00
D220	LOCAL GUARANTEED YIELD (LGY)	NO
D222	LGY REQUIRED LOCAL EFFORT ($/1000)	0.0
D225	LGY AMT AT REQD LOCAL EFFORT ($/ADMw)	0.0
D228	LGY LOWER LINE RATE ($/MILL/ADMw)	0.0
D231	LGY UPPER LINE RATE ($/MILL/ADMw)	0.0
D234	LGY KINK POINT TAX RATE ($/1000)	0.0
D237	LGY MAX ALLOWED TAX RATE ($/1000)	0.0
D238	DIST ALLOWED TO TAX ABOVE LGY MAX RATE	NO
D240	DISTRICT TAX RATE	CALCO
D241	ELEMENTARY SPECIFIED TAX RATE ($/1000)	0.0
D242	HIGH SCHOOL SPECIFED TAX RATE ($/1000)	0.0
D243	UNIFIED SPECIFIED TAX RATE ($/1000)	0.0
D249	IED EQUALIZING PROGRAM	NO
D250	REQUIRED IED RATE ($/1000)	0.0
D251	OPTIONAL IED RATE	SPECIF
D252	SPECIFIED OPTIONAL IED TAX RATE ($/1000)	0.0
D253	IED EQUAL TYPE	FOUNDATN
D254	IED FNDN AMT ($/ADMw)	0.0
D255	IED GUAR YLD AMT AT RQD RATE ($/ADMw)	0.0
D256	IED GUAR YLD LOWER LINE RATE ($/MILL/ADMw)	0.0
D257	IED GUAR YLD UPPER LINE RATE ($/MILL/ADMw)	0.0
D258	IED GUAR YLD KINK PT TAX RATE ($/1000)	0.0
D259	IED GUAR YLD MAX ALLOWED TAX RATE ($/1000)	0.0
D301	GRANT FOR KINDERGARTEN ($/STUDENT)	0.0
D303	GRANT FOR SPECIAL STUDENTS (% OF 73-74)	100.00
D316	GRANT FOR COMP ED (AFDC) ($/STUDENT)	360.00
D317	GRANT FOR COMP ED (INCOME) ($/STUDENT)	0.0
D318	GRANT FOR CAREER ED ($/STUDENT)	0.0
D320	GRANT FOR NECESSARY SMALL SCHOOLS ($/STUD)	0.0
D330	TRANSPORTATION PRESENT ALLOTMENT	YES
D331	TRANSPORTATION PERCENT OF REIMB COSTS	0.0
D335	CAPITAL OUTLAY PERCENT OF PRESENT NEEDS	0.0
D336	CAPITAL OUTLAY PERCENT OF 1980 NEEDS	0.0
D338	DEBT SERVICE PERCENT OF PRESENT EXPEND	0.0
D340	BASIS FOR DISTRICT TYPE ADJUSTMENT	PRESENT
D345	TCV YEAR USED IN EQUALIZATION PROGRAMS	PREVIOUS
D350	NON-RESIDENTIAL TCV LOCALLY TAXABLE	YES
D351	NON-RESIDENTIAL TCV TAXABLE BY IED	YES
D360	STATE RECAPTURE ALLOWED	YES
D361	DISTRICTS HELD HARMLESS	NO
D362	COST OF LIVING ADJUSTMENT	YES
D363	MAX % INCREASE IN TOT RCPTS OVER 73-74	15.00
D364	USE CHERRY FACTOR	NO
D400	DISTRICTS PRINTED	SAMPLE
D401	PRINT ORDER	COUNTY

THIS IS A FOUNDATION PROGRAM WHICH GUARANTEES $825 PER ADMW AT A TAX RATE (FOR A UNIFIED DISTRICT) OF $12. THERE IS NO FLAT GRANT. DISTRICTS ARE REQUIRED TO LEVY THE $12 TAX, AND IF THEY RAISE MORE THAN THE GUARANTEE THE STATE RECAPTURES THE DIFFERENCE. PROVISIONS FOR SPECIAL STUDENTS, TRANSPORTATION, COST OF LIVING ADJUSTMENT, AND PHASE-IN ARE AS IN THE LOCAL GUARANTEED YIELD PLAN.

TABLE 10 FOUNDATION PHASE-IN PLAN: RESULTS

THE FOLLOWING DATA ARE REPORTED FOR A REPRESENTATIVE SAMPLE OF SCHOOL DISTRICTS, BUT THE TOTALS OR MEANS ARE FOR THE WHOLE STATE.

SCHOOL DISTRICT NAME	FOUND EQUAL RCPTS SIM PER ADMW	TOTAL STATE RCPT SIM PER ADMW	TOTAL STATE RCPT DIFF PER ADMW	TOT RECEIPTS SIMULATED PER ADMW	TOT RECEIPTS DIFFERENCE PER ADMW	TOT OPER TAX RATE SIM	OPER TAX RATE DIF
BAKER NO. 5J	364.26	358.99	56.28	1088.70	37.98	12.11	1.34
OAK GROVE NO. 4	489.01	530.53	185.18	1085.95	11.61	8.10	-1.05
CORVALLIS NO. 509J	320.79	406.55	113.71	1504.51	-16.03	18.00	-2.62
LAKE OSWEGO NO. 7J	339.09	427.91	160.70	1561.20	201.24	17.55	0.35
OREGON CITY NO. 62	431.76	500.29	179.17	1179.21	164.40	13.38	-0.80
NINETY-ONE NO. 91	539.05	615.60	182.48	1225.60	185.92	7.20	0.42
ASTORIA NO. 1	375.37	429.78	122.09	1496.57	67.45	14.99	2.03
COOS BAY NO. 9	380.42	401.68	99.62	1250.77	55.08	18.00	-1.22
NORTH BEND NO. 13	457.41	465.38	94.46	1274.62	57.12	17.36	-0.84
BEND NO. 1	289.70	278.16	47.31	1231.51	43.08	14.90	-0.12
REDMOND NO. 2J	434.23	422.75	84.00	1284.67	50.89	18.00	0.08
SOUTH UMPQUA NO. 19	535.95	553.14	108.32	1119.53	-10.75	12.00	3.42
REEDSPORT NO. 105	52.99	45.30	-188.52	1187.78	-50.64	13.98	1.49
OLEX NO. 11	-1602.81	-1402.10	-1817.79	1332.05	-488.33	14.11	2.47
BURNS UH NO. 2	285.45	278.10	47.07	1295.88	-54.37	7.20	0.30
HOOD RIVER NO. 1	281.40	276.57	32.13	1425.23	27.71	18.00	-0.17
ASHLAND NO. 5	381.01	385.67	64.83	1192.93	58.97	15.73	-0.70
MEDFORD NO. 549	347.24	334.02	63.88	1064.57	52.30	14.24	-1.02
KLAMATH FALLS NO. 1	235.02	264.39	32.52	1273.15	27.81	8.70	0.11
PLUSH NO. 18	-4398.23	-4427.46	-4706.32	2545.14	-241.82	12.00	6.98
EUGENE NO. 4J	342.09	402.25	162.07	1340.51	73.70	18.00	-1.19
SPRINGFIELD NO. 19	379.32	450.04	177.21	1309.14	84.41	18.00	-0.46
CRESWELL NO. 40	493.55	572.63	158.12	1239.83	81.36	14.97	0.25
MC KENZIE NO. 68	-702.18	-565.04	-835.29	2091.12	166.62	14.20	-0.75
SCIO NO. 95C	517.44	598.88	177.96	1060.24	74.76	12.00	2.21
CENTRAL LINN NO. 552	-296.91	-206.23	-447.06	1346.25	-48.65	14.89	0.80
HARPER NO. 66	11.81	21.54	-233.15	1239.83	-6.86	16.48	-0.43
SALEM NO. 24J	341.49	413.42	144.58	1373.47	148.72	15.92	-1.00
CASCADE UH NO. 5	551.07	630.14	167.22	1253.05	7.85	9.90	0.61
PORTLAND NO. 1J	84.50	227.96	-37.72	1356.04	49.38	13.63	-0.02
PARKROSE NO. 3	329.31	399.35	132.22	1261.03	107.32	14.62	-0.30
GRESHAM NO. 4	467.05	539.20	170.69	1333.50	63.11	10.80	-0.40
FALLS CITY NO. 57	516.61	617.73	191.09	1476.18	108.77	12.01	-2.12
SHERMAN UH NO. 1	-361.24	-331.15	-611.86	1458.57	-331.21	6.29	1.06
HERMISTON NO. 8	517.85	513.25	76.46	1143.96	-14.62	18.00	1.44
PENDLETON NO. 16R	327.23	325.97	48.28	1168.97	77.47	17.11	-1.34
REEDVILLE NO. 29	585.07	650.03	204.65	1205.55	184.34	7.20	-0.58
BEAVERTON NO. 48J	307.94	387.20	148.60	1395.36	130.77	18.00	-0.94
TOTAL OR MEAN	300.34	363.71	70.14	1303.50	75.60	3972.09	72.27

THE FIGURES IN THIS TABLE MAY VARY SLIGHTLY FROM THOSE REPORTED BY OTHER SOURCES. SEE TEXT FOR EXPLANATION.

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TABLE 11 FOUNDATION PHASE-IN PLAN: STATISTICAL SUMMARY

SCHOOL FINANCE STATISTICAL SUMMARY

VARIABLES	RANGE	DISTRICT	VALUE
FOUND EQUAL RCPTS SIM PER ADMW	HIGH:	NORTH SANTIAM NO. 12	616.48
	90TH %TILE:	HERMISTON NO. 8	517.85
	80TH %TILE:	SILVERTON UH NO. 7J	472.91
	MEDIAN:	WOODBURN NO. 103	316.60
	20TH %TILE:	COLUMBIA NO. 5J	-175.91
	10TH %TILE:	TROUT CREEK NO. 53	-618.66
	LOW:	BROTHERS NO. 15	-7117.25
TOTAL STATE RCPT SIM PER ADMW	HIGH:	NORTH PLAINS NO. 70	717.96
	90TH %TILE:	CARLTON NO. 11	591.10
	80TH %TILE:	WEST UNION NO. 1	531.28
	MEDIAN:	OPHIR NO. 12	353.50
	20TH %TILE:	HILL CITY NO. 129J	-110.41
	10TH %TILE:	MC KENZIE NO. 68	-565.04
	LOW:	BROTHERS NO. 15	-6961.77
TOTAL STATE RCPT DIFF PER ADMW	HIGH:	COTTRELL NO. 107	314.33
	90TH %TILE:	SHUBEL NO. 80	189.05
	80TH %TILE:	HUNITOR NO. 142J	167.68
	MEDIAN:	PILOT ROCK NO. 2	74.23
	20TH %TILE:	WASCO NO. 7	-397.32
	10TH %TILE:	AHOCK NO. 81	-872.65
	LOW:	BROTHERS NO. 15	-7210.00
TOT RECEIPTS SIMULATED PER ADMW	HIGH:	PISTOL RIVER NO. 16	4587.78
	90TH %TILE:	FORT ROCK NO. 24	1865.31
	80TH %TILE:	COLUMBIA NO. 5J	1549.21
	MEDIAN:	NORTH CLACKAMAS 12	1259.11
	20TH %TILE:	KNOX BUTTE NO. 19	1114.67
	10TH %TILE:	DAYVILLE NO. 16J	1053.10
	LOW:	CENTRAL HOWELL 540C	794.14
TOT RECEIPTS DIFFERENCE PER ADMW	HIGH:	SUNTEX NO. 10	339.10
	90TH %TILE:	OREGON CITY NO. 62	164.40
	80TH %TILE:	TANGENT NO. 26	133.08
	MEDIAN:	GRANTS PASS NO. 7	55.36
	20TH %TILE:	LEWIS & CLARK NO. 5	-70.78
	10TH %TILE:	GLIDE NO. 12	-216.41
	LOW:	BROTHERS NO. 15	-2456.69
TOT OPER TAX RATE SIM	HIGH:	CORVALLIS NO. 509J	18.00
	90TH %TILE:	CONDON NO. 25J	17.94
	80TH %TILE:	GLENDALE NO. 77	15.76
	MEDIAN:	NEAH-KAH-NIE NO. 56	12.00
	20TH %TILE:	YAMHILL NO. 16	7.53
	10TH %TILE:	PARKERSVILLE NO. 82	7.20
	LOW:	SILVERTON UH NO. 7J	4.80
OPER TAX RATE DIF	HIGH:	SILVER LAKE NO. 14	8.22
	90TH %TILE:	JOSEPH NO. 6	2.48
	80TH %TILE:	LYNCH NO. 28	1.47
	MEDIAN:	GRAND PRAIRE NO. 14	-0.05
	20TH %TILE:	MILTON-FREEWATER 31	-1.15
	10TH %TILE:	DEVER NO. 20	-1.63
	LOW:	CARUS NO. 29	-9.16

THE FIGURES IN THIS TABLE MAY VARY SLIGHTLY FROM THOSE REPORTED BY OTHER SOURCES. SEE TEXT FOR EXPLANATION.

TABLE 11a FOUNDATION PHASE-IN PLAN: STATE RECEIPT COMPONENTS

THE FOLLOWING DATA ARE REPORTED FOR A REPRESENTATIVE SAMPLE OF SCHOOL DISTRICTS, BUT THE TOTALS OR MEANS ARE FOR THE WHOLE STATE.

SCHOOL DISTRICT NAME	TOTAL STATE RCPT DIFF	FOUND EQUAL RCPTS SIM PER ADMW	INSTR CATEG RCPT SIM PER ADMW	TRANSPORT RCPT SIM PER ADMW	LIVING COST ADJMT SIM PER ADMW	SAVING FROM PHASE-IN PER ADMW	TOTAL STATE RCPT SIM PER ADMW
BAKER NO. 5J	173668.19	364.26	11.37	15.37	-32.01	0.0	358.99
OAK GROVE NO. 4	37036.77	489.01	3.85	18.48	19.20	0.0	530.53
CORVALLIS NO. 509J	920861.31	320.79	36.62	22.52	28.62	0.0	408.55
LAKE OSWEGO NO. 7J	1135572.00	339.09	16.17	13.43	59.22	0.0	427.91
OREGON CITY NO. 62	1171503.00	431.76	8.97	15.32	44.24	0.0	500.29
NINETY-ONE NO. 91	72991.25	539.05	2.50	29.45	44.80	0.0	615.80
ASTORIA NO. 1	271043.63	375.37	23.26	16.98	14.17	0.0	429.78
COOS BAY NO. 9	655951.94	380.42	34.64	23.67	-36.85	0.0	401.88
NORTH BEND NO. 13	354349.88	457.41	26.72	18.67	-37.43	0.0	465.38
BEND NO. 1	286320.69	289.70	6.33	18.27	-36.14	0.0	278.16
REDMOND NO. 2J	283982.69	434.23	8.90	17.77	-38.16	0.0	422.75
SOUTH UMPQUA NO. 19	276658.88	535.95	27.27	20.88	-30.96	0.0	553.14
SEDSPORT NO. 105	-318961.38	52.99	5.02	22.98	-35.69	0.0	45.30
ELEX NO. 11	-71293.75	-1602.61	2.55	232.18	-34.02	0.0	-1402.10
BURNS UH NO. 2	30781.71	285.45	5.06	26.32	-38.72	0.0	278.10
WOOD RIVER NO. 1	111337.31	281.40	7.59	29.48	-41.69	0.0	276.57
SHLAND NO. 5	209737.13	381.01	31.07	9.79	-36.21	0.0	385.67
EDFORD NO. 549	695161.38	347.24	5.54	13.13	-31.89	0.0	334.02
KLAMATH FALLS NO. 1	69095.94	235.02	56.06	10.39	-37.09	0.0	264.39
PLUSH NO. 18	-37885.85	-4398.23	2.61	45.47	-77.31	0.0	-4427.46
JGENE NO. 4J	3607685.00	342.09	26.89	7.57	25.70	0.0	402.25
SPRINGFIELD NO. 19	1929736.00	379.32	30.56	15.54	24.61	0.0	450.04
CRESWELL NO. 40	172735.13	493.55	37.46	18.73	22.89	0.0	572.63
MC KENZIE NO. 68	-401815.88	-702.18	42.44	56.54	38.16	0.0	-565.04
CIO NO. 95C	164273.63	517.44	29.40	32.85	19.20	0.0	598.88
ENTRAL LINN NO. 552	-485284.69	-296.91	25.56	40.41	24.72	0.0	-206.23
ARPER NO. 66	-25762.63	11.81	2.71	43.64	-36.63	0.0	21.54
SALEM NO. 24J	3541315.00	341.49	33.76	12.69	25.48	0.0	413.42
CASCADE UH NO. 5	222405.88	551.07	24.32	31.89	22.87	0.0	630.14
ORTLAND NO. 1J	-2651381.00	84.50	90.48	4.78	48.21	0.0	227.96
ARROSE NO. 3	759698.13	329.31	11.31	11.50	47.23	0.0	399.35
GRESHAM NO. 4	580358.94	467.05	3.97	18.01	50.17	0.0	539.20
FALLS CITY NO. 57	41656.81	516.61	53.49	19.71	27.93	0.0	617.73
ERMAN UH NO. 1	-141563.56	-361.24	8.71	64.43	-43.05	0.0	-331.15
ERMISTON NO. 8	213374.56	517.85	6.80	21.17	-32.57	0.0	513.25
NDLETON NO. 16R	193466.25	327.23	9.60	23.73	-34.59	0.0	325.97
REEDVILLE NO. 29	179066.69	585.07	2.29	17.66	45.02	0.0	650.03
BEAVERTON NO. 48J	3253909.00	307.94	10.78	15.75	52.73	0.0	387.20
TAL OR MEAN	36210510.27	300.34	30.21	18.38	16.58	1.80	363.71

THE FIGURES IN THIS TABLE MAY VARY SLIGHTLY FROM THOSE REPORTED BY OTHER SOURCES. SEE TEXT FOR EXPLANATION.

TABLE 11b FOUNDATION PHASE-IN PLAN: STATISTICAL SUMMARY

SCHOOL FINANCE STATISTICAL SUMMARY

VARIABLES	RANGE	DISTRICT	VALUE
TOTAL STATE RCPT DIFF .	HIGH:	EUGENE NO. 4J	3607685.00
	90TH %TILE:	ROCKWOOD NO. 27	401182.25
	80TH %TILE:	TILLAMOOK NO. 9	194052.69
	MEDIAN:	STANFIELD NO. 61R	22506.74
	20TH %TILE:	JUNTURA NO. 12	-34065.24
	10TH %TILE:	MAUPIN UH NO. 1	-80828.69
	LOW:	PORTLAND NO. 1J	-2651381.00
FOUND EQUAL RCPTS SIM PER ADMW	HIGH:	NORTH SANTIAM NO. 12	616.48
	90TH %TILE:	HERMISTON NO. 8	517.85
	80TH %TILE:	SILVERTON UH NO. 7J	472.91
	MEDIAN:	WOODBURN NO. 103	316.80
	20TH %TILE:	COLUMBIA NO. 5J	-175.91
	10TH %TILE:	TROUT CREEK NO. 53	-618.66
	LOW:	BROTHERS NO. 15	-7117.25
INSTR CATEG RCPT SIM PER ADMW	HIGH:	GERVAIS NO. 76	96.98
	90TH %TILE:	MC KENZIE NO. 68	42.44
	80TH %TILE:	OAKRIDGE NO. 76	31.84
	MEDIAN:	JORDAN VALLEY UH 1	7.12
	20TH %TILE:	DIAMOND NO. 7	3.25
	10TH %TILE:	OLEX NO. 11	2.55
	LOW:	SUDAVILLE NO. 13	0.0
TRANSPORT RCPT SIM PER ADMW	HIGH:	CRANE UH NO. 1J	544.31
	90TH %TILE:	CONDON NO. 25J	82.98
	80TH %TILE:	ELDRIEDGE NO. 60	49.85
	MEDIAN:	WEST STAYTON N/. 61	26.94
	20TH %TILE:	ASTORIA NO. 1	16.98
	10TH %TILE:	ONTARIO NO. 8C	12.26
	LOW:	NORTH ALBANY NO. 34	0.0
LIVING COST ADJMT SIM PER ADMW	HIGH:	TIGARD NO. 23J	75.93
	90TH %TILE:	SANDY NO. 46	45.96
	80TH %TILE:	ALSEA NO. 7J	30.24
	MEDIAN:	CENTRAL HOWELL S40C	18.23
	20TH %TILE:	COQUILLE NO. 8	-39.03
	10TH %TILE:	WASCO NO. 7	-47.91
	LOW:	PISTOL RIVER NO. 16	-133.75
SAVING FROM PHASE-IN PER ADMW	HIGH:	SUNTEX NO. 10	603.55
	90TH %TILE:	CANBY NO. 86	0.0
	80TH %TILE:	OPHIR NO. 12	0.0
	MEDIAN:	DEVER NO. 20	0.0
	20TH %TILE:	MORO NO. 17	0.0
	10TH %TILE:	TROY NO. 54	0.0
	LOW:	YAMHILL-CARLTON UH 1	0.0
TOTAL STATE RCPT SIM PER ADMW	HIGH:	NORTH PLAINS NO. 70	717.96
	90TH %TILE:	CARLTON NO. 11	591.10
	80TH %TILE:	WEST UNION NO. 1	531.28
	MEDIAN:	OPHIR NO. 12	353.50
	20TH %TILE:	MILL CITY NO. 129J	-110.41
	10TH %TILE:	MC KENZIE NO. 68	-565.04
	LOW:	BROTHERS NO. 15	-6961.77

THE FIGURES IN THIS TABLE MAY VARY SLIGHTLY FROM THOSE REPORTED BY OTHER SOURCES. SEE TEXT FOR EXPLANATION.

TABLE 12 FOUNDATION PHASE-IN PLAN: RESULTS FOR ALTERNATIVE ASSUMPTIONS

THE FOLLOWING DATA ARE REPORTED FOR A REPRESENTATIVE SAMPLE OF SCHOOL DISTRICTS, BUT THE TOTALS OF MEANS ARE FOR THE WHOLE STATE.

SCHOOL DISTRICT NAME	TOTAL STATE RCPT DIFF	TOT RECEIPTS SIMULATED PER ADMW	TOT OPER TAX RATE SIM	TOT RECEIPTS SIMULATED PER ADMW	TOT OPER TAX RATE SIM	OPER TAX RATE DIF	TOT RECEIPTS SIMULATED PER ADMW	TOT OPER TAX RATE SIM
BAKER NO. 5J	185076.19	1085.91	12.18	1079.28	12.00	1.23	1136.86	13.60
OAK GROVE NO. 8	46272.64	1139.41	8.09	1194.28	9.15	0.0	1084.95	7.03
CORVALLIS NO. 509J	958473.31	1559.40	18.00	1660.13	20.62	0.0	1559.40	18.00
LAKE OSWEGO NO. 7J	1246665.00	1560.18	17.10	1568.59	17.20	0.0	1555.78	17.00
OREGON CITY NO. 62	1548381.00	1147.12	12.42	1196.43	14.18	0.0	1130.21	12.00
NINETY-ONE NO. 91	87743.38	1226.09	7.20	1226.09	7.20	0.42	1226.09	7.20
ASTORIA NO. 1	280374.65	1515.05	16.52	1453.15	12.96	0.0	1576.98	16.09
COOS BAY NO. 9	775456.94	1258.11	17.46	1326.21	19.22	0.0	1188.02	15.57
NORTH BEND NO. 13	409929.88	1274.36	16.87	1321.69	16.22	0.0	1227.03	15.53
BEND NO. 1	488618.69	1221.79	14.14	1263.00	15.02	0.0	1180.59	13.29
REDMOND NO. 2J	317303.69	1315.89	17.38	1334.81	17.92	0.0	1296.98	16.83
SOUTH UMPQUA NO. 19	283589.88	1153.22	12.06	1153.22	12.00	3.42	1153.22	12.00
REEDSPORT NO. 105	-313398.38	1194.34	13.88	1103.75	12.49	0.0	1284.93	15.27
OLEX NO. 11	-71229.31	1380.29	13.84	1052.10	12.00	0.36	1772.73	16.04
BURNS UH NO. 2	43976.71	1276.03	7.20	1246.22	5.90	0.0	1276.03	7.20
HOOD RIVER NO. 1	123340.31	1433.01	18.00	1440.07	18.17	0.0	1433.01	18.00
ASHLAND NO. 5	245642.13	1186.64	15.61	1217.05	16.43	0.0	1156.22	14.78
MEDFORD NO. 549	733220.38	1071.17	14.07	1119.13	15.26	0.0	1022.82	12.89
KLAMATH FALLS NO. 1	77763.94	1291.79	6.45	1302.25	8.59	0.0	1281.33	8.32
PLUSH NO. 18	-37858.95	2537.52	12.04	2537.52	12.00	6.96	2704.71	12.36
EUGENE NO. 4J	4000889.00	1381.60	17.99	1434.99	19.19	0.0	1328.22	16.80
SPRINGFIELD NO. 19	2024731.00	1354.64	17.67	1388.56	18.46	0.0	1320.72	16.76
CRESWELL NO. 40	177740.56	1245.00	14.72	1243.25	14.72	0.0	1246.76	14.83
MC KENZIE NO. 68	-379156.75	2019.22	14.02	2173.46	14.95	0.0	1864.99	13.10
SCIO NO. 95C	182507.31	1078.73	12.00	1078.73	12.00	2.21	1078.73	12.00
CENTRAL LINN NO. 552	-455939.38	1365.57	14.29	1347.67	14.09	0.0	1383.48	14.48
HARPER NO. 66	-23302.31	1231.23	16.18	1279.36	16.91	0.0	1183.11	15.45
SALEM NO. 24J	3821984.00	1372.78	15.66	1427.25	16.92	0.0	1317.75	14.39
CASCADE UH NO. 5	251767.88	1278.33	9.99	1252.16	9.29	0.0	1278.33	9.90
PORTLAND NO. 1J	-2308983.00	1371.06	13.42	1387.30	13.55	0.0	1354.81	13.19
PARKROSE NO. 3	785777.15	1271.18	14.43	1296.96	14.92	0.0	1245.40	13.94
GRESHAM NO. 4	685152.94	1379.69	10.80	1403.58	11.20	0.0	1379.69	10.80
FALLS CITY NO. 57	42167.44	1403.55	13.88	1413.39	14.13	0.0	1393.72	13.62
SHERMAN UH NO. 1	-140956.51	1476.56	6.22	1215.04	5.23	0.0	1734.72	7.20
HERMISTON NO. 8	242396.56	1159.10	17.66	1131.14	16.56	0.0	1187.77	18.00
PENDLETON NO. 16R	207484.25	1177.25	16.91	1219.65	18.45	0.0	1115.28	15.36
REEDVILLE NO. 29	245270.19	1152.05	6.41	1209.60	7.78	0.0	1098.51	5.40
BEAVERTON NO. 48J	3603567.00	1445.99	18.00	1491.75	16.94	0.0	1406.23	17.18
TOTAL OR MEAN	44372601.28	1313.45	3910.94	1339.25	4041.55	161.73	1296.18	3896.70

THE FIGURES IN THIS TABLE MAY VARY SLIGHTLY FROM THOSE REPORTED BY OTHER SOURCES. SEE TEXT FOR EXPLANATION.

THESE COLUMNS SHOW TOTAL RECEIPTS AND TAX RATES ASSUMING TAX RATES TO BE EQUALIZED BETWEEN PRESENT RATES AND RATES NECESSARY TO MAINTAIN PRESENT EXPENDITURES. COST TO THE STATE IS $44.4 MILLION ABOVE 1973-74 COST.

THESE COLUMNS ASSUME PRESENT TAX RATE IS MAINTAINED. ADDITIONAL COST TO THE STATE REMAINS THE SAME.

THESE COLUMNS ASSUME TAX RATES SUFFICIENT TO MAINTAIN PRESENT EXPENDITU... WERE LEVIED. ADDITIONAL COST TO THE STATE REMAINS THE SAME.

c. total tax effort equalization plan

One unique feature of government in Oregon is that voters must approve almost all local government budgets. Some argue, therefore, that the best measure of local effort is the total amount of local taxes voters are willing to pay.

This plan is designed to distribute state school aid on the basis of total local tax effort.

The plan does this in two ways. The first (the total tax rate version) computes a total tax rate for a school district and uses it both to establish the guaranteed yield schedule and to compute the state allocation. The second (the Cherry version) calculates the ratio of school taxes to total local taxes, then applies that ratio times a factor of 1.5 to the district's true cash value to determine the state allocation.

TOTAL TAX RATE VERSION

This is a local guaranteed yield plan similar to the first plan, but it is based on total tax rate instead of the school tax rate. Districts are guaranteed $620 per ADMW at a total tax rate of five dollars per $1,000 of true cash value. The guarantee increases by $20 for each additional dollar of total tax rate up to a maximum of $1220 at a total tax rate of $35.

The amount a district receives from the state is the guaranteed amount minus the amount raised by multiplying 60% of the total tax rate times true cash value, minus federal impact aid, minus federal forest fees. The following diagram illustrates how the state aid to districts would be determined:

The guaranteed amount for total tax rate x ADMW		minus 60%	Previous year's total tax rate x district true cash value	
	minus	Federal forest fees and federal impact aid	=	State equalization to the district

The actual amount a district would have to spend might be above or below the guarantee, depending

mainly on whether a district's school tax rate was below or above 60% of the total tax rate. It would be the sum of state equalization, plus other state grants for transportation and other categorical programs, plus the amount raised by multiplying the current year's school tax rate and district true cash value, plus other federal and local receipts.

Here's an example: Suppose there are two districts both with $50,000 tcv per ADMW and both with total local tax rates of $32 in the previous year. Under this plan, assuming no other receipts, both would get $200 of state equalization aid. If the first district had a school tax rate of $24 it would raise $1200 locally and be able to spend $1400 on each student in school. If the second district had a school tax rate of $16 it would raise $800 locally and be able to spend $1000 for each child in school. The district with the lower school tax rate would get more state money under this plan than under the local guaranteed yield plan (plan 1) assuming both plans had the same payout schedule.

This plan treats transportation and the phase-in provisions the same as the first two plans. It does not include allowances for AFDC students or for a cost of living differential. If these features were added, the program would cost more than the $39.7 million additional state dollars needed in 1973-74. Inclusion of these features would increase state aid to urban districts in the Willamette Valley relative to other districts in the state. Data on the impact of the total tax rate version are presented in tables 13-16.

A particular feature of this plan is that individual school districts would not be able to affect the state allocation by changing their school tax rates in a given year. The state equalization would be based on the previous year's total tax rate. Changes in the current school tax rate would affect the amount raised locally and the amount received from the state in the subsequent year.

One advantage of this plan is that it equalizes on the basis of the total burden of taxes on taxpayers within each school district. It

TABLE 13

TOTAL TAX EFFORT EQUALIZATION PLAN: DECISIONS
(TOTAL TAX RATE VERSION)

D100	YEAR TO BE SIMULATED	1973-74
D101	KINDERGARTEN COST FACTOR	1.00
D102	GRADES 1-6 COST FACTOR	1.00
D103	GRADES 9-12 COST FACTOR	1.30
D116	COMPENSATORY (AFDC) COST FACTOR	0.0
D117	COMPENSATORY (INCOME) COST FACTOR	0.0
D118	CAREER EDUCATION COST FACTOR	0.0
D128	NECESSARY SMALL SCHOOL COST FACTOR	0.0
D200	FLAT GRANT PROGRAM	NO
D202	AMOUNT OF FLAT GRANT ($/ADMW)	0.0
D210	FOUNDATION PROGRAM	NO
D212	AMOUNT OF FOUNDATION ($/ADMW)	0.0
D215	FNDN REQD LOCAL EFFORT ($/1000)	0.0
D220	LOCAL GUARANTEED YIELD (LGY)	YES
D222	LGY REQUIRED LOCAL EFFORT ($/1000)	5.00
D225	LGY AMT AT REQD LOCAL EFFORT ($/ADMW)	620.00
D228	LGY LOWER LINE RATE ($/MILL/ADMW)	20.00
D231	LGY UPPER LINE RATE ($/MILL/ADMW)	20.00
D234	LGY KINK POINT TAX RATE ($/1000)	25.00
D237	LGY MAX ALLOWED TAX RATE ($/1000)	35.00
D238	DIST ALLOWED TO TAX ABOVE LGY MAX RATE	YES
D240	DISTRICT TAX RATE	CALCD
D241	ELEMENTARY SPECIFIED TAX RATE ($/1000)	0.0
D242	HIGH SCHOOL SPECIFED TAX RATE ($/1000)	0.0
D243	UNIFIED SPECIFIED TAX RATE ($/1000)	0.0
D249	IED EQUALIZING PROGRAM	NO
D250	REQUIRED IED RATE ($/1000)	0.0
D251	OPTIONAL IED RATE	SPECIF
D252	SPECIFIED OPTIONAL IED TAX RATE ($/1000)	0.0
D253	IED EQUAL TYPE	FOUNDATN
D254	IED FNDN AMT ($/ADMW)	0.0
D255	IED GUAR YLD AMT AT RQD RATE ($/ADMW)	0.0
D256	IED GUAR YLD LOWER LINE RATE ($/MILL/ADMW)	0.0
D257	IED GUAR YLD UPPER LINE RATE ($/MILL/ADMW)	0.0
D258	IED GUAR YLD KINK PT TAX RATE ($/1000)	0.0
D259	IED GUAR YLD MAX ALLOWED TAX RATE ($/1000)	0.0
D301	GRANT FOR KINDERGARTEN ($/STUDENT)	0.0
D303	GRANT FOR SPECIAL STUDENTS (% OF 73-74)	100.00
D316	GRANT FOR COMP ED (AFDC) ($/STUDENT)	0.0
D317	GRANT FOR COMP ED (INCOME) ($/STUDENT)	0.0
D318	GRANT FOR CAREER ED ($/STUDENT)	0.0
D320	GRANT FOR NECESSARY SMALL SCHOOLS ($/STUD)	0.0
D330	TRANSPORTATION PRESENT ALLOTMENT	YES
D331	TRANSPORTATION PERCENT OF REIMB COSTS	0.0
D335	CAPITAL OUTLAY PERCENT OF PRESENT NEEDS	0.0
D336	CAPITAL OUTLAY PERCENT OF 1980 NEEDS	0.0
D338	DEBT SERVICE PERCENT OF PRESENT EXPEND	0.0
D340	BASIS FOR DISTRICT TYPE ADJUSTMENT	PRESENT
D345	TCV YEAR USED IN EQUALIZATION PROGRAMS	PREVIOUS
D350	NON-RESIDENTIAL TCV LOCALLY TAXABLE	YES
D351	NON-RESIDENTIAL TCV TAXABLE BY IED	YES
D360	STATE RECAPTURE ALLOWED	NO
D361	DISTRICTS HELD HARMLESS	NO
D362	COST OF LIVING ADJUSTMENT	NO
D363	MAX % INCREASE IN TOT RCPTS OVER 73-74	15.00
D364	USE CHERRY FACTOR	NO
D400	DISTRICTS PRINTED	SAMPLE
D401	PRINT ORDER	COUNTY

THIS IS A LOCAL GUARANTEED YIELD PLAN BASED ON TOTAL TAX RATE INSTEAD OF SCHOOL TAX RATE. DISTRICTS ARE GUARANTEED $620 PER ADMW AT A TOTAL TAX RATE OF 35. THE GUARANTEE INCREASES $20 PER $1 OF TOTAL TAX RATE TO A MAXIMUM OF $1220 AT A TOTAL TAX RATE OF $35. THE AMOUNT PROVIDED BY THE STATE TO THE DISTRICT IS THE DIFFERENCE BETWEEN THE GUARANTEE TIMES THE ADMW AND THE SUM OF THE AMOUNT RAISED BY 60% OF THIS RATE APPLIED AGAINST LAST YEAR'S TAX ROLL, FEDERAL IMPACT AID, AND FEDERAL FOREST FUNDS. ALLOWANCE FOR TRANSPORTATION AND FOR PHASE-IN ARE THE SAME AS IN OTHER PLANS, BUT THERE IS NO ALLOWANCE FOR AFDC STUDENTS OR FOR A COST OF LIVING DIFFERENTIAL.

TABLE 14

TOTAL TAX EFFORT EQUALIZATION PLAN: RESULTS
(TOTAL TAX RATE VERSION)

E FOLLOWING DATA ARE REPORTED FOR A REPRESENTATIVE SAMPLE OF SCHOOL DISTRICTS, BUT THE TOTALS OR MEANS ARE FOR THE WHOLE STATE.

HOOL DISTRICT NAME	STATE LOCAL EQUALIZ SIM PER ADMW	TOTAL STATE RCPT SIM PER ADMW	TOTAL STATE RCPT DIFF PER ADMW	TOT RECEIPTS SIMULATED PER ADMW	TOT RECEIPTS DIFFERENCE PER ADMW	TOT OPER TAX RATE SIM	OPER TAX RATE DIF
BAKER NO. 5J	456.25	482.55	180.28	1166.71	115.96	20.87	0.10
K GROVE NO. 4	273.50	295.62	-49.53	1012.98	-61.35	11.14	1.99
RVALLIS NO. 509J	370.55	430.09	135.25	1646.21	127.67	20.70	0.06
-KE OSWEGO NO. 7J	404.65	434.28	167.07	1534.77	174.81	18.81	-0.39
OREGON CITY NO. 62	530.65	522.87	201.75	1152.36	137.54	12.19	-1.99
NINETY-ONE NO. 91	456.75	488.70	55.37	1112.33	72.64	7.46	0.68
TORIA NO. 1	448.50	472.65	164.99	1510.93	81.81	14.26	1.30
OS RAY NO. 9	459.70	491.38	169.12	1317.64	121.95	17.44	-1.76
NORTH BEND NO. 13	568.19	595.92	225.01	1358.60	141.11	16.11	-2.11
BEND NO. 1	374.46	399.06	168.21	1310.03	121.59	14.07	-0.95
OWEGO NO. 2J	541.01	567.69	228.94	1387.58	153.80	16.64	-1.08
UTH UMPQUA NO. 19	601.31	631.00	186.18	1144.06	13.78	9.63	1.25
REEDSPORT NO. 105	145.71	173.71	-60.11	1269.83	31.41	13.29	0.80
OLEX NO. 11	0.0	0.0	-415.69	2539.35	718.97	13.05	1.41
RAS UM NO. 2	0.0	31.38	-199.65	1503.74	153.49	11.52	1.62
OD RIVER NO. 1	356.62	393.89	149.44	1518.21	120.69	17.43	-0.74
HLAND NO. 5	473.94	504.19	183.35	1264.96	131.02	14.52	-1.91
EDFORD NO. 549	435.93	454.60	184.46	1140.80	128.53	13.18	-2.08
KLAMATH FALLS NO. 1	0.0	25.45	-206.42	1232.77	-12.57	11.19	2.60
USH NO. 18	0.0	0.0	-278.85	4035.14	1248.18	5.92	0.90
GENE NO. 4J	395.73	430.19	190.01	1372.07	105.27	16.08	-1.11
SPRINGFIELD NO. 19	460.58	484.83	211.99	1332.16	107.44	17.70	-0.76
CRESWELL NO. 40	567.51	610.41	195.91	1247.28	68.81	13.99	-0.73
KENZIE NO. 68	0.0	0.0	-270.25	2525.79	631.29	13.61	-1.34
ID NO. 95C	580.21	621.39	200.47	1022.19	36.71	9.61	-0.18
NTRAL LINN NO. 552	0.0	45.35	-191.45	1528.93	134.04	14.09	0.0
HARPER NO. 66	69.12	115.48	-139.21	1305.11	58.42	16.07	-0.84
SALEM NO. 24J	400.65	427.12	158.28	1367.58	142.83	15.46	-1.46
SCADE UM NO. 5	414.19	452.26	-10.66	1165.53	-59.67	12.47	3.16
RTLAND NO. 1J	58.30	111.68	-153.80	1273.89	-32.76	14.13	0.48
PARKROSE NO. 3	397.08	419.85	152.76	1247.68	93.98	13.95	-0.97
GRESHAM NO. 4	234.83	256.81	-111.73	1232.30	-38.09	13.80	2.66
LLS CITY NO. 57	612.23	634.23	207.59	1470.47	103.06	11.43	-2.70
ERMAN UM NO. 1	0.0	0.0	-280.71	2461.25	671.52	8.76	3.53
RMISTON NO. 8	665.62	693.59	256.80	1259.58	101.00	15.50	-1.00
PENDLETON NO. 16R	383.53	416.86	139.18	1231.71	140.21	16.43	-2.02
EFDVILLE NO. 29	356.71	376.65	-68.74	1046.35	25.14	9.27	1.49
AYERTON NO. 48J	358.13	384.66	146.06	1403.33	138.73	18.22	-0.72
TOTAL OR MEAN	323.47	355.40	61.83	1305.23	77.33	4097.00	197.18

THE FIGURES IN THIS TABLE MAY VARY SLIGHTLY FROM THOSE REPORTED BY OTHER SOURCES. SEE TEXT FOR EXPLANATION.

TABLE 15 TOTAL TAX EFFORT EQUALIZATION PLAN: STATISTICAL SUMMARY

SCHOOL FINANCE STATISTICAL SUMMARY

VARIABLES	RANGE	DISTRICT	VALUE
STATE LGV EQUALIZ SIM PER ADMW	HIGH	FERNDALE SC.283	674.65
	95TH %TILE	LUCILLE NC. 8	535.41
	80TH %TILE	COOS BAY NC. 9	459.70
	MEDIAN	GRESHAM NC. 4	234.83
	20TH %TILE	MORC NC. 17	0.0
	10TH %TILE	TRCY NC. 54	0.0
	LOW	BURNS UH NC. 2	0.0
TOTAL STATE RCPT SIM PER ADMW	HIGH	OKIAH NC. 30	711.12
	95TH %TILE	COTTRELL NC. 107	561.91
	80TH %TILE	ROSEBURG NC. 4	438.07
	MEDIAN	ST. PAUL NC. 45	284.06
	20TH %TILE	KLAMATH FALLS NC. 1	25.45
	10TH %TILE	MORC NC. 17	0.0
	LOW	TROUT CREEK NC. 53	0.0
TOTAL STATE RCPT DIFF PER ADMW	HIGH	LOWELL NC. 71	284.78
	90TH %TILE	FALLS CITY NC. 57	207.59
	80TH %TILE	JUNCTION CITY NC. 69	181.88
	MEDIAN	LINCOLN CO SCH DIS	-34.54
	20TH %TILE	CLOVER RIDGE NC. 136	-237.37
	10TH %TILE	HARRIS NC. 46	-285.91
	LOW	CRANE UH NC. 1J	-752.91
TOT RECEIPTS SIMULATED PER ADMW	HIGH	SLATER NC. 10	11062.22
	90TH %TILE	ANTELOPE NC. 50J	2383.34
	80TH %TILE	BEAVER NC. 8	1861.67
	MEDIAN	BEND NC. 1	1310.03
	20TH %TILE	ALPINE NC. 26C	1064.52
	10TH %TILE	DENNY NC. 78	974.67
	LOW	PIONEER NO. 13	730.61
TOT RECEIPTS DIFFERENCE PER ADMW	HIGH	SLATER NC. 10	7813.62
	90TH %TILE	TANGENT NO. 26	577.41
	80TH %TILE	RAINIER NO. 13	184.42
	MEDIAN	UMATILLA NC. 6R	94.21
	20TH %TILE	LACOMB NC. 73	-18.24
	10TH %TILE	CASCADE LH NC. 5	-59.67
	LOW	TRCY NC. 54	-611.07
TOT OPER TAX RATE SIM	HIGH	UMAPINE NO. 13R	23.80
	90TH %TILE	LAKE OSWEGO NC. 7J	16.81
	80TH %TILE	DREWSEY NC. 13	14.97
	MEDIAN	CROOKED NC. 89	11.65
	20TH %TILE	RURAL DELL NC. 92	8.94
	10TH %TILE	NINETY-ONE NC. 91	7.46
	LOW	DICKIE PRAIRE NC. 25	4.49
OPER TAX RATE DIF	HIGH	TRCY NC. 54	7.42
	90TH %TILE	MCFARLAND NC. 25	2.88
	80TH %TILE	KLAMATH FALLS UH 2	2.33
	MEDIAN	JOSEPH NC. 6	0.60
	20TH %TILE	NORTH CLACKAMAS 12	-1.31
	10TH %TILE	ELGIN NC. 23	-2.03
	LOW	GASTON NC. 511J	-4.17

THE FIGURES IN THIS TABLE MAY VARY SLIGHTLY FROM THOSE REPORTED BY OTHER SOURCES. SEE TEXT FOR EXPLANATION.

TABLE 15a

TOTAL TAX EFFORT EQUALIZATION PLAN: TOTAL STATE RECEIPTS COMPONENTS
(TOTAL TAX RATE VERSION)

F FOLLOWING DATA ARE REPORTED FOR A REPRESENTATIVE SAMPLE OF SCHOOL DISTRICTS, BUT THE TOTALS OR MEANS ARE FOR THE WHOLE STATE.

SCHOOL DISTRICT NAME	TOTAL STATE RCPT DIFF PER ADMw	STATE EQV EQUALIZ SIM PER ADMw	INSTR CATEG RCPT SIM PER ADMw	TRANSPORT RCPT SIM PER ADMw	COST OF RE-CAP NEGATION PER ADMw	SAVING FROM PHASE-IN PER ADMw	TOTAL STATE RCPT SIM PER ADMw	COMMON SCH FUND RCPTS PER ADMw
BAKER NO. 5J	160.26	456.25	11.37	15.37	0.0	0.0	482.99	3.60
OSK GROVE NO. 4	-49.53	273.50	3.85	18.48	0.0	0.0	295.82	2.76
RVALLIS NO. 509J	135.25	370.95	36.62	22.52	0.0	0.0	430.09	3.57
KE OSWEGO NO. 7J	107.07	404.69	16.17	13.43	0.0	0.0	434.28	3.49
OREGON CITY NO. 62	201.75	530.69	8.97	15.32	0.0	32.07	522.87	3.11
NINETY-ONE NO. 91	95.37	456.75	2.53	29.45	0.0	0.0	488.70	3.50
TURIA NO. 1	164.99	448.50	7.21	16.98	0.0	0.0	472.69	4.02
OS BAY NO. 9	189.12	455.70	8.02	23.67	0.0	0.0	491.38	3.73
ORTH BEND NO. 13	225.01	568.19	9.06	18.67	0.0	0.0	595.92	3.60
BEND NO. 1	168.21	374.46	6.33	18.27	0.0	0.0	399.06	3.21
DMOND NO. 2J	228.54	541.01	8.90	17.77	0.0	0.0	567.69	3.24
UTH UMPQUA NO. 19	186.16	601.31	8.81	20.88	0.0	0.0	631.00	3.60
DSPORT NO. 105	-60.11	145.71	5.02	22.98	0.0	0.0	173.71	3.49
DLEX NO. 11	-415.69	0.0	2.55	232.18	1213.20	234.75	0.0	3.14
RIANS UH NO. 2	-199.65	0.0	5.06	26.32	603.67	0.0	31.36	2.29
OD RIVER NO. 1	149.44	356.82	7.59	29.48	0.0	0.0	393.89	3.70
ND NO. 5	163.35	473.94	31.07	9.79	0.0	10.62	504.19	3.59
EDFORD NO. 549	184.46	435.93	5.54	13.13	0.0	0.0	454.60	3.70
LAMATH FALLS NO. 1	-206.42	0.0	15.06	10.39	121.08	0.0	23.45	4.66
SH NO. 18	-278.85	0.0	2.61	45.47	1730.09	48.07	0.0	3.11
NF NO. 4J	140.01	395.73	26.89	7.57	0.0	0.0	430.19	3.74
RINGFIELD NO. 19	211.59	460.58	8.71	15.54	0.0	0.0	484.83	3.72
RESWELL NO. 40	195.91	587.51	4.17	18.73	0.0	0.0	610.41	3.78
MF KENZIE NO. 68	-270.25	0.0	7.27	56.54	466.26	63.81	0.0	4.43
TO NO. 95C	200.47	580.21	8.34	32.85	0.0	0.0	621.39	3.17
NTRAL LINN NO. 552	-191.45	0.0	8.98	40.41	134.47	0.0	49.39	3.51
HARPER NO. 66	-139.21	69.12	2.71	43.64	0.0	0.0	115.46	3.48
SALEM NO. 24J	158.28	400.65	13.78	12.69	0.0	0.0	427.12	3.90
SCADE UH NO. 5	-10.66	414.15	6.18	31.89	0.0	0.0	452.20	3.37
RTLAND NO. 1J	-153.80	58.30	48.80	4.78	0.0	0.0	111.88	4.[illegible]
ARKROSE NO. 3	152.76	397.08	11.31	11.50	0.0	0.0	419.89	[illegible]
RESHAM NO. 4	-111.70	234.83	3.97	18.01	0.0	0.0	230.81	3.[illegible]
ALLS CITY NO. 57	207.59	612.23	2.29	19.71	0.0	0.0	634.23	3.77
RMAN UH NO. 1	-280.71	0.0	8.71	64.43	1704.39	73.14	0.0	3.27
RMISTON NO. 8	250.60	665.62	6.80	21.17	0.0	0.0	693.59	3.12
PENDLETON NO. 16R	139.18	383.53	9.63	23.73	0.0	0.0	416.00	3.75
REDVILLE NO. 29	-68.74	356.71	2.29	17.66	0.0	0.0	376.05	3.21
AVERTON NO. 48J	146.06	358.13	10.78	15.75	0.0	0.0	384.66	3.46
~~TOTAL OR~~ MEAN	61.83	323.47	15.85	18.38	24.32	2.30	355.40	3.80

Total 31,918,714.

THE FIGURES IN THIS TABLE MAY VARY SLIGHTLY FROM THOSE REPORTED BY OTHER SOURCES. SEE TEXT FOR EXPLANATION.

TABLE 15b TOTAL TAX EFFORT EQUALIZATION PLAN: STATISTICAL SUMMARY

SCHOOL FINANCE STATISTICAL SUMMARY

VARIABLES	RANGE	DISTRICT	VALUE
TOTAL STATE RCPT DIFF PER ADMW	HIGH	LOWELL NO. 71	284.78
	90TH %TILE	FALLS CITY NO. 57	207.59
	80TH %TILE	JUNCTION CITY NO. 69	101.88
	MEDIAN	LINCOLN CO SCH DIS	-34.54
	20TH %TILE	CLOVER RIDGE NO. 136	-237.37
	10TH %TILE	HARRIS NO. 46	-285.51
	LOW	CRANE UH NO. 1J	-752.91
STATE LGV EQUALIZ SIM PER ADMW	HIGH	FERNRIDGE NO.28J	674.65
	90TH %TILE	COQUILLE NO. 8	535.41
	80TH %TILE	COOS BAY NO. 9	459.70
	MEDIAN	GRESHAM NO. 4	234.83
	20TH %TILE	MORO NO. 17	0.0
	10TH %TILE	TROY NO. 54	0.0
	LOW	BURNS UH NO. 2	0.0
INSTR CATEG RCPT SIM PER ADMW	HIGH	LINCOLN CO SCH DIS	59.60
	90TH %TILE	COLLILLE NO. 8	10.56
	80TH %TILE	TIGARD NO. 23J	8.02
	MEDIAN	ELDRIDGE NO. 60	4.23
	20TH %TILE	SHEEL NO. 80	2.82
	10TH %TILE	REEDVILLE NO. 29	2.29
	LOW	PISTOL RIVER NO. 16	0.0
TRANSPORT RCPT SIM PER ADMW	HIGH	CRANE UH NO. 1J	544.31
	90TH %TILE	CONDON NO. 25J	82.98
	80TH %TILE	ELDRIDGE NO. 60	49.85
	MEDIAN	WEST STAYTON N/. 61	26.94
	20TH %TILE	ASTORIA NO. 1	16.98
	10TH %TILE	ONTARIO NO. 8C	12.26
	LOW	NORTH ALBANY NO. 34	0.0
COST OF RE-CAP NEGATION PER ADMW	HIGH	SLATER NO. 10	9082.79
	90TH %TILE	SCHOOLSE NO. 32	866.53
	80TH %TILE	ARCOLA NO. 81	360.32
	MEDIAN	CARLS NO. 29	0.0
	20TH %TILE	CLARKES NO. 32	0.0
	10TH %TILE	DAMASCUS UNION NO.26	0.0
	LOW	YAMHILL-CARLTON UH 1	0.0
SAVING FROM PHASE-IN PER ADMW	HIGH	CRANE UH NO. 1J	546.49
	90TH %TILE	IRISH BEND NO. 24	69.19
	80TH %TILE	RAINIER NO. 13	14.69
	MEDIAN	SISTERS NO. 6	0.0
	20TH %TILE	ALPINE NO. 26C	0.0
	10TH %TILE	TROY NO. 54	0.0
	LOW	YAMHILL-CARLTON UH 1	0.0
TOTAL STATE RCPT SIM PER ADMW	HIGH	LKIAH NO. 80	711.12
	90TH %TILE	COTTRELL NO. 107	561.91
	80TH %TILE	ROSEBURG NO. 4	486.07
	MEDIAN	ST. PAUL NO. 45	284.06
	20TH %TILE	KLAMATH FALLS NO. 1	25.45
	10TH %TILE	MORO NO. 17	0.0
	LOW	TROUT CREEK NO. 53	0.0

THE FIGURES IN THIS TABLE MAY VARY SLIGHTLY FROM THOSE REPORTED BY OTHER SOURCES. SEE TEXT FOR EXPLANATION.

TABLE 16

TOTAL TAX EFFORT EQUALIZATION PLAN: RESULTS FOR ALTERNATIVE ASSUMPTIONS
(TOTAL TAX RATE VERSION)

THE FOLLOWING DATA ARE REPORTED FOR A REPRESENTATIVE SAMPLE OF SCHOOL DISTRICTS, BUT THE TOTALS OR MEANS ARE FOR THE WHOLE STATE.

SCHOOL DISTRICT NAME	TOTAL STATE RCPT DIFF	TOT RECEIPTS SIMULATED PER ADMW	TOT OPER TAX RATE SIM	TOT RECEIPTS SIMULATED PER ADMW	TOT OPER TAX RATE SIM	TOT RECEIPTS SIMULATED PER ADMW	TOT OPER TAX RATE SIM
BAKER NO. 5J	567522.19	1163.83	10.95	1157.30	10.77	1170.36	11.12
OAK GROVE NO. 8	128.14	1019.57	10.06	973.47	9.15	1065.68	10.97
CORVALLIS NO. 509J	1124167.00	1675.12	20.11	1698.23	20.62	1652.01	19.60
LAKE OSWEGO NO. 7J	1310982.00	1535.07	16.31	1541.84	17.20	1496.76	15.42
OREGON CITY NO. 62	1935290.00	1150.60	11.08	1150.60	14.18	1035.21	7.98
NINETY-ONE NO. 91	41124.66	1093.81	6.78	1093.61	6.79	1094.02	6.79
ASTORIA NO. 1	375209.25	1529.25	13.80	1496.48	12.96	1561.99	14.63
COOS BAY NO. 9	1001569.00	1323.35	16.69	1355.85	19.22	1222.97	14.15
NORTH BEND NO. 13	916181.88	1359.61	15.55	1379.12	18.22	1263.02	12.89
BEND NO. 1	1257555.00	1300.95	13.28	1347.66	15.02	1215.22	11.53
REDMOND NO. 2J	790378.38	1400.48	15.87	1400.48	17.92	1335.53	13.82
SOUTH UMPQUA NO. 19	485133.19	1161.32	9.12	1148.12	8.58	1174.51	9.65
REEDSPORT NO. 105	-95797.38	1276.59	13.19	1229.56	12.49	1323.63	13.89
OLEX NO. 11	-16303.33	2585.94	12.78	2376.17	11.64	2795.72	13.92
BURNS UH NO. 2	-130548.75	1443.40	11.41	981.17	6.90	1875.09	15.92
HOOD RIVER NO. 1	530671.31	1522.22	17.34	1557.84	18.17	1486.60	16.51
ASHLAND NO. 5	652951.56	1264.77	14.38	1264.77	16.43	1191.30	12.33
MEDFORD NO. 549	2047696.00	1147.61	13.02	1152.72	15.26	1053.42	10.77
KLAMATH FALLS NO. 1	-438643.00	1247.32	10.95	1059.56	8.59	1409.64	13.30
PLUSH NO. 18	-2244.77	4028.10	5.93	3590.35	5.02	4465.86	6.83
EUGENE NO. 4J	4699826.00	1383.81	17.34	1420.96	19.19	1302.76	15.49
SPRINGFIELD NO. 19	2405220.00	1359.27	16.86	1395.43	18.46	1295.88	15.25
CRESWELL NO. 40	218969.94	1252.36	13.79	1281.00	14.72	1223.73	12.85
MC KENZIE NO. 68	-130002.15	2415.49	13.43	2663.24	14.95	2220.60	11.91
SCIO NO. 95C	202393.63	1021.71	8.86	1044.86	9.79	998.55	7.93
CENTRAL LINN NO. 552	-207815.69	1516.36	13.49	1570.55	14.09	1462.17	12.88
HARPER NO. 66	-12509.63	1297.15	15.75	1376.27	16.91	1218.03	14.59
SALEM NO. 24J	4215490.00	1368.00	15.17	1380.89	16.92	1293.35	13.42
CASCADE UH NO. 5	18687.96	1187.73	11.83	1081.10	9.29	1294.36	14.36
PORTLAND NO. 1J	-10509183.00	1288.33	13.92	1270.02	13.65	1306.65	14.19
PARKROSE NO. 3	901532.13	1257.48	13.76	1316.11	14.92	1198.77	12.60
GRESHAM NO. 4	-257856.06	1241.68	13.09	1133.24	11.20	1350.12	14.98
FALLS CITY NO. 57	46074.63	1399.26	13.29	1431.12	14.13	1367.41	12.46
SHERMAN UH NO. 1	-64955.24	2476.58	8.69	1608.53	5.23	3417.76	12.15
HERMISTON NO. 8	755942.56	1266.75	14.82	1312.50	16.56	1221.00	13.07
PENDLETON NO. 16R	572706.25	1240.29	14.23	1256.40	18.45	1148.21	14.00
REEDVILLE NO. 29	19760.61	1011.83	8.33	984.05	7.78	1039.61	8.87
BEAVERTON NO. 48J	3557086.00	1420.48	17.50	1437.94	18.94	1353.08	16.06
TOTAL OR MEAN	30724060.06	1306.13	3991.80	1293.40	3902.91	1291.38	4087.29

THE FIGURES IN THIS TABLE MAY VARY SLIGHTLY FROM THOSE REPORTED BY OTHER SOURCES. SEE TEXT FOR EXPLANATION.

TAX RATE IS CALCULATED TO BE HALFWAY BETWEEN PRESENT RATE AND THE RATE NECESSARY TO MAINTAIN PRESENT EXPENDITURES. ADDITIONAL COST TO THE STATE IS $39.7 MILLION ABOVE 1973-74.

TAX RATE IS PRESENT RATE. ADDITIONAL COST TO THE STATE IS ONLY $24.7 MILLION ABOVE 1973-74 BECAUSE MORE DISTRICTS ARE AFFECTED BY THE PHASE-IN PROVISION

TAX RATE IS THAT NECESSARY TO MAINTAIN PRESENT EXPENDITURES. ADDITIONAL COST TO THE STATE IS $40.0 MILLION ABOVE 1973-74

would probably meet the Serrano test and probably would not distort local choice among different public services. One disadvantage is that it is complicated.

THE CHERRY VERSION

This is another way of equalizing educational expenditures on the basis of the total tax levied within school districts. Again this is a local guaranteed yield plan which uses the ratio of school tax rate to the total tax rate in the calculation of state equalization grant.

The state guarantees $740 per ADMW at a school tax rate of $10 per $1000 of true cash value. Districts would receive an additional $40 for each $1 of tax up to $16, and $25 for each $1 of tax from $16 to a maximum of $22. Districts would be permitted to tax above $22 without recapture.

The amount a district would receive from the state is the difference between the guaranteed amount and the amount it raised locally and from other state sources. For state allocation purposes the amount raised from local taxes would be adjusted by multiplying the district's true cash value by an adjustment factor. This factor is the proportion of school taxes to total taxes, multiplied by 1.5 to keep this plan from costing too much state money. The calculation of state equalization aid would be made as follows.

The guaranteed amount x ADMW	minus	School tax rate x district tcv (adjustment factor)	minus	Federal forest fees and federal impact aid	=	State Equalization to the district

We can illustrate how this plan works by using the same example as for the previous version. Again we have two districts with $50,000 true cash value per ADMW and with total tax rates of $32. With a school tax rate of $24 the first district would be guaranteed the maximum expenditure of $1130 per ADMW. It would not receive state

equalization aid. Locally it would raise $1200 for each student. The second district, with a school tax rate of $16, would be guaranteed $980 per ADMW. It would receive $380 in state aid and raise $800 locally for a total expenditure of $1180 for each student in the district.

This plan treats transportation grants for special students and the phase-in provisions the same as the other plans. It does not include allowances for AFDC students or for a cost-of-living differential. Again, if these features were added it would cost the state somewhat more than the $40.5 million projected. Data on the results of this plan for the thirty-eight districts are presented in tables 17-20.

Both versions of the total tax effort equalization plan assist those areas which have high local taxes. The Cherry version gives the most help to districts with high total taxes and relatively low school taxes. It has the disadvantage, therefore, of providing an incentive to shift activities out of the school budget and into other local government budgets.

TABLE 17

TOTAL TAX EFFORT EQUALIZATION PLAN: DECISIONS
(CHERRY VERSION)

D100	YEAR TO BE SIMULATED	1973-74
D101	KINDERGARTEN COST FACTOR	1.00
D102	GRADES 1-8 COST FACTOR	1.00
D103	GRADES 9-12 COST FACTOR	1.30
D116	COMPENSATORY (AFDC) COST FACTOR	0.0
D117	COMPENSATORY (INCOME) COST FACTOR	0.0
D118	CAREER EDUCATION COST FACTOR	0.0
D120	NECESSARY SMALL SCHOOL COST FACTOR	0.0
D200	FLAT GRANT PROGRAM	NO
D202	AMOUNT OF FLAT GRANT ($/ADMW)	0.0
D210	FOUNDATION PROGRAM	NO
D212	AMOUNT OF FOUNDATION ($/ADMW)	0.0
D215	FNDN REQD LOCAL EFFORT ($/1000)	0.0
D220	LOCAL GUARANTEED YIELD (LGY)	YES
D222	LGY REQUIRED LOCAL EFFORT ($/1000)	10.00
D225	LGY AMT AT REQD LOCAL EFFORT ($/ADMW)	740.00
D228	LGY LOWER LINE RATE ($/MILL/ADMW)	40.00
D231	LGY UPPER LINE RATE ($/MILL/ADMW)	25.00
D234	LGY KINK POINT TAX RATE ($/1000)	16.00
D237	LGY MAX ALLOWED TAX RATE ($/1000)	22.00
D238	DIST ALLOWED TO TAX ABOVE LGY MAX RATE	YES
D240	DISTRICT TAX RATE	CALCD
D241	ELEMENTARY SPECIFIED TAX RATE ($/1000)	0.0
D242	HIGH SCHOOL SPECIFED TAX RATE ($/1000)	0.0
D243	UNIFIED SPECIFIED TAX RATE ($/1000)	0.0
D249	IED EQUALIZING PROGRAM	NO
D250	REQUIRED IED RATE ($/1000)	0.0
D251	OPTIONAL IED RATE	SPECIF
D252	SPECIFIED OPTIONAL IED TAX RATE ($/1000)	0.0
D253	IED EQUAL TYPE	FOUNDATN
D254	IED FNDN AMT ($/ADMW)	0.0
D255	IED GUAR YLD AMT AT RQD RATE ($/ADMW)	0.0
D256	IED GUAR YLD LOWER LINE RATE ($/MILL/ADMW)	0.0
D257	IED GUAR YLD UPPER LINE RATE ($/MILL/ADMW)	0.0
D258	IED GUAR YLD KINK PT TAX RATE ($/1000)	0.0
D259	IED GUAR YLD MAX ALLOWED TAX RATE ($/1000)	0.0
D301	GRANT FOR KINDERGARTEN ($/STUDENT)	0.0
D303	GRANT FOR SPECIAL STUDENTS (% OF 73-74)	100.00
D316	GRANT FOR COMP ED (AFDC) ($/STUDENT)	0.0
D317	GRANT FOR COMP ED (INCOME) ($/STUDENT)	0.0
D318	GRANT FOR CAREER ED ($/STUDENT)	0.0
D320	GRANT FOR NECESSARY SMALL SCHOOLS ($/STUD)	0.0
D330	TRANSPORTATION PRESENT ALLOTMENT	YES
D331	TRANSPORTATION PERCENT OF REIMB COSTS	0.0
D335	CAPITAL OUTLAY PERCENT OF PRESENT NEEDS	0.0
D336	CAPITAL OUTLAY PERCENT OF 1980 NEEDS	0.0
D338	DEBT SERVICE PERCENT OF PRESENT EXPEND	0.0
D340	BASIS FOR DISTRICT TYPE ADJUSTMENT	PRESENT
D345	TCV YEAR USED IN EQUALIZATION PROGRAMS	PREVICUS
D350	NON-RESIDENTIAL TCV LOCALLY TAXABLE	YES
D351	NON-RESIDENTIAL TCV TAXABLE BY IED	YES
D360	STATE RECAPTURE ALLOWED	NO
D361	DISTRICTS HELD HARMLESS	NO
D362	COST OF LIVING ADJUSTMENT	NO
D363	MAX % INCREASE IN TOT RCPTS OVER 73-74	15.00
D364	USE CHERRY FACTOR	YES
D400	DISTRICTS PRINTED	SAMPLE
D401	PRINT ORDER	COUNTY

THIS IS A LOCAL GUARANTEED YIELD PLAN USING THE "CHERRY" ADJUSTMENT. A FACTOR IS COMPUTED WHICH IS
THE RATIO OF A DISTRICT'S SCHOOL TAX RATE TO ITS TOTAL TAX RATE, IF THE RATIO IS MULTIPLIED BY
1.5 TO KEEP THE TOTAL COST TO THE STATE APPROXIMATELY CONSTANT. DISTRICT ADJUSTED TCV'S ARE FURTHER
ADJUSTED BY BEING MULTIPLIED BY THIS CHERRY FACTOR BEFORE BEING USED IN EQUALIZATION CALCULATIONS.
THE LOCAL GUARANTEED YIELD SCHEDULE IS IDENTICAL TO THAT USED IN PLAN II. AS IN PLAN III, THERE ARE
NO PROVISIONS FOR AFDC STUDENTS OR A COST OF LIVING ADJUSTMENT.

TABLE 18

TOTAL TAX EFFORT EQUALIZATION PLAN: RESULTS (CHERRY VERSION)

THE FOLLOWING DATA ARE REPORTED FOR A REPRESENTATIVE SAMPLE OF SCHOOL DISTRICTS. BUT THE TOTALS OR MEANS ARE FOR THE WHOLE STATE.

SCHOOL DISTRICT NAME	[illegible] PER ADM	TOTAL STATE [illegible] PER ADM	TOTAL STATE AID DIFF PER ADM	TOT RECEIPTS SIMULATED PER ADM	TOT RECEIPTS DIFFERENCE PER ADM	TOT OPER TAX RATE SIM	OPER TAX RATE DIF
BAKER NO. 5J	176.10	417.33	100.12	1110.50	59.78	11.51	0.74
OAK GROVE NO. 4	726.16	[illegible]	441.13	1239.23	164.59	6.92	-2.23
CORVALLIS NO. 509J	[illegible]	141.65	-143.15	1491.05	-29.46	23.61	2.95
LAKE OSWEGO NO. 7J	[illegible]	279.24	-.02	1463.25	103.29	16.81	1.61
OREGON CITY NO. 62	441.75	[illegible]	144.97	1139.00	124.19	13.23	-0.95
NINETY-ONE NO. 91	642.95	[illegible]	204.93	1183.66	143.97	6.00	-0.78
ASTORIA NO. 1	474.34	503.43	145.54	1527.49	98.37	13.91	0.95
COOS BAY NO. 9	301.42	333.36	31.04	1237.05	42.17	19.38	0.16
NORTH BEND NO. 13	466.77	494.36	123.54	1364.15	60.00	17.39	-0.83
BEND NO. 1	[illegible]	225.07	-1.12	1214.51	20.07	15.51	0.49
REDMOND NO. 2J	354.12	410.00	72.65	1301.13	67.35	16.75	0.87
SOUTH UMPQUA NO. 19	509.94	534.06	84.87	1055.40	-71.66	10.06	1.46
REEDSPORT NO. 105	0.0	22.00	-205.52	1192.57	-41.44	14.38	1.69
OLEX NO. 11	0.0	162.11	-253.58	2094.65	274.47	9.75	-1.89
BURNS UH NO. 2	705.51	736.69	365.90	1537.29	187.05	5.14	-1.76
HOOD RIVER NO. 1	137.59	174.15	-64.69	1369.29	-6.23	19.54	1.37
ASHLAND NO. 5	252.47	293.34	-27.50	1158.20	24.25	17.23	0.80
MEDFORD NO. 549	291.60	310.27	46.13	1459.40	47.19	14.66	-0.58
KLAMATH FALLS NO. 1	465.04	511.05	274.22	1391.47	140.13	7.08	-1.51
PLUSH NO. 18	0.0	42.07	-233.70	3215.17	431.21	4.13	-0.89
EUGENE NO. 4J	264.37	316.32	73.44	1315.45	43.04	19.31	0.12
SPRINGFIELD NO. 19	259.30	313.55	46.72	1253.44	26.71	20.03	1.57
CRESWELL NO. 40	413.44	430.70	22.27	1132.69	-23.78	15.91	1.19
MC KENZIE NO. 68	0.0	0.0	-274.25	2322.06	396.10	12.25	-2.70
SCIO NO. 95C	449.50	490.09	85.70	933.34	-52.14	11.26	1.47
CENTRAL LINN NO. 552	0.0	49.39	-191.45	1461.70	66.60	13.37	-0.72
HARPER NO. 66	0.0	46.35	-236.33	1270.55	23.86	16.57	-0.34
SALEM NO. 24J	359.63	392.50	123.66	1342.44	117.69	15.08	-1.24
CASCADE UH NO. 5	760.14	818.21	359.25	1375.35	130.15	8.37	-0.92
PORTLAND NO. 1J	216.39	259.97	4.29	1339.08	33.23	12.77	-0.88
PARKROSE NO. 3	375.58	398.39	131.25	1235.94	82.24	14.15	-0.77
GRESHAM NO. 4	649.47	704.97	395.45	1452.00	161.61	10.00	-1.20
FALLS CITY NO. 57	500.42	522.46	95.75	1415.04	52.23	13.63	-1.10
SHERMAN UH NO. 1	147.22	220.38	-61.34	1351.20	-235.58	4.60	-0.63
HERMISTON NO. 8	509.25	514.22	177.43	1212.11	53.54	16.76	0.20
PENDLETON NO. 16R	320.49	354.32	76.64	1192.12	90.62	16.75	-1.70
REEDVILLE NO. 29	677.42	642.29	246.90	1160.51	145.31	5.73	-2.05
BEAVERTON NO. 48J	141.24	167.77	-70.93	1313.62	49.02	20.91	1.97
TOTAL OR MEAN	333.17	354.55	60.95	1285.30	58.40	3753.65	-145.97

THE FIGURES IN THIS TABLE MAY VARY SLIGHTLY FROM THOSE REPORTED BY OTHER SOURCES. SEE TEXT FOR EXPLANATION.

TABLE 19 TOTAL TAX EFFORT EQUALIZATION PLAN: STATISTICAL SUMMARY (CHERRY VERSION)

SCHOOL FINANCE STATISTICAL SUMMARY

VARIABLES	RANK	DISTRICT	VALUE
STATE AID EQUALIZ SIM PER ADMA	HIGH:	NORTH SANTIAM NO. 1C	965.66
	90TH %TILE:	LEBANON NO. 16C	722.73
	80TH %TILE:	CRESCENT NO. 59	634.34
	MEDIAN:	HEPPNER NO. 29J	311.62
	20TH %TILE:	MORO NO. 17	0.0
	10TH %TILE:	TROY NO. 54	0.0
	LOW:	PLUSH NO. 18	0.0
TOTAL STATE RCPT SIM PER ADMA	HIGH:	NORTH SANTIAM NO. 12	971.16
	90TH %TILE:	SILVERTON UH NO. 7J	686.66
	80TH %TILE:	ALBANY NO. 5	601.92
	MEDIAN:	LOWELL NO. 71	340.91
	20TH %TILE:	JORDAN VALLEY NO. 3	76.33
	10TH %TILE:	ECHO NO. 5	36.48
	LOW:	DOUBLE O NO. 28	0.0
TOTAL STATE RCPT DIFF PER ADMA	HIGH:	BURNS UH NO. 2	505.86
	90TH %TILE:	RIVERSIDE NO. 24	329.96
	80TH %TILE:	COLDRIDGE NO. 60	264.39
	MEDIAN:	PARRENTON-HAMMOND 30	39.97
	20TH %TILE:	DUFUR NO. 29	-206.42
	10TH %TILE:	ANTELOPE NO. 50J	-211.65
	LOW:	DOUBLE O NO. 28	-593.57
TOT RECEIPTS SIMULATED PER ADMA	HIGH:	SUNTEX NO. 10	6520.63
	90TH %TILE:	HEREFORD-UNIT 30J	2093.53
	80TH %TILE:	THREE LYNX NO. 123	1645.78
	MEDIAN:	DICKIE PRAIRE NO. 25	1282.26
	20TH %TILE:	LAKEVIEW NO. 7	1122.64
	10TH %TILE:	CENTRAL NO. 13J	1053.06
	LOW:	CENTRAL HOWELL 540C	775.90
TOT RECEIPTS DIFFERENCE PER ADMA	HIGH:	SUNTEX NO. 10	3272.23
	90TH %TILE:	MONROE UH NO. 1J	194.56
	80TH %TILE:	GRENEN NO. 36	157.05
	MEDIAN:	ONTARIO NO. 8C	63.98
	20TH %TILE:	EAGLE POINT NO. 9	-6.31
	10TH %TILE:	MORO NO. 17	-69.27
	LOW:	TROY NO. 54	-625.95
TOT OPER TAX RATE SIM	HIGH:	CRESCAIT NO. 9	24.54
	90TH %TILE:	COVE NO. 15	16.31
	80TH %TILE:	CRESWELL NO. 40	15.91
	MEDIAN:	UNION NO. 4	10.26
	20TH %TILE:	GOLD BEACH NO. 3C	6.03
	10TH %TILE:	NORTH PLAINS NO. 70	4.69
	LOW:	KLAMATH FALLS UH 2	2.59
OPER TAX RATE DIF	HIGH:	TROY NO. 54	5.69
	90TH %TILE:	LAKE OSWEGO NO. 7J	1.61
	80TH %TILE:	SCAPPOOSE NO. 130	0.77
	MEDIAN:	SILVERTON NO. 4	-0.67
	20TH %TILE:	VICTOR POINT NO. 42	-1.70
	10TH %TILE:	MOHAWK BELL NO. 92	-1.96
	LOW:	FRENCHGLEN NO. 16	-4.29

THE FIGURES IN THIS TABLE MAY VARY SLIGHTLY FROM THOSE REPORTED BY OTHER SOURCES. SEE TEXT FOR EXPLANATION.

TABLE 19a

TOTAL TAX EFFORT EQUALIZATION PLAN: TOTAL STATE RECEIPTS COMPONENTS
(CHERRY VERSION)

THE FOLLOWING DATA ARE REPORTED FOR A REPRESENTATIVE SAMPLE OF SCHOOL DISTRICTS, BUT THE TOTALS OR MEANS ARE FOR THE WHOLE STATE.

SCHOOL DISTRICT NAME	TOTAL STATE RCPT DIFF	STATE EQ EQUALIZ SIM PER ADM	INSTR CATEG RCPT SIM PER ADM	TRANSPORT RCPT SIM PER ADM	COST OF RE-CAP REDUCTION PER ADMW	SAVING FROM PHASE-IN PER ADMW	LIVING COST ADJMT SIM PER ADMW	TOTAL STATE RCPT SIM PER ADMW
BAKER NO. 5J	30901?.19	376.10	11.37	15.37	0.0	0.0	0.0	402.63
OAK GROVE NO. 4	[illegible]2245.36	724.18	3.45	15.44	0.0	0.0	0.0	746.48
CORVALLIS NO. 509J	-12[illegible]512.00	82.51	34.62	22.32	0.0	0.0	0.0	141.65
LAKE OSWEGO NO. 7J	55[illegible]4.62	245.64	14.17	13.43	0.0	0.0	0.0	275.24
OREGON CITY NO. 62	947074.09	441.19	6.97	15.32	0.0	0.0	0.0	400.08
NINETY-ONE NO. 91	41971.88	642.95	2.56	27.45	0.0	30.65	0.0	636.25
ASTORIA NO. 1	434692.25	479.04	7.21	16.96	0.0	0.0	0.0	503.23
COOS BAY NO. 9	204379.94	301.02	6.02	23.67	0.0	0.0	0.0	333.30
NORTH BEND NO. 13	[illegible]	456.77	9.06	16.67	0.0	0.0	0.0	494.50
BEND NO. 1	-7120.31	205.60	6.33	16.27	0.0	0.0	0.0	229.67
REDMOND NO. 2J	243516.69	364.12	8.90	17.77	0.0	0.0	0.0	410.60
SOUTH UMPQUA NO. 19	242267.25	509.99	8.81	20.88	0.0	0.0	0.0	539.68
REEDSPORT NO. 105	-346227.35	0.0	5.62	22.98	14.56	0.0	0.0	28.00
OLEX NO. 11	-9445.45	0.0	2.55	232.18	1327.44	72.62	0.0	162.11
BURNS UH NO. 2	330782.75	705.51	5.00	20.32	0.0	0.0	0.0	736.89
HOOD RIVER NO. 1	-241472.03	137.09	7.59	29.46	0.0	0.0	0.0	174.76
ASHLAND NO. 5	-44905.01	252.41	31.07	9.79	0.0	0.0	0.0	293.34
MEDFORD NO. 549	436759.29	241.00	5.54	13.13	0.0	0.0	0.0	310.27
KLAMATH FALLS NO. 1	593343.94	455.04	15.00	10.39	0.0	0.0	0.0	511.09
PLUSH NO. 18	-1657.77	0.0	2.61	45.47	2914.25	0.0	0.0	48.07
EUGENE NO. 4J	1750651.00	264.37	24.69	7.57	0.0	0.0	0.0	318.82
SPRINGFIELD NO. 19	443397.30	269.30	4.71	15.54	0.0	0.0	0.0	313.55
CRESWELL NO. 40	24332.42	413.66	4.17	16.73	0.0	0.0	0.0	436.78
MC KENZIE NO. 68	-133002.13	0.0	7.27	50.54	190.70	63.01	0.0	0.0
SCIO NO. 95C	64346.15	449.50	6.34	32.65	0.0	0.0	0.0	490.69
CENTRAL LINN NO. 552	-257615.65	0.0	4.56	40.41	449.59	0.0	0.0	49.39
HARPER NO. 66	-23[illegible]20.31	0.0	2.71	43.54	210.79	0.0	0.0	46.35
SALEM NO. 24J	362[illegible]974.00	368.03	13.78	12.09	0.0	0.0	0.0	392.50
CASCADE UH NO. 5	412535.44	260.14	6.18	31.69	0.0	0.0	0.0	618.21
PORTLAND NO. 1J	301714.65	210.39	45.66	4.76	0.0	0.0	0.0	269.97
PARKROSE NO. 3	754134.13	375.56	11.31	11.50	0.0	0.0	0.0	398.39
GRESHAM NO. 4	114397[illegible]	664.47	3.47	16.01	0.0	6.48	0.0	704.57
FALLS CITY NO. 57	2[illegible]74.44	560.42	2.29	19.71	0.0	0.0	0.0	522.42
SHERMAN UH NO. 1	-13[illegible]	147.22	5.71	54.43	0.0	0.0	0.0	220.36
HERMISTON NO. 8	4[illegible]5137.50	592.65	4.40	21.17	0.0	0.0	0.0	614.22
PENDLETON NO. 16R	307073.25	327.99	9.40	23.73	0.0	0.0	0.0	354.32
WEEDVILLE NO. 29	21[illegible]37.44	577.42	2.29	17.66	0.0	205.07	0.0	692.29
BEAVERTON NO. 48J	-155[illegible]52.33	141.24	12.79	15.75	0.0	0.0	0.0	167.77
TOTAL OR MEAN	3149[illegible]234.07	333.17	14.65	16.36	15.12	12.65	0.0	354.55

THE FIGURES IN THIS TABLE MAY VARY SLIGHTLY FROM THOSE REPORTED BY OTHER SOURCES. SEE TEXT FOR EXPLANATION.

TABLE 19b

TOTAL TAX EFFORT EQUALIZATION PLAN: STATISTICAL SUMMARY (CHERRY VERSION)

SCHOOL FINANCE STATISTICAL SUMMARY

VARIABLES	RANGE	DISTRICT	VALUE
TOTAL STATE RCPT DIFF	HIGH:	SALEM NO. 24J	3026474.00
	90TH %TILE:	THE DALLES NO. 1C	366234.00
	80TH %TILE:	PROBLEM NO. 4	161014.50
	MEDIAN:	IMPLEM NO. 11	12078.20
	20TH %TILE:	PAISLEY NO. 11	-27460.69
	10TH %TILE:	RIVERDALE NO. 51J	-66716.66
	LOW:	BEAVERTON NO. 48J	-1550452.00
STATE LGY EQUALIZ SIM PER ADMM	HIGH:	NORTH SANTIAM NO. 12	965.66
	90TH %TILE:	LEBANON NO. 9C	722.73
	80TH %TILE:	CRESWELL NO. 40	634.34
	MEDIAN:	REDMOND NO. 2J	311.62
	20TH %TILE:	MOHO NO. 17	0.0
	10TH %TILE:	TROUT NO. 54	0.0
	LOW:	PLUSH NO. 18	0.0
INSTR CATEG RCPT SIM PER ADMM	HIGH:	LINCOLN CO SCH DIS	54.60
	90TH %TILE:	COQUILLE NO. 8	10.56
	80TH %TILE:	TIGARD NO. 23J	6.02
	MEDIAN:	ELDRIDGE NO. 60	4.23
	20TH %TILE:	SPURGL NO. 96	2.62
	10TH %TILE:	REDMOND NO. 2J	2.29
	LOW:	PISTOL RIVER NO. 10	0.0
TRANSPORT RCPT SIM PER ADMM	HIGH:	CRANE UH NO. 1J	544.31
	90TH %TILE:	CONDON NO. 25J	62.90
	80TH %TILE:	ELDRIEDGE NO. 60	49.65
	MEDIAN:	WEST STAYTON NO. 61	26.94
	20TH %TILE:	ASTORIA NO. 1	10.98
	10TH %TILE:	ONTARIO NO. 8C	12.66
	LOW:	NORTH CLEANY NO. 34	0.0
COST OF NE- CAP NEGATION PER ADMM	HIGH:	BROTHERS NO. 15	5964.79
	90TH %TILE:	BLACK BUTTE NO. 41	667.57
	80TH %TILE:	MONUMENT NO. 8	183.79
	MEDIAN:	DEVER NO. 20	0.0
	20TH %TILE:	HEPPNER NO. 2J	0.0
	10TH %TILE:	SUTHERLIN NO. 130	0.0
	LOW:	YAMHILL-CARLTON UH 1	0.0
SAVING FROM PHASE-IN PER ADMM	HIGH:	CENTRAL POINT SCHOOL	245.76
	90TH %TILE:	MILLSECAD UH NO. 3JT	129.40
	80TH %TILE:	YAMHILL NO. 14	44.67
	MEDIAN:	DEVER NO. 20	0.0
	20TH %TILE:	MOHO NO. 17	0.0
	10TH %TILE:	TROUT NO. 54	0.0
	LOW:	OAKLAND NO. 1	0.0
LIVING COST ADJMT SIM PER ADMM	HIGH:	MAPLE NO. 5J	0.0
	90TH %TILE:	CANBY NO. 86	0.0
	80TH %TILE:	DAYTON NO. 12	0.0
	MEDIAN:	DEVER NO. 20	0.0
	20TH %TILE:	MOHO NO. 17	0.0
	10TH %TILE:	TROUT NO. 54	0.0
	LOW:	YAMHILL-CARLTON UH 1	0.0

THE FIGURES IN THIS TABLE MAY VARY SLIGHTLY FROM THOSE REPORTED BY OTHER SOURCES. SEE TEXT FOR EXPLANATION.

TABLE 20

TOTAL TAX EFFORT EQUALIZATION PLAN. RESULTS FOR ALTERNATIVE ASSUMPTIONS
(CHERRY VERSION)

THE FOLLOWING DATA ARE REPORTED FOR A REPRESENTATIVE SAMPLE OF SCHOOL DISTRICTS, BUT THE TOTALS OR MEANS ARE FOR THE WHOLE STATE.

SCHOOL DISTRICT NAME	TOTAL STATE RCPT DIFF	TOT RECEIPTS SIMULATED PER ADMW	TOT OPER TAX RATE SIM	TOT RECEIPTS SIMULATED PER ADMW	TOT OPER TAX RATE SIM	TOT RECEIPTS SIMULATED PER ADMW	TOT OPER TAX RATE SIM
BAKER NO. 5J	322021.19	1109.43	11.62	1073.00	10.77	1145.86	12.48
OAK GROVE NO. 4	89071.06	1264.15	6.52	1307.68	9.15	982.27	3.90
CORVALLIS NO. 509J	-1211615.00	1540.90	23.61	1471.97	20.62	1617.83	26.66
LAKE OSWEGO NO. 7J	265946.56	1465.47	18.08	1432.94	17.20	1488.80	18.96
OREGON CITY NO. 62	1281900.00	1111.94	12.50	1150.60	14.18	1028.74	10.81
NINETY-ONE NO. 91	100833.88	1180.77	5.70	1180.77	6.78	1086.87	4.63
ASTORIA NO. 1	450840.25	1547.80	13.40	1528.17	12.96	1561.97	13.84
COOS BAY NO. 9	444466.94	1247.41	18.38	1269.68	19.22	1222.96	17.53
NORTH BEND NO. 13	539266.88	1312.80	17.00	1349.95	18.22	1263.02	15.77
BEND NO. 1	245880.69	1208.91	14.68	1223.75	15.02	1194.08	14.34
REDMOND NO. 2J	277990.69	1319.68	17.80	1324.34	17.92	1315.02	17.69
SOUTH UMPQUA NO. 19	233089.63	1077.46	9.72	1070.94	9.58	1130.16	10.86
REEDSPORT NO. 105	-346227.38	1201.99	14.30	1109.72	12.49	1323.63	16.12
OLEX NO. 11	-11834.40	2094.86	9.49	2376.17	11.64	1820.38	7.38
BURNS UH NO. 2	352845.69	1512.76	5.07	1541.41	6.90	1303.13	3.24
HOOD RIVER NO. 1	-222553.63	1395.14	19.45	1349.36	18.17	1425.18	20.72
ASHLAND NO. 5	-49622.85	1150.31	17.13	1130.22	16.43	1178.40	17.88
MEDFORD NO. 549	479921.38	1068.12	14.55	1096.24	15.26	1040.01	13.85
KLAMATH FALLS NO. 1	572631.44	1403.71	6.94	1403.71	8.59	1278.31	5.28
PLUSH NO. 18	-1857.77	3212.69	4.14	3590.35	5.02	2786.96	3.26
EUGENE NO. 4J	2535146.00	1329.34	18.28	1355.92	19.19	1302.76	17.37
SPRINGFIELD NO. 19	726270.50	1262.59	18.80	1273.94	18.46	1291.25	19.14
CRESWELL NO. 40	28305.21	1139.71	15.80	1098.41	14.72	1181.01	16.88
MC KENZIE NO. 68	-128096.00	2220.60	12.21	2663.24	14.95	1831.13	9.47
SCIO NO. 95C	80418.06	951.87	11.26	951.87	11.26	972.33	11.81
CENTRAL LINN NO. 552	-207815.69	1464.27	12.91	1570.55	14.09	1357.99	11.72
HARPER NO. 66	-23020.31	1250.68	16.43	1283.38	16.91	1218.03	15.95
SALEM NO. 24J	3407626.00	1348.06	15.47	1380.89	16.92	1286.95	14.02
CASCADE UH NO. 5	495543.31	1377.19	7.98	1410.04	9.29	1288.48	6.68
PORTLAND NO. 1J	1011424.88	1360.58	12.57	1403.49	13.65	1306.65	11.49
PARKROSE NO. 3	775668.13	1247.77	14.00	1291.89	14.92	1198.77	13.04
GRESHAM NO. 4	1217570.00	1451.17	9.40	1451.17	11.20	1350.12	7.50
FALLS CITY NO. 57	25660.44	1350.32	14.47	1333.23	14.13	1367.41	14.80
SHERMAN UH NO. 1	-13207.55	1586.30	4.60	1759.03	5.23	1417.57	3.97
HERMISTON NO. 8	526830.56	1220.75	16.13	1232.56	16.56	1208.94	15.71
PENDLETON NO. 16R	330967.25	1194.93	16.59	1245.69	18.45	1129.33	14.73
REEDVILLE NO. 29	301687.44	1163.75	5.47	1163.75	7.78	1039.61	3.17
BEAVERTON NO. 48J	-656922.56	1333.07	19.70	1313.06	18.98	1353.08	20.45
TOTAL OR MEAN	46507389.07	1292.51	3690.24	1301.77	3917.99	1261.75	3470.88

THE FIGURES IN THIS TABLE MAY VARY SLIGHTLY FROM THOSE REPORTED BY OTHER SOURCES. SEE TEXT FOR EXPLANATION.

THE RATE IS CALCULATED TO BE HALFWAY BETWEEN PRESENT RATE AND THE RATE NECESSARY TO MAINTAIN PRESENT EXPENDITURES. ADDITIONAL COST TO THE STATE IS $42.5 MILLION ABOVE 1973-74.

TAX RATE IS PRESENT RATE. ADDITIONAL COST TO STATE IS $[illegible] MILLION ABOVE 1973-74. [illegible] DISTRICTS [illegible] THE PART-TIME PUPILS.

TAX RATE IS THAT NECESSARY TO MAINTAIN PRESENT EXPENDITURES. ADDITIONAL COST TO THE STATE IS $42.5 MILLION ABOVE 1973-74.

OTHER CONSIDERATIONS

There are a number of issues which are indirectly related to school finance reform which the staff believes the committee should consider. Action on them is not essential to reform of the state's school aid system. To varying degrees, however, adoption of the following recommendations would improve the equity and efficiency of the school finance system in Oregon.

This section includes discussions and recommendations on school governance and district reorganization, special education, urban school finance problems, occupational education, capital outlay, transportation, and public schools and productivity.

a. school governance and district organization

44.

Oregon has achieved substantial progress over the last several decades in the area of school governance and district reorganization. Nevertheless, there are some specific matters to which we believe the committee should give careful consideration.

SCHOOL DISTRICT ORGANIZATION

Oregon statutes presently specify 10 different types of local school districts. Such a variety of districts causes unnecessary confusion, promotes inefficiencies, and inhibits attempts to equalize school finance arrangements. Consequently, we believe that the committee should recommend collapsing all existing district categories into a single category of unified districts.

Oregon presently has 339 operating school districts. Though this is less than half the districts in existence twenty years ago, it still appears to be an excessive number. The unification of all presently non-unified districts would reduce this number to approximately 178. Under such an arrangement, there would still be districts of less than a thousand students, which are difficult to justify on economic or educational grounds. However, the overall situation would be vastly improved over the present. We recommend, therefore, that the committee endorse the reorganization bills that have recently been reported out of the Interim Education Committee which require unification by March 31, 1976.

STATE LEVEL ORGANIZATION

Oregon is presently handicapped by not having fiscal policy analysis and school facilities sections in the State Department of Education. It does not employ the personnel needed to analyze matters which affect state educational policy in these areas. Consequently, the long-range fiscal effects of such topics as enrollment shifts, proposed school finance reform, and teacher collective bargaining proposals are not researched. We believe the committee should consider, therefore, a recommendation to provide the State Department of Education with funds necessary to employ a small nucleus of policy analysts as well

as discretionary funds with which to supplement their expertise on an ad hoc basis.

Statewide, capital expenditures for school construction and renovation constitute a substantial sum of money each year. Similarly, the State Department lacks the personnel necessary to gather information on the utilization and adequacy of school facilities which would be necessary to coordinate state policy in this area. We suggest that the committee recommend that a facilities section be established and funded by the next legislature.

RECOMMENDATIONS

1. Endorse legislation to create a single category of unified school district.

2. Endorse the Interim Education Committee's reorganization bills requiring unification by 1976.

3. Establish and fund a fiscal policy analysis section in the DOE.

4. Establish and fund a school facilities section in the DOE.

b. special education

The estimated number of school age exceptional children in Oregon was approximately 57,000 in 1972-73. About 32,000 or 57% of these children were receiving special services in that year. Approximately $16 million from federal, state and local sources was expended on those services. The State of Oregon's share of that total was about $5.5 million or 35% of the total. Five acts of legislation provided these funds. Almost all of those children who were not receiving special services were receiving regular school services.

The limited data that is available on programs for the 32,000 children now being served shows extreme variation in accessibility to services among handicapped children and considerable variation in per pupil expenditures among programs. Programs for school age mentally retarded, physically handicapped and speech impaired children are available to over 75% of those children needing these services while less than 10% of those children with emotional problems were being provided for. One school district was found to be spending 1.9 times that of another for a mentally retarded program that served the same number of students. Programs for emotionally disturbed children that were reimbursed under the Handicapped Child statute were found to be spending an average of $313 per child, while emotionally handicapped programs that were reimbursed under the Emotionally Handicapped law were found to be spending $1,616 per child, or over five times as much.

Basically, the present special education funding mechanisms in Oregon do not take into account that the cost of services to a handicapped child varies by both the disability (e.g., speech versus mentally retarded) and the severity of the disability (e.g., minor emotional handicap to severe emotional handicap). On the next page is an alternative delivery system which arrays handicapping conditions against a continuum of special program options. We believe it provides a structure for an equitable system of state support of special education programs.

ALTERNATIVE DELIVERY SYSTEM FOR DISTRIBUTING SPECIAL EDUCATION FUNDS

Handicapping Condition / Program Models	EMR	TMR	Emotionally Handicapped	Blind/ Partially Sighted	Deaf Hard of Hearing	Speech Defective	Physically Handicapped	Learning Problems	Pregnant
Special Consultant									
Supplementary Teaching									
Resource Room									
Part-time Special Class									
Full-time Special Class									
Special Day School									
Home Instruction									
Residential Schools									
Hospital Instruction									

The state, in conjunction with local school districts, should develop a comprehensive plan to meet the needs of its handicapped children. Realistic cost estimates for each kind of handicap and type of program should be a part of the comprehensive plan. Implementation of such a plan would have to be phased-in to allow for the proper planning of programs and the training of personnel for those programs.

The estimated total cost to the state of providing special education programs to all of Oregon's handicapped children would be approximately $10 million more than is currently being spent. This figure assumes that the current estimate of the number of handicapped children in Oregon is correct, that a delivery system like the one on the previous page is used, that the federal government maintains its present level of funding, and that the state increases its share of program costs to 70%. Any increase in federal money would reduce the cost to the state.

RECOMMENDATIONS

5. Develop a comprehensive plan for special education in Oregon.

6. Prepare cost estimates of delivering services to handicapped children by alternative types of programs.

7. Fund 70% of the excess cost for 100% of handicapped children. Estimated cost, $10 million.

c. urban problems

Many urban school districts across the country are on the brink of failure. Oregon is fortunate to have relatively good city schools. Oregonians should not be complacent, however, for many of the conditions which caused the failure of educational systems in other cities are becoming a reality in Oregon as well.

One problem that is rapidly becoming acute is the lack of resources to maintain the quality of educational programs in the cities.

The financial problems of urban schools are complex but seem to fall into three general areas: higher costs, the special educational needs of urban students, and higher non-educational taxes. First, it costs more to provide similar educational services in urban school districts than in suburban or rural school districts. Comparisons of per pupil expenditures hide the fact that the higher costs of land, buildings, teacher salaries, and maintenance mean that in cities you buy less educational services for each dollar than elsewhere. We recommend, therefore, that a new school aid formula be adjusted for identifiable cost differences among school districts. Since Oregon's school aid formula covers only operating costs, and since the costs of land and construction seem to be major factors in the higher cost-of-living in cities, we believe the quality of urban schools could also be greatly enhanced if the state would change its school finance system to include contributing to construction and renovation costs as well as operating costs.

A second problem arises from the relatively large number of children in cities who require expensive special educational programs. Cities attract large numbers of poor and disadvantaged families whose children need compensatory programs to enable them to fully utilize the regular education programs of the schools. Low income families also want more occupational training which is usually more expensive. Finally the incidence of handicapped children is usually higher in the cities. We recommend, therefore, that the state contribute a larger proportion of the excess costs of compensatory education programs, occupational programs and special education programs than it presently does.

A third problem that affects urban schools arises from competing demands for non-educational services in cities. This is frequently referred to as the municipal overburden problem. The presumption is that the higher per capita expenditure for noneducational services (police, housing, public utilities) means there are fewer dollars available for education. The staff has explored two different techniques for adjusting the state distribution formula to provide for municipal overburden. We recommend that the committee explore the advantages and disadvantages of both total tax effort plans as outlined in plan 3.

RECOMMENDATIONS

8. Encourage additional study of cost differences among school districts in Oregon.

9. Increase state support for compensatory education programs, occupational education programs, and special education programs.

d. occupational education

Occupational education (which is frequently called career education or vocational education) is becoming an increasingly important part of a basic public school education. Some occupational training is required to satisfy the state's graduation requirements. The federal government has been funding vocational education programs for many years.

Almost all of the money flowing from the state to local school districts for occupational education is federal money for 11th and 12th grade programs. Many districts have extensive occupational education programs which they support with general funds in addition to these federally funded programs. At this time, however, the state does not collect information on the extent or quality of locally supported occupational education programs. Nor is there any information at the state level on occupational training being offered by the IED's, the community colleges, or proprietary schools which may supplement or duplicate programs being offered in the public schools. Before any general state funding of occupational education is begun, information on what is already being offered is required.

The state of Oregon is ahead of most states in developing new curricular approaches for occupational education such as job clusters and career exploration. To implement these approaches, however, the State Department needs, in addition to information on existing programs, better data on what they would cost. Because of the lack of both kinds of information, we cannot recommend a large scale occupational education program be integrated into a basic finance plan. Rather, we support a modest state categorical program (perhaps $1 million) to supplement federal funds and to encourage new ways of implementing the job cluster and career exploration models developed by the State Department. Categorical grants should be given to districts with concentrations of students requiring particular kinds of occupational training, such as agricultural training in the northeastern part of the state, or social service training in Portland. Grants might also be used to develop mobile training facilities in rural areas, career exploration curriculum for grade school children, or

cooperative programs with the community colleges or proprietary schools.

RECOMMENDATIONS

10. Direct State Department of Education to collect information on occupational education programs currently being offered in the public schools, the IED's, community colleges, and proprietary schools.

11. Provide state categorical money ($1 million) as seed money for new programs at the local level.

e. capital outlay

Under the current school finance system in Oregon, local school districts are responsible for the construction and maintenance of their facilities. This means that wealthy districts are able to afford better facilities than poor districts. The Arizona Supreme Court recently declared that state's school finance system unconstitutional because the ability of school districts to finance both operating and capital costs was dependent upon the wealth of the district. As mentioned earlier in this report, we believe that capital outlay should be equalized the same as operating expenditures in a state school finance system.

Besides the equity argument, there are two other reasons for the state to assume some responsibility for capital outlay. First, if the state decides to expand its support for special education programs, early childhood programs, and occupational education programs it will have to consider the facility requirements of those programs as well. Second, substantial efficiencies could be realized by transferring students from schools that are overcrowded to those with excess capacity, or by closing or utilizing half-empty schools for other purposes.

Twenty-seven states currently assist local school districts in building facilities. Before Oregon could take such a step it would have to collect data on the number, adequacy, and safety of school facilities in the state. We believe this committee should support legislation to add a facilities section in the Department of Education and give it funds to conduct a comprehensive school facilities inventory for the state of Oregon. Until such a step is taken, there are several immediate steps that should be considered.

First, we recommend that legislation be introduced which would permit local school districts to use the state's credit rating for local school bond issues. School districts could save between a half and one and a half percent on the interest rates they are now paying. This could save about $600,000 the first year and ultimately $3.5 million annually, assuming $400 million in local indebtedness. Additional savings would be realized from state pooling of the legal, underwriting, printing,

advertising, and other costs of school bond issues. One method of accomplishing such a plan would be for a state bond bank to purchase bonds directly from local school districts. The state bond bank would then sell its own debt obligations to the public and repay them with receipts from the local districts.

Second, we recommend consideration of a state lease purchase plan for school construction and remodeling. Under such a plan, a state school building authority (or other state agency) could issue its own debt obligations up to amounts fixed periodically by the legislature. The state would then approve local applications for school facilities, based on need criteria. The locals would lease the buildings from the state under a lease purchase plan using current revenues. At the end of a specified period, ownership of the building would revert to the school district.

These two plans do not sever the connection between local property wealth and the capacity of a district to fund school facilities. First priority should be given to building a statewide data base for analyzing facility needs. Once this step is taken, the state could sever the connection between local property wealth and the capacity of a district to fund school facilities by either 1) providing categorical grants to equalize the costs of capital outlay, or 2) assuming the full cost of school construction and debt service.

RECOMMENDATIONS

12. Support a comprehensive school facilities inventory for Oregon.

13. Allow local school districts to use the state's credit rating for local school bonds.

14. Investigate a state lease purchase plan for school construction and remodeling.

15. Equalization of school facilities costs in a future state school finance formula.

f. transportation

Oregon's present transportation formula is complex and fails to comply with the legislature's intent to reimburse 60% of costs. Reimbursement is currently closer to 50%. We believe this is too low and suggest the committee recommend increasing reimbursement to 75% of cost. The reason for recommending an increase beyond 60% is that transportation costs do not fall equally on school districts. Sparsely settled areas must use a larger proportion of their budgets for transportation than compact districts. In order to insure equal educational opportunity, therefore, the state should pay all transportation costs above some minimum level. A reimbursement formula in which the state picked up 75% of transportation costs rather than 60% would be more equitable and still provide districts with an incentive to be efficient.

The state formula for depreciation of school buses is also out-of-date and needs to be changed. Buses are much more expensive today than they were when the formula was written and full depreciation requires utilization of the buses long after their usefulness.

RECOMMENDATIONS

16. Increase state reimbursement of transportation costs to 75%.

17. Change state formula for school bus depreciation.

g. public schools and productivity

For the 1973-74 school year, Oregon spent approximately $513 million for the support of public school services. A decade ago, the equivalent figure was less than $208 million. This is an increase of almost 150% in ten years. When these figures are adjusted in order to account for population expansion, school expenditures increase from $493.84 per pupil in 1964 to $1,116.77, an increase of more than 125%. When further adjustments are made to control for inflation, Oregon's per pupil school costs rose almost 155% in the decade involved. Looked at still another way, Oregonians increased their efforts to support schools from 20% of per capita personal income in 1964 to almost 24% in 1974. In short, by any measure, school costs have been rising dramatically. Moreover, present efforts to achieve school finance equity and needed reforms in areas such as vocational education and schooling of the handicapped are likely to increase aggregate school costs even further. Thus it appears that it would be useful for the state to develop a consistent set of policies to encourage increased productivity and efficiency in the public school sector. In that regard, we offer the following ideas for committee deliberation:

WINDFALL GAIN LIMITS

In achieving equity in a state school finance plan, it is almost inevitable that school expenditures in some districts will increase. The concern is that such expenditures be productively employed. Past experience in other states and with federal programs suggests strongly that school districts have difficulty absorbing more than 15% increases in per pupil expenditures in any particular school year. Consequently, the committee should consider such a ceiling to accompany school finance reform in Oregon. (The computer simulation model is equipped to calculate a specified percent of increase and "cut off" new district revenues above that amount.)

ANNUAL EXPENDITURE INCREASES

Oregon presently employs a statutory mechanism to control school expenditures. Any school district proposing a budgeting increase in excess of 6% annually of its tax

base must seek voter approval. This system promotes a costly series of elections in many Oregon districts, fails to take into account the fact that rapid enrollment growth and rising costs have made most districts' tax bases grossly inadequate, and fails to control cost in a district with declining enrollment. Moreover, as demonstrated by the statistics at the beginning of this section, Oregon's system of budget referrals has not succeeded in curtailing overall school costs.

Local voter scrutiny of school budgets strikes us as a valuable concept. However, the present mechanisms appear inadequate for reasons we describe above. Consequently, we suggest the following plan or a variation thereof, for Committee discussion.

School district fiscal controls should be based upon budgeted per pupil expenditure figures, rather than district totals. For example, if a proposed district budget is to exceed a per pupil figure equal to the past year's inflation rate plus 2%, then it would be submitted to the local electorate for approval. (A figure slightly in excess of the annual rate of inflation will probably be needed to keep schools competitive with the private sector for employees.)

IED BUDGET LIMITS

Intermediate Educational District budgets might well be subject to the expenditure controls described above. IED's presently have both an equalizing function and a program or service function. As explained in the section on distribution plans, the IED equalization function, under all three proposed school finance reforms, would be shifted to the state. IED program functions could be limited to the dollar amount necessary to fund actual operating expenses in a base year, plus inflation and an added 2%.

SCHOOL PERSONNEL COSTS

The overwhelming proportion of school costs are attributable to teacher and administrative salaries. For example, in 1973-74 more than 70% of Oregon's total school expenditures went for instructional and administrative personnel.

(Personnel costs in Oregon are relatively high primarily because the statewide pupil to teacher ratio is lower than comparable states, i.e., 19.7 - 1 in 1972. The national average for that year was 20.2. The California average was 22.2; Washington 22.4; and Idaho 23.0.) If fiscal control is to be exerted at all, then attention must be directed to personnel costs. There are at least two avenues for achieving such control.

a. A school district's costs for instructional and administrative salary categories should not be permitted to exceed the same proportion of the base year budget for such categories. If a district believes that there are extenuating circumstances which justify spending a larger proportion of its budget on these categories, it would have to apply to the state education department for an exemption.

b. Alternatively, school districts might not be permitted to reduce teacher/pupil and administrator/pupil ratios to less than the base year state average for such ratios without special permission from the state education department. All districts wherein such ratios were lower than state averages, would be frozen in place.

SCHOOL DISTRICT CONSOLIDATION

In terms of their ability to offer a full program of courses, small secondary schools and small secondary school districts, are inefficient. Consequently, we wish to emphasize that the school district consolidation and reorganization plans described previously contain significant implications for added school productivity.

SCHOOL-BY-SCHOOL ACCOUNTING

Until it is possible to link cost more clearly to school outputs, education will be handicapped significantly in identifying new avenues for increasing productivity. Such a linkage is presently inhibited by the absence of accurate school-by-school expenditure information. Consequently, we believe the committee should consider carefully a recommendation for such accounting procedures in Oregon.

RECOMMENDATIONS

18. Place a limitation on the amount districts can increase revenues per pupil in any one year.

19. Tie overall expenditure limitations to the cost-of-living plus 2% per pupil.

20. Eliminate the IED equalization and limit its expenditure increases to the rate of inflation plus 2% over the past year's actual operating expenses.

21. Impose a limitation on either proportion of operating expenditures used for instruction and administrative salaries, or on reductions of teacher/pupil ratio.

22. Develop a school-by-school accounting system.