

PUBLIC SCHOOL AND COMMUNITY COLLEGE FINANCE IN ARIZONA

A Report to the  
Joint Select Committee on Tax Reform and School Finance  
of the Arizona Legislature

June 1979

Prepared by the  
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## INTRODUCTION

This report presents overviews of public school finance and community college finance in Arizona. The report itself is divided into three distinct sections:

- I. Overview of Public School Finance in Arizona
- II. Financing Capital Outlay
- III. Overview of Community College Finance in Arizona

The separate Financing Capital Outlay section is included in the report because the state presently provides no support for capital outlay. Capital outlay for school buildings is almost completely supported by local tax dollars and therefore, has a significant impact on school district tax rates.

In order to present an overall perspective of the magnitude of state involvement in the support of education the following table is presented.

State of Arizona Summary Chart of General Fund Appropriations For  
Educational Purposes: Fiscal Year 1979-80 Operating Budget (\$720,264,400)

Function	Appropriation	Percent Total Education Appropriation	Percent Total Appropriation*
Department of Education	\$ 5,293,300	0.7%	0.4%
State Aid - Public Schools	470,982,500	65.4	39.5
Deaf and Blind School	4,408,000	0.6	0.4
Community College Board	38,413,600	5.3	3.2
Board of Regents	1,135,600	0.2	0.1
Arizona State University	66,254,100	9.2	5.6
University of Arizona (Main Campus)	82,707,400	11.5	6.9
University of Arizona (Medical School)	13,865,400	1.9	1.2
University of Arizona (Hospital)	8,974,300	1.3	0.7
Northern Arizona University	26,056,900	3.6	2.2
WICHE**	2,112,300	0.3	0.2
Board of Medical Student Loans	61,000	0.0	0.0
<b>Total</b>	<b>\$720,264,400</b>	<b>100.0%</b>	<b>60.4%</b>

\*Total Appropriation from General Fund = \$1,193,350,883

\*\*Western Interstate Commission for Higher Education

As the chart above indicates, 60.4% of the General Fund Appropriations for FY 1979-80 were for educational purposes. Of this 60.4%, 65.4% was for state aid to public schools and 5.3% for state aid to community colleges. In addition to these general fund appropriations, \$67,000,000 in general fund monies was appropriated for the homeowners property tax reduction program which is designed to reduce school district taxes for homeowners.

The following table shows the extent of state involvement in education at the public school level in FY 1977-78. The state provided 41.92% of total revenue and the local districts provided 44.39% of total revenue. However, the state also provided \$40 million through the homeowner property tax reduction program. When these funds are removed as revenue from the local level and placed as revenues coming from the state, the state's contribution increases to 45.96% of total revenue and the local level's share decreases to 40.35% of total revenue.

Sources of Revenue for Arizona Public Schools  
in FY 1977-78

	State	Local	Federal	County*	Total**
Revenue % of Total	\$415,174,451 41.92%	\$439,637,016 44.39%	\$82,753,195 8.36%	\$52,785,899 5.33%	\$990,350,561 100.00%
Revenue with \$40 M Prop- erty Tax Reduction Placed at State % of Total	\$455,174,451 45.96%	\$399,637,016 40.35%	\$82,753,195 8.36%	\$52,785,899 5.33%	\$990,350,561 100.00%

\*Includes \$52,276,191 county levy amount for Teachers Retirement and OASI  
\*\*Total does not include cash balances

The following table indicates the state's involvement with community college financing. In FY 1977-78 the state's portion of revenue was 32.76% and the local district was 44.00%.

Sources of Revenue for Arizona Community Colleges  
in FY 1977-78

	<u>State</u>	<u>Local</u>	<u>Federal*</u>	<u>Tuition</u>	<u>Other</u>	<u>Cash Balance</u>	<u>Total</u>
Revenue	\$35,993,897	\$48,344,218	\$704,704	\$4,107,553	\$4,723,833	\$16,000,742	\$109,874,947
Percent of Total Revenue	32.76%	44.00%	0.64%	3.74%	4.30%	14.56%	100%

\*These federal funds are expended through the current operating budget and in most cases they generate FTSE; however, they do not include all of the federal funds received and expended.

OVERVIEW OF PUBLIC SCHOOL FINANCE IN ARIZONA

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## INTRODUCTION

The Overview of Public School Finance in Arizona provides a foundation for understanding the system of funding public schools in Arizona. The first section of the overview describes each of the current areas of school district expenditures: General Maintenance and Operation (basic education programs), Special Education (Handicapped), Special Projects (State and Federal), Transportation, and Capital Outlay/Debt Service. In addition to the expenditures which are made by a school district, the overview also describes expenditures which are made at the county level for teacher retirement.

The second section of the overview provides a review of the current expenditure and revenue limitations which have been placed upon Arizona school districts.

Section three presents an analysis of the current school finance system for the following areas: General Maintenance and Operation, Special Education (Handicapped), Transportation, Budgeted Capital Outlay, Capital Levy Fund and Debt Service.

Finally, the fourth section of the overview presents a description of alternative methods of financing public schools. Presented in this section are explanations of the basic alternatives for funding education programs.

I. SCHOOL FINANCE -- PRESENT SYSTEM

A. Description of School Budget Areas

Rather than attempting to describe Arizona's school finance system as a whole, this overview discusses each area of a school district's budget separately. Currently, a school district's budget is divided into eight distinct budget areas. The following table presents actual school district expenditures for FY 1977-78 by budget area:

TABLE 1  
Actual School District Expenditures for FY 1977-78  
by Budget Area

BUDGET AREA	FUND	EXPENDITURE	% OF SUBTOTAL	% OF TOTAL
1. General Maintenance and Operation	001	\$583,536,794	64.0%	60.7%
2. Special Education-Handicapped/Gifted	002	63,431,301	7.0	6.6
3. Transportation	004	30,624,815	3.4	3.2
4. Special Projects	100 200,300	54,458,702	6.0	5.7
5. Capital Projects	400			
a. Budgeted Capital Outlay	410	46,126,548	5.1	4.8
b. Capital Levy	420	27,839,571	3.0	2.9
c. Adjacent Ways	430	895,877	0.1	0.1
d. Bond Building	440	(50,546,160)		
e. Other Projects	490	4,686,335	0.5	0.5
6. Debt Service	500	56,321,532	6.2	5.8
7. Enterprise	700	39,830,484	4.4	4.1
8. Other	900	2,513,907	0.3	0.3
SUBTOTAL		\$910,265,866	100.0%	
9. Teacher Retirement and OASI		50,992,867		5.3
TOTAL		\$961,258,733		100.0%

Budget areas 1 through 8 are contained within a school district's budget and most of these will be discussed in the overview which follows. The areas which are not later detailed are: Bond Building, Other Capital Projects, Enterprise, and Other. A brief description of each follows:

Bond Building: This fund is used to account for monies received from school district bond issues. The Debt Service Fund (Fund 500) is used to retire the issued bonds. Therefore, if both funds were viewed as expenditures, double counting would result. The fund which impacts on a district's tax rate is the Debt Service Fund, which is used to retire bond issues. This fund is fully discussed later in the overview.

Other Capital Projects: This fund includes all other Capital Outlay transactions which are not included in the other four Capital Outlay funds. Basically, this fund includes any federal monies received through the 815 program (Facilities Construction Assistance in areas impacted by federal involvement), monies received through the School Facilities Emergency Aid program (state funded for FY 1974-75), and monies received through private grants.

Enterprise Fund: This fund is used to account for the acquisition, operation, and maintenance of school services which are entirely or predominantly self-supporting. Included in this fund are the Food Service, Civic Center, and Community Schools fund.

Other Fund: This fund accounts for funds which are not included in any other funds, such as the Payroll Clearing fund.

Section 9 of Table 1, Teacher Retirement and OASI, is not an area of a school district's budget. However, it is an expense directly associated with a school district and is thus included within the overview. A description is contained later within the overview.

The first budget area which is fully described is General Maintenance and Operation, which comprises a majority of a school district's expenditures.

1. GENERAL MAINTENANCE AND OPERATION

a. Description

As Table 1 indicated, the General Maintenance and Operation budget area comprises a majority of a school district's expenditures (64.0%). This budget area contains all school district expenditures not included in other specific categories. This includes Administration, Instruction, and Operation; or put another way, the basic education program. Specifically, the following expenditure items are included:

- (1) Salaries -- Certified and Classified
- (2) Employee Benefits
- (3) Sick Leave Payments
- (4) Supplies and Materials
- (5) Utilities
- (6) Communications
- (7) Tuition
- (8) Other Expenses
- (9) Utilities Excess Cost
- (10) Lease Over One Year
- (11) Employee Benefits Excess Cost

The General Maintenance and Operation budget area is the only area of the budget which was "equalized" as a result of Senate Bill 1001, which was passed during the First Special Session of the Thirty-First Legislature in 1974. The School Finance Equalization System, established in 1974, is essentially the same school finance system which is in effect today.

b. History: Basic Education Aid

The following section provides a brief history of the state basic aid program which provided funds for the Maintenance and Operation budget area and which was in effect prior to FY 1967-68, and from FY 1967-68 to FY 1974-75. This section also provides a brief description of the current program as it has been in effect since FY 1974-75.

State Basic Aid Prior to FY 1967-68: Aid payments were made per pupil on an Average Daily Attendance (ADA) basis to a possible \$200 per ADA. The state contributed \$170, the county \$10, and in addition the counties also set \$20 per ADA in an equalization fund to be distributed to the poorer districts in the county.

State Basic Aid FY 1967-68 to FY 1974-75: For elementary districts, the state provided \$182.50 per ADA, and the county provided \$17.50 per ADA. In addition, the state provided an additional \$175 per ADA less the amount which could be raised by a \$.10 tax rate in each district whose assessed valuation per ADA was less than the statewide average for all elementary districts. High school districts received \$182.50 per ADA from the state and \$17.50 per ADA from the county. The state provided an additional \$300 per ADA less the amount which could be raised by a \$.10 tax rate in each district whose assessed valuation per ADA was less than the statewide average for all high school districts. Although total state basic aid in FY 1973-74 was approximately \$100,000,000, only \$14,500,000 of this amount was distributed through the equalization formula. State aid for both elementary and high school districts had to be used for the maintenance and operation of the school districts. The last major feature of school finance during this period was the "6% budget limit." Under the statutory provision of the control school districts were authorized to increase the operational budget by an amount calculated each year as a 6% increase over the statewide average budgeted operational expenditures per ADA for the prior year.

State Basic Aid FY 1974-75 to Present: Senate Bill 1001, passed during the First Special Session of the Thirty-First Legislature in 1974, established a school finance system in Arizona similar to the equalization aid system of Minnesota, and was designed to provide more equity among the school districts in the state in the tax efforts per dollar of assessed valuation required to fund local education. The Arizona funding approach starts from an "average" expenditure level per classroom, or started from the actual cost level for districts which were below the average expenditure level per classroom, and then deducts a uniform local tax effort per dollar of assessed valuation to arrive at the level of state aid. The "qualifying tax rate" or uniform local effort is \$1.30 per \$100 of assessed valuation.

c. Present School Finance System: Definitions

As the preceeding history indicated, the school finance system which was in effect prior to the current finance system basically provided a fixed dollar amount per student on an average daily attendance basis with a small amount of equalization aid.

The present school finance system in Arizona is an equalization aid system and is designed to provide more equity among the school districts in the state in the tax efforts per dollar of assessed valuation required to fund local education. The Arizona funding approach starts from an "average" expenditure level per classroom and then deducts a uniform local tax effort per dollar of assessed valuation to arrive at state aid. The "qualifying tax rate" or uniform local effort is \$1.30 per \$100 of assessed valuation.

The following sections define the three key terms which must be understood in order to understand the Arizona school finance system.

The State Basic Support Level: The state Basic Support Level (BSL) is the level of funding which the state guarantees to school districts before applying the uniform local tax rate of \$1.30 per \$100 to the districts' assessed valuations. In FY 1978-79, the support level is \$1,044.90 per elementary student and \$1,423.59 per high school student. The FY 1979-80 BSL will be 7% higher than the 1978-79 level. The Legislature had until March 1, 1979 to prescribe a different growth rate for FY 1979-80. As the Legislature failed to provide a growth rate for the upcoming school year, the growth rate from the current year (7%) is used to adjust the BSL. The Basic Support Level was prescribed in statute for FY 1973-74 and has grown at 7% per year since that time. The following table illustrates the BSL per elementary and high school ADM.

TABLE 2

State Basic Support Level per ADM  
for Elementary and High Schools

YEAR	ELEMENTARY BSL per ADM	HIGH SCHOOL BSL per ADM
1973-74	\$ 745.00	\$1,015.00
1974-75	797.15	1,086.05
1975-76	852.95	1,162.07
1976-77	912.66	1,243.42
1977-78	976.54	1,330.46
1978-79	1,044.90	1,423.59
1979-80	1,118.04	1,523.24

The Budget Cost Level: In FY 1973-74, a Budget Cost Level (BCL) was determined for each district. The BCL is based on the revenue collections of a district in FY 1973-74 which roughly corresponded to expenditures in most school districts. The BCL has grown each year by the same dollar amount which the state BSL has grown, except when a district's budget cost level was below the state BSL. (This aspect of the current equalization aid system is discussed later in this section.) The BCL is determined separately for common school districts and high school districts. The BCL was used in the determination of state aid from FY 1974-75 through FY 1977-78. It also forms the basis for the General Maintenance and Operation budget control imposed on school districts.

Qualifying Tax Rate: The Qualifying Tax Rate is the uniform local tax effort per dollar of assessed valuation required of a school district before it receives any state basic aid. The Qualifying Tax Rate is used only for computational purposes in the determination of a district's entitlement to state basic aid and is \$1.30 per \$100 assessed valuation from common and high schools and \$2.60 per \$100 assessed valuation for unified schools. The qualifying tax rate is only used to compute the entitlement to state aid, and the actual levy for a school district in a given year may be less than the qualifying tax rate due to the fact that cash balances may be available to individual school districts or an individual school district may choose to spend below the allowable level.

d. Calculation of State Basic Aid

State aid is calculated separately for common and high school districts; and the elementary and high school components of unified school districts are also calculated separately. The first step in the calculation is to multiply the Basic Support Level per ADM by the ADM of the district or multiply the state Basic Support Level by the number of state supported classrooms (a state supported classroom is defined as 24 ADM for high school and 26 ADM for elementary.)

The second step is to subtract the amount which would be raised by applying the \$1.30 qualifying tax rate to the district's assessed valuation. The result is the district's entitlement to state basic aid. If the calculated levy amount is in excess of the Basic Support Level, then the school district is not entitled to receive state aid. Thus, a district with low assessed valuation will receive more state aid than a district with high assessed valuation even though the districts are in all other respects the same.

Examples of the Calculation of State Basic Aid

The following information is given for two hypothetical common school districts.

District A

Assessed Valuation (A.V.) = \$20,000,000

Qualifying Tax Levy = \$1.30 per \$100 A.V.  
( $\$1.30 \times \frac{20,000,000}{100}$ ) = 260,000

Basic Support Level, 1978-79, per ADM = 1,044.90

District B

Assessed Valuation (A.V.) = \$5,000,000

Qualifying Tax Levy = \$1.30 per \$100 A.V.  
( $\$1.30 \times \frac{5,000,000}{100}$ ) = 65,000

Basic Support Level, 1978-79 per ADM = 1,044.90

District A has more assessed valuation than District B. Districts A and B each have 520 students.

The first step in the calculation of state aid is to determine the state Basic Support Level for each district. This is done by multiplying the Basic Support Level per ADM for the budget year by the ADM in each district.

District A

$\$1,044.90 \times 520 = \$543,348$

District B

$\$1,044.90 \times 520 = \$543,348$

These amounts are the districts' Basic Support Levels for FY 1978-79.

The second step is to subtract the amount which would be raised by applying the qualifying tax rate to the school districts' assessed valuations from the districts' Basic Support Levels. The result is each district's entitlement to state basic aid.

District A

$BSL - (QTR) \frac{(AV)}{(100)} = \text{State Aid}$

$\$543,348 - \$260,000 = \$283,348$

District B

$$\text{BSL} - (\text{QTR}) \frac{(\text{AV})}{(100)} = \text{State Aid}$$

$$\$543,348 - \$65,000 = \$478,348$$

District A's entitlement to state basic aid is \$283,348 and District B's entitlement to state basic aid is \$478,348, even though they serve the same number of students. The only reason for this difference is the extreme difference in the assessed valuations of the districts. However, if both districts chose to spend at the Basic Support Level, both would only have to levy a tax rate of \$1.30. The following example shows the impact of the equalization effect of the current state aid formula on a per pupil basis.

Chart 1

Impact of the Equalization Effect  
of the Current State Aid Formula

	School District A	School District B
Support Level per ADM	\$1,044.90	\$1,044.90
State Aid per ADM	\$ 544.90	\$ 919.90
Local Levy per ADM	\$ 500.00	\$ 125.00
Tax Rate Necessary to Provide Expenditure Level Equal to the Support Level	\$ 1.30	\$ 1.30

As this example shows, the amount of state aid per pupil can vary based upon the relative wealth of a school district. However, with an equal tax effort (\$1.30) both School District A and School District B will be able to expend \$1,044.90 on each of their students.

e. Budget Limit

The General Maintenance and Operation (M&O) budget area is controlled by the "7% limitation". The 7% limit applies to only part of the budget area. Excluded from the budget limit are Utilities Excess Cost, Lease Over One Year, and Employee Benefits Excess Cost.

The 7% limit not only limits the General M&O budget area, but also limits the annual growth of the Basic Support Level (BSL) which is a crucial part of the state funding mechanism. The limiting effect of the 7% growth rate comes from the fact that a district's Budget Cost Level (BCL), which controls the district's budget limit, is allowed to increase each year by the dollar amount of growth in the BSL.

For example, the BSL for elementary school districts increased from \$25,390.12 in FY 1977-78 to \$27,167.43 in FY 1978-79, an increase of 7%. The dollar amount of increase was \$1,777.31. Assume that a district had a BCL, or budget limit, of \$28,020 in FY 1977-78. In FY 1978-79, the district's BCL, or budget limit, would be determined by adding the dollar amount of increase in the BSL for the two years (\$1,777.31) to the district's FY 1977-78 BCL (\$28,020). The resulting FY 1978-79 BCL, or budget limit, would thus be \$29,797.31. The BCL for the district thus grew from \$28,020 in FY 1977-78 to \$29,797.31 in FY 1978-79. The percentage was 6%, not 7%.

Thus, for school districts with BCL's greater than the BSL, the M&O budgets are limited to less than 7% growth on a classroom or ADM basis. The 7% limit applies directly to the BSL and not the BCL. The dollar amount of increase in the BSL is added to the BCL. The total dollar limit may increase or decrease depending on the number of ADM and, in turn, the number of classrooms; but on a per classroom or per ADM basis the limit will increase at a maximum of 7%. This mechanism is aimed at equalizing the expenditures per classroom or per ADM statewide, regardless of a district's wealth by slowing down "high spending" districts' overtime. However, a district may still exceed the state imposed budget limit increase through a budget override election.

The following charts illustrate the equalization effect of the 7% budget limit and the effect that budget overrides have upon it.

Chart 2 depicts the growth in the Basic Support Level for an elementary state supported classroom. The BSL for an elementary classroom was set at \$19,370 in FY 1973-74. In FY 1974-75 the BSL grew by 7% to \$20,726 ( $\$19,370 \times 0.07 = \$1,356$ ;  $\$19,370 + \$1,356 = \$20,726$ ). As the growth rate has remained at 7%, this process is continued through FY 1978-79, as shown in Chart 2.

Chart 3 illustrates the budget limit of an elementary classroom in District A which had a BCL in FY 1973-74 of \$22,000. The BCL for the classroom was in excess of the Basic Support Level in FY 1973-74. As stated previously, the BCL grows each year by the dollar amount of growth in the BCL (Chart 2 presents the dollar amounts of growth). Thus, in FY 1974-75, the BCL, or budget limit, for the elementary classroom was \$23,356. This was determined by adding:

FY 1973-74 BCL	\$22,000
- Dollar Growth in BSL	1,356
<u>FY 1974-75 BCL</u>	<u>\$23,356</u>

As shown in Chart 3, the BCL for the elementary classroom grew only 6%. This addition procedure is continued through FY 1978-79 as shown in Chart 3, with the result that the BCL grew at 6% per year.

Chart 4 illustrates the budget limit of an elementary classroom in District B which had a BCL in FY 1973-74 of \$15,000. The BCL for this classroom was less than the Basic Support Level in FY 1973-74.

For districts which had a BCL less than the Basic Support Level in FY 1973-74, a five-year Special Budget Increase was allowed. This was an integral part of the equalization aspect of the Special Budget Increase, by the end of the five-year period (FY 1978-79), no school district has a Budget Cost Level below the Basic Support Level.

Mechanically, as illustrated on Chart 4, the five-year Special Budget Increase operated as follows:

The BCL in FY 1973-74 for the classroom was \$15,000, and to arrive at the FY 1974-75 BCL for the classroom, four steps were required.

1. The dollar amount of increase in the BSL was added to the FY 1973-74 BCL ( $\$15,000 + \$1,356 = \$16,356$ ).
2. The resulting amount was compared to the FY 1974-75 BSL to determine the difference ( $\$20,726 - \$16,356 = \$4,370$ ). Thus, the BCL was still less than the state BSL by \$4,370.
3. The difference was divided by the number of years remaining in the five-year period (FY 1974-75 = 5 years; FY 1975-76 = 4 years; FY 1976-77 = 3 years; FY 1977-78 = 2 years; FY 1978-79 = 1 year). As FY 1974-75 was the first year the system was in operation, the difference was divided by five as there were five years remaining ( $\$4,370 \div 5 = \$874$ ).
4. The amount computed in step c was added to the amount computed in step a (the dollar amount of growth in the BSL added to FY 1973-74 BCL equaling \$16,356) to arrive at the BCL of the classroom in FY 1974-75:

$$\begin{array}{r} \$16,356 \\ + \quad 874 \\ \hline \$17,230 \end{array}$$

Chart 4 shows the procedure for all five years for which the Special Budget Increase was in effect. From FY 1973-74 to FY 1974-75, the BCL grew 15%; from FY 1974-75 to FY 1975-76, the BCL grew 13%; and this growth pattern continued until FY 1978-79, when the BCL was equal to the BSL.

Chart 5 combines the information presented on the three preceding charts. It illustrates two hypothetical elementary school classrooms in District A and District B and begins with the elementary BSL in FY 1973-74 and shows the BSL increasing at 7% per year (Chart 2). District A had a BCL greater than the BSL while District B had a BCL lesser than the BSL. In order to equalize the allowable expenditure levels between the two districts around the BSL, it was necessary to hold District A's allowable expenditure level down, while at the same time allowing District B's allowable expenditure level to increase. As discussed previously, District A's allowable expenditure level was limited by the dollar amount of growth in the BSL (Chart 3). District B's allowable expenditure level was "brought up" to the BSL through a Special Budget Increase, or "five-year catch-up program" (Chart 4).

## CHART 2

### Growth in the Basic Support Level for an Elementary Classroom

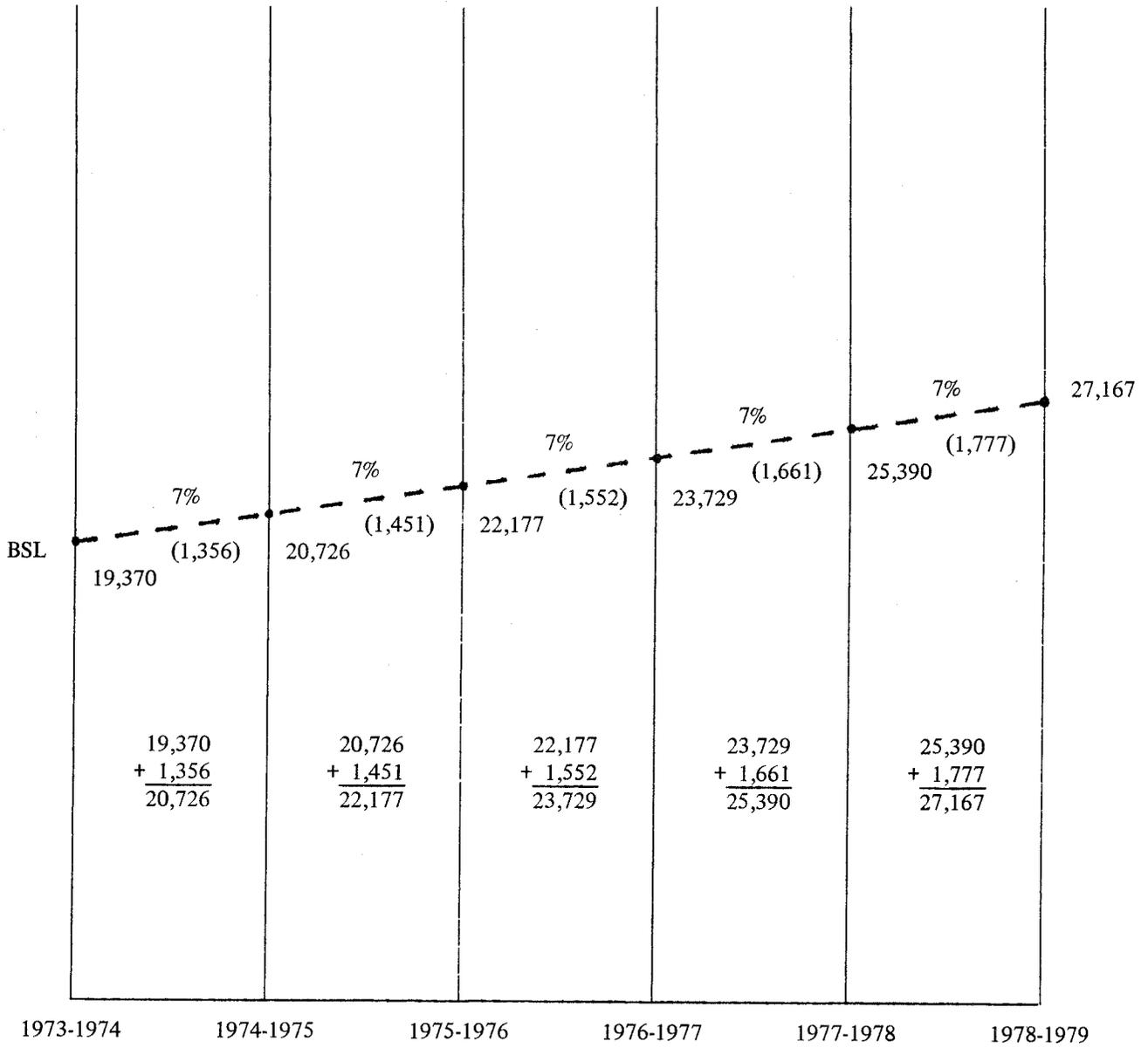


CHART 3

Growth in the Budget Cost Level (Budget Limit) for an Elementary Classroom whose BCL was in *Excess* of the Basic Support Level

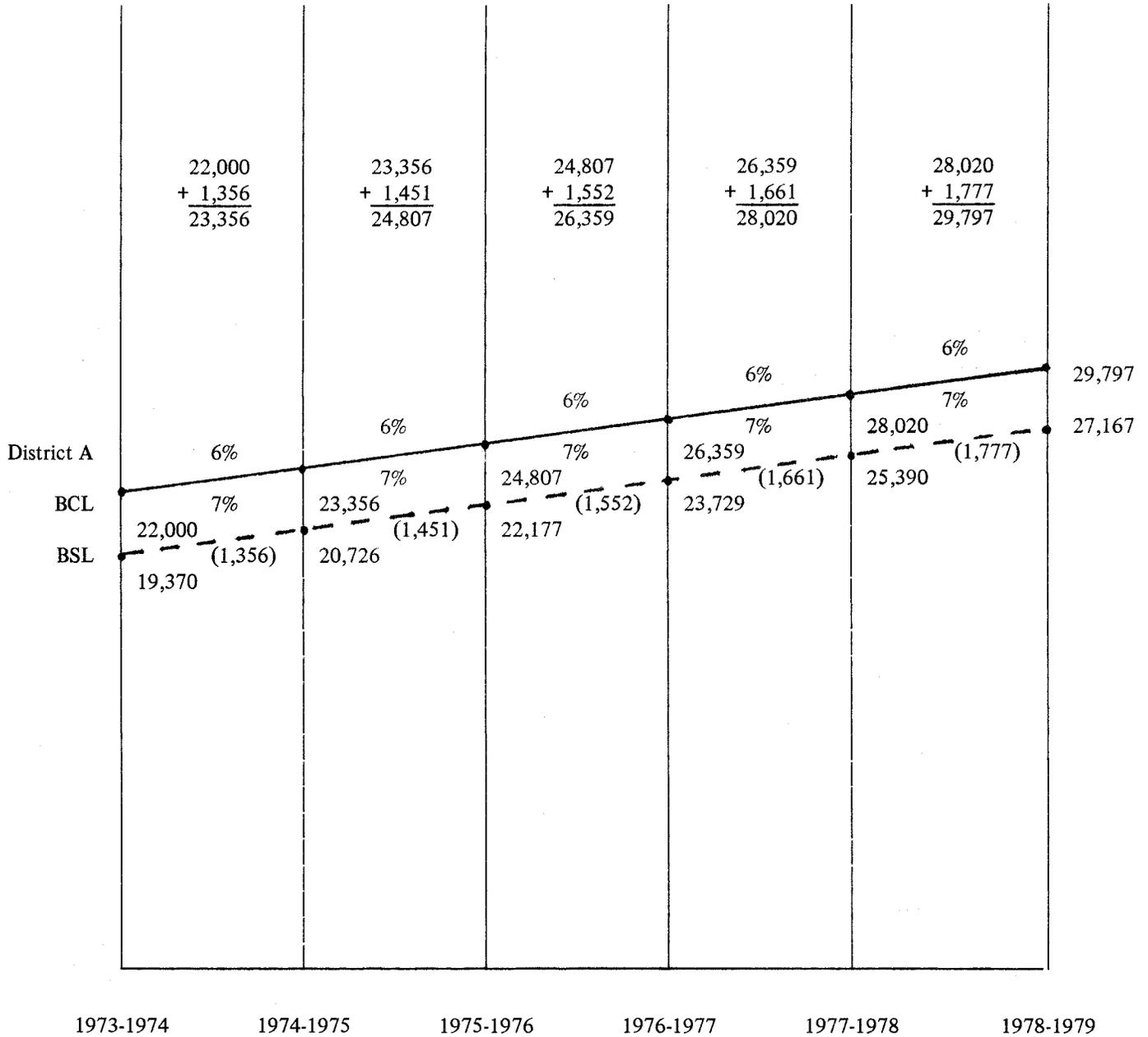
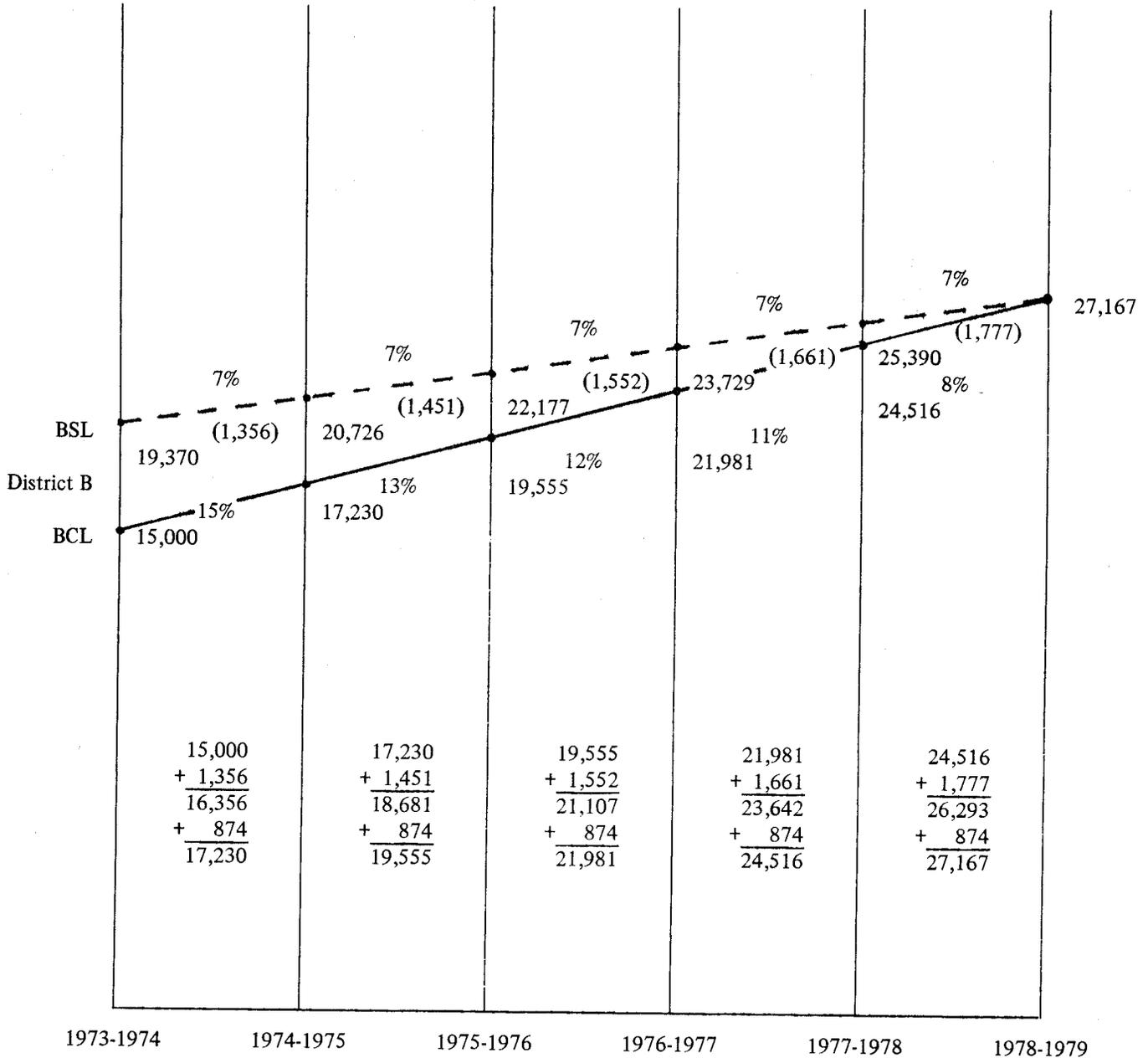


CHART 4

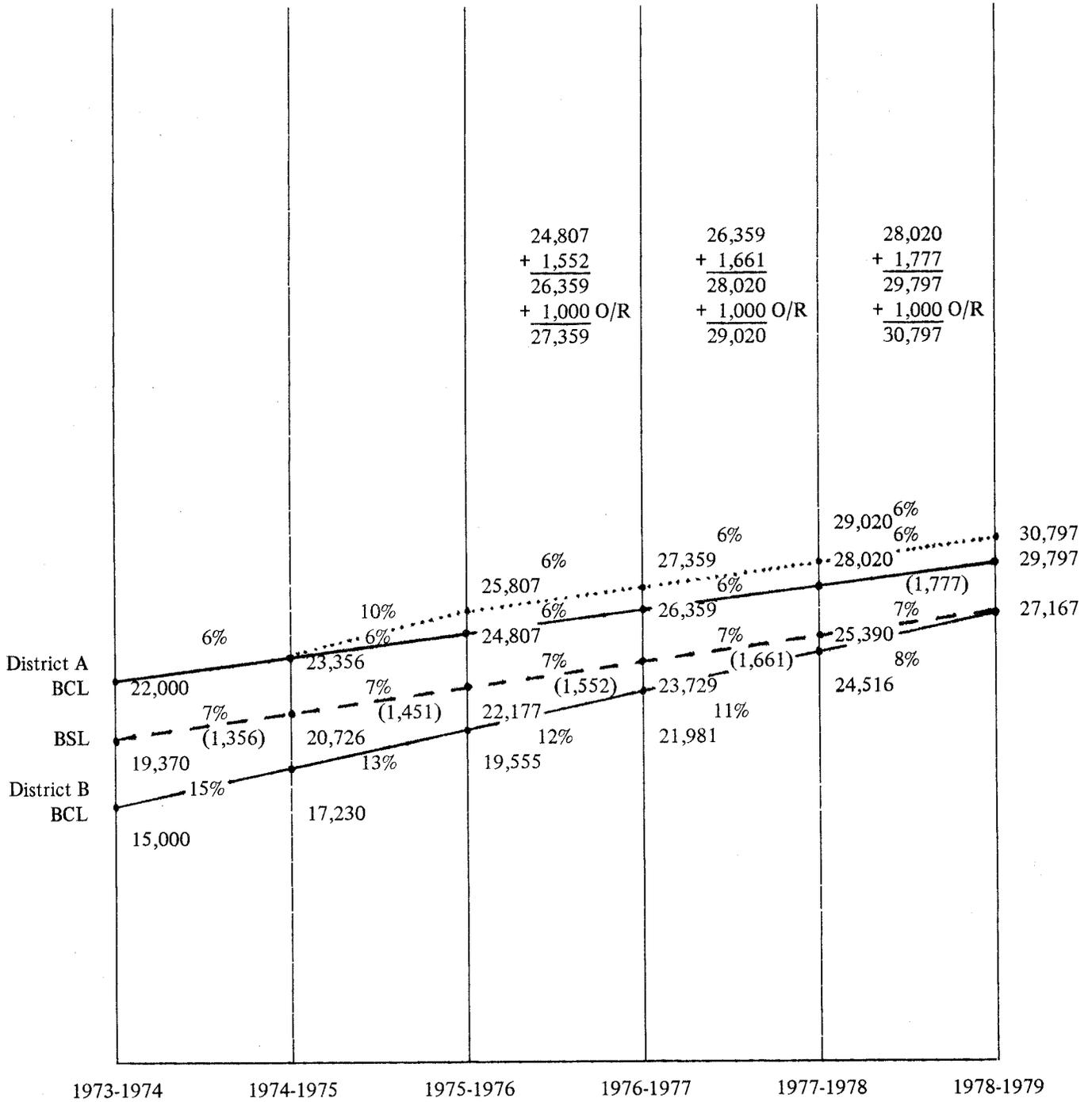
Growth in the Budget Cost Level (Budget Limit) for an Elementary Classroom whose BCL was *Less* than the Basic Support Level



Special Budget Increase	20,726	22,177	23,729	25,390	27,167
	- 16,356	- 18,681	- 21,107	- 23,642	- 26,293
	<u>4,370</u>	<u>3,496</u>	<u>2,662</u>	<u>1,748</u>	<u>874</u>
	4,370 ÷ 5 = 874	3,496 ÷ 4 = 874	2,662 ÷ 3 = 874	1,748 ÷ 2 = 874	874 ÷ 1 = 874

### CHART 5

#### 7% Budget Limit and the Effect of Overrides



To illustrate the equalization effect, in FY 1973-74, District A's BCL was approximately 47% greater than District B's. In FY 1978-79, the difference is only 10%, not taking into consideration the budget override amount which is shown on Chart 5. The dotted line on the chart illustrates the effect that a \$1,000 budget override by District A had upon equalization. The \$1,000 override is simply added to District A's BCL each year with no growth allowed in the amount. Thus, with the override included, in FY 1978-79 District A's allowable budget limit was 13% greater than District B's. The override produces a disequalization effect with the result that the allowable expenditure levels of the two districts differed by 13% instead of the 10% which would have occurred had the override not taken place.

f. Budget Override Elections

Budget override elections have been held since FY 1975-76. A budget override allows a district to exceed the statutorily imposed budget limit. All the override elections which have passed to date were for districts to exceed the General Maintenance and Operation budget area budget limit (the "7%" limit).

The following two tables present districts which have had override elections. Table 3 shows the total amount of the overrides for each district from FY 1975-76 (the first year they were allowed) to FY 1978-79. The second column shows the tax rate equivalent for the total override amounts based on the FY 1978-79 assessed valuation of the district. The average override tax rate equivalent is \$0.70.

TABLE 3

Total Override Amounts from FY 1975-76 through FY 1978-79 by District;  
 Tax Rate Equivalent of Override Amounts in FY 1978-79;  
 FY 1979-80 Override Amounts by District;  
 Total Override Amounts from FY 1975-76 through FY 1979-80 by District

County - District	FY 1975-76 through FY 1978-79 Override Amts.	Tax Rate Equivalent FY 1978-79	FY 1979-80 Override Amounts	Total Overrides FY 1975-76 through FY 1979-80
<u>Apache</u>				
<u>Cochise</u>				
Willcox Unif. #13	\$ 80,000	\$0.4068	\$ -0-	\$ 80,000
Douglas Unif. #27	273,272	0.8655	-0-	273,272
<u>Coconino</u>				
Flagstaff Unif. #1	474,420	0.3485	-0-	474,420
Williams Unif. #2	64,130	0.2068	123,558	187,688
Grand Canyon Unif. #4	99,865	1.7494	-0-	99,865
Fredonia/Moccasin Unif. #6	100,000	1.7770	-0-	100,000
Page Unif. #8	937,617	0.6566	-0-	937,617

<u>County-District</u>	<u>FY 1975-76 through FY 1978-79 Override Amts.</u>	<u>Tax Rate Equivalent FY 1978-79</u>	<u>FY 1979-80 Override Amounts</u>	<u>Total Overrides FY 1975-76 through FY 1979-80</u>
<u>Gila</u>				
Hayden/Winkelman Unif. #41	\$ -0-	\$ -0-	\$ 285,219	\$ 285,219
<u>Graham</u>				
<u>Greenlee</u>				
Clifton Unif. #3	173,587	2.3299	-0-	173,587
Morenci Unif. #18	161,712	0.1210	225,800	387,512
<u>Maricopa</u>				
Phoenix El. #1	1,334,846	0.5241	-0-	1,334,846
Riverside El. #2	30,000	0.0504	-0-	30,000
Tempe El. #3	1,274,323	0.5260	-0-	1,274,323
Isaac El. #5	522,281	1.0622	-0-	522,281
Washington El. #6	1,892,000	0.5735	-0-	1,892,000
Wilson El. #7	-0-	-0-	432,300	432,300
Osborn El. #8	250,000	0.1742	-0-	250,000
Creighton El. #14	594,875	0.5538	-0-	594,875
Murphy El. #21	279,032	1.0019	-0-	279,032
Balsz El. #31	575,354	0.8955	-0-	575,354
Buckeye El. #33	76,401	0.6330	-0-	76,401
Madison El. #38	451,239	0.2832	-0-	451,239
Glendale El. #40	845,000	0.9920	-0-	845,000
Avondale El. #44	155,368	0.8742	-0-	155,368
Palo Verde El. #49	26,000	0.7993	-0-	26,000
Union El. #62	5,969	0.7517	-0-	5,969
Roosevelt El. #66	531,609	0.9498	-0-	531,609
Alhambra El. #68	1,060,000	0.8273	-0-	1,060,000
Chandler Unif. #80	437,496	0.8291	-0-	437,496
Cartwright El. #83	584,544	0.7376	-0-	584,544
Buckeye UHS #1	139,000	0.3961	-0-	139,000
Gila Bend Unif. #24	78,605	1.3486	-0-	78,605
<u>Mohave</u>				
Topock El. #12	30,475	0.7375	-0-	30,475
Lake Havasu El. #25	75,000	0.1063	-0-	75,000
<u>Navajo</u>				
Snowflake Unif. #5	293,377	0.7568	-0-	293,377
<u>Pima</u>				
Flowing Wells Unif. #8	399,967	1.0010	-0-	399,967
Amphitheater Unif. #10	350,000	0.2930	-0-	350,000
Ajo Unif. #15	173,879	0.5273	-0-	173,879

<u>County-District</u>	<u>FY 1975-76 through FY 1978-79 Override Amts.</u>	<u>Tax Rate Equivalent FY 1978-79</u>	<u>FY 1979-80 Override Amounts</u>	<u>Total Overrides FY 1975-76 through FY 1979-80</u>
<u>Pinal</u>				
Casa Grande El. #4	\$ 169,996	\$0.2938	\$ -0-	\$ 169,996
Red Rock El. #5	24,738	0.1156	-0-	24,738
Picacho El. #33	30,000	0.6705	-0-	30,000
Ray Unif. #3	-0-	-0-	163,123	163,123
M/SM Unif. #8	600,000	0.9045	-0-	600,000
Superior Unif. #15	569,527	2.8339	-0-	569,527
<u>Santa Cruz</u>				
Sonoita El. #25	300	0.0124	-0-	300
<u>Yavapai</u>				
Bagdad Unif. #20	107,945	0.2940	230,000	337,945
Ash Fork Unif. #31	61,261	0.6759	-0-	61,261
*Seligman Unif. #40	125,146	0.7948	-0-	125,146
<u>Yuma</u>				
Yuma El. #1	779,029	0.7642	-0-	779,029
Quartzsite El. #4	42,500	0.6340	-0-	42,500
Hyder El. #16	21,600	0.4693	-0-	21,600
Mohawk Valley El. #17	55,000	0.6004	-0-	55,000
Wenden El. #19	14,634	0.2559	-0-	14,634
Wellton El. #24	62,000	0.9273	-0-	62,000
<u>TOTAL</u>	<u>\$17,494,919</u>		<u>\$1,460,000</u>	<u>\$18,954,919</u>

Average Override Tax  
Rate Equivalent \$0.7000

\*Total Election Amount = \$150,671.08; of the total \$125,146.08 was for the override and \$25,525.00 was for a judgement.

Table 4 indicates the districts which have held override elections which have failed. The table also indicates whether or not the district has ever had an override pass. Since FY 1975-76, 102 override elections have been held of which 27 have failed. The 75 which have passed have allowed districts to exceed their statutorily imposed budget limits by \$18,954,919.

TABLE 4

## Districts Which Had Override Elections Which Failed

(P indicates that the district has had an override pass)

County-District	FY 1975-76	FY 1976-77	FY 1977-78	FY 1978-79	FY 1979-80	
<u>Apache</u>						
<u>Cochise</u>						
<u>Coconino</u>						
<u>Gila</u>						
<u>Graham</u>						
<u>Greenlee</u>						
<u>Maricopa</u>						
Phoenix El. #1	P	P		F		F
Tempe El. #3	P	P		F		
Isaac El. #5	P			F		
Washington El. #6	P		F			
Madison #38	P					F
Glendale El. #40	P	P		F		
Roosevelt El. #66	F	P				
Alhambra El. #68	P	P		F		F
Scottsdale Unif. #48				F		
<u>Mohave</u>						
Lake Havasu El. #25			F	P		
<u>Navajo</u>						
<u>Pima</u>						
Tucson Unif. #1	F		F			
Flowing Wells Unif. #8		P		F		
Amphitheater Unif. #10		P				F
Sunnyside Unif. #12			F			
Ajo Unif. #15	P		F			F
<u>Pinal</u>						
Eloy El. #1				F		
Toltec El. #22				F		
Stanfield El. #25				F		
<u>Santa Cruz</u>						
Santa Cruz El. #28	F					
<u>Yavapai</u>						
Prescott Unif. #1	F					
<u>Yuma</u>						
Quartzsite El. #4		F	P			
						<b>TOTAL</b>
Total Overrides Held	33	26	17	15	11	102
Passed	27	25	12	5	6	75
Failed	6*	1	5	10	5	27

\*Tucson Unif. #1 and Prescott Unif. #1 were not unified in FY 1975-76 and held separate elections for elementary and high school.

g. Homeowner Property Tax Reduction Program

Table 5 illustrates the appropriations made for the property tax reduction program.

TABLE 5

Appropriations for the Property Tax Reduction Program

	25%	FORMULA BASED UPON				PRESENT	FORMULA
	REDUCTION FORMULA	SCHOOL FINANCE SYSTEM				1978	1979
	1973	1974	1975	1976	1977	1978	1979
Total Appropriation	\$42M	\$40M	\$39.0M	\$35M	\$40M	\$57.5M	\$95.0M
Secured Property		38M	36.3M	33M	38M	55.0M	90.0M
Unsecured Property		2M	2.0M	2M	2M	2.5M	5.0M
Special Reduction			0.7M			1.1M*	1.5M*

\*Less revenue from unorganized territory (estimate)

1973: The homeowner property tax reduction program originated in 1973 as the legislative response to significantly increased property valuations due to the initiation of the Mass Appraisal System (MAS). In 1973, all tax rates (counties, cities, school districts, etc.) were simply reduced by 25%.

1974-1977: The First Special Session of the Thirty-First Legislature (1973-74), the school refinancing session, placed a new property tax reduction formula into law. The new formula was tied to the new method of school finance and was limited to residential property contained in organized school districts. The property tax reduction formula, if it were funded at full computed entitlements, was designed to reduce a school district's tax rate for general maintenance and operation purposes to \$0.10. Although substantial funds were appropriated for the program, the program was never funded at the full computed entitlement.

When the appropriation level was less than the computed entitlement to property tax reduction, each school district's entitlement was uniformly reduced until the appropriations for property tax reduction were equal to the scaled back entitlements. For example, in 1976 the total appropriation for secured property tax reduction was \$33 million, of which \$250,000 was held and then dispensed for adjustments (errors in the originally computed entitlements). Thus, initially there was \$32.75 million available for secured property tax reduction. The entitlements falling out of the statutory formula for secured property tax reduction, on the other hand, were in excess of

\$50 million. Consequently, all entitlements were reduced by approximately 35% to reduce total secured property tax reduction to \$32.75 million. In 1977, there as \$37.75 million available for secured property tax reduction. However, computed entitlements were in excess of \$55 million and so all entitlements were uniformly reduced by approximately 31.5% to reduce total secured property tax reduction to \$37.75 million.

The property tax reduction program was keyed to a district's BCL, BSL, and in turn a school district's state basic aid entitlement. As previously mentioned, the reduction program was designed to reduce the district's tax rate for general maintenance and operation purposes to \$0.10. As long as a district's BCL was not more than 30% greater than the BSL, the district's general M&O tax rate was to be reduced to \$0.10, if the program had been fully funded. The basic steps which were taken to determine the reduction rate of a district were as follows:

- (1) Determine if the BCL was less than the BSL multiplied by 1.3 (30% higher). If it was less, the BCL was used. If the BCL was more than 30% higher than the BSL, it was limited to the 30% higher amount. All taxes attributed to the amount above 30% were not eligible for reduction.
- (2) State aid entitlement was subtracted from the BCL or "limited" BCL determined in (1).
- (3) The district tax rate needed to fund the result determined in (2) was computed.
- (4) \$0.10 was subtracted from the tax rate determined in (3) and the result was a district's property tax reduction rate.

In effect, the property tax reduction program was designed to reduce a district's tax rate for general maintenance and operation purposes to \$0.10 provided that the district's BCL was not more than 30% greater than the BSL. If a district's BCL was 30% greater than the BSL, the district received no reduction for the tax rate necessary to raise the amount in excess of the 30% limit.

Thus, the property tax reduction program was keyed directly to the state's school finance system and most specifically to the Budget Cost Level. Therefore, in order for the property tax reduction program to function as it was designed to, the Budget Cost Level had to be a meaningful term.

Analysis of the Property Tax Reduction Program in 1974 through 1977.  
As stated in the description of the Budget Cost Level, the term refers to the revenue a district received from state and local sources for maintenance and operation in FY 1973-74. So, in the base year, FY 1973-74, the term BCL included state and local revenue received for everything but special projects, transportation, capital projects, and debt service.

However, in FY 1973-74 some districts had large cash balances which were included as revenues and thus the districts' BCL's were inflated relative to their actual expenditure levels. Because of the inflated BCL's, some districts had their entire district tax rate reduced to \$0.10 through the tax reduction formula. This was because both the state basic aid entitlement and the property tax reduction program were keyed to the inflated BCL. For example, in FY 1973-74 a district may have actually needed \$19,370 (the BSL) to operate a classroom. However, when cash balances were included in the computation of the district's BCL, the district may have arrived at a BCL of \$22,000. The tax reduction program was locked into this \$22,000 figure.

A hypothetical school district will be used to illustrate the impact using the district's actual BCL and assuming that the district's actual needed revenue to support a classroom is the same as the state Basic Support Level. The key thing to remember is that both state aid and the property tax reduction program were based on the assumption that the BCL was an accurate reflection of spending and that districts were actually spending to this limit. The example is for FY 1977-78, the last year which the program was strictly tied to school finance data.

COMPUTED WITH BCL

COMPUTED WITH ACTUAL EXPENDITURE LEVEL

(1)  $\frac{\text{BCL } \$28,020}{\text{BSL } \$25,390} = 1.1$

$\frac{\text{EXP } \$25,390}{\text{BSL } \$25,390} = 1.0$

(2) \$25,390 BSL  
 - 13,000\*  
 \$12,390 State Aid

\$25,390 BSL  
 - 13,000\*  
 \$12,390 State Aid

(3) \$28,020 BCL  
 - 12,390 State Aid  
 \$15,630 Amount of Local Levy

\$25,390 Actual Expenditure Level  
 - 12,390 State Aid  
 \$13,000 Amount of Local Levy

(4)  $\frac{\$15,630}{\$1,000,000 + 100} = \$1.5630 \text{ tax rate}$

$\frac{\$13,000}{\$1,000,000 + 100} = \$1.3000 \text{ tax rate}$

(5) \$1.5630  
 - 0.1000  
 \$1.4630 Tax Reduction

\$1.3000  
 - 0.1000  
 \$1.2000 Tax Reduction

$\frac{*1,000,000 \text{ A.V.}}{100} \times 1.30 = \text{amount raised by qualifying tax rate}$

Thus, because of the method of computation in the base year of the district's BCL, the district was receiving more property tax reduction than the district would have if actual expenditures were used as a basis for computation.

Once again, both programs, school finance and property tax reductions, assume that districts are actually budgeting and spending at the Budget Cost Level. For districts which had a Budget Cost Level less than the Basic Support Level, which did not spend to their computed BCL, the "excess" state aid received by the district tended to keep the district's tax rates lower than if they had budgeted and spent to the maximum. This may have been desirable in that it rewarded a district which could operate a program without spending to the maximum allowed. For all districts which spent below their BCL's (whether the BCL was above or below the Basic Support Level) the property tax reduction amount was overstated as compared to actual spending, because the reduction program assumed that the districts were spending to their BCL's.

1978: The homeowner property tax reduction program was modified for 1978. In 1978 the program was funded at a level in excess of computed entitlements. The computed entitlement rates were increased by approximately 6%. The program continues to reduce a homeowner's school district tax bill, but is no longer directly tied to school finance data. The program provided that a homeowner would receive a reduction at the greater of the two following rates:

1. 1977 School Tax Rate (elementary and high school rates added) less overrides x 0.35
2. 1977 Reduction Rate (elementary and high school rates added) x 1.156

The program was expanded to cover homeowners living outside of organized school districts. In the past, these homeowners paid an "in lieu" school tax rate of \$1.30, but were not eligible for the property tax reduction program. In 1978, these homeowners had the "in lieu" school tax rate reduced by approximately \$1.00.

In 1978, school district taxes and the "in lieu" school tax are levied against an adjusted assessed valuation determined by dividing the actual assessed valuation by 1.05. The reduction rates were applied to the actual assessed valuation. Because of this, the school district tax rate and the reduction rate are not directly comparable as they are applied to different valuations. A comparable reduction rate to the school district tax rate can be computed. For example, the homeowner who pays the "in lieu" school tax rate of \$1.30 will have a comparable reduction rate of \$1.05.

1979: The homeowner property tax reduction program was continued based upon the same rates as determined in 1978. The program continued to cover homeowners living outside of organized school districts. In addition sufficient funds were once again appropriated to ensure that the entitlement rates computed in 1978 would be uniformly increased in 1979.

## 2. SPECIAL EDUCATION: HANDICAPPED

### a. Description

The Special Education budget area provides for the funds which are used by school districts to operate special education programs for all eligible handicapped and gifted students. (Because a different funding mechanism is used for gifted students, the gifted program will be discussed in Section C. Other State Education Programs.) This budget area covers only the extra or additional costs for special education. The expenditure items included within this budget area are the same as those contained in the General Maintenance and Operation budget area; i.e., salaries, benefits, supplies and materials, etc. Capital Outlay and transportation costs for handicapped and gifted students are not included in this budget area.

### b. Legislative History

Special education in Arizona public schools began in 1929, when the Arizona School for the Deaf and Blind was established. In 1961 legislation was passed creating a Division of Special Education in the Department of Education and providing additional funds per average daily attendance for each physically handicapped, educable retarded, and emotionally disturbed student. In 1971, funding was provided for the gifted, and in 1972 legislation was passed to include children with specific learning disabilities. On May 14, 1973, a law was passed which mandated that all school districts provide special education programs for the handicapped. This mandate was to, and did, become effective during the 1976-77 school year.

Since the passage of the Special Education Mandate in 1973, much concern has been raised by the Legislature over special education. The following is a listing of legislative action since the passage of the Special Education Mandate.

1974 -- SB 1001: Legislation was passed authorizing county school superintendents to establish special education programs. Also provided was state support for special education programs equal to 90% of excess cost. "Excess cost" was defined as the additional cost necessary to educate a handicapped student above the cost of educating a non-handicapped student. (Excess cost was not allowed to exceed the Basic Support Level per Average Daily Membership (ADM) for elementary and high school students respectively).

1975 -- HB 2416: Legislation was passed providing that state support for special education programs not total more than the amount appropriated. Growth rates were established for total allowable excess cost and total allowable number of students for state aid purposes. Also, as an equalization factor, a qualifying tax rate was established which was equal to the difference between the total allowable excess cost and the appropriation. Budget controls for districts' special education programs beginning with FY 1977-78 were added. The growth in a district's budget was limited to the percentage change in the total allowable number of students for state aid purposes plus the percentage change multiplied by the annual growth rate (7% in previous years).

1977 -- HB 2023: Legislation was passed which placed seriously emotionally handicapped children under the Special Education mandate; clarified definitions of handicapping conditions; clarified and strengthened the evaluation and placement procedure to be followed; and provided a new method of funding by which "weights" are applied to the various handicapping conditions so that the children in the more "severe and costly" handicapping categories receive more state funding. Bilingual instruction was removed from the special education budget. Institutional voucher funds were established to provide for educational funding through the Department of Education for handicapped children placed in the Arizona State School for the Deaf and Blind and Arizona Training Programs at Coolidge, Phoenix, and Tucson. The Department of Education was required to audit the special education programs of school districts.

1978 -- HB 2332: Legislation was passed which removed the special education budget limit for districts with an actual average daily membership of 500 or less.

-- HB 2426: Legislation was passed which provided that county school superintendents must issue certificates of educational convenience for pupils to attend school when the pupils are placed in a residential facility operated or supported by the Department of Economic Security (DES). The expenditures made by the district which were attributable to these pupils are exempt from the district's special education budget limit in the amount that funds are received for the pupils. In addition, the legislation provided that districts may conduct joint evaluations of handicapped pupils with DES if the pupils are receiving mental retardation programs or services through DES and further provided that school districts shall enroll handicapped pupils who reside in residential facilities operated or supported by DES if DES so requests.

c. Handicapped Students Eligible for Services

Under Arizona law, students who are from five to 21 years of age and are handicapped to such an extent that they do not profit from the regular school program and who need special education instruction, special support services, or both, are eligible for placement in a special education program. The major disability categories are:

Mentally Retarded: Those children with significant subaverage general intellectual functioning which adversely affects educational performance. Included in this category are children classified as educable mentally handicapped (EMH) and trainable mentally handicapped (TMH).

Seriously Emotionally Handicapped: Those children with serious social or behavioral problems so severe that they require special classes or special services.

Hearing and Visually Handicapped: Those children whose hearing and vision deviate from normal to such an extent that special classes or special services are required in order for them to be educated.

Homebound or Hospitalized: Those students who are unable to attend school due to illness, disease, accident, pregnancy, or handicapped conditions. In order to be eligible for placement in a homebound program, a medical doctor must certify that the student will be unable to attend regular classes for a period of not less than three school months.

Physically Handicapped: Those children who have a physical handicap or disability which impedes their educational progress in the regular classroom without the support of special classes or special services.

Learning Disabled: Those children who exhibit a significant discrepancy between ability and achievement when intellectual ability, age, and previous educational experience in the regular classroom are considered. Learning disabled does not include learning problems which are due primarily to visual, hearing, speech, or motor handicaps, mental retardation, emotional disturbance, or environmental disadvantage.

Speech Handicapped: Those children who have a communication disorder such as stuttering or impaired articulation which calls attention to the child's abnormal speech, interferes with communication, or causes the child to be maladjusted.

d. Distribution of Handicapped Students:

The State of Arizona currently has 10 categories of exceptionality in special education. For the 1978-79 school year the total special education ADM accounted for 8.80% of the total state ADM. The number and percentage for each special education category is shown in Table 6.

TABLE 6

Distribution of Students by Handicapping Condition,  
FY 1978-79 ADM

Category	Percentage of All Students					
	0%	1%	2%	3%	4%	5%
Learning Disabled	20,968 Students					4.28%
Speech Handicapped	9,233 Students					1.88%
Educable Mentally Handicapped	5,162 Students					1.05%
Seriously Emotionally Handicapped						0.81% (3,977 Students)
Trainable Mentally Handicapped						0.34% (1,658 Students)
Homebound/Hospitalized						0.13% (628 Students)
Physically Handicapped						0.10% (499 Students)
Hearing Handicapped						0.09% (424 Students)
Multiple Handicapped						0.08% (409 Students)
Visually Handicapped						0.04% (198 Students)
	0%	1%	2%	3%	4%	5%

Source: Arizona Special Education Census, ASEC 71, 6/79.

Four categories of handicapping conditions account for over 90% of the students served in special education: learning disabled, speech handicapped, educable mentally handicapped, and seriously emotionally handicapped.

e. Types of Special Education Services

Two major instructional classifications, Resource Programs and Self-contained Programs, are used in Arizona. Table 7 lists the type of service by category of exceptionality.

TABLE 7

Type of Program in Which Handicapping Students were Served in the 1977-78 School Year

Category	Percentage of All Handicapped Students				
	0%	25%	50%	75%	100%
Multiple Handicapped					
Trainable Mentally Handicapped					
Physically Handicapped					
Visually Handicapped					
Hearing Handicapped					
Homebound/Hospitalized					
Educable Mentally Handicapped					
Seriously Emotionally Handicapped					
Learning Disabled					
Speech Handicapped					
Total Handicapped					
	0%	25%	50%	75%	100%

Key Resource Program  
 Self-contained Program

Source: Arizona Special Education Census, ASEC 71, 6/19/78

Resource Programs served approximately 80% of the total special education students for the 1977-78 school year. In a Resource Program, students are taken from the regular classroom on a scheduled basis and provided with special assistance. This special assistance is provided either in small groups or individually.

Self-contained Programs are provided to a small percentage of handicapped students. Students participate in these programs because they cannot be educated satisfactorily in a regular classroom, even with the use of supplementary aids and services, due to the nature

and severity of their handicaps. Programs provided to a child in his home or in a hospital when the student is unable to attend school due to illness, disease, accident, or other handicapping condition also fall under this category.

If a school district cannot provide satisfactory special education services through its own facilities and personnel, the district may contract with another public school or an approved private special education school for the services.

Table 8 lists the percentage of the school aged population served in special education by handicapping category for the 1977-78 school year.

TABLE 8

Percentage of School Age Children\* Served in  
Special Education for FY 1977-78: Arizona vs. National Average

Handicapping Category	Arizona**	National Average	Variance
Learning Disabled	3.44%	1.89%	+1.55%
Speech Handicapped	1.69%	2.39%	-0.70%
Mentally Retarded	1.46%	1.84%	-0.38%
Emotionally Disturbed	0.72%	0.56%	+0.16%
Other Health Impaired (Homebound/Hospitalized)	0.10%	0.27%	-0.17%
Orthopedically Impaired (Physically Handicapped)	0.07%	0.17%	-0.10%
Deaf and Hard of Hearing (Hearing Handicapped)	0.17%	0.17%	0.00%
Visually Handicapped	0.06%	0.07%	-0.01%
<b>TOTAL</b>	<b>7.71%</b>	<b>7.36%</b>	<b>+0.35%</b>

\*Percentages based upon number of school aged students obtained from the U.S. Department of Commerce, Bureau of the Census (541,000 for Arizona)

\*\*Based upon average between the number of special education students in programs on October 1, 1977 and February 1, 1978.

Source: Bureau of Education for the Handicapped, January 1979

The percentage of students served in Arizona differs from the percent served nationally by about one third of one percent (0.35%). However, differences do exist by handicapping condition with Arizona being above the national percentage for learning disabled and emotionally handicapped and below the national level for speech handicapped, mentally retarded, homebound/hospitalized, physically handicapped, and visually handicapped.

The highest percentage of the school population served in special education, for school districts with 500 or more total students, was 14.90% for the 1977-78 school year. Of the 232 school districts in the state, 43 districts had special education populations which exceeded 11%. However, 27 of these school districts had 500 or less total students. Table 9 lists those districts which served more than 11% of their students in special education for FY 1977-78 and which had more than 500 students.

TABLE 9

Arizona School Districts which Exceeded the 11% Special Education Funding Limit for FY 1977-78 School Year

District	Actual ADM of Special Education Students Served	% of Total School ADM
Bullhead City Elementary	133.013	14.90
Florence Unified	145.328	14.37
Sacaton Elementary	97.300	14.03
Creighton Elementary	603.980	13.65
Avondale Elementary	236.913	13.45
Superior Elementary	112.735	12.97
Lake Havasu Elementary	214.264	12.77
Camp Verde Unified	95.196	12.70
Bagdad Unified	84.898	12.65
Liberty Elementary	78.146	12.49
Phoenix Elementary	811.382	12.45
Casa Grande Elementary	413.656	12.22
Eloy Elementary	167.960	12.22
Laveen Elementary	198.017	12.06
Wilson Elementary	167.358	11.53
Somerton Elementary	132.717	11.13

f. Funding of Special Education

For the 1971-72 through the 1973-74 school years, state aid for the handicapped was distributed on a flat grant basis. For the 1974-75 school year, the Legislature began a funding program which covered 90% of a school district's additional cost (excess cost) for the operation of a special education program. This funding formula was only in effect for the 1974-75 school year. The 90% Excess Cost Formula was replaced by an equalization formula similar to the General Maintenance and Operation Formula, beginning with the 1975-76 school year. This formula remained until the 1977-78 school year. Beginning with the 1977-78 school year, a new weighted funding formula was established.

The Current Weighted Funding Formula: Special education programs for the handicapped are currently funded using a weighted funding formula. Under this formula, handicapping conditions are placed into three different categories, or weighted groups, representing the appropriate excess costs involved in educating each type of student. The excess cost amounts are the same for students whether they are in elementary or high school. Special education students receive the

monies apportioned under this method in addition to their basic education entitlements. Therefore, the total support level for a handicapped student is the Basic Support Level and the excess cost support level combined. Table 10 shows the handicapping conditions, weighted excess cost levels, and total support level for each category, for the 1978-79 school year.

TABLE 10

Weighted Excess Cost Level and Total Support Level  
for Handicapped Students for the 1978-79 School Year

Category	Excess Cost	Allowable Excess Cost*	Total Support Level-Elem.	Total Support Level-HS
Speech	30%	\$ 313.47	\$1,358.37	\$1,737.10
Learning Disabled, Seriously Emotionally Handicapped, Educable Mentally Handicapped, Homebound	100%	\$1,044.90	\$2,089.80	\$2,468.53
Hearing Handicapped, Trainable Mentally Handicapped, Multiply Handicapped, Physically Handicapped, Visually Handicapped	300%	\$3,134.70	\$4,179.60	\$4,558.33

\*Excess cost level is identical for elementary and high school students.

To compute state aid, a school district multiplies the number of students within each category by the appropriate excess cost figure. A portion of this excess cost amount is raised by local funds through a qualifying tax rate similar to the funding mechanism for state basic aid. For the 1978-79 school year, the qualifying tax rate for special education is \$0.1998 per \$100 of assessed valuation. This qualifying tax rate may vary from year to year depending on the level of the state appropriation. By statute, a total allowable excess cost has been established for all school districts. For example, for the 1978-79 school year the total allowable excess cost was \$49,575,240 and the state appropriated \$25,200,000. The limits for prior years were: 1975-76, \$30,000,000; 1976-77, \$39,600,000; and 1977-78, \$46,332,000. If the excess cost for all school districts in the state exceeds the statutorily established limit, each district's computed excess cost is proportionally reduced. To fund the difference between the two amount (\$24,375,240 FY 1978-79) a qualifying tax rate was determined by dividing the \$24,375,240 by the assessed valuation to all districts providing special education programs. If the amount of state aid appropriated changes, so does the qualifying tax rate change. This provision is a major difference from the funding mechanism, where the qualifying tax rate is set at \$1.30 for state basic aid.

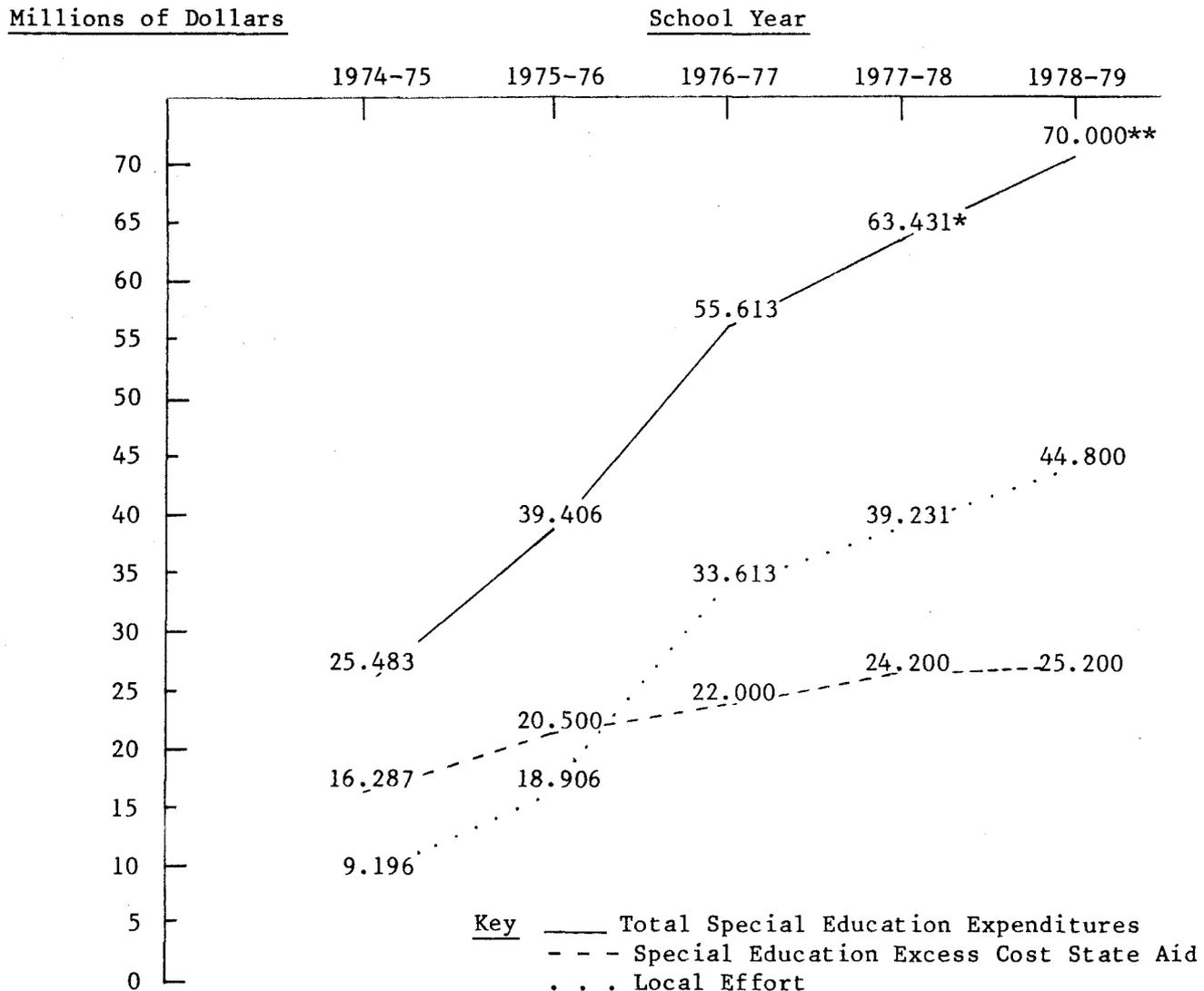
Two sets of limits exist in the excess cost aid formula. First, a school district may only count up to 11% of their total school population for special education excess cost aid. Secondly, the total excess cost in the state may not exceed \$49,575,240 for the 1978-79 school year. School districts with 500 or less students in the regular program are exempt from the 11% limit.

Adjustment for Small School Districts: Small districts with small enrollments find the cost of educating handicapped children higher. This is due to factors such as lower pupil-teacher ratios. To cover these higher costs, school districts with a total enrollment in the regular program of 101 to 500 students can increase their allowable excess cost for special education by 15% and school districts with a total enrollment of 100 or less can increase such excess cost by 30%.

State Aid and Special Education Expenditures: Local district expenditures and state aid for special education has increased dramatically in recent years. Table 11 presents the relationship of total special education expenditures to state aid from 1974-75 to 1978-79.

TABLE 11

Comparison of Expenditures for Special Education and Special Education State Aid for FY 1974-75 through FY 1978-79



\*Gifted expenditures are also indicated in this total.

\*\*Estimate for FY 1978-79 based upon prior years expenditure patterns.

g. Special Education Budget Limit

Beginning with the 1977-78 school year special education expenditures were placed under a budget limit. Under this budget limit expenditures for special education are allowed to increase by 7% per pupil per year. For example, a school district with 100 handicapped students, and a per pupil expenditure level of \$1000 for the 1976-77 school year, was allowed to increase the per pupil amount by \$70 (7%) for the 1977-78 school year. Assuming that the district would also have 100 students in the 1977-78 school year expenditures in the district would increase from \$100,000 (\$1,000 X 100) for FY 1976-77 to \$107,000 (\$1,070 X 100) for FY 1977-78. The limit is also effected by changes in the number of special education students with less students meaning a decrease in capacity and additional special education students causing an increase in capacity. However, the maximum number of handicapped students that can be counted for budget capacity is 11% of the school district's total ADM. A school district with 1,000 students could have up to 110 students count for budget capacity purposes.

The special education budget limit has some major differences from the budget limit for regular education. In special education each school district established a limit based upon the special education budget adopted for the 1976-77 school year. Each district's budget has increased by 7% on a per pupil basis since that time. Examples of what has happened in three school districts follows:

TABLE 12

Changes in the Special Education Budget Limit for Three Selected School Districts Based Upon the Existing Budget Limit Procedure for Special Education

School Year	Budget Limit Per Pupil		
	District A	District B	District C
1977-78	\$2,328	\$1,619	\$1,053
1978-79	2,490	1,732	1,126
1979-80	2,664	1,853	1,204
1980-81	2,850	1,982	1,228

This system, in contrast to the system for regular education, has no provisions to restrain high expenditure school districts or to provide any type of relief for those school districts which were very low spending when the budget limit became effective. In addition, students are counted for budget capacity purposes on an unweighted basis. For example, a district adding one speech handicapped student would gain the same increase in capacity as a school district adding a multiple handicapped student.

School districts with less than 500 students in the regular education program are exempt from the budget limit.

### 3. OTHER STATE EDUCATION PROGRAMS

#### a. Special English Training

In 1969, legislation was passed which provided for Special English classes in kindergarten through grade three. The allocation of funds for this program was \$25 per ADM. For the first year of the program, the Legislature allocated \$100,000. Participation under this statute was limited to one year per pupil.

In 1973, legislation was passed which increased the allocation of funds to \$50 per ADM. This legislation also allowed students up to four years of participation and made grades four through eight eligible for assistance. Table 13 shows the state funds expended and ADM for Special English Programs from the 1969-70 school year through the 1977-78 school year.

#### b. Gifted

In 1971, legislation was passed providing state support of educational programs for the gifted. The state reimburses public school districts at a rate of \$50 for each identified child enrolled in an approved program for gifted or talented students. The level of state support per pupil has remained constant.

To be eligible for placement in a gifted program the student shall demonstrate achievement and/or potential ability in one or more of the following areas:

- (1) Creative or productive performance;
- (2) Specific academic aptitude -- 95 percentile or above on standardized achievement test in one or more subject areas; or
- (3) General intellectual ability -- I.Q. 130 or above, based on an individualized testing program.

No more than three percent of a school district's student population may be counted for gifted state aid.

During the 1972-73 school year, only four school districts participated in the state supported gifted program. For the 1978-79 school year, the number of participating school districts has increased to 71. The number of students in state supported gifted programs grew from 590 students in 1972-73 to almost 10,000 students in 1977-78. Table 14 shows the state funds expended and the number of children served in gifted programs since 1972-73.

TABLE 13

State Funds Expended for Special English Training Programs  
From FY 1969-70 through FY 1977-78

State Funds

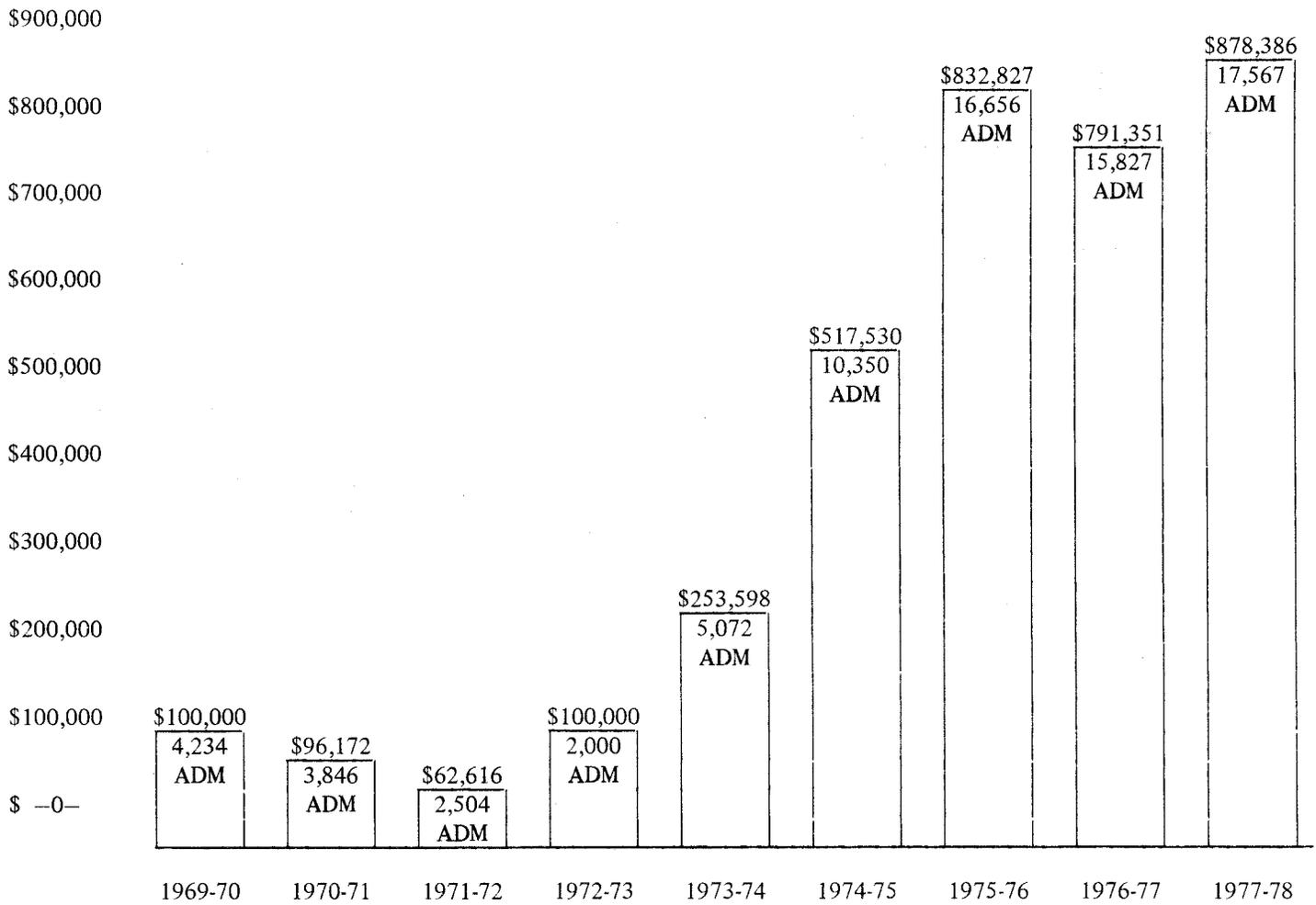
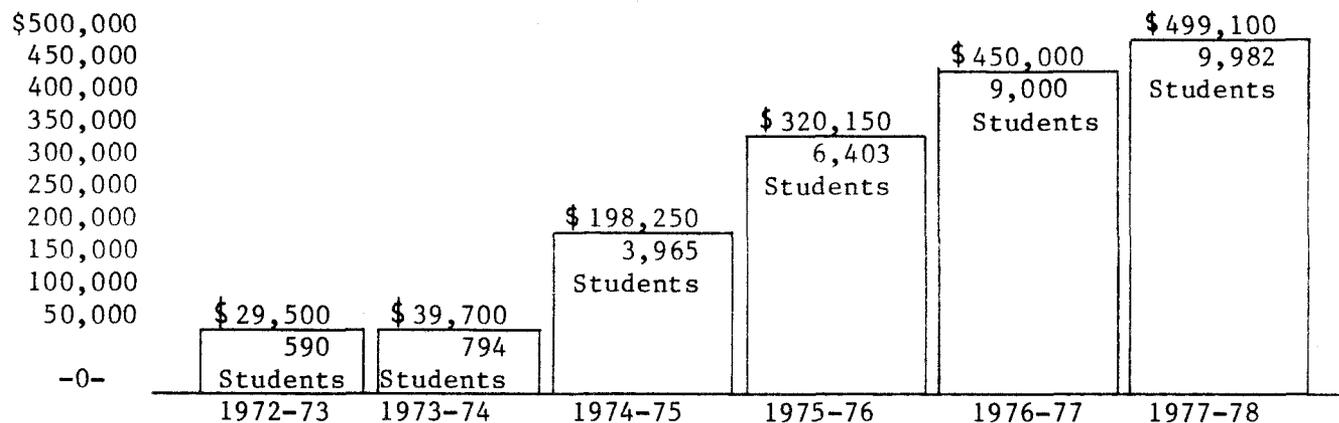


TABLE 14

State Funds Expended for Gifted Programs from  
FY 1972-73 through FY 1977-78

State Funds



Source: Special Education Services - Gifted Programs, Arizona Department of Education, Fall 1978

4. SPECIAL PROJECTS

This section provides a brief description of both state and federal programs for which the funding level exceeded one million dollars in FY 1977-78. Prior to describing these programs, federal mandates will be briefly discussed. Table 15 indicates federal mandates that affect all students but which provide no federal funding.

TABLE 15

Federal Mandates and Court Decisions that Affect  
All Students and Provide No Federal Funding

Title IX of the Education Amendments Act 1972	To ensure nondiscrimination on the basis of sex in educational programs and activities. Each agency must appoint a Title IX officer and conduct a self-evaluation.
P.L. 94-482 Vocational Amendments of 1976	Requires state agencies and local districts to eliminate sex bias in educational curriculum, activities and programs.
Section 503 and 504, The Vocational Rehabilitation Act of 1973	To make all school programs and activities to handicapped students. Each district must appoint a 504 officer.
Age Discrimination Act of 1975	Prohibits discrimination on the basis of age in educational programs and activities. Each district must appoint an age discrimination officer.
Family Education Rights and Privacy Act (Buckley Amendment)	Requires every district to annually inform students and patrons of their rights to access to student records. Buckley further requires grievance procedures to be made available.
Baker vs. Owen	Supreme Court decision that requires all districts to offer minimum due process procedures including due notice, right to speak in own defence, and others before administering corporal punishment.
Goss vs. Lopez	Supreme Court decision that requires all districts to offer minimum due process procedures to students.
Law vs. Nichols	Supreme Court decision that requires each district to survey all students to determine Home Language and then prepare instruction for students in the appropriate language.
Wollman vs. Walters	Supreme Court decision requires all schools to provide evaluation, testing, and other forms of assistance to nonpublic schools.

In addition to these Federal mandates which directly address school districts and students attending public schools there are also federal non-educational mandates that affect school districts. These are listed below in Table 16.

TABLE 16

Federal Non-Educational Mandates that  
Affect School Districts

Title VI and VII of the 1964 Civil Rights Act	To overcome past discriminatory hiring practices by requiring school districts to take affirmative action to hire minority group members.
Occupational Safety and Health Act	All employees are required to meet Federal safety standards in employees working environment. Fail- ure to meet those standards will result in fines.
Office of Civil Rights Data Collection	To assess school districts level on noncompliance with all Federal mandates.

As mentioned previously this section provides a brief description of both state and federal programs for which the funding level exceeded one million dollars in FY 1977-78. (Table 17, at the end of this section provides a comprehensive list of federal programs, expenditures, and number of students served in FY 1977-78.) The following terms will be used throughout the section in the description of federal special projects:

- Matching requirement means a school district or the state must provide a certain amount of funds to qualify for federal funds. The percentage required for matching may vary with the program.
- Maintenance of effort means a required level of funding either in the aggregate or on a per-pupil basis which a district must maintain in order to continue to receive federal funds.
- Coordination with state/local federal programs means the federal regulation requires the state or local school districts to coordinate the federal program with state or local programs in the same area.

Appendix 1 lists for most of the special projects discussed in this section the entitlement of each district in FY 1977-78. Three of the special projects discussed in this section provide funds to a small number of districts and these districts are listed in the appropriate area.

a. Federal Impact Aid: P.L. 81-874

Federal Impact Aid, commonly referred to as 874, provides funds to school districts which have had their tax bases reduced because of exempted federally-owned property or which have had their school attendances substantially increased due to federal activities. During FY 1977-78, school districts' entitlements to 874 monies totalled approximately \$23.6 million. There are no state or local funds expended to receive 874 monies. The entitlement by district is listed in Appendix 1.

Federal Impact Aid is not truly a special project in the sense that funding is not provided for a certain purpose. Impact Aid can be used by

a school district in the following budget categories: General M&O (Fund 001), Special Education (Fund 002), Transportation (Fund 004), and Budgeted Capital Outlay (Fund 410). P.L. 81-874 funds are not considered when a school district determines its budget limit based on the Budget Cost Level. The estimated revenues to be received through 874 are simply added to the BCL to determine the district's aggregate budget limit. A description of the impact of 874 funds on districts' tax rates and expenditures is discussed in Section III, Analysis of Current School Finance System: FY 1977-78.

Although there are numerous conditions under which a district may be eligible for 874 funding, the following conditions are the main areas under which school districts qualify. For Arizona, eligibility has been established for the second condition listed.

- The tax base of the district has been reduced as the result of the acquisition of real property by the federal government since 1938. The acquisition must constitute 10% or more of the assessed valuation of the district at the time of acquisition. In addition, the acquisition must have placed a substantial and continuing financial burden on the district.
- The combined Average Daily Attendance (ADA) of eligible children is 3% of the total ADA of the district, and is at least 10 ADA, or 400 ADA, which is the least. The criteria which the parents of a child must meet to make the child eligible for funding are:
  - (1) working on and living on the federal land
  - (2) working on and living off the federal land
  - (3) working off and living off the federal land

The 3% requirement does not have to be met during the two fiscal years which follow the year in which the district met the requirement and was entitled to payment. However, any payment to a district which no longer meets this requirement cannot exceed 50% of the entitlement during the year in which the district was qualified.

- The district's ADA of eligible children is less than 90% of the preceding year and there has been a cessation of federal activities within the district; provided that the decrease in ADA or cessation of federal activity resulted in a decrease of eligible ADA to 3% or more of the total current year's ADA and is at least 10 ADA. The amount of the district's entitlement for the fiscal year and for the 3 succeeding fiscal years will not be less than 90% of the district's entitlement for the preceding year.

In addition school districts may be eligible for additional assistance. Arizona school districts currently are eligible under the condition listed below. Although there are several other conditions under which additional funding can be received, school districts in Arizona are not currently eligible.

-- Districts which provide programs designed to meet the special educational and related needs of handicapped students and whose parents are on active duty in the uniformed services may claim such children for 150% of the entitlement for eligible children.

The rules and regulations promulgated to implement 874, provide a mechanism whereby state funds can be supplanted by federal 874 funds. Basically the mechanism operates as follows: (1) rank school district expenditures after grouping by grade level served, (2) determine the expenditure level at the 5th and 95th percentile of the total ADM and (3) if the percentage difference at the two percentile levels is 25% or less expenditures are deemed to have been equalized. At this point state funds can be supplanted by federal 874 funds.

b. School Construction Assistance in Federally Impacted Area: P.L. 81-815

P.L. 81-815 is similar to 874 in that it too is not a special project in the same sense as other federal programs. The 815 program provides assistance for construction of school facilities in school districts where substantial increases in school membership are a result of federal activity or where reconstruction of facilities is necessary because of a natural disaster. Also like 874, no state or local monies need to be expended in order to receive 815 funding.

During the last four years, school districts in Arizona have received the following appropriations for the 815 program:

FY 1974-75	\$3,776,854
FY 1975-76	5,190,160
FY 1976-77	1,784,964
FY 1977-78	-0-

However, beginning with FY 1977-78, Arizona was allocated through the BIA, approximately \$12 million to be received by two school districts. Although no funds were received in FY 1977-78, the two school districts will receive the funds over the following 3 to 4 year period. The two districts are Parker Elementary (which has received approximately \$298,000 to date during FY 1978-79 and Alchessay Unified).

Like the 874 program, there are numerous eligibility criteria which a district can meet in order to qualify for 815 funding. The purposes of the 5 categories of federal impact recognized by the act are as follows:

- for increases in numbers of children who reside on federal property situated in whole or in part in the same state as a school district or within reasonable commuting distance of the district.
- for increases in numbers of children who reside with a parent employed on federal property situated in whole or in part in the same state as a school district or within reasonable commuting distance of the district, or have a parent on active duty in the uniformed services.

- for increased in number of children whose membership results from activities of the United States carried on either directly or through a contractor.
- for membership residing on Indian lands and which has not formed or will not form the basis for payment under other provisions of the Act.
- for inadequately housed children in financially distressed school districts where federal property constitutes a substantial part of the school district.

The only school districts in Arizona which currently qualify for 815 funding qualify under the category concerning schools on Indian lands. To qualify the districts have met all of the following conditions:

- the estimated number of children who will reside on the Indian lands as of the close of the increase period for which application is filed, has not and will not form the basis for payment under other provisions of the act and (a) the total number of such children is at least 15 and will comprise at least 1/3 of the total number of children in the district or (b) the Indian land on which the children reside is at least 1/3 of the total area of the school district or (3) the applicant district is providing a free public education for at least 100 children who reside on Indian lands outside of the applicant school district.
- the immunity of such lands from taxation has created a substantial and continuing impairment of the district's ability to finance needed school facilities (this is waived when the district is educating 100 children who reside on Indian land outside the district).
- the applicant school district is making a reasonable tax effort and is exercising due diligence in availing itself of state and other financial assistance available for its purpose.
- the applicant district does not have sufficient funds from all other sources to provide the needed minimum facility for at least 95% of the total membership estimated as of the second year following the period for which application is filed.

Although many of the school districts which are located entirely on Indian lands are eligible for 815 funding, the actual appropriation for this program can best be described as sporadic over the last several years. Districts have had applications for 815 funds approved, but the appropriation level for the program has not been sufficient to meet the needs.

c.(1) Title I-Educationally Deprived: P.L. 89-10

The purpose of the funding under this title is to improve the instructional programs to meet the needs of educationally disadvantaged students in low income areas. Educationally deprived refers to those children who have need for special educational assistance in order that their level of educational attainment may be raised to that appropriate for children their age.

Low income, as used in determining Title I fund allocation, refers to the federal government's official statistical measure of poverty as used in compiling the 1970 decennial census. This measure, known as the Orshensky Index, defines poverty levels according to family size, number of children, age and sex of head of household and whether the residence is farm or nonfarm. Census counts of children ages 5 through 17 from "poor" families as defined by this poverty matrix are used as the primary basis for computing Title I funds allocation.

For FY 1977-78, Arizona was allocated \$17,686,137 under Title I-Educationally Deprived. Each district's entitlement is presented in Appendix 1.

Matching Requirement -- There is no matching requirement for Title I-Educationally Deprived, which means that no state or local funds need to be specifically expended in order to receive Title I monies.

Maintenance of Effort -- Section 126(a) of P.L. 95-561 requires Title I participating school districts to maintain the same level of expenditures from state and local sources for the provision of free public education in each of the two years immediately preceding the year for which application for Title I funds is made. Arizona actually checks for compliance between the 3rd and 2nd years preceding the grant year because data for the 1st preceding year is not available at the time Title I applications are submitted.

Expenditures data used for checking compliance in this area is from the district's General Operating Fund, Special Education Fund and Transportation Fund, exclusive of expenditures for capital outlay but including costs of textbook purchases. School districts can meet this requirement on a per-pupil basis or on the basis of expenditures in total.

Coordination with State/Locally Funded Programs -- Title I-Educationally Deprived does not require coordination with other programs.

## (2) Title I-Migrant

The purpose of the Title I-Migrant program is to provide instructional, health and nutritional services to children of migratory agricultural workers and of migratory fishermen. Services may be provided to a child under the Migrant Child Education program only after the local school district has determined that the child is either a currently or formerly migratory child as defined below.

Currently migratory child means a child: (a) whose parent or guardian is a migratory agricultural worker or a migratory fisher; and (b) who has moved within the past twelve months from one school district to another or in a state that is comprised of a single school district, has moved from one school administrative area to another to enable the child, the child's guardian, or a member of the child's immediate family to obtain temporary or season employment in an agricultural or fishing activity. This definition includes a child who has been eligible to be served under the requirements in the preceding sentence, and who, without the parent or guardian, has continued to migrate annually to enable him or her to secure temporary or seasonal employment in an agricultural or fishing activity.

An "agricultural activity" means (a) any activity directly related to the production or processing of crops, dairy products, poultry or livestock for initial commercial sale or as a principal means of personal subsistence; (b) any activity directly related to the cultivation or harvesting of trees; or (c) any activity directly related to fish farms.

"Fishing activity" means any activity directly related to the catching or processing of fish or shellfish for initial commercial sale or as principal means of personal subsistence.

"Formerly migratory child" means a child who: (a) was eligible to be counted and served as a currently migratory child within the past five years, but is not now a currently migratory child; (b) lives in an area served by Title I-Migrant education project; and (c) has the concurrence of his or her parent or guardian to continue to be considered a migratory child.

There is a total of six years of program eligibility, a one-year status as a "currently migratory child" and up to five additional years as a "formerly migratory child".

For the school year 1977-78 Arizona's allocation of Title I-Migrant funds totalled \$3,010,360, of which \$2,680,750 went to school districts. Thirty seven elementary and secondary school participated in the program as well as one university. Approximately 10,000 students counted for funding purposes.

Matching Requirement -- There is no matching requirement for Title I-Migrant.

Maintenance of Effort -- The regulations require that each district make available to each migrant child all federally, state and locally funded programs offered in the district. Migrant funds supplement other federal, state and locally funded programs in which migrant children participate.

Coordination with State/Locally Funded Programs -- Title I-Migrant requires coordination with state/locally funded programs.

d.(1). Vocational Education: P.L. 94-482

The federal vocational education program provides funds (\$6,684,043 in FY 1977-78 of which \$1,237,017 went to school districts) to assist districts in updating and expanding existing vocational education programs or to provide assistance when local funds are inadequate to maintain the existing vocational educational program.

To qualify for funds, the state must have a "State Board of Vocational Education" to act as the representative of the state and to be solely responsible for the administration of the vocational education program. In Arizona, the State Board of Education functions in this capacity.

Matching Requirements -- State and local funds together must be equal to the federal appropriation. The total state funds expended to receive federal vocational education dollars were approximately \$3.7 million. Local funds provided the remainder.

Maintenance of Effort -- The law requires that each district maintain a level of funding in total dollars equal to, or not less than 5% less, than their previous year's funding level.

Coordination with State/Locally Funded Programs -- The federal regulations require coordination with state, locally and other federally funded programs such as CETA.

(2) Vocational Education: State

The state vocational education program designates courses in agriculture, mining, manual training, domestic science and other vocational projects for students. For FY 1977-78 the state appropriated \$3,704,000 for vocational education. Of this amount, school districts received approximately \$1,575,000. The remaining state funds were used (among other things) for area vocational centers, adult vocational education, cooperative education, vocational research and teacher training. In addition, \$593,300 was appropriated to the State Department of Education for administration of vocational education.

State money is combined with federal assistance money and is allocated on a competitive basis.

e. Comprehensive Employment and Training (CETA): P.L. 93-203

The CETA program seeks qualified applicants from minority groups and assists them in entering apprenticeship programs. It promotes the development of apprenticeship programs in cooperation with industries in the respective skilled crafts or trades. Approximately 4,500 students were served by CETA programs in FY 1977-78. The expenditure for the CETA program for the year was \$2,462,641. (This does not include CETA contractors or administration.)

Matching Requirements -- There is no requirement for school districts to match federal funds in order to obtain these funds.

Maintenance of Effort -- There is no maintenance of effort for school district, because there is no district money going into the maintenance of the CETA programs. There may be a little money, however, going into the administrative cost of having CETA employees.

Coordination with State/Locally Funded Programs -- Such coordination is not required by the federal regulations, but it states that coordination ought to exist.

Approximately \$6 million of the CETA money for Arizona is linked in some manner with federal or state Vocational Education programs. In Maricopa and Pima Counties and the City of Phoenix, the educational services for the CETA programs are provided through the local school districts. By law, Title 20 (CETA) requires that 6% of the CETA money must go to the State Educational Agency Vocational Education Board to support the principal sponsor of a CETA-Vocational program.

f. Career Education: State

The state-funded Career Education program provides students with the opportunity to be oriented to the world of employment. Orientation is provided through classwork, apprenticeships, and on-the-job work experience. Appropriated funds may be allocated for:

- Increasing high school career education enrollment.
- Making career testing and counseling available to each common and high school pupil.
- Obtaining, preparing, and maintaining reading material, films, tapes, and other equipment for the purpose of giving each child an orientation to the world of work through common school classes and availability to common and high school pupils.
- Retraining common school teachers and counselors for the career orientation of pupils to the world of work.
- Providing for teachers and a curriculum for common school districts instituting a course in orientation to the world of work for grades 7, 8, and 9.
- Providing additional teacher-coordinators to implement and coordinate on-the-job work experience for additional pupil-trainees and, if necessary, provide transportation for such pupils.
- Employing persons to coordinate apprenticeship-related training for registered apprenticeship programs.
- Providing each county with the means to conduct workshops for all common and high school districts within the county.
- State career assistance shall also provide for an organized statewide program of public information and community involvement for parents in the merits of career education.

The following is a list of Career Education funding allocations for FY 1977-78:

<u>County/School District</u>	<u>Amount*</u>
Apache	
Cochise	
Benson UHS #9	\$ 2,097
Coconino	
Flagstaff Unif. #1	11,250
Page Unif. #8	4,381
Tuba City Unif. #15	9,683
Fredonia/Mocassin Unif. #6	1,655
Grand Canyon Unif. #4	796
Gila	
Graham	
Greenlee	
Maricopa	
Dysart Unif. #89	11,666
Agua Fria UHS #216	3,925
Roosevelt Elem. #66	106,514
Mesa Unif. #4	283,484
Phoenix UHS #210	102,066
Tempe UHS #213	5,640
Glendale UHS #205	24,138
Paradise Valley Unif. #69	3,100
Buckeye UHS #201	4,950
Scottsdale Unif. #48	15,000
Mohave	
Colorado City Elem. #14	1,392
Bullhead City Elem. #15	10,700
Pima	
Marana HS #106	7,091
Tucson Unif. #1	30,000
Flowing Wells Unif. #8	5,553
Amphitheater Unif. #10	11,250
Pinal	
Casa Grande UHS #82	5,445
Apache Junction Unif. #43	628
Coolidge Unif. #21	7,932
Santa Cruz	
Nogales Unif. #1	3,947
Patagonia UHS #20	1,925
Yavapai	
Yuma	
Yuma UHS #70	5,525
Somerton Elem. #11	7,470
Yuma Elem. #1	4,230
Gadsden Elem. #32	3,560
Total	<u>\$696,993</u>

<u>County/Consortium</u>	<u>Amount*</u>
Apache-Navajo	\$ 213,357
Career-Bound (Scottsdale, Paradise Valley, Cave Creek)	214,571
CETAS (Tempe Area)	127,352
Central Maricopa	367,365
Coconino	142,531
Cochise	200,978
Mohave	117,720
Pima	623,544
Pinal	117,028
Santa Cruz	69,844
San Tan (Southeast Maricopa County)	82,574
Tri-County (Graham, Greenlee, Gila)	160,857
WACOP (Western Maricopa County)	336,930
Yavapai	95,058
Yuma	113,891
Total	<u>\$2,983,600</u>
<u>Universities</u>	<u>Amount</u>
Northern Arizona University	\$ 22,855
University of Arizona	33,905
Arizona State University	65,260
Total	<u>\$122,020</u>

(\*All figures rounded to the nearest dollar).

In total in FY 1977-78, \$3.8 million was expended for career education in grades K-12 and 389,177 students were served.

g.(1). Bilingual Education: Title VII of the Elementary and Secondary Education Act

Title VII of ESEA assists in meeting the educational needs of children whose native language is other than English. The federal assistance is limited to the establishment of new programs or the expansion of existing programs. Presently, a district can receive funds under Title VII for a period of three years. The goal of Title VII-Bilingual Education funds is to provide financial assistance to districts to get their programs established and organized and then have the district assume the financial responsibility for the program after the federal money is no longer available. It is not possible to determine the extent of local monies, if any, which go into the federal bilingual program.

Districts compete nationally for funding under approximately 500 grants. The average grant is approximately \$130,000. In FY 1977-78, grants were received by 25 school districts in Arizona. There were approximately

12,000 children served by the \$3,211,169 allocation. Of this allocated amount, \$2,761,895 went to the school districts and the remainder went to students in private and Indian schools. The federal regulation states that the federal assistance will not exceed 1/3 of the per pupil expenditure of the district receiving assistance. Districts must be taking advantage of all state funding that is available to the district.

(2) Bilingual Education: State (Special English Training)

As mentioned in Section 3, Other State Education Programs, the state bilingual education program for FY 1977-78 was funded at \$50 per ADM. Students in grades K-3 receive priority in funding prior to those in grades 4 through 8. The total state appropriation for FY 1977-78 was \$1 million, which at \$50 per ADM meant that into approximately 20,000 students would be served. In actuality in FY 1977-78, \$878,389 was allocated to school districts.

The program is designed to be supplemental to the federal bilingual and regular educational program. Districts may provide the program for pupils not to exceed an accumulated period of four years per pupil.

Basically, the federal bilingual program offers instruction in the students first language while the state program is designed to assist students in learning English.

h. Special Education-Handicapped: Education for All Handicapped Children Act, P.L. 94-142

Federal funding for the education of handicapped students is provided to Arizona under the provision of P.L. 94-142. This law specifies a number of activities that schools must engage in to ensure that handicapped children receive a free, appropriate public education. For example, it requires specialists to evaluate the needs of the child and determine the most appropriate educational environment for the child; it requires that an individualized educational program be developed for each child identified as needing special education or related services; it requires schools to notify parents, to include them in the decision-making process and to provide them with an opportunity for a hearing if they are dissatisfied with the decision. Currently, state law and regulations for educating handicapped children are almost identical with P.L. 94-142.

The level of funding under P.L. 94-142 has increased dramatically. For example, in FY 1977-78, Arizona's allocation was \$2.5 million, of which \$1.8 million was distributed to school districts during the fiscal year, and the estimated allocation for FY 1979-80 is in excess of \$9 million. The state funds expended in FY 1977-78 for special education totalled \$24.6 million and local funds totalled \$35.1 million.

Matching Requirement

Currently, no matching requirement exists under P.L. 94-142. However, funds under this program can only be used for the excess cost of special education programs. To meet this requirement, a school district must spend as much on a handicapped child as is spent on a non-handicapped child before using P.L. 94-142 funds.

## Maintenance of Effort

Under P.L. 94-142, a school district must maintain its level of expenditures from state and local sources. Also, a school district may not use P.L. 94-142 funds to replace a cost that was previously met with state and local funds. However, a provision exists in P.L. 94-142 that allows a state to waive the supplementing requirement of P.L. 94-142. In order to be approved for a waiver, a state must provide clear and convincing evidence that all handicapped children have available to them a free appropriate education. Currently, only Massachusetts has applied for this waiver and their request was denied by the United States Office of Education.

### i. Indian Education Act: Title IV, P.L. 92-318

Indian Education, Title IV, provides support to school districts to assist them in developing and establishing educational services and programs specifically designed to improve educational opportunities for Indian children.

Grants may be used for remedial or compensatory instruction, counseling, testing services, special education and pre-school programs.

Grants may also be authorized to institutions of higher education to prepare persons to serve Indian children as teachers, aides, social workers and ancillary educational personnel.

School districts apply directly to HEW for assistance. Allocation is based on the need of those Indian students. To be counted as an Indian student, that person must be a member of a recognized tribe or a decedent of people who were enrolled members of a tribe. In order to be an enrolled member, the person must prove that he or she is 1/4 or more degree Indian blood. In FY 1977-78, Title IV provided \$3,137,227 in funds which served 29,950 students.

Matching Requirement -- There is no matching requirement in the Indian Education Act.

Maintenance of Effort -- The Indian Education Act requires districts to maintain the same level of funding as they had in the previous year. Federal funds may not be used to supplant state or local funds.

Coordination with State/Locally Funded Program -- The Indian Education Act does not require coordination with state/locally funded programs.

### j. Johnson-O'Malley Educational Assistance: P.L. 93-638

Johnson-O'Malley, commonly referred to as JOM, assists in upgrading Indian education by assuring adequate educational opportunities for Indian children attending public or tribal schools. In FY 1977-78, Arizona received \$543,677 in supplemental JOM funds which served 6,800 students in 27 school districts. These supplemental funds by district are shown in Appendix 1. In addition \$473,042 in supplemental JOM was received for several projects which served 2,360 students. The projects and number of eligible JOM students are listed below.

Project	JOM Funding	Eligible JOM Students
Ak-Chin Indian Community	\$ 24,305.70	133
Ft. McDowell	15,615.00	130
GRIC - Blackwater	9,279.00	14
GRIC - Casa Grande H.S.	31,289.00	292
GRIC - Coolidge Unif. S.D. #21	29,289.00	305
GRIC - Gila Crossing	15,000.00	25
CRIG - Carl Hayden H.S.	32,857.00	40
Hopi Tribe	18,371.00	230
Hopi Tribe (H.B.C.)	-0-	-0-
Hualapai Tribe	38,322.00	80
San Lucy District	34,970.00	142
San Xavier	24,929.40	80
Yavapai-Apache Camp Verde	19,300.00	141
Yavapai-Prescott	25,402.40	105
Yavapai-Tonto Apache Payson	14,160.00	43
<u>Subtotal</u>	<u>\$333,089.50</u>	<u>1,760</u>
Central Child Dev. Center	20,336.00	47
Flagstaff Indian Center	28,500.00	250
Kee N'Bah	48,542.76	43
Phoenix Indian Center	24,973.31	43
Tucson Indian Center	17,600.00	220
<u>Subtotal</u>	<u>\$139,952.07</u>	<u>603</u>
<u>TOTAL</u>	<u>\$473,041.57</u>	<u>2,363</u>

Operational money (or basic JOM, as it is referred to) may be expended only on Indian students and only after all state and local funds for the particular program are expended. Funds under this part may only be expended in those areas of the budget which are included in the calculation of per pupil costs. Basic JOM funds began to be phased out over a 3-year period beginning with FY 1975-76, although some districts received a waiver during this time period to continue to use JOM funds as basic support.

Supplemental Johnson-O'Malley funds are to be expended on services, such as tutoring, to increase the educational level of Indian students. Supplemental money is not expended for basic operations costs.

Matching Requirement -- Johnson-O'Malley does not require matching of state and local funds.

Maintenance of Effort -- Johnson-O'Malley requires school districts to maintain the same level of funding in total dollars that they had the previous year. Federal funds may not be used to supplant state or local funds.

Coordination with State/Locally Funded Program -- Johnson-O'Malley does not require coordination with state/locally funded program.

TABLE 17

Federal Expenditures and Number of Students Served  
in Federal Programs: FY 1977-78

Federal Act	Acronmym or Short Name	FY 1977-78 Dollars	Purpose	Number of Students Served
P.L. 89-642	Child Nutrition Act	N/A	Extended, expended and strengthened efforts of the previous acts.	N/A
P.L. 89-642	(Sec. 4) Breakfast Program  (Permanent)	2,063,054	First consideration to areas in which poor economic conditions exist.	296,097
P.L. 89-642	(Sec. 5)	304,244	To provide federal funding for equipment purchases for eligible needy schools.	47,485 (enroll. schools and C.C.)
P.L. 89-642	(Sec. 7) State Admin. Funds	160,103	To provide additional funds for expansion and more effective administration.	N/A
P.L. 89-642	(Sec. 15) Child Care Food Serv. Program	1,246,191	To assist states with grants-in-aid and other means to initiate.	67,302 Actual & Estimated
P.L. 95-166	Nutrition Education Legislation	283,000	To conduct Nutrition Educational activities in schools and C.C. Centers.	556,000
P.L. 95-166	Summer Food	641,309	To provide meals to low income children in needy areas.	25,017
P.L. 94-482	Sex Bias	50,000	To eliminate sex bias in vocational education.	3,500
P.L. 93-380	Community Schools Act	49,600	To provide state development and technical assistance for community education.	57,669

Federal Act	Acronmym or Short Name	FY 1977-78 Dollars	Purpose	Number of Students Served
P.L. 94-482	Vocational Education Adult Prog.	400,000	To conduct programs for adults to upgrade their occupational skills.	28,000
Title VII, P.L. 93-380	R <sup>2</sup> R Right to Read Funds	101,000	To provide training for R <sup>2</sup> administrators and to exert leadership in achieving solution to the literacy problem.	
P.L. 94-482	Education Amendments of 1976 Program	614,756	To provide services to students whose handicaps prevent them succeeding in a regular vocational program.	2,590
Title I of Elementary & Secondary Education Act	P.L. 89-313 Education Legislation	592,077	To provide supplemental educational services for handicapped children in State operated programs.	1,112
P.L. 94-142 Part B of the Education of the Handicapped	Part B EHA	2,537,384	All handicapped children have a free appropriate public education which includes special education and services to meet their needs.	39,488
P.L. 91-230	Education of the Handicapped Act	100,000	Personnel Preparation (Inservice Training)	2,000
P.L. 94-482	Voc Ed. Act	6,684,043	To extend existing programs & to develop new programs of vocational education.	211,698
P.L. 93-380	ESEA IV-B	1,513,730	Provide funds to school districts to improve quality of education through Library and Learning Resources.	476,773
Title VII, P.L. 93-380	SARA (State Adult Reading Academy)	59,959	To provide reading instruction for youth & adults who otherwise do not have access to such instruction.	476,773

Federal Act	Acronmym or Short Name	FY 1977-78 Dollars	Purpose	Number of Students Served
P.L. 95-561	ESEA Title IV-Part C and Part C Strengthening	2,643,519	To provide support of locally initiated projects and activities designed to improve educational practices; and to strengthen state education agencies.	47,240
Education Amendments of 1978	Title II Basic Skills	N/A	Improve instruction to master reading, math and communication. States develop plan for basic skills.	N/A
Title IX Act A	Gifted and Talented	N/A	Provide programs for special needs of gifted and talented children.	N/A
P.L. 94-482 Higher Education Act -- Sec. 532	Teacher Centers	69,800	Staff development through in-service education.	N/A
P.L. 93-380 Education Amendments 1974, Sec. 842	Assistance for States for State Equalization Plans	179,723	To assist in development of equalization information for school district financing.	N/A
P.L. 89-10	ESEA, Title I	17,686,137	Supplemental Instructional programs for Educationally Disadvantaged Students.	68,418
P.L. 91-230	Adult Education Act	693,089	Adult Basic Education and English as a Second Language instruction.	9,983
Bilingual Education Act, Title VII of the Secondary Education Act	ESEA, Title VII	3,211,169	To establish equal educational opportunity for all children to achieve competence in the English Language.	12,185
P.L. 95-568	Follow Through	51,200	Technical assistance in coordination of resources and programs for compensatory education students.	N/A
P.L. 95-576	Voc. Ed.	1,334,788	Provide vocational services to disadvantaged.	8,354

Federal Act	Acronmym or Short Name	FY 1977-78 Dollars	Purpose	Number of Students Served
P.L. 93-203	CETA	5,133,148	Provide vocational education services to CETA clients.	4,536
Social Security Act, Title IVC	WIN	327,077	Provide vocational education.	1,169
Section 122 Title I, Elem. and Secondary Education Act	ESEA Title I Migrant	3,010,360	Provide instructional, health and nutritional services to children of migratory agricultural workers, and of migratory fishermen.	10,000
P.L. 81-874	Impact Aid	23,621,478	In Lieu tax-program for federal impacted areas within a school district in which no taxable income received.	60,846
P.L. 81-815	Facility Construction	12,000,000 (to be allocated over 3-4 years)	Provide school buildings for districts in impacted areas.	approx. 1,000 in 2 dist.
Sec. 406 General Education Provisions Act	Capacity Building Program	50,000	To develop or enhance their long-term statistical capabilities.	N/A
P.L. 92-318	Title IV, Indian Education Act	3,137,227 50 dist.	To meet "Special educational and culturally related academic needs of Indian students."	29,951
P.L. 93-638	Johnson-O'Malley or JOM	3,259,299 (Basic & Supplemental)	To establish a program of assistance to upgrade Indian education.	11,436
P.L. 320	Commodity Donation Program	1,364,381 Hndlg. chgs. 7,113,300 Whsle. value	Allocation of appropriated commodity value of .1375 per meal.	
P.L. 396	National School Lunch	18,150,170	To safeguard the health and well being of the nation's children.	
P.L. 85-478	Special Milk Program	526,933	To provide extra servings of milk above that meeting the component in the meals.	311,562

## 5. TRANSPORTATION

### a. Description

The transportation budget area provides for the funds which are used by school districts to operate transportation systems for students. The expenditure items included within this budget area are basically the same as those contained in the General Maintenance and Operation and Special Education budget areas; i.e., salaries, benefits, supplies and materials, etc. In addition to these expenditure items, capital outlay for transportation is also included; i.e., the purchase of school buses. (School buses may also be lease-purchased from Capital Levy funds, a discussion of which is included in Section 6).

### b. History: Transportation Aid

Transportation Aid for FY 1974-75 and FY 1975-76: For the first time, the Legislature appropriated transportation aid to local school districts. The state aid distributed under this program was \$6,962,560 in 1974-75 and \$5,499,996 in 1975-76. The distribution of state aid was tied to a formula which was based on approved students and route mileage. Also an important feature of the 1974 legislation which instituted the funding formula, was that transportation expenditures of school districts were separately budgeted and exempted from the maintenance and operation budget control.

It should be noted that the 1974 legislation was only for a two year period and expired at the end of the 1975-76 fiscal year. The reasoning for a two year program was that at the time of the enactment of the legislation in 1974 there was no data available concerning the actual costs of transportation. It was hoped that at the end of the two year period more complete data on transporting students would be available and the whole issue of transportation aid could be reviewed and necessary changes could be made.

The transportation of students is at the option of the local school board and not mandated by the state except for special education students. Part of the special education mandate passed by the Legislature in 1974 included any necessary transportation of special education students regardless of the distance from school.

Transportation Aid for FY 1976-77 and FY 1977-78: The apportionment formula was altered such that state aid was the lesser of the following:

1. \$0.27 per approved mile
2. Operating cost per approved mile

Transportation Aid for FY 1978-79: The formula which was established in 1976 and used in FY 1976-77 and FY 1977-78 was extended for FY 1978-79.

c. Calculation of Transportation Aid

In order for a student to be eligible for state transportation aid, a common school student must reside outside a one-mile radius of the school facility and a high school student must reside outside a one and one-half mile radius of the school facility. A district may still provide transportation for students residing within these radii, but the district will not receive state transportation aid for them.

Transportation aid is paid on the previous year's actual mileage. By using actual figures rather than estimates, as had been the case in the past, districts know exactly how much aid they can expect to receive during the year and are able to more accurately budget.

The following definitions are necessary to the understanding of state transportation aid:

Daily Route Mileage:

1. The total number of miles driven daily by all buses of a school district while transporting eligible students on scheduled routes from their residence to the school of attendance, and from the school of attendance to their residence, on routes approved by the Superintendent of Public Instruction.
2. The total number of miles driven daily on routes approved by the Superintendent of Public Instruction for which a private party is reimbursed for bringing an eligible student to and from the place of his residence to a school transportation pick-up point or to the school facility of attendance.

Total Bus Mileage: Total bus mileage means the total number of miles driven by all buses of a school district during the school year.

As mentioned in the history of state transportation aid, a district is entitled to the lesser of the following two figures:

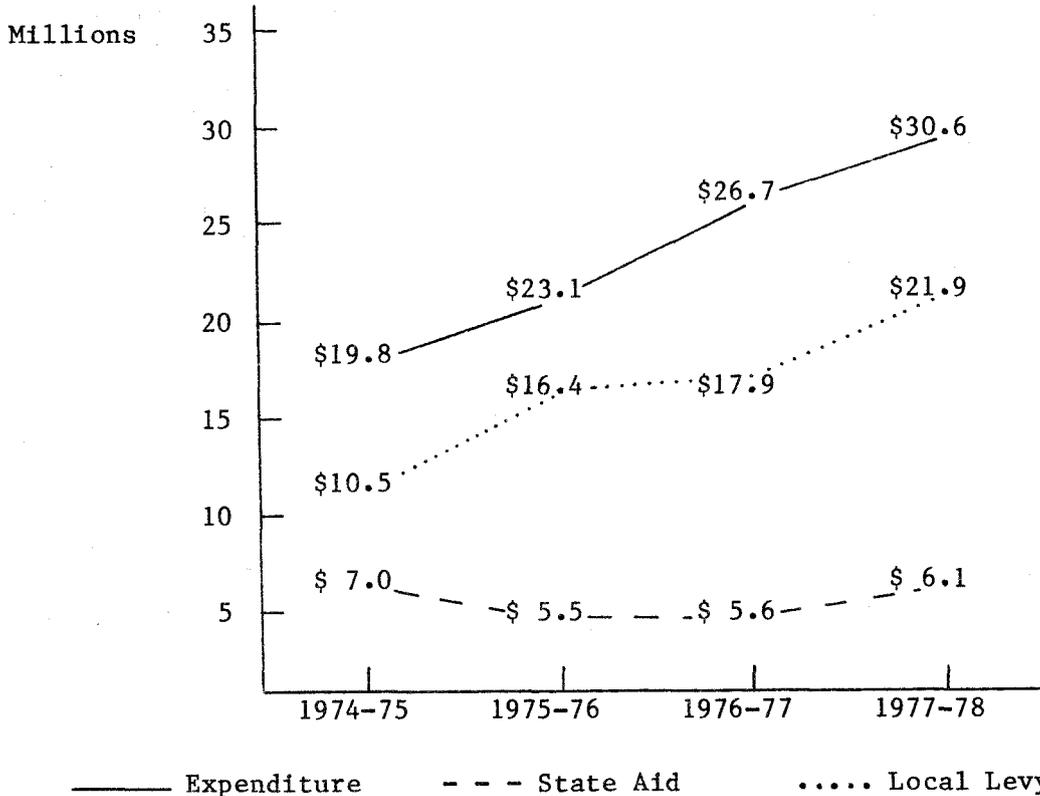
1. \$0.27 per approved route mile
2. Operating expense per mile

In FY 1977-78, virtually every school district in the state that received transportation aid and operated its own transportation system had an operating expense per mile which exceeded \$0.27. Therefore, virtually every district was entitled to receive aid equal to \$0.27 per approved route mile. However, when all eligible route miles were summed and multiplied by \$0.27, the sum exceeded the \$6,100,000 appropriation for transportation aid. In this case, each district's entitlement was reduced by a uniform percentage.

Table 18 illustrates the total expenditures for transportation aid from FY 1974-75 through FY 1977-78. This table also lists the revenue from state aid and from local levy.

TABLE 18

Expenditures and State Aid for Transportation,  
FY 1974-75 through FY 1977-78



NOTE: Revenue from State Aid and Local Levy do not comprise all revenue received for transportation; i.e., additional Federal Revenues are received by school districts for transportation.

6. CAPITAL OUTLAY/DEBT SERVICE

The Capital Outlay/Debt Service portion of the budget is divided into several distinct areas: Budgeted Capital Outlay, Capital Levy, Adjacent Ways, Bond Building, Other Capital Projects and Debt Service. As mentioned in the outset of the overview in the "Description of School Budget Areas," the Bond Building and Other Capital Projects areas will not be discussed beyond the description given in the beginning of the Overview.

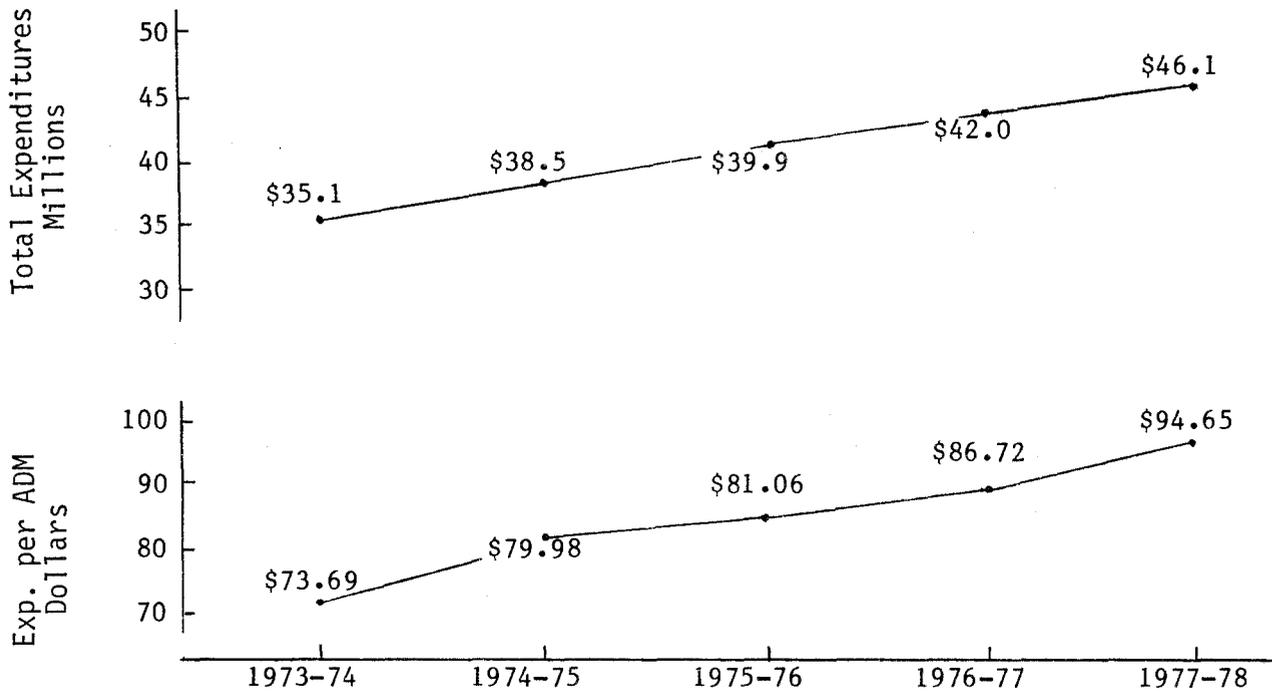
a. Budgeted Capital Outlay

The Budgeted Capital Outlay area of the budget relates to the acquisition of capital outlay items; i.e., textbooks, library books, athletic equipment, building materials, construction, and site improvement. The revenue used for these expenditures comes primarily from local levy funds with a small portion derived from federal funds. This area of the budget is not limited.

In FY 1977-78 school districts produced \$43.8 million in local funds and received \$3.7 million in federal funds for budgeted capital outlay while a total of \$46.1 million was actually expended. Table 19 shows the amounts expended for budgeted capital outlay from FY 1973-74 through FY 1977-78. Total expenditures during the five-year period grew at an average annual percentage increase of 7%. On an ADM basis during the same period of time, the expenditure increased from \$73.69/ADM to \$94.65/ADM, or an average annual percentage increase of 6.5%.

TABLE 19

Total Expenditures for Budgeted Capital Outlay and Expenditures per ADM, FY 1973-74 through FY 1977-78



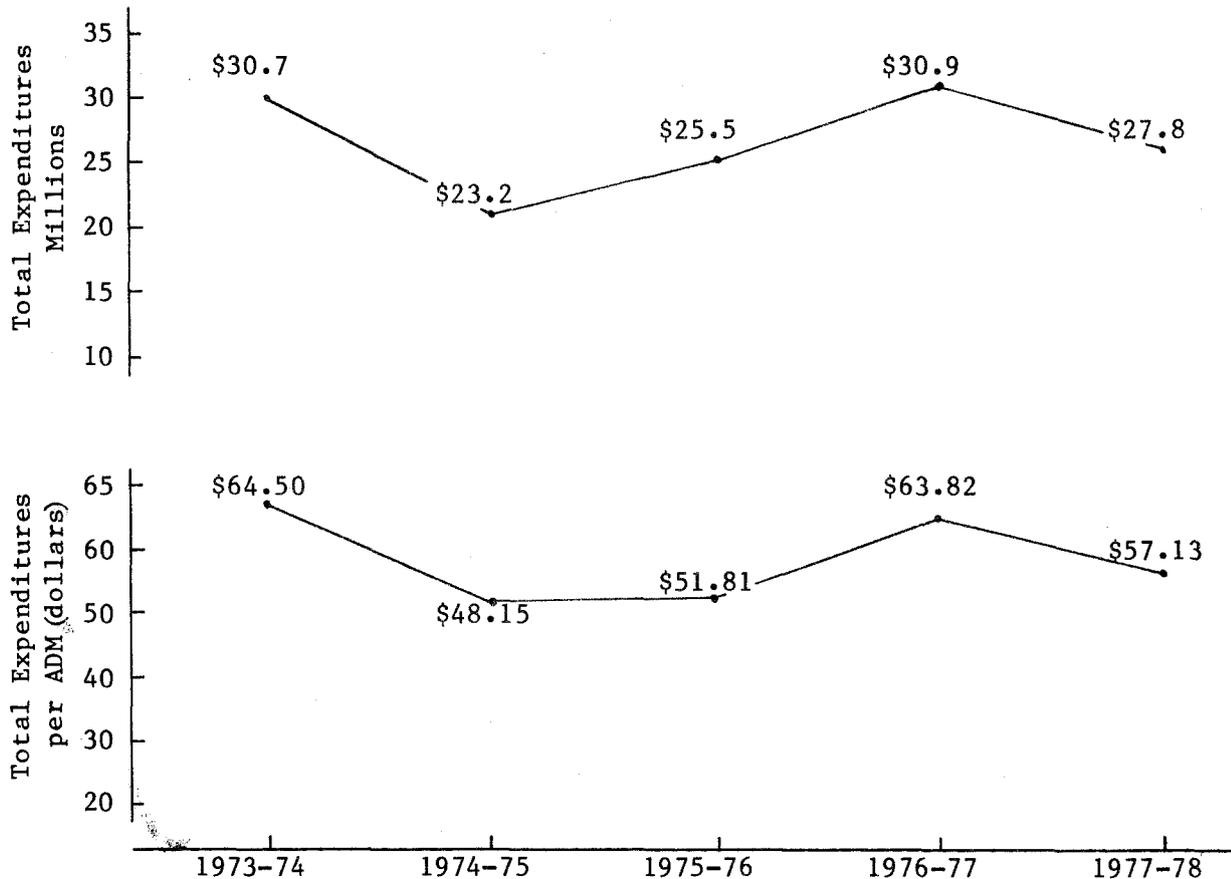
b. Capital Levy

The Capital Levy fund (30/60 cent levy) is used for (a) the purchase or lease of sites, improvement of school grounds, erecting, purchasing, leasing, improving, and furnishing of school buildings and appurtenances; (b) the improving and furnishing of buildings used for school purpose when such buildings are leased from the National Park Service and; (c) lease-purchase or rental agreement for transportation equipment, portable classrooms or specialized electronics, audiovisual and computer equipment. Funds for these expenditures are derived solely from local levies.

Elementary and high school districts may levy up to a maximum of a \$0.30 tax rate and unified districts may levy up to a maximum of a \$0.60 tax rate for these purposes. Unlike most other areas of the budget, these funds are allowed to accumulate from year to year until an expenditure is needed. In FY 1977-78, districts raised \$34.8 million from local levies for this budget area and expended \$27.8 million. Table 20 shows the total amounts expended from the capital levy fund (30/60 cent levy) and the amount expended on an ADM basis.

TABLE 20

Total Expenditures from Capital Levy Fund and Expenditures Per ADM, FY 1973-74 Through FY 1977-78



c. Adjacent Ways

The Adjacent Ways portion of the Capital Outlay/Debt Service budget area provides for special assessments to finance the improvement of public streets, alleys, etc., which are adjacent to school properties. All funding for this area is raised locally, and school districts must pay these city and county assessments. In FY 1977-78, school districts expended approximately \$896,000 for these assessments.

d. Debt Service

The Debt Service portion of the budget is used to redeem bonds outstanding. Bonds are redeemed with local funds, and the levy amounts are determined at the time the bonds are issued. In FY 1977-78, school districts raised \$73.3 million to redeem bonds outstanding.

School districts are controlled by a debt limitation set forth in the State Constitution -- 10% of assessed valuation for elementary and high school districts and 20% of assessed valuation for unified districts.

7. TEACHER RETIREMENT

While the preceding sections have described all areas of a school district's budget, there remains one more area of school expenditures which is not accounted for in a school district's budget. The area is the payment of teacher retirement and OASI contributions by each county. Each county is required to provide sufficient revenues to cover teacher retirement and OASI contributions for the certified personnel of each school district within the county. A legislative history of the teacher retirement and OASI program follows:

Prior to 1943 -- A teacher who was 60 and who had served 30 years as a public school teacher (15 years in Arizona) or who had served 20 years as a public school teacher in Arizona and who was disabled, could retire and receive a monthly pension which was funded out of the legislative appropriation to the State Board of Education. Pension checks were set at \$600 a year from state funds. Other employment after retirement was barred. Pensions were entirely dependent on legislative appropriations.

1943 -- Legislation was passed which established the Arizona teacher retirement system as of July 1, 1943 (Chapter 61, Laws of 1943). Teachers first became eligible for state retirement benefits with the enactment of this legislation. From the program's inception, the counties were responsible for the employer's matching share of retirement for all teachers within each county. With the establishment of this system, teachers' pensions were jointly developed from members', employers' and state funds. The system was financed by contributions from the members, on an annuity basis; and from counties, a percentage of the previous year's earnable compensation payroll in each county being paid into the normal pension accumulation fund. In addition, the state contributed \$100,000 a year to provide a pension allowance for all creditable service rendered prior to July 1, 1943. (The State made provision for service allowance for all teachers who were in service at the time the law went into effect.)

1953 -- Legislation was passed which, among other things, provided for social security (Old Age and Survivors Insurance or OASI) for teachers. The counties were responsible for the employer's contribution to OASI for teachers within each county.

The Social Security Amendments of 1954 (HR 9366) passed by the U.S. Congress provided for substantial broadening of the system. The previous Social Security law had excluded from coverage employees who were in positions covered by a state or local retirement system on the date the agreement was made applicable to the coverage groups. (That agreement in Arizona was entered into in 1953 with the provision for retroactivity to 1951, ARS 38-702, for persons not already within a retirement program.) Thus this agreement excluded teachers, who were already covered by their own retirement program. Among the groups brought into the program nationwide by these 1954 amendments, there were 3.5 million (potential) employees of state and local governments who were covered by state and local retirement systems. If a majority of the members of the system voted in a referendum in favor of coverage, under voluntary agreements between the state and federal government, the members were extended coverage. The referendum for teachers was held in December 1954, effective January 1955, with 90% of those voting opting for Social Security coverage, and 83% electing coverage two years retroactive. Therefore, teachers became covered by Social Security as of January 1953.

1955 -- After minor legislative changes in 1947, 1952, and 1953, legislation was passed in 1955 which merged the Arizona Teacher Retirement System into the State Retirement System. The county remained responsible for the employer's matching share of retirement and OASI for all teachers within each county. This system still exists today as it did in 1955, except for minor legislative changes made in 1961, 1970, and 1975.

The following, Table 21, illustrates teacher retirement and OASI costs from FY 1970-71 through FY 1977-78.

TABLE 21

County School Costs for Teacher Retirement and OASI,  
 FY 1970-71 through FY 1977-78

Millions

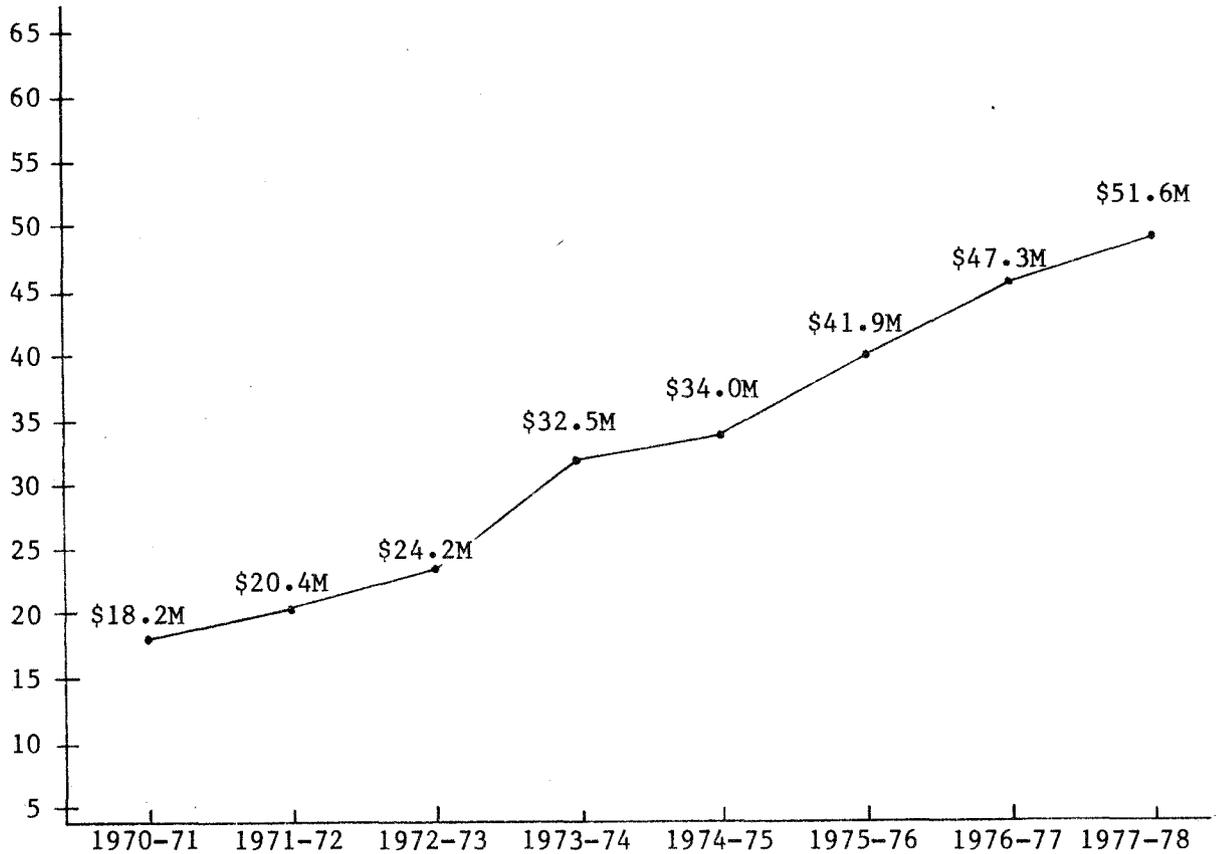


Table 22 illustrates the county tax rates for FY 1977-78 needed to fund teacher retirement and OASI contributions. These tax rates reflect the tax rate which would have been necessary to produce the actual expenditure level solely through property taxes. The actual tax rate which a county may have set would have been dependent upon the budgeted amount, cash balances, and other revenue sources available to the county.

TABLE 22

County Tax Rates Needed to Fund Teacher Retirement and OASI  
 FY 1977-78

County	Tax Rates
Apache	\$1.84
Cochise	0.92
Coconino	0.46
Gila	0.45
Graham	0.97
Greenlee	0.15
Maricopa	0.90
Mohave	0.46
Navajo	0.60
Pima	0.73
Pinal	0.65
Santa Cruz	0.86
Yavapai	0.51
Yuma	0.84

II. CURRENT EXPENDITURE AND REVENUE LIMITATIONS  
PLACED UPON ARIZONA SCHOOLS

There currently exist several limitations which have been placed upon school districts. Table 23 briefly describes each budget area, whether or not it is limited, the expenditures made within the budget area during FY 1977-78 and whether or not either local or state funds are used to fund it.

As Table 23 indicates, there are several types of limitations currently imposed on school districts. In summary these include:

A. Expenditure Limitation

1. The 7% limitation placed upon the General Maintenance and Operation budget area.
2. The expenditure limitation of a maximum 7% increase per pupil in the Special Education budget area.
3. The expenditure limitation which does not allow any district funding option and thus limits expenditures to the amount of revenue received from either federal or state purposes, i.e., Special Projects budget area.

B. Tax Rate Limitation

The Capital Levy budget area is limited by the amount of monies which an elementary or high school district can produce from a maximum \$0.30 tax rate and unified districts by a maximum \$0.60 tax rate.

C. Debt Limitation

The State Constitution sets a debt limit of 10% assessed valuation for elementary and high school districts and 20% for unified districts.

D. Other Limitations

Any of the current expenditure or tax rate limitations imposed upon school districts could be expanded to include other or all budget areas. A modified form of the 7% limitation could be imposed upon all budget areas. If no local funding was allowed and all revenue was provided from federal or state sources, districts would be limited by the amount of funds received. A maximum school district tax rate could be established.

The only general type of limitation which is currently not imposed upon school districts is a property tax levy limitation which establishes a limitation on the amount of property tax levies which a school district may raise.

TABLE 23

Limitations Currently Imposed Upon Arizona School Districts

Budget Area	Limit	Exception to Limit	FY 1977-78 Expenditure	% of Total	Total Tax Funding	State Fundi
<p>1. <u>General Maintenance and Operation</u></p> <p>Contains all expenditures not included in other specific areas. This includes administration, instruction, supplies and materials and other expenses</p>	<p>Yes - 7% budget limitation imposed by state beginning FY 1974-75</p>	<p>Yes - (1) utilities excess cost, leases over one year and employee benefits excess cost (2) budget override allowed (3) districts with four or less teachers are exempt from the limit</p>	\$583,536,794	64.0%	Yes	Ye
<p>2. <u>Special Education: Handicapped and Gifted</u></p> <p>Covers only the extra costs for special education. Capital outlay and transportation costs for handicapped and gifted students are not included in this budget area</p>	<p>Yes - expenditures limited to a maximum annual increase of 7% per pupil; imposed by state beginning FY 1977-78</p>	<p>Yes - (1) utilities excess cost, leases over one year and employee benefits excess cost (2) budget override allowed (3) districts with less than 500 ADM are exempt from limit</p>	\$ 63,431,301	7.0%	Yes	Ye
<p>3. <u>Transportation</u></p> <p>Contains all expenditures related to transportation of all students including special education. It may also include purchase of school buses. However, school buses may also be lease-purchased from Capital Levy Funds (see Budget Area 5b)</p>	No	N/A	\$ 30,624,815	3.4%	Yes	Ye

<u>Budget Area</u>	<u>Limit</u>	<u>Exception to Limit</u>	<u>FY 1977-78 Expenditure</u>	<u>% of Total</u>	<u>al Tax Funding</u>	<u>Stat Fundi</u>
<p>4. <u>Special Projects</u></p> <p>Includes all state and federally funded special projects. State includes vocational education, career education and adult education. Federal projects such as all the Title programs are included.</p>	Yes - limited to the amount of revenue available for any particular program	No	\$ 54,458,702	6.0%	No	Yes
<p>5. <u>Capital Projects</u></p> <p>a. <u>Budgeted Capital Outlay</u></p> <p>Contains expenditures for textbooks, library books, athletic equipment, building materials, construction and site improvement.</p>	No	N/A	\$ 46,126,548	5.1%	Yes	No
<p>b. <u>Capital Levy:</u></p> <p>Includes expenditures for (1) lease-purchase or rental agreements for transportation equipment, portable classrooms and specialized electronic, audio-visual and computer equipment and (2) purchase or lease of sites, improvements to grounds, erecting, purchasing, leasing, improving and furnishing of school buildings.</p>	Yes - elementary and high school districts may levy a maximum tax rate of \$0.30; unified districts a maximum of \$0.60; state imposed limit	No	\$ 27,839,571	3.0%	Yes	No

<u>Budget Area</u>	<u>Limit</u>	<u>Exception to Limit</u>	<u>FY 1977-78 Expenditure</u>	<u>% of Total</u>	<u>Local Tax Funding</u>	<u>State Funding</u>
c. <u>Adjacent Ways:</u>  Provides for special assessments to finance the improvement of public streets, alleys, etc. which are adjacent to school property	No - district must pay city and county assessments	No	\$ 895,877	0.1%	Yes	No
d. <u>Bond Building:</u>  Accounts for monies received from district bond issues; the Debt Service budget area (see 6) used to retire the bond issues	N/A	N/A	(\$50,546,160)		N/A	N/A
b. <u>Other Projects:</u>  Includes all other capital outlay transactions which are not included in other four areas; includes any monies received through (1) federal 815 program or Johnson-O'Malley, (2) private grants, and (3) State School Facilities Emergency Aid program	Yes - limited to amount of revenue available	No	\$ 4,686,335	0.5%	No	Yes
6. <u>Debt Service</u>  Used to redeem bonds outstanding and thus accounts for all bond redemption and interest payments	Yes - state constitution sets limit of 10% of assessed valuation for elementary and high school districts and 20% for unified districts	No	\$56,321,532	6.2%	Yes	No

<u>Budget Area</u>	<u>Limit</u>	<u>Exception to Limit</u>	FY 1977-78 <u>Expenditure</u>	<u>% of Total</u>	<u>Local Tax Funding</u>	<u>State Funding</u>
<p>7. <u>Enterprise</u></p> <p>Used to account for acquisition, operation and maintenance of school services which are predominantly self-supporting (Food Service, Civic Center and Community School Funds)</p>	Yes - limited to amount of revenue available	N/A	\$39,830,484	4.4%	No	No
<p>3. <u>Other</u></p> <p>Accounts for funds not included in any other budget area, such as Payroll Clearing Fund</p>	N/A	N/A	\$ 2,513,907	0.3%	No	No

### III. ANALYSIS OF CURRENT SCHOOL FINANCE SYSTEM: FY 1977-78

This section attempts to provide information concerning the impact of the current school financing system on the tax rates and expenditure patterns among school districts using FY 1977-78 data. The data presented in this section will assist in understanding how the current equalization provisions have operated.

For the purpose of comparing school districts, four groups were established as follows:

Unified School Districts (Type 02) are districts that have fiscal responsibilities for and serve students in grades kindergarten through 12th grade. They operate with one budget, have a 20 percent bonding capacity and are allowed a 60 cent capital levy. Included with the unified districts are 3 elementary districts which teach high school students. These districts are located within the Apache County High School District. These districts are Window Rock, Ganado and Chinle. They were included with the unified districts because they have accepted the fiscal responsibility for and are serving grades kindergarten through 12th grade. The only difference between these 3 districts and unified districts is that they are limited to 10 percent bonding capacity and a 30 cent capital levy. The 61 districts included in this category served a resident and nonresident ADM of 239,224.

Elementary School Districts not in Organized High School Districts (Type 03) are districts that were organized to operate elementary schools (K-8) but because they are not in a high school district must also assume the fiscal responsibility for educating the high school students that reside within their boundaries. Most of these districts transport their high school students to neighboring districts and pay tuition for these students. A few of these districts have requested permission from the State Board of Education to teach high school subjects. (Young, Tanque Verde, Chino Valley, and Peach Springs, teach K-9 while Indian Oasis teaches K-12.) All of these districts have a 10 percent bonding capacity limit and are allowed a 30 cent capital levy. Fifty-six districts are included in this category. These districts had a resident and non-resident ADM of 11,486.

Elementary School Districts Within Organized High School Districts (Type 04) are districts that have fiscal responsibility for educating students grades kindergarten through 8. They are allowed a 10 percent bonding capacity and a 30 cent capital levy. With the exception of the 3 elementary districts (Window Rock, Ganado, and Chinle) grouped with the unified districts none of these districts offer instruction in high school subjects. There are 88 districts which compose this group and they had a resident and non-resident ADM of 165,384.

High School Districts (Type 05) are those districts organized to serve one or more elementary districts and have the fiscal responsibility for grades 9 through 12. They are allowed a 10 percent bonding capacity and a 30 cent capital levy. There are 27 districts classified as type 05 which had a total resident and non-resident ADM of 78,083.

#### A. Analysis of FY 1977-78 Total Tax Rates

Appendix 2 contains the FY 1977-78 tax rates ranked from highest to lowest for all school districts, by type of district, as defined above, as well as

the component tax rates of each district's total tax rate. Table 24 reveals the high, low, and median tax rates by type of district. Inspection of the range of tax rates reveals a range of \$9.91 between the highest and lowest tax rate.

Table 24  
Range of Total Tax Rates by District Type  
for FY 1977-78

District Type	High Tax Rate	Low Tax Rate	Median Tax Rate
Unified (Type 02)	\$ 9.7283	\$1.2530	\$5.2066
Elementary (Type 03)	10.1100	0.2000	3.7750
Elementary (Type 04)	8.4039	0.3000	3.2876
High School (Type 05)	8.0919	0.7363	2.6000

An analysis of the tax rates for each fund displayed in Appendices 3 through 8 must be approached with caution as the tax rate for each fund may vary greatly among districts due to the placement of federal, state, and local revenue. For example, school districts receiving Federal Impact Monies (P.L. 874) have the option of placing those funds in any of the following funds: General Maintenance and Operation (001), Special Education (002), Transportation (004), and Budgeted Capital Outlay (410). Neither federal regulations nor state statutes control how these monies are to be distributed. Table 25 illustrates this relationship for two school districts.

Table 25  
Relationship of P.L. 874 Monies and Tax Rates  
by Fund for Two Selected Districts

School District	Total	M&O	Sp. Ed.	Trans.	Capital Outlay	Debt Service
Window Rock Tax Rate	\$ 7.2795	\$5.8511	\$0.3055	\$ -0-	\$ -0-	\$1.1229
874 Monies	\$1,810,479	-0-	\$89,691	\$887,424	\$883,364	-0-
Ganado Tax Rate	\$ 6.5034	-0-	\$0.5190	\$ 0.5724	\$4.3709	\$1.0411
874 Monies	\$ 991,282	\$757,284	-0-	\$172,889	\$61,109	-0-

It should be noted that the placement of revenues has a large effect on the component tax rates for each fund but does not effect the total district tax rate.

B. Analysis of FY 1977-78 General Maintenance and Operation Tax Rates and Expenditure Levels

Table 26 reveals the high, low, and median tax rates for the General Maintenance and Operation section of the budget. The General Maintenance and Operation section of the budget is the portion of the budget which is under the "seven percent limit" and the target of the equalization efforts of the current financing system.

Table 26

Range of General Maintenance and Operation  
Tax Rates by District Type for FY 1977-78

District Type	High Tax Rate	Low Tax Rate	Median Tax Rate
Unified (Type 02)	\$5.8511	\$0.0000	\$2.1791
Elementary (Type 03)	7.8500	0.0000	2.1920
Elementary (Type 04)	3.6032	0.0000	1.2480
High School (Type 05)	3.1810	0.0000	1.0754

The General Maintenance and Operation section of the budget is the section where basic state aid is targeted. If the current equalization formula worked to perfection then all unified school districts would have approximately a \$2.60 general maintenance and operation tax rate and all other districts would have approximately a \$1.30 general maintenance and operation tax rate. However, examination of the current finance formula reveals several reasons why a school district might have a tax rate different from the qualifying tax rate specified. The following provisions would allow a district to have a tax rate higher than the qualifying tax rate:

Per pupil expenditure greater than the Basic Support Level

The current formula equalizes expenditures only to the Basic Support Level and those districts expending above that level must support the additional cost from local funds. There are four ways a district can have an expenditure level greater than the Basic Support Level. First, if the district was spending above the support level in FY 1973-74 its Budget Cost Level was set above the Basic Support Level and allowed to grow at the same dollar amount as the Basic Support Level. Although this provision has "limited" the district's spending level, there is no provision in the current formula to reduce the spending level of districts to the Basic Support Level.

Secondly, a district may have had a budget override election which may have allowed a per pupil expenditure greater than the Basic Support Level. The statutes specifically provide that the amount of an override must be supported with local funds and cannot be considered in computing the basic state aid entitlement.

The third reason would be that those districts receiving Federal Impact Aid (P.L. 874) are allowed to increase their budget limits by the amount of such aid. As mentioned previously, if a district increased its general maintenance and operation budget limit by the amount of P.L. 874 monies to be received and then placed the P.L. 874 monies in other areas of the budget, it would cause the tax rate for this section to be inflated.

The fourth and final reason is that excess cost items (employee benefits, utilities, and lease over one year) are placed outside the budget limit and may be entirely funded from local sources, thus causing the general maintenance and operation tax rate to exceed either \$1.30 or \$2.60.

#### Negative Cash Balance

If for some reason a district were to begin a budget year with a deficit, the amount of that deficit would be added to the levy requirement. This would require a tax rate greater than the qualifying levy.

Appendix 3 indicates whether one or more of the above mentioned factors were present for each school district. Analysis reveals that one or more of these factors are present for each district with a tax rate greater than the qualifying rate.

The second question to be answered is how a school district can have a tax rate for the general maintenance and operation budget which is less than the qualifying tax rate. The reasons why districts might have a tax rate lower than the qualifying tax rate are (1) the district chose to expend at a rate lower than the Basic Support Level; (2) the district had a large cash balance in the general maintenance and operation fund; (3) the district received significant amounts of lieu tax monies such as P.L. 874 funds; or (4) the district failed to qualify for basic state aid.

By statutory definition, cash balances are counted toward the qualifying levy requirements. Therefore the actual tax rate will be less than the qualifying tax rate if a cash balance exists. A district that expends below the Basic Support Level and/or its Budget Cash Level after budgeting and taxing to do so would accumulate revenues that would lead to a cash balance.

An explanation of the impact of lieu tax monies, i.e. P.L. 874 monies was discussed in the preceding section. An example of a district that does not qualify for basic state aid is the Sahuarita Unified School District. The district spent at a per pupil rate above the state Basic Support Level and needed a tax rate of only \$1.66 to totally fund its general maintenance and operation budget. The qualifying tax rate for unified school district is \$2.60.

Examination of the data in Appendix 3 reveals that one or more of the above factors are present for each school district with a general maintenance and operation tax rate below the qualifying tax rate.

#### C. Analysis of FY 1977-78 Special Education Tax Rates

Special education tax rates are listed by median and range for the four types of school districts in Table 27.

Table 27

Median Tax Rate and Range for Special Education  
by District Type for FY 1977-78

District Type	Median Tax Rate	Range of Tax Rates	
		Low	High
Unified (Type 02)	\$0.3791	\$0	\$1.2327
Elementary (Type 03)	\$0.1072	\$0	\$1.5386
Elementary (Type 04)	\$0.2378	\$0	\$1.4184
High School (Type 05)	\$0.1754	\$0	\$0.4857

The median tax rate for unified districts is the highest but this is to be expected since a unified district provides services for both elementary and high school students. If the median tax rates for Elementary (Type 04) and High School (Type 05) districts are combined they would result in a tax rate of \$0.4132, which is almost identical to median tax rate for unified school districts. The median tax rate for type 03 districts was \$0.1072.

The range for tax rates for special education varies from \$1.5386 for type 03 elementary districts to \$0.4857 for high school districts. The following table lists the school districts with special education tax rates in excess of \$1.00 for FY 1977-78.

Table 28

School Districts with Special Education Tax Rates in Excess of \$1.00 for FY 1977-78

School District	Tax Rate	Expenditure Per Weighted ADM	State Support Per Weighted ADM	Expenditures in Excess of State Support Weighted ADM	Tax Rate Required for Excess
Indian Oasis Elem.	\$1.5386	\$1,272.64	\$ 976.54	\$ 296.10	\$1.43
J. O. Combs Elem.	1.0222	1,737.15	1,123.03	614.12	0.63
Avondale Elem.	1.4184	1,711.41	976.54	734.87	0.98
Puerco Elem.	1.1141	2,746.22	976.54	1,769.68	1.24
Apache Junction El.	1.1017	2,659.05	976.54	1,682.51	0.76
Sunnyside Unified	1.2327	1,108.75	976.54	132.21	0.12
Ft. Thomas Unified	1.1816	1,426.48	1,123.03	303.45	0.46
Gilbert Unified	1.1759	2,146.97	976.54	1,170.43	1.49
Maricopa Unified	1.0421	1,585.16	976.54	608.62	0.55

All of the school districts in Table 28 had special education expenditures in excess of the state support level per weighted ADM. Any expenditures beyond the support level are fully funded by local funds.

Sunnyside Unified School District during this year raised \$395,765 more than required thereby ending the 1977-78 school year with a very substantial cash balance. This factor alone accounted for over \$0.40 of the special education tax rate for the Sunnyside Unified School District.

Of the 201 school districts in the state that expended special education funds in the 1977-78 school year, 172 districts or 86%, had expenditures in excess of the support level. Since any expenditures beyond the support level are funded locally, special education tax rates will vary depending on the relative assessed valuation of individual school districts. Districts with low assessed valuation may have substantial tax rates to raise these funds. School districts with high assessed valuations can still raise these excess funds and have relatively low tax rates.

All special education students generate basic state aid. These state aid payments appear as revenue in the General Fund (Fund 001). For special education students who are served in resource programs, these revenues would be used to provide the regular education services received by this group of students. However, special education students in self-contained classes do not participate in regular education or participate to a very limited extent. The basic state aid generated for this group of students appears as revenue for the general fund. Appendix 4 presents by district group special education tax rates ranked from highest to lowest.

D. Analysis of FY 1977-78 Transportation Fund Tax Rates and Expenditures

The state aid program for transportation is a flat grant system based on payment of \$.27 per bus mile for transporting eligible students to and from school. Virtually every school district operating a transportation program had an operating cost per mile of more than \$0.27 in FY 1977-78. The average cost per bus mile and average cost per student transported are shown for each group of districts in Table 29.

Table 29  
Average Cost per Bus Mile and Average Cost per Student  
Transported by District Type

District Type	Average Cost per Bus Mile	Average Cost per Student Transported
Unified (Type 02)	\$0.88	\$158.19
Elementary (Type 03)	\$0.61	\$345.69
Elementary (Type 04)	\$0.81	\$145.35
High School (Type 05)	\$1.18	\$193.93

Analysis of the individual school district data in Appendix 5 reveals there is no relationship between the cost per mile and cost per student transported. Further analysis also indicates that neither cost per mile nor cost per student transported has a relationship to the transportation fund tax rates set by the school districts.

Examination of the individual school district tax rates for transportation reveals a range from \$0.00 to \$2.8464. Those districts with no tax rate either had no transportation program, extremely high cash balances, or solely supported their transportation budgets with state aid and Federal Impact Aid. The districts with the highest tax rates tend to be rural districts with a low assessed valuation per student. In districts like these, although the total dollars needed may appear to be minimal, the tax rate necessary to produce these minimal amounts may be comparatively high because the small assessed valuation bases.

E. Analysis of FY 1977-78 Budgeted Capital Outlay Tax Rates

Currently Arizona does not have a state formula for providing aid to school districts for budgeted capital outlay. Therefore, with the exception of some federal funding, all of the expenditures in this area come from local sources. Appendix 6 presents the ranked tax rates for budget capital outlay by district type. The following table lists the median tax rates and range of tax rates by district type for FY 1977-78.

Table 30

School District Tax Rates for Budgeted Capital Outlay  
by District Type for FY 1977-78

District Type	Median Tax Rate	Range of Tax Rates	
		Low	High
Unified (Type 02)	\$0.5582	\$0.00	\$4.2686
Elementary (Type 03)	0.2448	\$0.00	\$2.8140
Elementary (Type 04)	0.3590	\$0.00	\$5.5600
High School (Type 05)	0.2741	\$0.00	\$2.2861

The median tax rate for unified school districts (Type 02) was the highest. However, when the tax rates for elementary (Type 04) and high school (Type 05) districts are combined, they equal \$0.6331. Therefore, since unified districts provide education for children in grades K-12 the tax rates only differ by approximately \$0.07 from the total of the median tax rates for elementary and high school districts.

Since expenditures for budgeted capital outlay are almost entirely funded locally, the tax rates will vary based upon the level of expenditure and local tax base (assessed valuation). The following table lists those elementary (Type 04) and high school (Type 05) districts that had expenditures in excess of \$175 per pupil for the 1977-78 school year and their tax rates for budgeted capital outlay.

Table 31

Tax Rates for Elementary (Type 04) and High School (Type 05) Districts  
with Expenditures in Excess of \$175 per Pupil  
for Budgeted Capital Outlay for FY 1977-78

District Name	Expenditure per Pupil for Budget Capital Outlay	Tax Rate
Hackberry Elementary	\$592	\$0.0220
Red Rock Elementary	508	0.0673
Concho Elementary	389	1.0523
Bicentennial UHS	385	0.2741
Alpine Elementary	335	1.0950
Crane Elementary	265	2.1003
Patagonia UHS	259	2.2861
Tempe UHS	247	0.5838
Yuma UHS	245	0.6532
Peach Springs Elementary	243	0.3684
Superior High School	239	0.1040
Union Elementary	235	0.4426
Antelope UHS	232	0.3462
Apache County UHS	226	0.5135
Quartzsite Elementary	222	0.5416
Tolleson UHS	220	1.0703
Sacaton Elementary	211	5.5600
Santa Cruz UHS	208	0.4851
Vicksburg Elementary	207	0.0376
St. Johns Elementary	192	0.6198
Yucca Elementary	189	0.2108
McNary Elementary	179	0.1981

In general those school districts listed on Table 31 with relatively low tax rates are school districts with high assessed valuation. For example, Hackberry Elementary had the highest expenditures per pupil of all of the school districts listed yet this school district had the lowest tax rate for budgeted capital outlay. This is because Hackberry has one of the highest assessed valuations per pupil (\$1,038,252) of any school district in the state. Conversely, those school districts with relatively high tax rates are those school districts with low assessed valuation. For example, Sacaton Elementary had the highest tax rate, \$5.5600, of all of the school districts listed and this district has an assessed valuation of \$2,402 per pupil.

The following table demonstrates the impact of wealth by listing the tax rates that would be required to expend \$100 in budgeted capital outlay per pupil.

Table 32

Tax Rate Required to Expend \$100 in Budgeted Capital Outlay  
per Pupil in Selected Unified School Districts in FY 1977-78

School District	Tax Rate Required to Expend \$100 Per Pupil
Dysart Unified	\$2.8443
Nogales Unified	1.6384
Gilbert Unified	1.5849
Tucson Unified	0.7963
Scottsdale Unified	0.6351
Wickenburg Unified	0.6350
Ray Unified	0.3817
Page Unified	0.1152
Morenci Unified	0.0979
Sahuarita Unified	0.0770
Joseph City Unified	0.0503

The tax rate to provide equal levels of expenditures per pupil will vary greatly depending upon the wealth of an individual school district.

F. Analysis of FY 1977-78 Capital Levy Tax Rates and Capacities

Appendix 7 displays the FY 1977-78 tax rates set for the capital levy fund. All school districts, with the exception of unified school districts, are allowed to levy a tax rate up to \$0.30 per \$100 assessed valuation for this purpose. Unified school districts are allowed a capital levy of \$0.60 per \$100 assessed valuation.

Also presented in Appendix 7 are the capital levy capacities for each school district expressed in terms of dollars per Average Daily Membership (ADM). This was computed by dividing the school districts assessed valuation by 100, multiplying the result by the maximum capital levy allowed by law and then dividing by the district's ADM. The allowable capacity per ADM is presented rather than the actual expenditures per ADM because school districts have the ability to levy for a period of years, accumulate the proceeds and then make one large expenditure. Because of this it was felt that an analysis of actual expenditures would be misleading unless an indepth analysis of a period of several years was undertaken.

Table 33 reveals the number of school districts by type that levied a capital levy in FY 1977-78 and whether the levy was the maximum allowable by law.

Table 33  
Capital Levy Tax Rates by District Type  
for FY 1977-78

Type of District	Number of Districts Levying		
	Maximum Tax Rate	Less than Maximum	No Tax Rate
Unified (Type 02)	32	25	4
Elementary (Type 03)	26	13	17
Elementary (Type 04)	56	16	16
High School (Type 05)	17	9	1

Examination of Table 33 reveals that a majority of all school districts regardless of type levied the maximum tax rate for capital levy in 1977-78.

Table 34 gives the range of capital levy capacity per ADM by type of district.

Table 34  
Range of Capital Levy Capacity  
per ADM by District Type

Type of District	Range of Capacity by ADM		
	High	Low	Range
Unified (Type 02)	\$1,192	\$ 6	\$1,186
Elementary (Type 03)	\$1,473	\$ 4	\$1,469
Elementary (Type 04)	\$3,115	\$ 4	\$3,111
High School (Type 05)	\$ 540	\$12	\$ 528

Analysis of the range of capacities on an ADM basis given in Table 34 reveals the inequalities among school districts in the capital levy fund as a source of capital resources.

G. Analysis of FY 1977-78 Debt Service Tax Rates

The present state school finance system has no provisions for equalizing tax rates in the area of debt service. Except for areas where federal funds are available the cost of building facilities is totally the responsibility of the local school district. The major source of revenue for local school districts is the local property tax. Therefore debt service has a major impact on the tax rate of a district. Appendix 8 ranks the tax rates for debt service by district type.

The following table gives examples of some of the high tax rates that existed in the area of debt service for FY 1977-78.

TABLE 35

Examples of High Tax Rates  
for Debt Service for FY 1977-78

District	Tax Rate
Paradise Valley Unified	\$3.0760
Holbrook Unified	2.8346
Palominas Elementary	2.1400
Tolleson Elementary	1.9277
Littleton Elementary	1.4254
Roosevelt Elementary	1.3996
Pendergast Elementary	1.9387
Crane Elementary	1.3227
Patagonia UHS	1.3936

In all of the districts listed in Table 35 the tax rate for debt service exceeded the qualifying tax rate that currently exists for basic state aid. In general, the school districts listed have recently, and in many cases are currently, experiencing growth in students. Also, this group of school districts does not have a comparatively large assessed valuation base per pupil.

On a statewide basis 16 unified, 22 elementary, and 5 high school districts had tax rates for debt service in excess of \$1.00. In order to analyze the causes for these high tax rates, the first factor that must be considered is the need for additional buildings in a school district. The basic cause for increased building of school facilities are increases in the student population. Additionally, a need may arise where existing facilities need to be renovated or be replaced.

A second major factor which currently has an affect on the tax rate for debt service is the relative property wealth (assessed valuation) or lack of property wealth of a school district. For example in FY 1977-78, Paradise Valley Unified School District had a tax rate of \$3.0760 for debt service. This school district had an expenditure of \$238.86 per ADM for debt service principal and interest. If Paradise Valley Unified School District had an assessed valuation per pupil equal to Scottsdale Unified School District the tax rate for debt service would have been reduced to \$1.5169. Examining the disparity to an extreme would be to assume that if Paradise Valley had an assessed valuation per pupil equal to Joseph City Unified the tax rate for debt service would have been reduced to \$0.1201. These examples show the impact of district property wealth on the tax burden relative to the debt service area.

In another example Sahuarita Unified School District and Flowing Wells Unified School District, both in Pima County, can be compared. Sahuarita paid \$263.23 per pupil and Flowing Wells paid \$295.47 per pupil for principal and interest payments for outstanding bonds in 1977-78. Even though Sahuarita had only slightly lower expenditures per pupil than Flowing Wells, the tax rate for Sahuarita was only \$0.2027 whereas the tax rate for Flowing Wells was \$2.4903.

The following table lists the expenditures per pupil for debt service and tax rates for five unified school districts with low assessed valuation per ADM and five unified school districts with high assessed valuation per ADM.

Table 36

Expenditures and Tax Rates For Debt Service  
in Selected Unified School Districts for FY 1977-78

District Name	Assessed Valuation Per Pupil	Expenditures Per ADM	Tax Rate
Joseph City	198,809	\$900.61	\$0.4530
Sahuarita	129,862	263.23	0.2027
Page	86,822	383.93	0.4422
Seligman	80,121	547.71	0.6835
Haden-Winkelman	46,180	576.35	0.8697
Paradise Valley	7,765	238.86	3.0760
Winslow	6,773	109.87	1.6221
Nogales	6,104	43.47	0.7122
Coolidge	6,062	105.84	1.5637
Dysart	3,516	82.16	2.3368

As shown on Table 36 school districts with a large assessed valuation have the ability to expend a substantial amount of funds for debt service and still maintain a relatively low tax rate. School districts with a limited assessed valuation, even with relatively low expenditures per pupil, are faced with relatively high tax rates. For example Sahuarita Unified expended \$263 per ADM with a tax rate of \$0.2027 yet Paradise Valley Unified had a tax rate of \$3.0760 in order to expend \$239 per ADM.

#### IV. BASIC SCHOOL FINANCE ALTERNATIVES

This section of the Overview presents the basic school finance alternatives which are presently in use. For the purpose of explanation and analysis, these basic alternatives will be presented in three groups: Program, Transportation, and Facilities.

##### A. Program Area

The Program Area is comprised of all the areas of the current school budget which receive state and/or local funds and are directly related to educational programs. This area includes: (1) General Maintenance and Operation, (2) Bilingual, (3) Special Education-Handicapped, (4) Special Education-Gifted, (5) Vocational Education, and (6) Budgeted Capital Outlay. (Note: Career Education was not included as it operates on a project basis. Budgeted Capital Outlay was included because it includes expenditures for textbooks, library books, and furniture and equipment which are deemed necessary for an educational program.)

Five Basic equalization formulas\* have been identified -- Minimum Foundation, Guaranteed Tax Base, Percentage Equalizing, District Power Equalizing, and Full State Assumption. Although these alternatives differ in their conception of the state and local role, and in the attributes of equalization which are highlighted, they all are based on the same components ... wealth, tax effort, and need. Table 37 lists the five basic equalization formulas, and the states, which use the basic formulas.

\*The description and examples for each formula presented in this section were taken from "Plain Talk About School Finance", National Institute of Education, May, 1978

TABLE 37

## Basic Equalization Formulas Used by States

<u>Minimum Foundation</u>	<u>Guaranteed Tax Base</u>	<u>Percentage Equalizing</u>	<u>District Power Equalizing</u>	<u>Full State Assumption</u>
Alabama	Colorado	Alaska	Ohio	Hawaii
Arizona	Connecticut	Delaware		
Arkansas	Kansas	Maryland		
California*	Michigan	Massachusetts		
Florida	New Jersey	Pennsylvania		
Georgia	Wisconsin	Rhode Island		
Idaho		Vermont		
Illinois*				
Indiana				
Iowa				
Kentucky				
Louisiana				
Maine*				
Minnesota				
Mississippi				
Missouri*				
Montana*				
Nebraska				
Nevada*				
New Hampshire*				
New Mexico				
New York				
North Carolina				
North Dakota				
Oklahoma*				
Oregon				
South Carolina				
South Dakota*				
Tennessee				
Texas*				
Utah				
Virginia				
Washington				
West Virginia				
Wyoming				

\*Foundation programs are augmented by guaranteed tax base, percentage equalization, and district power equalizing formulas.

In explaining how these formulas operate, we will show how state aid is calculated for individual school districts. (To simplify calculations, state aid is expressed as a per pupil amount. In this way, the need factor -- pupils -- is a constant in all the formulas. The need factors suggested to date are: ADM, weighted ADM, ADA, staffing patterns and staff per ADM.) We will show the

impact of these formulas on two hypothetical school districts -- District A which has a property tax base of \$25,000 per pupil and District B with a property tax base of \$75,000 -- by calculating the amount of state aid for each district and showing the extent to which this state aid overcomes disparities in wealth.

1. Minimum Foundation Program

Under the Foundation plan, each school district is guaranteed a basic amount of money for the cost of each pupil's education. This guaranteed amount is known as the foundation amount or minimum guarantee. Local school districts must contribute to this guaranteed amount. The local share is determined by levying a state mandated tax rate on a district's property valuation. The amount raised by a district from this tax rate is known as the required contribution. State aid is the difference between the foundation amount and the district's required contribution. Thus:

$$\text{State Aid Per Pupil} = \text{Foundation Amount} - \text{Required Contribution Per Pupil}$$

where

$$\text{Required Contribution Per Pupil} = \left( \frac{\text{State Mandated}}{\text{Local Tax Effort}} \right) \times \text{Local Wealth Per Pupil}$$

Let us assume that the state sets its Minimum Foundation Amount at \$1,000 per pupil, and the required local tax effort for education at 10 mills (\$10 per \$1,000 of property valuation or 1 percent, or \$1 per assessed valuation (\$1) per \$100 of property wealth or 1 percent). The state aid for our two hypothetical districts is shown in Chart 6. District A receives \$750 whereas District B with a high property valuation receives only \$250.

CHART 6

Operation of Minimum Foundation Program

District	(1) Property Valuation	(2) Foundation Amount	(3) Required Contribution	(4) State Aid (2-3)
A	\$25,000	\$1,000	\$250	\$750
B	75,000	1,000	750	250

A Minimum Foundation Program allows a participating district to tax itself at a rate above the mandated local tax effort. A tax rate higher than the required tax rate will not cause an increase in state aid. Therefore, the ability to raise revenues above the foundation level varies with the wealth of the district.

Let us assume that our two sample districts both choose to tax themselves at a rate of 2 percent: 1 percent for the minimum program plus 1 percent local leeway. For the additional 1 percent tax rate, District A can raise \$250 in local revenue (\$25,000 x .01) and District B can raise \$750 from local taxes. Chart 7 shows the result of local leeway.

CHART 7

Local Leeway Minimum Foundation Program

District	Valuation	Required Local Contribution	State Aid	Minimum Program
A	\$25,000	\$250	\$750	\$1,000
B	75,000	750	250	1,000

CHART 8

Minimum Program Plus Local Leeway

District	Property Valuation	Minimum Program	Yield 1% Local Leeway	Total Expenditures
A	\$25,000	\$1,000	\$250	\$1,250
B	75,000	1,000	750	1,750

With the same tax effort, a tax rate of 2 percent, District B can now spend \$1,750 whereas District A can only spend \$1,250. The impact of state aid has become less equalizing with the addition of "local leeway".

Therefore, the extent to which a Minimum Foundation formula is equalizing depends upon: the level of the state guarantee and the amount of local leeway chosen by the local district. As the state increases the level of its guarantee, a large proportion of district expenditures become eligible for state aid and the disparities between districts lessen. As the local districts tax above the mandated tax rate, the disparities widen again, because the wealth of the district determines the amount of money which can be raised above the foundation level.

2. Guaranteed Tax Base

While the Minimum Foundation Program emphasizes the state guaranteed spending level, the Guaranteed Tax Base Plan emphasizes the state-determined tax base and the district's local tax effort. First, the Guaranteed Tax Base Plan is designed to assure that every district in the state can act as though it has a tax base the same as some state set level. Under a guaranteed tax base program the local school district chooses its tax rate for education. This tax rate is then applied to the guaranteed tax base and the actual tax base for the school district. State aid is the difference between what would be raised with the guaranteed tax base and what can actually be raised from the local tax base. The greater the difference between actual and guaranteed wealth, the larger the amount of state aid.

The Guaranteed Tax Base formula is:

$$\text{State Aid} = \left( \frac{\text{Guaranteed Tax Base}}{\text{Local Tax Rate}} \right) - \left( \frac{\text{Actual Tax Base}}{\text{Local Tax Rate}} \right)$$

Let us assume that a state guarantees a tax base of \$100,000 per pupil. Let us also assume that District A with its per pupil valuation of \$25,000 and District B with its property valuation of \$75,000 per pupil each have a local tax rate of 10 mills, \$1 per \$100 of assessed valuation, or 1 percent. Chart 9 shows the state aid for these two districts.

CHART 9

Guaranteed Tax Base

District	Guaranteed Tax Base	Local Tax Base	Tax Rate	Guaranteed Revenues	Local Revenues	State Aid
A	\$100,000	\$25,000	.01	\$1,000	\$250	\$750
B	100,000	75,000	.01	1,000	750	250

Since each district has the same tax rate of 1 percent, each is guaranteed revenues of \$100,000 x .01 or \$1,000 per pupil. District A raises \$250 from its local tax base (\$25,000 x .01 = \$250). Thus, District A receives \$1,000 - \$250 or \$750 in state aid. District B with a larger tax base receives only \$250 in state aid.

Unlike the Minimum Foundation Program, the Guaranteed Tax Base Program provides districts with an incentive to increase tax effort since aid increases proportionately for every increase in the tax rate.

Let us assume that each district doubles its tax rate to 20 mills, \$2 per \$100 of assessed valuation, or 2 percent. Each district now has a revenue guarantee of \$100,000 x .02 or \$2,000. District A receives \$25,000 x .02 or \$500 in local revenues and \$1,500 in state aid (\$2,000 - \$500). District B raises \$1,500 in local revenues (\$75,000 x .02) and \$2,500 - \$1,500 or \$1,000 in state aid.

The degree of equalization under this plan is affected by the level of the guaranteed tax base and the size of local district tax rates. A high guaranteed tax base increases the difference between actual and guaranteed wealth, and will reduce the disparity in district expenditures by increasing the amount of state aid. If all districts with a tax base less than the guaranteed tax base levy identical tax rates (as in our examples), they will have equal revenues to spend on education. However, the proportion of state aid will vary. Spending in districts with tax bases above the state guaranteed tax base will be determined by the locally chosen tax rate and the size of the local property tax base. Because of intervening variables, some districts are not always able or do not tax themselves as heavily for education as do other districts. If this is the case, disparities in total expenditures will occur.

3. Percentage Equalizing

The Percentage Equalizing formula emphasizes the way that state and local governing boards divide the support of educational expenditures. This formula was designed to assure that the state would support a share (or percentage) of locally-determined educational expenditures. The share is larger in poor districts than in rich districts.

Under the Percentage Equalizing formula the state determines what percentage of educational expenditures it will support in the average district. The proportion of state support to each district is then determined in the following way:

Step 1: Determine a district's fiscal capacity by dividing the district's wealth by the wealth of the average district.

$$\text{District Fiscal Capacity} = \frac{\text{District Wealth}}{\text{Wealth of Average District}}$$

Step 2: Determine the local share of expenditures for a particular district by multiplying the local fiscal capacity determined in Step 1 by the state-determined local share for the average district. Since this amount is constant it is usually referred to as k.

$$\text{Local Share} = k \frac{\text{District Wealth}}{\text{Wealth of Average District}}$$

Step 3: Determine the state share of support for a particular district by subtracting the local share from 1.

$$\text{State Share} = 1 - \text{Local Share}$$

Step 4: Determine state aid by multiplying the state share by expenditures in the district.

$$\text{State Aid} = \left[ 1 - \left( k \frac{\text{District Wealth}}{\text{Wealth of Average District}} \right) \right] \text{District Expenditures}$$

Let us assume that the state decides that the average district should provide 60 percent of its expenditures and the remaining 40 percent will be provided by the state. Further assume the average district has a valuation of \$50,000 per pupil and each district has expenditures of \$1,000 per pupil. State aid is calculated in the following way for District A (\$25,000 valuation) and District B (\$75,000 valuation).

Step 1: Determine district fiscal capacity by dividing the district property valuation by the valuation in the average district.

<u>District A</u>	<u>District B</u>
= \$25,000/\$50,000	= \$75,000/\$50,000
= 0.50	= 1.5

Step 2: Determine Local Share of Educational Expenditures by multiplying the State Mandated Local Share by the District Fiscal Capacity determined in Step 1.

<u>District A</u>	<u>District B</u>
= (.60) (.50)	= (.60) (1.5)
= .30	= .90

Step 3: Determine State Share of Educational Expenditures by subtracting the Local Share in Step 2 from 1.00.

<u>District A</u>	<u>District B</u>
= 1.00 - .30	= 1.00 - .90
= .70	= .10

Step 4: Determine State Aid by multiplying the State Share determined in Step 3 by the District's Expenditures.

<u>District A</u>	<u>District B</u>
= (.70) (\$1,000)	= (.10) (\$1,000)
= \$700	= \$100

If the formula presented previously were used the calculations would be:

$$\text{State Aid} = \left[ 1 - \left( k \frac{\text{District Wealth}}{\text{Wealth of Average District}} \right) \right] \text{District Expenditures}$$

District A

$$\begin{aligned} \text{State Aid} &= \left[ 1.00 - (.60) \left( \frac{\$25,000}{\$50,000} \right) \right] \$1,000 \\ &= [1.00 - (.60) (.50)] \$1,000 \\ &= (1.00 - .30) \$1,000 \\ &= (.70) (\$1,000) \\ &= \$700 \end{aligned}$$

District B

$$\begin{aligned} \text{State Aid} &= \left[ 1.00 - (.60) \left( \frac{\$75,000}{\$50,000} \right) \right] \$1,000 \\ &= [1.00 - (.60) (1.50)] \$1,000 \\ &= (1.00 - .90) \$1,000 \\ &= (.10) (\$1,000) \\ &= \$100 \end{aligned}$$

Since the district fiscal capacity is lower in poor districts, under the Percentage Equalizing Plan the state supports a greater percentage of poor district's expenditures and a smaller percentage of a rich district's expenditures. District A receives 70 percent of its expenditures from the state while District B receives 10 percent.

The degree to which the Percentage Equalizing Plan equalizes expenditures depends on the level of state support. The larger the state share of expenditures, the more equalizing the plan. In addition, the local district must choose a level of education expenditures. Two districts of equal property wealth often do not spend the same amount of money on education, and the district with the higher expenditure level will receive more state aid. Extreme differences in expenditure levels can even result in wealthy districts receiving more state aid than poorer ones.

#### 4. District Power Equalizing

The previously presented equalization formulas -- Minimum Foundation, Guaranteed Tax Base and Percentage Equalization -- attempt in varying degrees to minimize the disparities in education expenditures which result from the variations in the fiscal capacity of districts. The studies and court cases of the 1960s and 1970s show, however, that the distribution of state aid under these formulas falls short of the goal of wealth neutrality.

District Power Equalizing focuses on the effort factor and guarantees that for any given level of tax effort, all districts will be guaranteed an equal level of spending through a combination of local and state revenue.

District Power Equalizing (DPE) assures that each district will receive an equal yield for an equal effort. This plan is usually presented as a table of guaranteed expenditure levels which correspond with tax efforts established by the state.

For example:

<u>Tax Effort %</u>	<u>Guaranteed Level of Expenditures</u>
.01	\$1,000
.02	\$2,000
.03	\$3,000

The district chooses a level of educational expenditures and an associated tax rate. If the district is unable to generate revenues equal to the guaranteed level of expenditures when applying the chosen tax rate to its tax base, the state makes up the difference.

For example, using the schedule shown above, if District A with its valuation of \$25,000 per pupil and District with a valuation of \$75,000 per pupil choose a tax rate of .01 they will receive state aid of \$750 per pupil and \$250 per pupil respectively. (See Chart 10).

CHART 10

District Power Equalizing

<u>District</u>	<u>Property Valuation</u>	<u>Tax Rate</u>	<u>Local Revenue</u>	<u>Guaranteed Expenditures</u>	<u>State Aid</u>
A	\$25,000	.01	\$250	\$1,000	\$750
B	75,000	.01	750	1,000	250

A feature which distinguishes DPE from traditional formulas is the possibility to "recapture" local revenues. Local districts which raise more than the state guaranteed amount for a specific tax rate must pay back the excess to the state for redistribution to poorer schools (i.e., those with less valuation per pupil). For instance, assume that a district has a valuation of \$150,000 per pupil and that the DPE schedule is the same as above. As a 1 percent tax rate this district would raise .01 x \$150,000 or \$1,500. The state guarantee for this tax rate is \$1,000; therefore, this district would have to return \$500 per pupil to the state.

The most important decision to be made by the state under the DPE plan is the design of the DPE schedule. The example shown above illustrates a linear relationship between increased tax effort and guaranteed expenditures. The schedule could be designed to discourage higher expenditure levels by requiring more effort for each additional dollar in the higher expenditure ranges. Once again the choice of the tax rate is left to the local district.

5. Full State Assumption

Full State Assumption has been offered as an alternative to shared cost formulas. Theoretically, Full State Assumption is a situation in which the state contributes 100% of the educational expenditures in the state, and the local districts contribute 0%. Variations in educational expenditures are based on the need rather than the wealth of the local districts.

The basic difference between Full State Assumption and a shared cost formula is that the state determines the ultimate level of education expenditures in the district. Also, the revenue raising under Full State Assumption is somewhat more flexible. Local school districts primarily depend on the property tax to raise funds. If the state assumes full responsibility for funding education it could levy a statewide property tax or it could take the additional revenues from its treasury through its existing tax structure.

In adopting a Full State Assumption program, certain trade-offs must be made. First, Full State Assumption eliminates local choice in determining the size of the local school budget and the size of the school tax levy. Second, centralization of the raising of education monies may limit local autonomy in determining how the money is spent. Finally, the system must insure that the revenue distributed seeks a correspondence between educational revenues and educational needs in each district.

## 6. Equivalence of the Shared Cost Formulas

To summarize, the basic school finance formulas discussed, without including Full State Assumption, are shared cost formulas with contributions coming from both state and local sources. Aid in each of these formulas is allocated in inverse proportion to wealth, and the various formulas highlight different attributes of equalization. The Minimum Foundation Program highlights the guaranteed expenditure level and assures a state-defined basic spending level for all districts making an acceptable minimum tax effort. The Guaranteed Tax Base Plan highlights the state guaranteed tax base. Under this program a state-defined tax base is guaranteed to each district and those districts with lower tax bases are placed at the guaranteed level. The Percentage Equalizing formula highlights the state share of expenditures; the state determines the proportion of school costs it will support and equalizes locally determined educational expenditures in the district. Finally, district Power Equalizing highlights the effort factor and assures an equal yield for an equal effort; districts with the same effort will receive equal revenues through a combination of local and state funds.

Although the equalizing ability of shared cost formulas based on these general approaches varies with specific implementation, in their pure form the formulas are mathematically equivalent and can yield the same results. Therefore, the selection of a specific formula is secondary in defining the various components of the formula -- wealth, effort, and need -- and establishing the relationship among these components. For example, let us look at the wealth component. The way in which we define wealth -- as property wealth, income wealth, or some other measure -- determines the extent of the district's ability to support education. In districts that are property rich and income poor the use of property valuation rather than income makes them look wealthy; the use of an income measure will have the opposite effect.

## 7. Non-equalizing General Aid Formulas: Minimum Aid or Flat Grant

Minimum Aid is commonly distributed through a state aid formula called a Flat Grant. A Flat Grant is a payment made by the state to local school districts based solely on the number of pupils enrolled and/or the number of personnel employed. Under the Flat Grant program, all districts receive the same amount of state aid per pupil. In this system, the wealth and effort of a district are not considered in the allocation of the aid.

## B. TRANSPORTATION AREA

Each of the basic formulas identified in Section A can be applied to pupil transportation. The following list of cost factors will be analyzed to identify those most directly affecting pupil transportation cost. Once these can be identified, the cost factors will be utilized as weights to be applied to either route miles or eligible students transported.

The transportation formula(s) will include the following factors for analysis:

1. Cost per student

2. Cost per mile
3. Measures of allowable expenditures
4. Density of transported population
5. Road conditions
6. Efficiency of operation
7. Transportation of special education/handicapped students
8. Equalization of tax rates for transportation

These cost factors could also be used to establish flat grant amounts.

C. FACILITIES AREA

The following five basic formulas have been identified in the area of facilities or capital construction. Table 38 illustrates state support for capital outlay and debt services.

TABLE 38

State Support for Capital Outlay and Debt Service

Full-State Assumption*	State/Local Sharing	State Flat Grant	State Equalizing Grant	State Loans
<u>Florida</u>	Alaska	Alabama	Illinois	Arkansas
Hawaii	Connecticut	<u>Florida</u>	Massachusetts	California
Maryland	Delaware	Georgia**	<u>Michigan</u>	<u>Indiana</u>
	Maine	<u>Indiana</u>	New Jersey	<u>Michigan</u>
	New Hampshire	Kentucky	New Mexico	Minnesota
	Pennsylvania	Mississippi	New York	N. Carolina
	Tennessee	Missouri	Rhode Island	N. Dakota
	Vermont	Nevada	Utah	<u>Virginia</u>
		South Carolina	Washington	<u>Wisconsin</u>
		<u>Virginia</u>	<u>Wisconsin</u>	Wyoming
		West Virginia		

Note: The following states have no participation in capital outlay and district service -- Arizona, Colorado, Idaho, Iowa, Kansas, Louisiana, Montana, Nebraska, Ohio, Oklahoma, Oregon, South Dakota and Texas.

States appearing in more than one column are underlined once.

\*In Florida and Maryland, state appropriation has been less than locally requested and/or state approved.

\*\*Georgia has adopted a new method of financing capital outlay which will go into effect on July 1, 1979. As of the date of this report information on the new system is not available.

Source: Education Commission of the States, May 1977, as updated by Financing Capital Outlay, A Report to the Joint Select Committee on Tax Reform and School Finance, L. Dean Webb, June 1979.

1. Full State Assumption

Under Full State Assumption the state pays the full amount of either locally or state approved project cost.

2. State/Local Sharing

Under a State/Local Sharing program the state would pay a percentage of (1) approved project cost, (2) locally determined project cost, (3) principal, or (4) principal and interest.

3. State Flat Grant

Under a State Flat Grant system, the state would yearly fund a fixed amount to be used for capital construction. The unit of payment could be on the following bases: per teacher unit, per ADM, per weighted ADM or per ADA.

4. State Equalizing Grant

Under State Equalizing Grant programs state funds would be distributed on a state-recognized project cost basis, a locally-recognized project cost basis, recognized debt service program basis, or on a unit of payment basis. Under each distribution plan a uniform local effort or a uniform local effort which varies inversely with local capacity would be deducted to determine the state's portion of funding. The plan which calls for state funding on a unit of payment basis begins with the determination of need.

The measure of need is determined by establishing a state-recognized annual plant depreciation amount which is computed by dividing the annual cost of school construction in the state by the number of years of anticipated useful service. A rated capacity of school construction is determined which is expressed in ADM, or some other unit, to be housed in the school construction projects. The base amount of the school construction grant is obtained by dividing the recognized depreciated amount by the rated capacity. The uniform base is expressed as \$x per ADM or other unit.

Each school district is then required to exert a uniform local effort which varies inversely with local taxpayers' capacity. The proceeds derived from the local effort are deducted from the base amount multiplied by the number of ADM or other unit to determine the amount of the grant.

Under other state equalizing grant programs, the state share is:

- inversely related to the proportion of a district's valuation to the statewide average valuation or percentage of statewide average valuation
- a guarantee of \$x per mill of district levy
- approved expenditures times an aid ratio based on the relationship between district valuation per pupil and state average valuation per pupil

5. State Loans

Under a State Loan Program the state loans the funds needed for capital construction and,

- either charges interest or assumes interest
- either charges interest or assumes interest dependent upon whether or not the district has levied debt service in excess of \$x for a period of years

The state loan can also be made for required funds over a certain district mill levy or over a certain district mill levy provided the district also has a certain mill levy for current operating expenditures.

Each of these five basic formulas as they have actually been implemented in states are discussed in the report for financing facilities for the Joint Select Committee. The report is entitled Financing Capital Outlay and contains four areas: I. Historical Perspective; II. Current Issues in State Aid for Capital Outlay; III. Current Patterns of State Support for Capital Outlay; and IV. Element of State Capital Outlay Programs: Analysis of Current Practices.



1977-78 SPECIAL PROJECT FUNDS  
COCHISE COUNTY

CO-TY-DT	DISTRICT NAME	PL 81-874 (Impact Aid)	Title I (Educ. Deprived)	Title I (Migrant)	Vocational Ed.		CETA	Bilingual		Title IV (Indian Ed.)	JOM
					State	Federal		State	Federal		
02-01-00	Ft. Huachuca El.	1,081,171	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-
<del>02-01-99</del>	<del>Cochise Ed S/Sv</del>										
02-02-01	Tombstone Unif.	26,091	27,591	-0-	2,776	1,850		-0-	-0-	-0-	-0-
02-02-02	Bisbee Unified	10,733	57,430	-0-	10,772	7,182		1,324	-0-	-0-	-0-
02-02-13	Willcox Unified	-0-	45,576	42,142	7,615	5,077		-0-	-0-	-0-	-0-
02-02-14	Bowie Unified	-0-	8,993	-0-	3,286	2,191		-0-	-0-	-0-	-0-
02-02-18	San Simon Unif.	-0-	6,949	-0-	3,718	2,478		-0-	-0-	-0-	-0-
02-02-21	St. David Unif.	2,870	10,832	-0-	1,860	1,830		-0-	-0-	-0-	-0-
02-02-27	Douglas Unified	22,786	238,100	-0-	17,014	11,342		-0-	-0-	-0-	-0-
02-03-23	Naco Schorl Dist	8,592	15,941	-0-	-0-	-0-		3,892	-0-	-0-	-0-
02-03-26	Cochise Elem.	-0-	2,044	-0-	-0-	-0-		-0-	-0-	-0-	-0-
02-03-42	Apache Elem.	-0-	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-
02-03-45	Double Adobe El.	-0-	3,474	-0-	-0-	-0-		-0-	-0-	-0-	-0-
02-03-49	Palominas Elem.	13,458	16,759	-0-	-0-	-0-		-0-	-0-	-0-	-0-
02-03-55	McNeal Elem.	-0-	7,269	-0-	-0-	-0-		-0-	-0-	-0-	-0-
02-03-66	Rucker Elem.	-0-	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-
02-03-81	Forrest Elem.	-0-	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-
02-04-00	Unorganized										
02-04-09	Benson Elem.	4,187	25,138	-0-	-0-	-0-		-0-	-0-	-0-	-0-

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Appendix 1 (cont'd)

1977-78 SPECIAL PROJECTS FUNDS  
 COCHISE COUNTY (continued)

CO-TY-DT	DISTRICT NAME	PL 81-874 Impact Aid	Title I Educ. Deprived	Title I Migrant	Vocational Ed.		CETA	Bilingual		Title IV (Ind. Ed.)	JOM
					State	Federal		State	Federal		
02-04-12	Elfrida Elem.	-0-	8,993	-0-	-0-	-0-		-0-	-0-	-0-	-0-
02-04-22	Pearce Elem.	-0-	4,088	-0-	-0-	-0-		-0-	-0-	-0-	-0-
02-04-53	Ash Creek Elem.	-0-	2,044	-0-	-0-	-0-		-0-	-0-	-0-	-0-
02-04-64	Pomerene Elem.	-0-	3,093	-0-	-0-	-0-		-0-	-0-	-0-	-0-
02-04-68	Sierra Vista El.	425,724	82,569	-0-	-0-	-0-		-0-	-0-	-0-	-0-
<del>02-05-00</del>	<del>Unorganized</del>										
02-05-09	Benson UHS	10,116	14,511	-0-	6,688	4,458		-0-	-0-	-0-	-0-
02-05-22	Valley Union HS	-0-	6,131	-0-	3,703	2,840		-0-	-0-	-0-	-0-
02-05-68	Sierra Vista HS	426,038	36,175	-0-	15,280	10,186		-0-	-0-	-0-	-0-
County Totals		2,031,766	623,700	42,142	72,712	44,434	97,802	5,216	-0-	-0-	-0-
							Cochise County Voc. Ed.				

Appendix 1 (cont'd)

1977-78 SPECIAL PROJECTS FUNDS  
COCONINO COUNTY

CO-TY-DT	DISTRICT NAME	PL 81-874 Impact Aid	Title I Ed. Deprived	Title I Migrant	Vocational Ed.		CETA	Bilingual		Title IV Ind. Ed.	JOM
					State	Federal		State	Federal		
03-02-01	Flagstaff Unif.	96,149	278,542	-0-	34,671	23,114		19,855	121,095	121,295	-0-
03-02-02	Williams Unif.	3,532	27,731	-0-	4,507	8,957		-0-	-0-	-0-	-0-
03-02-04	Grand Canyon Unif.	272,725	8,011	-0-	2,650	6,184		-0-	-0-	-0-	-0-
03-02-06	Fredonia-Moc. Unif.	61,167	15,817	-0-	4,575	3,311		-0-	-0-	6,180	-0-
03-02-08	Page Unified	457,525	El. 128,179 HS 58,749	-0-	7,024	4,802		-0-	-0-	86,205	-0-
03-02-15	Tuba City Unif.	1,834,607	275,461	-0-	29,064	11,030		11,413	-0-	301,248	-0-
03-03-05	Chevelon Butte	24,346	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-
03-03-10	Maine Cons. El.	-0-	1,849	-0-	-0-	-0-		-0-	-0-	-0-	-0-
	County Totals	2,750,051	794,339	-0-	82,491	57,398	45,410* Coconino Career Ed. Project	31,268	121,095	514,928	-0-

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Appendix 1 (cont'd)



1977-78 SPECIAL PROJECT FUNDS  
GRAHAM COUNTY

CO-TY-DT	DISTRICT NAME	PL 81-874 Impact Aid	Title I Educ. Deprived	Title I Migrant	Vocational Ed.		CETA	Bilingual		Title IV Ind. Ed.	JOM
					State	Federal		State	Federal		
05-01-99	Graham Spec. Prog.										
05-02-04	Thatcher	-0-	39,083	-0-	2,714	1,954		-0-	-0-	-0-	-0-
05-02-06	Pina	-0-	24,019	-0-	1,177	3,033		-0-	-0-	-0-	-0-
05-02-07	Ft. Thomas HS Elem.	233,337	30,126 71,651	-0-	5,127 -0-	3,589 -0-		-0-	-0-	35,194 -0-	-0-
05-03-05	Solomonville El.	-0-	14,452	-0-	-0-	-0-		-0-	-0-	-0-	-0-
05-03-09	Klondyke Elem.	-0-	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-
05-03-16	Bonita Elem.	-0-	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-
05-04-01	Safford Elem.	-0-	51,906	-0-	-0-	-0-		-0-	-0-	-0-	-0-
05-05-01	Safford HS	-0-	22,187	-0-	15,025	10,276		-0-	-0-	-0-	-0-
	County Totals	233,337	141,467	0	24,033	18,852	34,273*	-0-	-0-	35,194	-0-
							Consentive Districts in Graham County				

Appendix 1 (cont'd)



1977-78 SPECIAL PROJECTS FUNDS  
 MARICOPA COUNTY

CO-Y-DT	DISTRICT NAME	PL 81-874 Impact Aid	Title I Educ. Deprived	Title I Migrant	Vocational Ed.		CEIA	Bilingual		Title IV Ind. Ed.	JOM
					State	Federal		State	Federal		
07-01-00	Williams APB El.	366,476	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<del>07-01-77</del>	<del>Spec Ed-Ac 512</del>										
07-01-99	Horse Mesa Acc.	54,039	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
07-02-04	Mesa Unified	620,671	483,549	-0-	103,886	69,257		22,870	-0-	71,017	-0-
07-02-09	Wickenburg Unif.	-0-	27,265	-0-	4,916	3,278		-0-	-0-	-0-	-0-
07-02-11	Peoria Unified	-0-	136,740	85,264	15,687	10,458		3,117	-0-	-0-	-0-
07-02-24	Gila Bend Unif.	109,767	25,406	-0-	9,499	6,333		4,938	-0-	19,902	12,760
07-02-41	Gilbert Unified	-0-	El. 63,413 HS 28,918	-0-	9,673	6,448		6,095	-0-	-0-	-0-
07-02-48	Scottsdale Unif.	-0-	376,759	-0-	59,705	39,804		2,612	-0-	54,572	-0-
07-02-69	Paradise Val. Un	-0-	120,009	-0-	16,550	11,034		-0-	-0-	-0-	-0-
07-02-80	Chandler Unif.	153,048	217,504	-0-	21,174	14,116		13,334	-0-	32,262	31,555
07-02-89	Dysart Unif	152,882 24,307	108,649 49,574	276,965	9,596	9,596		32,416	-0-	-0-	-0-
07-03-60	Higley Elem.	-0-	11,567	-0-	-0-	-0-		-0-	-0-	-0-	-0-
07-03-63	Aguila Elem.	-0-	2,272	-0-	-0-	-0-		-0-	-0-	-0-	-0-
07-03-71	Sentinel Elem.	-0-	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-
07-03-75	Horrilstown Elem.	-0-	908	-0-	-0-	-0-		-0-	-0-	-0-	-0-
07-03-81	Nadaburg Elem.	-0-	2,066	-0-	-0-	-0-		-0-	-0-	-0-	-0-
07-03-86	Nobile Elem.	-0-	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-
07-03-90	Ruth Fisher El.	-0-	4,131	-0-	-0-	-0-		-0-	-0-	-0-	-0-

Appendix 1 (cont'd)

1977-78 SPECIAL PROJECT FUNDS  
 MARICOPA COUNTY (continued)

CO-TY-DT	DISTRICT NAME	PL 81-874 Impact Aid	Title I Educ. Deprived	Title I Migrant	Vocational Ed.		CETA	Bilingual		Title IV Ind. Ed.	JOM
					State	Federal		State	Federal		
07-03-93	Cave Creek Elem.	-0-	5,370	-0-	-0-	-0-		-0-	-0-	-0-	-0-
07-03-94	Theba Elem.	-0-	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-
07-03-95	Queen Creek El.	3	20,243	-0-	-0-	-0-		1,398	-0-	-0-	-0-
07-03-98	Fountain Hills E	-0-	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-
<del>07-04-00</del>	<del>Unorganized</del>							-0-	-0-	-0-	-0-
07-04-01	Phoenix Elem.	-0-	820,855	-0-	-0-	-0-		33,989	183,450	40,432	30,240
07-04-02	Riverside Elem.	-0-	18,177	-0-	-0-	-0-		-0-	-0-	-0-	-0-
07-04-03	Tempe Elem.	81,897	200,979	-0-	-0-	-0-		25,434	118,452	93,747	-0-
07-04-05	Isaac Elem.	-0-	97,288	-0-	-0-	-0-		44,003	-0-	-0-	-0-
07-04-06	Washington Elem.	-0-	316,858	-0-	-0-	-0-		-0-	-0-	-0-	-0-
07-04-07	Wilson Elem.	-0-	201,599	1,470	-0-	-0-		4,067	-0-	-0-	-0-
07-04-08	Osborn Elem.	2,116	101,213	-0-	-0-	-0-		7,141	-0-	22,416	16,840
07-04-14	Creighton Elem.	-0-	165,039	2,508	-0-	-0-		6,666	-0-	-0-	-0-
07-04-17	Tolleson Elem.	2,471	48,747	96,424	-0-	-0-		11,185	131,721	-0-	-0-
07-04-21	Murphy Elem.	-0-	160,494	56,281	-0-	-0-		30,642	110,000	6,494	5,400
07-04-25	Liberty Elem.	-0-	21,275	-0-	-0-	-0-		-0-	-0-	-0-	-0-
07-04-28	Kyrene Elem.	25,520	47,921	-0-	-0-	-0-		4,122	-0-	-0-	-0-
07-04-31	Balsz Elem.	-0-	39,865	-0-	-0-	-0-		-0-	-0-	-0-	-0-
07-04-33	Buckeye Elem.	-0-	41,724	-0-	-0-	-0-		-0-	-0-	-0-	-0-

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Appendix 1 (cont'd)

1977-78 SPECIAL PROJECTS FUNDS  
MARIĆOPA COUNTY ( continued )

CO-TY-DT	DISTRICT NAME	PL 81-874 (Impact Aid)	Title I Educ. Deprived	Title I Migrant	Vocational Ed.		CETA	Bilingual		Title IV Ind. Ed.	JOM
					State	Federal		State	Federal		
07-04-38	Madison Elem.	-0-	128,685	-0-	-0-	-0-		-0-	-0-	12,360	4,080
07-04-40	Glendale Elem.	78,331	212,134	-0-	-0-	-0-		50,523	207,587	-0-	-0-
07-04-44	Avondale Elem.	28,377	115,465	179,022	-0-	-0-		9,283	45,443	-0-	-0-
07-04-45	Fowler Elem.	-0-	13,839	-0-	-0-	-0-		-0-	-0-	-0-	-0-
07-04-47	Arlington Elem.	-0-	11,980	58,428	-0-	-0-		-0-	-0-	-0-	-0-
07-04-49	Palo Verde Elem.	-0-	7,229	-0-	-0-	-0-		-0-	-0-	-0-	-0-
07-04-59	Laveen Elem.	-0-	51,639	-0-	-0-	-0-		5,440	-0-	-0-	-0-
07-04-62	Union Elem.	11,798	23,187	-0-	-0-	-0-		-0-	-0-	6,075	7,560
07-04-65	Littleton Elem.	-0-	42,551	176,572	-0-	-0-		11,896	-0-	-0-	-0-
07-04-66	Roosevelt Elem.	-0-	479,211	30,811	-0-	-0-		55,709	253,884	16,864	9,520
07-04-68	Alhambra Elem.	-0-	194,989	-0-	-0-	-0-		1,545	-0-	9,637	-0-
07-04-79	Litchfield Elem.	179,860	20,449	66,454	-0-	-0-		2,434	-0-	-0-	-0-
07-04-83	Cartwright Elem.	157,308	165,865	-0-	-0-	-0-		-0-	-0-	-0-	-0-
07-04-92	Pendergast Elem.	35,659	8,262	18,132	-0-	-0-		1,739	-0-	-0-	-0-
07-04-97	Deer Valley Elem.	-0-	16,938	-0-	-0-	-0-		-0-	-0-	-0-	-0-
07-05-00	<del>Unorganized</del>							-0-	-0-	-0-	-0-
07-05-01	Buckeye UHS	-0-	35,941	-0-	12,310	8,207		-0-	-0-	-0-	-0-
07-05-05	Glendale UHS	30	242,084	-0-	92,670	61,780	96,572	-0-	-0-	18,016	12,000
07-05-10	Phoenix UHS	60,001	1,195,549	39,478	291,209	296,869	1,737,138	-0-	174,500	59,495	43,302

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Appendix I (cont'd)



1977-78 SPECIAL PROJECT FUNDS  
 MOHAVE COUNTY

CO-TY-DT	DISTRICT NAME	PL 81-874 Impact Aid	Title I Educ. Deprived	Title I Migrant	Vocational Ed. State	Vocational Ed. Federal	CETA	Bilingual State	Bilingual Federal	Title IV Ind. Ed.	JOM
08-04-03	Hackberry Elem.	-0-	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-
08-04-04	Kingman Elem.	-0-	59,216	-0-	-0-	-0-		-0-	-0-	-0-	-0-
08-04-06	Owens Whitney El.	-0-	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-
08-04-08	Peach Springs El.	114,239	6,257	-0-	-0-	-0-		-0-	-0-	-0-	-0-
08-04-09	Littlefield El.	-0-	-0-	-0-	-0-	-0-		3,258	53,074	15,293	-0-
08-04-11	Chloride Elem.	19,398	4,461	-0-	-0-	-0-		-0-	-0-	-0-	-0-
08-04-12	Topock Elem.	-0-	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-
08-04-13	Yucca Elem.	-0-	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-
08-04-14	Colorado City El.	-0-	32,244	-0-	-0-	-0-		-0-	-0-	-0-	-0-
08-04-15	Bullhead City El.	20,044	22,307	-0-	-0-	-0-		-0-	-0-	-0-	-0-
08-04-16	Mohave Valley El.	17,021	3,245	181	-0-	-0-		-0-	-0-	-0-	-0-
08-04-22	Valentine Elem.	10	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-
08-04-24	Mt. Trumbull El.	-0-	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-
08-04-25	Lake Havasu El.	-0-	13,587	-0-	-0-	-0-		-0-	-0-	-0-	-0-
08-05-30	Mohave UHS	-0-	58,608	-0-	44,287	29,525	30,567	-0-	-0-	-0-	-0-
County Totals		170,712	199,925	181	44,287	29,525	30,567	3,258	53,074	15,293	-0-

Appendix 1 (cont'd)



1977-78 SPECIAL PROJECT FUNDS  
PIMA COUNTY

CO-FY-DT	DISTRICT NAME	PL 81-874 (Impact Aid)	Title I Educ. Deprived	Title I Migrant	Vocational Ed. State	Federal	CEIA	Bilingual State	Federal	Title IV Ind. Ed.	JOM
10-01-00	Zimmerman Ac. El	7	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-
<del>10-01-99</del>	<del>Pima Spec. Prog.</del>										
10-02-01	El. Tucson Unif. H.S.	480,013 183,688	1,255,369 617,074	-0-	177,663	118,442		124,504	244,659	104,955	56,520
10-02-08	Flowing Wells Un	9,395 5,696	67,167 31,729	-0-	11,508	7,672		-0-	-0-	-0-	-0-
10-02-12	Sunnyside Unif.	240,983	267,227	-0-	21,481	14,320		35,629	66,435	26,186	23,000
10-02-15	Ajo Unified	-0-	30,905	-0-	-0-	-0-		-0-	-0-	-0-	22,000
10-02-30	Sahuarita Unif.	-0-	13,804	-0-	4,536	2,592		-0-	-0-	-0-	-0-
10-03-13	Tanque Verde El.	9,940	29,051	-0-	-0-	-0-		-0-	-0-	-0-	-0-
10-03-20	Vail Elem.	-0-	8,035	-0-	-0-	-0-		-0-	-0-	-0-	-0-
10-03-35	San Fernando El.	-0-	824	-0-	-0-	-0-		-0-	-0-	-0-	-0-
10-03-37	Empire Elem.	-0-	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-
10-03-39	Continental Elem	-0-	2,678	-0-	-0-	-0-		-0-	-0-	-0-	-0-
10-03-40	Indian Oasis El.	660,326	278,353	-0-	5,298	3,532		12,434	197,110	106,840	-0-
10-03-44	Redington Elem.	-0-	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-
10-03-51	Mary E. Dill El.	-0-	7,005	-0-	-0-	-0-		-0-	-0-	-0-	-0-
<del>10-04-00</del>	<del>Unorganized El.</del>										
10-04-06	Marana Elem.	-0-	50,066	-0-	-0-	-0-		7,020	-0-	9,008	-0-
10-04-10	Amphitheater El.	30,506	136,807	-0-	-0-	-0-		-0-	-0-	12,046	-0-
10-04-16	Catalina Foothills	19,534	8,035	-0-	-0-	-0-		-0-	-0-	-0-	-0-

Appendix 1 (cont'd)



1977-78 SPECIAL PROJECT FUNDS  
PINAL COUNTY

CO-TY-DT	DISTRICT NAME	PL 81-874 Impact Aid	Title I Educ. Deprived	Title I Migrant	Vocational Ed.		Bilingual		CETA	Title IV Ind. Ed.	JOM
					State	Federal	State	Federal			
11-01-00	11 Mile Corner E	-0-	6,472	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
11-01-99	<del>Pine1 Spec Prog</del>										
11-02-01	Florence Unif.	-0-	36,401	68,483	5,368	3,578	-0-	-0-	6,228	-0-	-0-
11-02-03	Ray Unified	-0-	23,518	-0-	2,690	1,794	-0-	-0-	10,640	-0-	-0-
11-02-08	Mammoth-San Man.	-0-	28,835	-0-	7,226	4,817	-0-	-0-	9,212	-0-	-0-
11-02-20	Maricopa Unified	23,742	33,334	35,301	4,336	2,890	-0-	-0-	9,991	-0-	-0-
11-02-21	Coolidge Unif.	167,450	263,398	79,309	14,032	9,354	-0-	-0-	20,631	19,378	17,202
11-03-02	Oracle Elem.	-0-	11,657	-0-	-0-	-0-	-0-	-0-	-0-	52,477	-0-
11-03-44	J.O. Combs El.	-0-	7,158	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
11-04-04	Casa Grande Elem.	535,635	165,851	135,988	-0-	-0-	-0-	-0-	-0-	-0-	-0-
11-04-05	Red Rock Elem.	-0-	2,250	-0-	-0-	-0-	-0-	-0-	23,647	22,834	19,364
11-04-11	Eloy Elementary	-0-	131,699	100,562	-0-	-0-	-0-	-0-	-0-	-0-	-0-
11-04-15	Superior Elem.	-0-	29,857	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
11-04-18	Sacaton Elem.	179,404	71,575	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
11-04-22	Toltec Elem.	3,094	18,814	-0-	-0-	-0-	-0-	-0-	-0-	76,464	139,138
11-04-24	Stanfield Elem.	34,588	22,086	61,753	-0-	-0-	-0-	-0-	-0-	-0-	-0-
11-04-33	Picacho Elem.	-0-	8,589	40,385	-0-	-0-	-0-	-0-	2,620	10,056	-0-
11-04-43	Apache Jct. El.	-0-	39,673	-0-	-0-	-0-	-0-	-0-	5,713	-0-	-0-
11-05-02	Casa Grande UHS	144,332	111,044	-0-	23,651	15,768	-0-	-0-	26,989	-0-	-0-
										22,730	-0-

Appendix 1 (cont'd)



1977-78 SPECIAL PROJECT FUNDS  
SANTA CRUZ COUNTY

CO-TY-DT	DISTRICT NAME	PL 81-874 Impact Aid	Title I Educ. Deprived	Title I Migrant	Vocational Ed. Federal	State	CETA	Bilingual	State	Federal	Title IV Ind. Ed.	JOM
12-02-01	Nogales Unified	-0-	215,468	-0-	42,883	28,588	43,000	66,665	218,971	-0-	-0-	-0-
12-02-35	Santa Cruz Vall.	5,003	25,241	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
12-03-28	Santa Cruz Elem.	-0-	5,335	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
12-04-06	Patagonia Elem.	3,653	16,006	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
12-04-09	Lochiel Elem.	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
12-04-25	Sonora Elem.	2,712	6,361	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
12-05-20	Patagonia UHS	6,622	10,671	-0-	6,213	4,142	-0-	-0-	-0-	-0-	-0-	-0-
County Totals												
		17,990	279,082	-0-	49,096	32,730	43,000	66,665	218,971	-0-	-0-	-0-

Appendix 1 (cont'd)

1977-78 SPECIAL PROJECT FUNDS  
YAVAPAI COUNTY

CO-TY-DT	DISTRICT NAME	PL 81-874 Impact Aid	Title I Educ. Deprived	Title I Migrant	Vocational Ed.		CETA	Bilingual		Title IV Ind. Ed.	JOM
					State	Federal		State	Federal		
13-02-01	Prescott Unif.	64,827	165,270	-0-	15,809	10,539		-0-	-0-	11,522	-0-
13-02-20	Bagdad Unified	-0-	32,362	-0-	6,484	4,322		-0-	-0-	-0-	-0-
13-02-22	Humboldt Unif.	-0-	20,964	-0-	1,560	1,040		-0-	-0-	-0-	-0-
13-02-28	Camp Verde Unif.	55,262	28,291	-0-	7,282	4,855	13,343	-0-	-0-	-0-	-0-
13-02-31	Ash Fork Unif.	-0-	2,035	-0-	3,392	3,360	3,250	-0-	-0-	-0-	-0-
13-02-40	Seligman Unif.	-0-	3,053	-0-	3,137	2,091	3,421	-0-	-0-	-0-	-0-
13-02-43	Mayer Unified	-0-	6,310	-0-	6,421	4,281	7,526	-0-	-0-	-0-	-0-
13-03-02	Williamson V. El.	-0-	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-
13-03-07	Walnut Grove El.	-0-	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-
13-03-14	Champie Elem.	-0-	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-
13-03-15	Skull Valley El.	-0-	2,239	-0-	-0-	-0-		-0-	-0-	-0-	-0-
13-03-17	Congress Elem.	-0-	2,442	-0-	-0-	-0-		-0-	-0-	-0-	-0-
13-03-23	Kirkland Elem.	-0-	2,442	-0-	-0-	-0-		-0-	-0-	-0-	-0-
13-03-26	Beaver Creek El.	2,882	5,495	-0-	-0-	-0-		-0-	-0-	-0-	-0-
13-03-35	Hillside Elem.	-0-	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-
13-03-41	Crown King Elem.	-0-	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-
13-03-47	Rincon Elem.	-0-	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-
13-03-50	Canon Elem.	-0-	5,495	-0-	-0-	-0-		-0-	-0-	-0-	-0-
13-03-51	Chino Valley El.	-0-	16,654	-0-	-0-	-0-		-0-	-0-	-0-	-0-

I-110

Appendix I (cont'd)

Appendix 1 (cont'd)

CO-TY-DT DISTRICT NAME	PL 81-874	Title I	Title I	Title I	Vocational Ed.	CEIA	Bilingual	State	Federal	Title IV	JOM
Impact Aid	Educ. Deprived	Migrant	State	Federal						Ind. Ed.	
13-03-52 Yarnell Elem.	-0-	2,646	-0-	-0-	-0-			-0-	-0-	-0-	-0-
13-03-55 Peoples Valley B	-0-	-0-	-0-	-0-	-0-			-0-	-0-	-0-	-0-
13-04-03 Verde Elem.	6,042	3,867	-0-	-0-	-0-			-0-	-0-	-0-	-0-
13-04-06 Cottonwood-Oak C	-0-	23,035	-0-	-0-	-0-			-0-	-0-	-0-	-0-
13-05-06 Minrus UHS	-0-	14,044	-0-	11,599	7,732	39,002		-0-	-0-	-0-	-0-
County Totals	129,013	336,644	-0-	55,684	38,220	66,542		-0-	-0-	11,522	-0-

1977-78 SPECIAL PROJECT FUNDS  
 KAWAHAU COUNTY (continued)

1977-78 SPECIAL PROJECT FUNDS  
YUMA COUNTY

CO-TY-DT DISTRICT NAME	PL 81-874 Impact Aid	Title I Educ. Deprived	Title I Migrant	Vocational Ed.		CETA	Bilingual		Title IV Ind. Ed.	JOM
				State	Federal		State	Federal		
<del>14-01-99 Yuma Cty. 6-8-0</del>										
14-04-01 Yuma Elem.	472,842	219,983	70,105	-0-	-0-		12,366	-0-	-0-	-0-
14-04-03 Vicksburg Elem.	-0-	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-
14-04-04 Quartzsite Elem.	-0-	7,387	18,410	-0-	-0-		-0-	-0-	-0-	-0-
14-04-11 Somerton Elem.	14,735	58,484	335,421	-0-	-0-		17,609	-0-	8,275	3,480
14-04-13 Crane Elem.	57,094	63,204	-0-	-0-	-0-		5,556	-0-	-0-	-0-
14-04-16 Hyder Elem.	-0-	4,720	85,920	-0-	-0-		-0-	-0-	-0-	-0-
14-04-17 Mohawk Valley El	-0-	7,387	100,981	-0-	-0-		-0-	-0-	-0-	-0-
14-04-19 Wenden Elem.	-0-	4,309	-0-	-0-	-0-		-0-	-0-	-0-	-0-
14-04-24 Wellton Elem.	12,829	11,697	90,154	-0-	-0-		-0-	-0-	-0-	-0-
14-04-26 Bouse Elem.	-0-	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-
14-04-27 Parker Elem.	517,979	55,817	72,704	-0-	-0-		13,244	Carry over funds	45,564	-0-
14-04-30 Salome Elem.	-0-	3,078	-0-	-0-	-0-		-0-	-0-	-0-	-0-
14-04-32 Gadsden Elem.	-0-	30,781	106,285	-0-	-0-		23,639	-0-	-0-	-0-
14-05-50 Antelope UHS	2,719	10,055	32,454	4,976	3,317		-0-	-0-	-0-	-0-
14-05-60 Northern YumaUHS	220,895	24,420	-0-	7,297	5,331		-0-	-0-	-0-	-0-
14-05-70 Yuma UHS	102,432	150,417	21,382	45,281	48,830	71,863	-0-	-0-	3,247	-0-
14-05-76 Bicentennial UHS	-0-	5,335	-0-	1,601	1,608		-0-	-0-	-0-	-0-
County Totals	1,401,525	657,074	933,816	59,155	58,546	(15,561)* 87,424	72,414	-0-	57,086	3,480

\*Yuma Cty. Career & Voc. Ed. Project

1977-78 SPECIAL PROJECTS FUNDS

STATE TOTALS

CO-TY-DT DISTRICT NAME	PL 81-874 Impact Aid	Title I Educ. Deprived	Title I Migrant	Vocational Ed.		CEIA	Bilingual		Title IV Ind. Ed.	JOM
				State	Federal		State	Federal		
State Totals	23,621,478	17,686,137	2,680,750 + 329,610** 3,010,360	1,575,089	1,237,017	628,931*** + 1,833,710 \$2,462,641	\$878,387	\$2,761,895	\$3,137,227	\$543,674

\*\* \$2,680,750 to districts; \$329,610 to A.S.U., Mary O'Brien School and Maricopa Special Services Consortium  
 \*\*\* \$628,931 to districts through the counties; \$1,883,710 to Maricopa County.

SCHOOL DISTRICT TAX RATES: FY 1977-78

02 DISTRICTS

CO-TY-DT	DISTRICT NAME	TOTAL TAX RATE	M&O FUND 001	SPEC. ED. FUND 002	TRANS-PORTATION FUND 004	CAPITAL OUTLAY FUND 410	CAPITAL LEVY FUND 420	ADJACENT WAYS FUND 430	DEBT SERVICE FUND 500
10-02-08	Flowing Wells Unif.	9.7283	4.3423	0.7166	0.4526	1.0413	0.6000	0.0852	2.4903
07-02-24	Gila Bend Unif.	8.8700	5.1000	0.3791	0.7785	0.4977	0.6000	0	1.5147
07-02-41	Gilbert Unifed	8.7200	1.7575	1.1759	0.7477	4.2686	0.6000	0.1301	0.0402
07-02-69	Paradise Val. Unif.	8.5100	2.2754	0.8874	0.5236	1.1320	0.6000	0.0156	3.0760
13-02-22	Humboldt Unif.	8.0412	4.1296	0.1179	0.8028	1.4799	0.6000	0	0.9107
02-02-27	Douglas Unifed	8.0300	4.4900	0.9000	0.7500	1.0000	0.6000	0	0.2900
10-02-12	Sunnyside Unif.	7.6525	3.2732	1.2327	0.5533	0.3706	0.6000	0.0267	1.5960
12-02-35	Santa Cruz Vall.	7.6388	5.7110	0.3167	0.3665	0.2455	0.6000	0	0.3991
01-04-08	Window Rock El.	7.2795	5.8511	0.3055	0	0	0	0	1.1229
11-02-01	Florence Unif.	7.1763	2.9179	0.6810	0.5465	0.7683	0.6000	0	1.6626
01-04-24	Chinle Elem.	7.0450	3.5200	0.2375	0.7028	0.3663	0.3000	0	1.9184
09-02-03	Holbrook Unifed	6.9591	1.5513	0.6483	0.4873	0.7375	0.6000	0.1000	2.8346
09-02-27	Kayenta Unifed	6.5827	2.0591	0.7575	0.1134	2.7514	0.6000	0	0.3012
09-02-10	Show Low Unifed	6.5339	0.7391	0.2420	0.4199	2.3525	0.4000	0	2.3805
01-04-19	Ganado Elem.	6.5034	0	0.5190	0.5724	4.0746	0.2963	0	1.0411
07-02-04	Mesa Unifed	6.4700	2.2254	0.9682	0.3462	0.5810	0.5600	0.0019	1.7873
10-02-01	Tucson Unif.	6.2731	3.0874	0.8765	0.2823	0.4734	0.6000	0	0.9535
07-02-89	Dysart Unifed	6.0100	0	0	0.6898	2.3834	0.6000	0	2.3368
02-02-21	St. David Unif.	5.9100	2.0000	0.8000	1.3700	1.1400	0.6000	0	0
13-02-43	Mayer Unifed	5.8215	3.8640	0.2526	0.3282	0.7795	0.4500	0	0.1471
06-02-03	Clifton Unifed	5.7740	2.7380	0.7530	0.3840	0.7160	0.2000	0	0.9830
11-02-20	Maricopa Unifed	5.7695	1.0750	1.0421	1.5523	1.4364	0.3607	0	0.3030
13-02-28	Camp Verde Unif.	5.7661	1.7563	0.6322	0.6314	0.8046	0.6000	0	1.3413
11-02-21	Coolidge Unif.	5.6401	0.9695	0.0308	1.6414	0.8346	0.6000	0	1.5637
02-02-02	Bisbee Unifed	5.5700	2.7700	0.8600	0.9300	0.7100	0.3000	0	0
07-02-48	Scottsdale Unif.	5.3500	2.7258	0.8775	0.1581	0.4378	0.6000	0	0.5508
02-02-01	Tombstone Unif.	5.2800	1.6800	0.4300	1.0300	0.8200	0.6000	0	0.7200
09-02-32	Pinetop-Lakeside	5.2564	2.2784	0.4609	0.4312	0.5582	0.4035	0	1.1241
07-02-80	Chandler Unif.	5.2500	1.8858	0.3721	0.5324	0.9135	0.3000	0	1.2462
12-02-01	Nogales Unifed	5.2142	1.0611	0	0.5709	2.0411	0.6000	0.2289	0.7122
04-02-01	Globe Unifed	5.2066	0.6770	0.9673	0.8997	2.0626	0.6000	0	0
04-02-41	Hayden-Winkelman	5.1981	2.4641	0.5827	0.5746	0.4070	0.3000	0	0.8697
02-02-18	San Simon Unif.	5.1800	3.8100	0.2000	0.3400	0.2300	0.6000	0	0
07-02-09	Wickenburg Unif.	5.1700	1.1607	1.0089	0.4303	1.3492	0.6000	0	0.6209
02-02-14	Bowie Unifed	5.0900	3.4600	0.2900	0.3600	0.5900	0.3000	0	0.0900
11-02-08	Mammoth-San Man.	5.0642	3.2626	0.4253	0.2088	0.1811	0.4035	0	0.5829
13-02-01	Prescott Unif.	5.0619	2.0857	0.3237	0.2931	0.5476	0.6000	0.0058	1.2057

School District Tax Rates: FY 1977-78 (Continued)

02 Districts

CO-TY-DT DISTRICT NAME	TOTAL TAX RATE	M&O FUND 001	SPEC.ED. FUND 002	TRANS-PORTATION FUND 004	CAPITAL OUTLAY FUND 410	CAPITAL LEVY FUND 420	ADJACENT WAYS FUND 430	DEBT SERVICE FUND 500
* 06-02-02 Duncan Unified	5.0150	2.4960	0.3070	0.6220	1.1640	0.6000	0	0
03-02-01 Flagstaff Unif.	4.8950	2.5729	0.6983	0.3746	0.4934	0.5775	0	0.1783
09-02-05 Snowflake Unif.	4.5634	2.6363	0.2584	0.2117	0.5897	0	0	0.8673
03-02-06 Fredonia-Moc. Unif.	4.5430	2.6585	0.9089	0.1157	0	0.6000	0	0.2599
07-02-11 Peoria Unified	4.4700	1.2761	0.3310	0.4363	0.3867	0.6000	0.0003	1.4396
13-02-40 Seligman Unif.	4.2976	2.8116	0.1205	0.1043	0.1515	0.4258	0	0.6835
02-02-13 Willcox Unified	4.2900	2.300	0.2300	0.5500	0.3600	0.6000	0	0.2500
03-02-04 Grand Canyon Unif.	3.9061	2.3423	0.1454	0.3348	0.6197	0.4639	0	0
10-02-15 Ajo Unified	3.8676	2.6113	0.2487	0.1297	0.4263	0.1000	0	0.3516
03-02-15 Tuba City Unif.	3.8483	1.2814	0.4400	0.4567	0.4349	0.5854	0.2164	0.4415
09-02-01 Winslow Unified	3.8403	0.6240	0.1759	0.3602	0.4582	0.6000	0	1.6221
04-02-10 Payson Unified	3.7892	1.9774	0.4213	0.3693	0.4212	0.6000	0	0
04-02-40 Miami Unified	3.7394	2.1710	0.2811	0.1450	0.5423	0.6000	0	0
13-02-20 Bagdad Unified	3.6210	2.0692	0.2790	0	0.6725	0.6000	0	0
03-02-02 Williams Unif.	3.5380	2.1791	0.1953	0.1329	0.1729	0.2312	0	0.6266
05-02-04 Thatcher Unif.	3.5200	1.7600	0.1300	0.5100	0.1600	0.6000	0	0.3700
05-02-06 Pima Unified	3.4800	0.8400	0.6300	0.6000	1.0600	0.3600	0	0
11-02-03 Ray Unified	3.4223	2.0735	0.5691	0.3074	0.3550	0.1173	0	0
13-02-31 Ash Fork Unif.	3.0866	2.6414	0.1818	0.0902	0.1730	0	0	0
03-02-08 Page Unified	2.8677	1.3671	0.1126	0.0661	0.4278	0.4519	0	0.4422
* 05-02-07 Ft. Thomas Unif.	2.8300	0	1.1816	0.6585	0.4142	0.5627	0	0
* 10-02-30 Sahuarita Unif.	2.2673	1.6603	0.1551	0.1407	0.1175	0.3000	0	0.2027
09-02-02 Joseph City Unified	2.1278	0.8562	0.0603	0.1419	0.1742	0.4423	0	0.4530
06-02-18 Morenci Unified	1.2530	0.9970	0.0620	0.0350	0.4900	0	0	0.1210

\* Total Tax Rate does not equal total of columns. The component tax rates were gathered from school districts revenue worksheets. The Total Tax Rate is the actual tax rate which was set.

SCHOOL DISTRICT TAX RATES: FY 1977-78

Appendix 2(b)

03 DISTRICTS

CO-TY-DT	DISTRICT NAME	TOTAL TAX RATE	M&O FUND 001	SPEC.ED. FUND 002	TRANS- PORTATION FUND 004	CAPITAL OUTLAY FUND 410	CAPITAL LEVY FUND 420	ADJACENT WAYS FUND 430	DEBT SERVICE FUND 500
02-03-23	Naco Elem.	10.1100	7.8500	0	0.2500	1.9100	0.1000	0	0
10-03-40	Indian Oasis El.	9.3102	2.9361	1.5386	2.2573	1.9699	0.3000	0	0.3083
07-03-81	Nadaburg Elem.	8.9100	4.7258	0.7818	0.7675	1.2393	0	0	1.3956
13-03-14	Champie Elem.	6.7511	6.1428	0	0	0.3083	0.3000	0	0
10-03-13	Tanque Verde El.	6.4702	3.1752	0.3308	0.4938	0.8152	0.3000	0.0309	1.3242
02-03-42	Apache Elem.	6.2100	4.5200	0.2200	1.3300	0.0400	0.1000	0	0
07-03-95	Queen Creek El.	5.5600	2.1740	0.0727	1.6287	0.5290	0.1548	0	1.0008
13-03-52	Yarnell Elem.	5.3687	1.8421	0.4124	0	2.8140	0.3000	0	0
13-03-41	Crown King Elem.	5.3337	4.1371	0	0.1003	0.7962	0.3000	0	0
11-03-44	J. O. Combs Elem.	5.3006	2.7576	1.0222	0.3026	0.2762	0.3000	0	0.6419
11-03-02	Oracle Elem.	5.2524	1.9897	0.2621	0.8998	0.6502	0.2720	0.0453	1.1333
10-03-35	San Fernando El.	5.2037	4.5383	0	0.4969	0.1685	0	0	0
02-03-49	Palominas Elem.	5.1300	1.0000	0	0.8000	0.8900	0.3000	0	2.1400
09-03-25	Hopi Elementary	5.1056	0	0.2076	2.6466	1.9514	0.3000	0	0
12-03-28	Santa Cruz Elem.	4.7904	3.2590	0.0773	1.1541	0	0.3000	0	0
07-03-93	Cave Creek Elem.	4.7800	2.5145	0.4209	0.6111	0.6566	0.3000	0	0.2769
07-03-86	Mobile Elem.	4.7100	3.1426	0.2865	0.1308	0.0439	0.3000	0	0.8062
10-03-44	Redington Elem.	4.6886	2.4153	0	2.2733	0	0	0	0
10-03-51	Mary E. Dill Elem.	4.5802	2.8303	0.1012	0.5510	0.3355	0.3000	0	0.4622
07-03-75	Morristown Elem.	4.5700	2.7683	0.6034	0.4762	0.5253	0.1968	0	0
13-03-50	Canon Elem.	4.4968	3.7179	0.0581	0.2298	0.1908	0.3000	0	0
05-03-16	Bonita Elem.	4.3800	2.6500	0.1800	0.3100	0.5200	0	0	0.7000
03-03-10	Maine Cons. El.	4.2175	2.7998	0.3142	0.6424	0.1611	0.3000	0	0
05-03-05	Solomonville El.	4.2000	2.2100	0.4100	0.7000	0.6400	0.3000	0	0.1100
04-03-12	Pine Elementary	3.9832	2.8781	0.1131	0.1120	0.5800	0.3000	0	0
02-03-45	Double Adobe El.	3.8700	2.3000	0.4900	0.1600	0.7200	0.2000	0	0
07-03-71	Sentinel Elem.	3.8500	2.5865	0.0460	0.1843	0.7332	0.3000	0	0
13-03-07	Walnut Grove El.	3.7758	3.2976	0	0.0249	0.1530	0.3000	0	0
04-03-33	Packard Elem.	3.7741	2.7017	0.2331	0.1143	0.4250	0.3000	0	0
13-03-26	Beaver Creek El.	3.5942	2.1291	0.1841	0.2026	0.6410	0	0	0.4372
07-03-63	Aguila Elem.	3.5800	2.9912	0	0.3548	0.2340	0	0	0
13-03-51	Chino Valley El.	3.5622	1.7048	0	0.3150	0.6210	0.3000	0	0.6211
02-03-66	Rucker Elem.	3.3900	0.5100	9	2.8800	0	0	0	0
07-03-60	Higley Elem.	3.3900	2.5456	0.2106	0.2525	0.3813	0	0	0
13-03-02	Williamson V. El.	3.3738	1.5726	0.1966	1.5969	0.0075	0	0	0
13-03-15	Skull Valley El.	3.2206	2.3277	0.1268	0.5104	0.2555	0	0	0
13-03-17	Congress Elem.	2.6971	2.0423	0.2526	0.4020	0	0	0	0
10-03-20	Vail Elem.	2.6239	1.5503	0.1165	0.3435	0.0671	0.3000	0	0.2465

School District Tax Rates: FY 1977-78 (Continued)

03 Districts

CO-TY-DT DISTRICT NAME	TOTAL TAX RATE	M&O FUND 001	SPEC.ED. FUND 002	TRANS-PORTATION FUND 004	CAPITAL OUTLAY FUND 410	CAPITAL LEVY FUND 420	ADJACENT WAYS FUND 430	DEBT SERVICE FUND 500
13-03-55 Peoples Valley Elem.	2.4719	2.3718	0	0	0	0.1000	0	0
7-03-94 Theba Elem.	2.4700	1.4217	0.0439	0.3607	0.3437	0.3000	0	0
07-03-98 Fountain Hills Elem.	2.4000	1.3031	0.2081	0.0859	0.1081	0.3000	0	0.3948
02-03-55 McNeal Elem.	2.1000	1.5400	0.1400	0.1000	0.2200	0.1000	0	0
13-03-47 Rincon Elem.	2.0261	2.0260	0	0	0	0	0	0
10-03-39 Continental Elem.	1.9593	1.1991	0.1519	0.1023	0.0454	0.3000	0	0.1606
02-03-81 Forrest Elem.	1.6100	1.2700	0.0700	0.1700	0	0.1000	0	0
13-03-23 Kirkland Elem.	1.4434	0.1662	0.1777	0.4160	0.5835	0.1000	0	0
04-03-05 Young Elem.	1.3770	0.0640	0	0.7334	0.2796	0.3000	0	0
06-03-22 Blue Elem.	1.3650	1.3650	0	0	0	0	0	0
07-03-90 Ruth Fisher El.	1.2200	0.7911	0.0785	0.1599	0.0659	0	0	0.1246
03-03-05 Chevelon Butte	1.1053	0.5277	0	0.4254	0	0.1522	0	0
02-03-26 Cochise Elem.	0.9700	0.4400	0.0700	0.1100	0.0500	0.3000	0	0
05-03-09 Klondyke Elem.	0.9600	0.8500	0	0.1000	0	0	0	0
13-03-35 Hillside Elem.	0.8518	0.1672	0.1928	0.3123	0.0793	0.1000	0	0
10-03-37 Empire Elem.	0.8456	0.7264	0	0.1192	0	0	0	0
04-03-20 Rice Elementary	0.2000	0	0	0	0	0.2000	0	0
06-03-45 Eagle Elem.	0.0000	(Non-Operating District)						

\* Total Tax Rate does not equal total of columns. The component tax rates were gathered from school districts revenue worksheets. The Total Tax Rate is the actual tax rate which was set.

SCHOOL DISTRICT TAX RATES: FY 1977-78

Appendix 2 (c)

04 DISTRICTS

CO-TY-DT	DISTRICT NAME	TOTAL TAX RATE	M&O FUND 001	SPEC.ED. FUND 002	TRANS-PORTATION FUND 004	CAPITAL OUTLAY FUND 410	CAPITAL LEVY FUND 420	ADJACENT WAYS FUND 430	DEBT SERVICE FUND 500
11-04-18	Sacaton Elem.	8.4039	1.0800	0.8500	0.9100	5.5600	0	0	0
12-04-06	Patagonia Elem.	6.4579	3.6032	0.2471	1.3618	0.8996	0.3000	0.0462	0
07-04-66	Roosevelt Elem.	5.8000	2.2149	0.0413	0.8036	1.0322	0.3000	0.0084	1.3996
14-04-16	Hyder Elem.	5.3176	3.0897	0.2144	1.1151	0.3025	0.3000	0	0.2959
07-04-40	Glendale Elem.	4.9600	1.6347	0.9963	0.2127	0.9280	0.3000	0.0327	0.8556
07-04-97	Deer Valley El.	4.8200	0.7862	0.7147	0.8853	0.8553	0.3000	0	1.2785
11-04-11	Eloy Elementary	4.6442	0.6703	0.1145	0.5566	1.9818	0.3000	0	1.0210
* 08-04-15	Bullhead City Elem.	4.5404	1.2639	0.8542	0.4996	0.5604	0.3000	0	1.1063
14-04-13	Crane Elem.	4.4656	0.3563	0	0.3863	2.1003	0.3000	0	1.3227
07-04-31	Balsz Elem.	4.3100	2.8559	0.5858	0.1915	0.2916	0.2106	0.0026	0.1720
10-04-16	Catalina Foothills	4.2479	2.7082	0.3390	0.0038	0.1810	0.3000	0	0.7159
02-04-12	Elfrida Elem.	4.2000	1.7000	0.4800	0.5800	0.7800	0.3000	0	0.3600
07-04-01	Phoenix Elementary	4.0600	2.7210	0.6907	0.0802	0.2681	0.3000	0	0
07-04-65	Littleton Elem.	4.0300	0.0553	0.3786	1.1147	0.7560	0.3000	0	1.4254
07-04-28	Kyrene Elem.	3.9900	1.0008	0.5818	0.3042	0.5705	0.3000	0.0323	1.2004
07-04-05	Isaac Elem.	3.9300	1.6161	0.6703	0.2200	0.5730	0.3000	0	0.5506
07-04-44	Avondale Elem.	3.9100	0.9677	1.4184	0.3646	0.5279	0.3000	0.0031	0.3283
14-04-04	Quartzsite Elem.	3.9038	1.8165	0.3501	0.3189	0.5416	0.3000	0	0.5767
07-04-06	Washington Elem.	3.9000	1.1598	0.6941	0.2215	0.8598	0.3000	0.0095	0.6553
07-04-03	Tempe Elem.	3.8900	1.7635	0.6093	0.1290	0.4449	0.2700	0	0.6733
10-04-10	Amphitheater El.	3.8878	1.6025	0.3982	0.1434	0.3984	0.3000	0.0077	1.0376
* 08-04-16	Mohave Valley Elm.	3.8593	1.3433	0.2603	0.8935	0.4681	0.3000	0	0.8301
07-04-92	Pendergast Elem.	3.8500	0	0.4662	0.4437	0.7014	0.3000	0	1.9387
07-04-33	Buckeye Elem.	3.8300	2.0107	0.3897	0.3587	0.1837	0.3000	0	0.5872
07-04-83	Cartwright Elem.	3.8000	0.4440	0.8408	0.2163	0.7971	0.3000	0.0158	1.1860
07-04-14	Creighton Elem.	3.8000	2.3939	0.7783	0.0837	0.2439	0.3000	0.0002	0
02-04-53	Ash Creek Elem.	3.7900	2.6100	0	0.6300	0.2500	0.3000	0	0
07-04-68	Alhambra Elem.	3.7300	2.2553	0.4964	0.1466	0.3429	0.3000	0	0.1888
07-04-79	Litchfield Elem.	3.7000	0.7647	0.8702	0.4131	0.4276	0	0	1.2244
07-04-21	Murphy Elem.	3.6600	1.8355	0.5288	0.3026	0.6931	0.3000	0	0
11-04-33	Picacho Elem.	3.6370	1.7532	0.7392	0.5250	0.3658	0.2537	0	0
11-04-04	Casa Grande Elem.	3.6324	1.3586	0.4575	0.3632	0.3513	0.3000	0	0.8018
02-04-09	Benson Elem.	3.6200	2.6100	0.2300	0.2600	0.2200	0.3000	0	0
07-04-49	Palo Verde Elem.	3.5800	2.4738	0	0.4472	0.3590	0.3000	0	0
01-04-18	Puerco Elem.	3.5577	0.2925	1.1141	0.7876	0.7417	0	0	0.6218
10-04-06	Marana Elem.	3.5463	1.8913	0.4084	0	0.1655	0.3000	0	0.7811
07-04-38	Madison Elem.	3.5400	2.0469	0.6709	0.1392	0.1942	0.3000	0	0.1888

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School District Tax Rates: FY 1977-78 (Continued)

04 DISTRICTS

CO-TY-DT	DISTRICT NAME	TOTAL TAX RATE	M&O FUND 001	SPEC. ED. FUND 002	TRANS-PORTATION FUND 004	CAPITAL OUTLAY FUND 410	CAPITAL LEVY FUND 420	ADJACENT WAYS FUND 430	DEBT SERVICE FUND 500
* 08-04-04	Kingman Elem.	3.5083	1.7010	0.4938	0.2761	0.3210	0.3000	0	0.4844
02-04-64	Pomerene Elem.	3.4900	2.4900	0	0.2900	0.5600	0.1500	0	0
14-04-30	Salome Elem.	3.3796	2.0066	0.1440	0.4353	0.4937	0.3000	0	0
14-04-03	Vicksburg Elem.	3.3733	2.4295	0	0.6766	0.0376	0.2296	0	0
11-04-43	Apache Junction El.	3.3557	0	1.1017	0.7624	0.1280	0.2922	0	1.0713
* 08-04-08	Peach Springs Elem.	3.3289	1.4576	0.0011	0.2366	0.3684	0.3000	0	0.9777
14-04-01	Yuma Elementary	3.2876	1.8492	0.2895	0.1323	0.2928	0.3000	0.0092	0.4147
07-04-59	Laveen Elem.	3.2500	0	0	1.3629	1.0370	0.2000	0	0.6501
01-04-06	Concho Elem.	3.2247	1.0979	0.1938	0.6592	1.0523	0.2215	0	0
13-04-06	Cottonwood-Oak C.	3.2039	1.4698	0.2342	0.2587	0.3120	0.3000	0	0.6288
07-04-47	Arlington Elem.	3.1700	2.2040	0.2378	0.1739	0.1277	0.3600	0	0.1266
07-04-45	Fowler Elem.	3.1600	0.3312	0.5358	0.3812	0.5732	0.3000	0	1.0386
09-04-20	Whiteriver El.	3.1547	0	0	2.8464	0.3083	0	0	0
07-04-17	Tolleson Elem.	3.1400	0.2493	0	0.4812	0.3711	0.1107	0	1.9277
02-04-22	Pearce Elem.	3.0700	1.4200	0.1600	0.6700	0.2500	0.3000	0	0.4200
14-04-24	Weilton Elem.	2.9728	0.8511	0.2696	0.4014	0.7031	0.3000	0	0.4477
08-04-06	Owens Whitney Elem.	2.9720	1.9622	0.4304	0.1244	0.1550	0.3000	0	0
07-04-07	Wilson Elem.	2.9400	1.7552	0.5556	0.1871	0.1582	0.2839	0	0
07-04-25	Liberty Elem.	2.9000	0.4585	0.1888	1.0888	0.3144	0.3000	0	0.5495
08-04-25	Lake Havasu El.	2.8027	1.3765	0.3374	0	0.2645	0.2600	0.0360	0.5643
11-04-24	Stanfield Elem.	2.8008	1.0470	0.5129	0.5972	0.3940	0.2498	0	0.1454
11-04-22	Toltec Elem.	2.7860	1.2480	0.4210	0.3690	0.3027	0.3000	0	0
14-04-17	Mohawk Valley El.	2.7422	1.9507	0.1820	0.3380	0.1206	0.1509	0	0
12-04-25	Sonoita Elem.	2.6952	1.7385	0	0.5208	0.1359	0.3000	0	0
07-04-08	Osborn Elem.	2.6800	1.6880	0.4097	0.0942	0.1881	0.3000	0	0
02-04-68	Sierra Vista El.	2.6800	0.5500	0.1400	0.3600	0.7400	0.3000	0.0100	0.5800
14-04-19	Wenden Elem.	2.6365	1.6612	0	0.2979	0.1653	0.3000	0	0.2121
13-04-03	Verde Elem.	2.6100	1.8578	0.0763	0.2482	0.1122	0.3000	0.0148	0
11-04-15	Superior Elem.	2.5468	0.9456	0.7130	0.0715	0.3832	0.3000	0	0.1336
05-04-01	Safford Elem.	2.3284	0.5312	0.2572	0.2927	0.3238	0.2430	0	0.6845
07-04-62	Union Elem.	2.2300	0	0	1.7874	0.4426	0	0	0
01-04-10	Round Valley El.	2.1824	0.0927	0	0.5522	0.6664	0.3000	0	0.5711
14-04-32	Gadsden Elem.	2.1808	0	0	0.1700	1.0718	0.3000	0	0.6390
08-04-14	Colorado City Elem.	2.1355	0.1845	0.1031	0.3142	1.1902	0.3000	0	0
08-04-11	Chloride Elem.	2.1202	1.2397	0.1165	0.0723	0.1185	0.3000	0	0.2732
08-04-22	Valentine Elem.	1.9216	0.8032	0.2289	0.3289	0.1332	0	0	0.4276
14-04-26	Bouse Elem.	1.8693	1.5890	0	0	0.0574	0	0	0.2229

## School District Tax Rates: FY 1977-78 (Continued)

## 04 DISTRICTS

CO-TY-DT DISTRICT NAME	TOTAL TAX RATE	M&O FUND 001	SPEC.ED. FUND 002	TRANS- PORTATION FUND 004	CAPITAL OUTLAY FUND 410	CAPITAL LEVY FUND 420	ADJACENT WAYS FUND 430	DEBT SERVICE FUND 50
01-04-07 Alpine Elem.	1.8672	0.3284	0.4398	0	1.0950	0	0	0
01-04-01 St. Johns Elem.	1.8287	0	0.2015	0.4991	0.6198	0	0	0.5083
14-04-11 Somerton Elem.	1.6030	0	0	0.4101	0.8929	0.3000	0	0
* 08-04-12 Topock Elem.	1.5833	1.5060	0.0467	0	0.0182	0	0	0
08-04-13 Yucca Elem.	1.5294	0.9713	0.0961	0.2512	0.2108	0	0	0
01-04-23 McNary Elem.	1.3212	1.0043	0	0.1188	0.1981	0	0	0
14-04-27 Parker Elem.	1.2316	0	0	0.2833	0.3641	0.3000	0	0.2842
08-04-09 Littlefield El.	9.9468	0.8076	0.1114	0.0278	0	0	0	0
01-04-05 Nav. Comp St. El.	0.9351	0.9093	0	0	0.0258	0	0	0
11-04-05 Red Rock Elem.	0.6305	0.4485	0.0236	0.0414	0.0673	0.0496	0	0
07-04-02 Riverside Elem.	0.5900	0.2871	0.1697	0.0674	0.0458	0.0200	0	0
* 08-04-03 Hackberry Elem.	0.5237	0.4947	0.0300	0.0070	0.0220	0	0	0
12-04-09 Lochiel Elem.	0.3000	0	0	0	0	0.3000	0	0
08-04-24 Mt. Trumbull Elem.	0.0000	(Non-Operating District)						

\* Total Tax Rate does not equal total of columns. The component tax rates were gathered from school districts revenue worksheets. The Total Tax Rate is the actual tax rate which was set.

## SCHOOL DISTRICT TAX RATES: FY 1977-78

## 05 DISTRICTS

CO-TY-DT	DISTRICT NAME	TOTAL TAX RATE	M&O FUND 001	SPEC.ED. FUND 002	TRANS- PORTATION FUND 004	CAPITAL OUTLAY FUND 410	CAPITAL LEVY FUND 420	ADJACENT WAYS FUND 430	DEBT SERVICE FUND 500
12-05-20	Patagonia UHS	8.0919	3.1810	0.0521	0.8381	2.2861	0.3000	0.0410	1.3936
07-05-14	Tolleson UHS	4.3400	1.0895	0.3415	0.4528	0.0703	0.3000	0.0287	1.0572
10-05-06	Marana HS	3.8243	1.9064	0.1625	0.6288	0.1590	0.3000	0	0.6676
10-05-04	Amphitheater HS	3.3717	1.3379	0.2209	0.1576	0.2675	0.3000	0	1.0878
14-05-50	Antelope UHS	3.3685	1.9258	0.1629	0.3065	0.3462	0.2134	0	0.4137
* 11-05-40	Santa Cruz UHS	3.2809	0.9732	0.3462	0.1433	0.4851	0.2777	0	1.0355
14-05-76	Bicentennial UHS	3.0279	2.1505	0.1709	0.1324	0.2741	0.3000	0	0
07-05-13	Tempe UHS	2.9900	1.0100	0.2953	0.0662	0.5838	0.3000	0.0312	0.7035
07-05-16	Auga Fria UHS	2.9200	0.7099	0.2841	0.2458	0.3379	0.3000	0	1.0423
07-05-01	Buckeye UHS	2.9200	1.4537	0.1997	0.2928	0.2305	0.3000	0	0.4433
02-05-09	Benson UHS	2.7200	1.6700	0.1100	0.3000	0.3400	0.3000	0	0
02-05-68	Sierra Vista HS	2.6700	0.6300	0.1800	0.3800	0.4800	0.3000	0	0.7000
07-05-05	Glendale UHS	2.6500	0.8741	0.2862	0.1315	0.2548	0.2500	0	0.8534
07-05-10	Phoenix UHS	2.6000	1.3441	0.3909	0.0716	0.2507	0.1900	0.0043	0.3484
08-05-30	Mohave UHS	2.5997	1.4149	0.1273	0.1176	0.1918	0.3000	0	0.4481
05-05-01	Safford HS	2.5916	0.8138	0.2248	0.1563	0.2158	0.3000	0.0389	0.8495
09-05-20	Alchesay HS	2.5476	0	0	1.1345	1.4131	0	0	0
14-05-70	Yuma UHS	2.4582	1.0298	0.1754	0.2998	0.6532	0.3000	0	0
02-05-22	Valley Union HS	2.4000	1.9000	0.1200	0.1600	0.0700	0.1500	0	0
13-05-04	Minugs UHS	2.3634	1.0810	0.0277	0.1354	0.2091	0.3000	0	0.6100
11-05-43	Apache Junction HS	2.3015	0.1844	0.4857	0.2462	0.1052	0.2922	0	0.9878
11-05-02	Casa Grande UHS	2.1877	1.0698	0.1260	0.2967	0.1114	0.2074	0.0550	0.3215
07-05-97	Deer Valley HS	2.1400	1.3498	0.1610	0	0.3292	0.3000	0	0
14-05-60	Northern Yuma UHS	1.8099	0.5929	0.2920	0.2786	0.3347	0.3000	0.0117	0
01-05-90	Apache Cty. HS	1.7116	0.5504	0.0480	0.1892	0.5135	0.2714	0	0.1391
10-05-16	Catalina Foothills	1.2374	1.0270	0	0	0.1104	0.1000	0	0
11-05-15	Superior HS	0.7363	0	0.3291	0.0032	0.1040	0.3000	0	0

\* Total Tax Rate does not equal total of columns. The component tax rates were gathered from school districts revenue worksheets. The Total Tax Rate is the actual tax rate which was set.

GENERAL MAINTENANCE AND OPERATION (FUND 001): FY 1977-78  
 Analysis of Tax Rates for 02 Districts

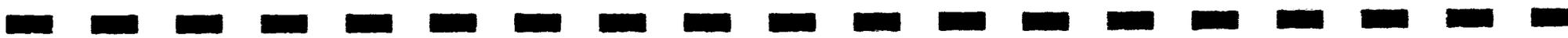
CO-TY-DT	DISTRICT NAME	TAX RATE	RANK	874	OVERRIDE	RECEIVES NO STATE BASIC AID	EXP > BSL	NEGATIVE BEGINNING CASH BALANCE	EXPEND- ITURE PER ADM	RANK
01-04-08	Window Rock El.	\$ 5.8511	1	X			Yes	\$ 1461.35	17	
12-02-35	Santa Cruz Vall.	5.7110	2	X			Yes	1646.92	10	
07-02-24	Gila Bend Unif.	5.1000	3	X	X		Yes	1223.43	26	
02-02-27	Douglas Unif.	4.4900	4	X	X		Yes	1097.29	46	
10-02-08	Flowing Wells Unif.	4.3423	5	X	X		Yes	1310.60	22	
13-02-22	Humboldt Unif.	4.1296	6				Yes	1481.17	16	
13-02-43	Mayer Unif.	3.8640	7				Yes	1609.21	31	
02-02-18	San Simon Unif.	3.8100	8				Yes	1810.07	6	
01-04-24	Chinle El.	3.5200	9	X			Yes	1421.48	18	
02-02-14	Bowie Unif.	3.4600	10				Yes	1631.46	12	
10-02-12	Sunnyside Unif.	3.2732	11	X			Yes	1232.18	25	
11-02-08	Mammoth/San Manuel	3.2626	12	X	X		Yes	1292.80	23	
10-02-01	Tucson Unif.	3.0874	13	X			Yes	1211.75	28	
11-02-01	Florence Unif.	2.9179	14				Yes	1200.49	30	
13-02-40	Seligman Unif.	2.8116	15		X	X	Yes	2019.12	2	
02-02-02	Bisbee Unif.	2.7700	16	X			Yes	1200.82	29	
05-02-03	Clifton Unif.	2.7380	17	X	X		Yes	1175.17	32	
07-02-48	Scottsdale Unif.	2.7258	18				Yes	1158.84	35	
03-02-06	Fredonia/Moccasin Un	2.6585	19	X	X		Yes	1583.24	14	
13-02-31	Ash Fork Unif.	2.6414	20	X	X	X	Yes	2505.92	1	
09-02-05	Snowflake Unif.	2.6363	21	X	X		Yes	1166.32	34	
10-02-15	Ajo Unif.	2.6113	22	X	X		Yes	1184.78	31	
03-02-01	Flagstaff Unif.	2.5729	23	X	X		Yes	1214.36	27	
06-02-02	Duncan Unif.	2.4960	24				Yes	1141.25	37	
04-02-41	Hayden-Winkelman	2.4641	25				Yes	1388.30	19	
03-02-04	Grand Canyon Unif.	2.3423	26	X	X		Yes	1944.04	4	
02-02-13	Willcox Unif.	2.3000	27	X	X		Yes	1097.80	45	
09-02-32	Pinetop-Lakeside Un	2.2784	28	X			Yes	1026.59	55	
07-02-69	Paradise Valley Un	2.2754	29	X			Yes	1068.48	52	
07-02-04	Mesa Unif.	2.2254	30	X			Yes	1077.34	50	
03-02-02	Williams Unif.	2.1791	31	X	X		Yes	1338.55	21	
04-02-40	Miami Unif.	2.1710	32				Yes	1167.76	33	

GENERAL MAINTENANCE AND OPERATION (FUND 001): FY 1977-78  
 Analysis of Tax Rates for 02 Districts

Appendix 3(a) cont'd

CO-TY-DT	DISTRICT NAME	TAX RATE	RANK	874	OVERRIDE	RECEIVES NO STATE BASIC AID	EXP > BSL	NEGATIVE BEGINNING CASH BALANCE	EXPEND- ITURE PER ADM	RANK
13-02-01	Prescott Unif.	2.0857	33	X			Yes		1113.13	41
11-02-03	Ray Unif.	2.0735	34				Yes		1123.53	40
13-02-20	Bagdad Unif.	2.0692	35		X	X	Yes		1494.07	15
09-02-27	Kayenta Unif.	2.0591	36	X			Yes		1986.46	3
02-02-21	St. David Unif	2.0000	37				Yes		1102.80	42
04-02-10	Payson Unif.	1.9774	38	X					1090.40	47
07-02-80	Chandler Unif.	1.8858	39	X	X				1063.94	53
05-02-04	Thatcher Unif.	1.7600	40						927.84	61
07-02-41	Gilbert Unif.	1.7575	41				Yes		1133.00	38
13-02-28	Camp Verde Unif.	1.7563	42	X					1082.83	49
02-02-01	Tombstone Unif.	1.6800	43	X			Yes		1101.65	43
10-02-30	Sahuarita Unif.	1.6603	44			X	Yes	Yes	1798.89	7
09-02-03	Holbrook Unif.	1.5513	45	X			Yes		1284.01	24
03-02-08	Page Unif.	1.3671	46	X		X	Yes		1838.92	5
03-02-15	Tuba City Unif.	1.2814	47	X			Yes		1623.98	11
07-02-11	Peoria Unif.	1.2761	48						967.53	58
07-02-09	Wickenburg Unif.	1.1607	49				Yes		1131.85	39
11-02-20	Maricopa Unif.	1.0750	50	X			Yes		1147.66	36
12-02-01	Nogales Unif.	1.0611	51						1004.36	57
06-02-18	Morenci Unif.	0.9970	52		X	X			1085.50	48
11-02-21	Coolidge Unif.	0.9695	53	X					1076.55	51
09-02-02	Joseph City Unif.	0.8562	54			X	Yes		1769.77	8
05-02-06	Pima Unif.	0.8400	55						940.02	59
09-02-10	Show Low Unif.	0.7391	56	X					936.98	60
04-02-01	Globe Unif.	0.6770	57						1020.58	56
09-02-01	Winslow Unif.	0.6240	58	X					1039.46	54
01-04-19	Ganado El.	0.0000	59	X			Yes		1741.59	9
05-02-07	Ft. Thomas Unif.	0.0000	59	X			Yes		1345.42	20
07-02-89	Dysart Unif.	0.0000	59	X			Yes		1099.72	44

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## GENERAL MAINTENANCE AND OPERATION (FUND 001): FY 1977-78

## Analysis of Tax Rates for 03 Districts

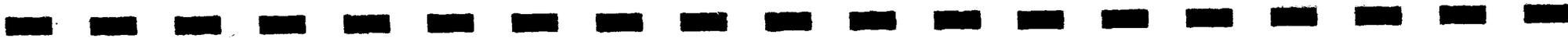
CO-TY-DT	DISTRICT NAME	TAX RATE	RANK	874	OVERRIDE	RECEIVES NO STATE BASIC AID	EXP > BSL	NEGATIVE BEGINNING CASH BALANCE	EXPEND- ITURE PER ADM	RANK
02-03-23	Naco Elem.	7.8500	1	Yes			Yes		1215.97	39
13-03-14	Champie Elem.	6.1428	2				Yes		1629.08	12
07-03-81	Nadaburg Elem.	4.7258	3						1042.17	53
10-03-35	San Fernando El.	4.5383	4				Yes		1406.22	22
02-03-42	Apache Elem.	4.5200	5				Yes		4026.11	1
13-03-41	Crown King Elem	4.1371	6			Yes	Yes		2964.94	3
13-03-50	Canon Elem.	3.7179	7				Yes		1524.11	14
13-03-07	Walnut Grove El.	3.2976	8						958.06	54
12-03-28	Santa Cruz Elem.	3.2590	9				Yes	Yes	1329.46	33
10-03-13	Tanque Verde El.	3.1752	10	Yes			Yes		1281.34	35
07-03-86	Mobile Elem.	3.1426	11				Yes		2548.53	4
07-03-63	Aguila Elem.	2,9912	12				Yes		1258.60	36
10-03-40	Indian Oasis El.	2.9361	13	Yes			Yes		1663.58	10
04-03-12	Pine Elementary	2.8781	14				Yes		1520.37	15
10-03-51	Mary E. Dill Elem.	2.8303	15				Yes		1376.15	27
03-03-10	Maine Cons. El.	2.7998	16				Yes	Yes	2360.24	6
07-03-75	Morristown Elem.	2.7683	17				Yes		1345.60	28
11-03-44	J. O. Combs Elem.	2.7576	18				Yes		1285.00	34
04-03-33	Packard Elem.	2.7017	19				Yes		1404.39	23
05-03-16	Bonita Elem.	2.6500	20				Yes	Yes	1501.88	17
07-03-71	Sentinel Elem.	2.5865	21				Yes	Yes	2366.02	5
07-03-60	Higley Elem.	2.5456	22				Yes		1337.36	30
07-03-93	Cave Creek Elem.	2.5145	23				Yes		1389.18	26
10-03-44	Redington Elem.	2.4153	24				Yes		1480.94	19
13-03-55	Peeples Valley Elem.	2.3718	25				Yes		1331.25	32
13-03-15	Skull Valley El.	2.3277	26				Yes		1100.42	49
02-03-45	Double Adobe El.	2.3000	27				Yes		1444.81	21
05-03-05	Solomonville El.	2.2100	28				Yes		1126.93	47
07-03-95	Queen Creek El.	2.1740	29				Yes		1164.45	43

GENERAL MAINTENANCE AND OPERATION (FUND 001): FY 1977-78

Analysis of Tax Rates for 03 Districts

CO-TY-DT	DISTRICT NAME	TAX RATE	RANK	874	OVERRIDE	RECEIVES NO STATE BASIC AID	EXP > BSL	NEGATIVE BEGINNING CASH BALANCE	EXPEND- ITURE PER ADM	RANK
13-03-26	Beaver Creek El.	2.1291	30	Yes			Yes		1185.19	42
13-03-17	Congress Elem.	2.0423	31						898.00	55
13-03-47	Rincon Elem.	2.0260	32				Yes		1485.18	18
11-03-02	Oracle Elem.	1.9897	33						1062.22	51
13-03-52	Yarnell Elem.	1.8421	34				Yes		1208.32	40
13-03-51	Chino Valley El.	1.7048	35						1045.53	52
13-03-02	Williamson V. El.	1.5726	36				Yes		1149.45	46
10-03-20	Vail Elem.	1.5503	37				Yes		1637.01	11
02-03-55	McNeal Elem.	1.5400	38				Yes		1164.26	44
07-03-94	Theba Elem.	1.4217	39				Yes		1397.13	24
06-03-22	Blue Elem.	1.3650	40			Yes	Yes		3649.72	2
07-03-98	Fountain Hills Elem.	1.3031	41				Yes		1151.01	45
02-03-81	Forrest Elem.	1.2700	42				Yes		1246.59	38
10-03-39	Continental Elem.	1.1991	43				Yes		1955.56	8
02-03-49	Palominas Elem.	1.0000	44	Yes			Yes		1206.45	41
05-03-09	Klondyke Elem.	.8500	45				Yes		1334.33	31
07-03-90	Ruth Fisher El.	.7911	46				Yes		1309.73	16
10-03-37	Empire Elem.	.7264	47				Yes		1452.29	20
03-03-05	Chevelon Butte	.5277	48	Yes			Yes		1555.72	13
02-03-66	Rucker Elem.	.5100	49				Yes		1394.65	25
02-03-26	Cochise Elem.	.4400	50				Yes		2137.68	7
13-03-35	Hillside Elem.	.1672	51				Yes		1098.18	50
13-03-23	Kirkland Elem.	.1662	52				Yes		1118.54	48
04-03-05	Young Elem.	.0640	53	Yes			Yes		1342.80	29
04-03-20	Rice Elementary	-0-	54	Yes			Yes		1253.13	37
09-03-25	Hopi El.	-0-	54	Yes			Yes		1817.64	9
06-03-45	Eagle Elem.	-0-	54	Nonop	Nonop	Nonop	Nonop	Nonop	-0-	56

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GENERAL MAINTENANCE AND OPERATION (FUND 001): FY 1977-78  
 Analysis of Tax Rates for 04 Districts

CO-TY-DT	DISTRICT NAME	TAX RATE	RANK	874	OVERRIDE	RECEIVES NO STATE BASIC AID	EXP > BSL	NEGATIVE BEGINNING CASH BALANCE	EXPEND- ITURE PER ADM	RANK
12-04-06	Patagonia Elem.	3.6032	1				Yes		1303.19	24
14-04-16	Hyder Elem.	3.0897	2	Yes	Yes		Yes		1574.21	14
07-04-31	Balsz Elem.	2.8559	3		Yes		Yes		1509.85	18
07-04-01	Phoenix Elem.	2.7210	4		Yes		Yes		1537.74	15
10-04-16	Catalina Foothills	2.7082	5	Yes			Yes		1500.87	19
02-04-53	Ash Creek Elem.	2.6100	6				Yes		2049.63	8
02-04-09	Benson Elem.	2.6100	6	Yes			Yes		1168.31	40
02-04-64	Pomerene Elem.	2.4900	8				Yes		1222.32	33
07-04-49	Palo Verde Elem.	2.4738	9		Yes		Yes		1282.02	26
14-04-03	Vicksburg Elem.	2.4295	10			Yes	Yes		3852.82	1
07-04-14	Creighton Elem.	2.3939	11		Yes		Yes		1316.50	22
07-04-68	Alhambra Elem.	2.2553	12		Yes		Yes		1147.58	43
07-04-66	Roosevelt Elem.	2.2149	13		Yes		Yes		1015.75	62
07-04-47	Arlington Elem.	2.2040	14		Yes		Yes		1631.41	13
14-04-30	Salome Elem.	2.1506	15				Yes		1145.35	44
07-04-38	Madison Elem.	2.0469	16		Yes		Yes		1228.74	32
07-04-33	Buckeye Elem.	2.0107	17		Yes		Yes		1098.06	48
08-04-06	Owens Whitney Elem.	1.9622	18				Yes		1485.69	20
14-04-17	Mohawk Valley El.	1.9507	19		Yes		Yes		1292.92	25
10-04-06	Marana Elem.	1.8913	20				Yes		1161.57	41
13-04-03	Verde Elem.	1.8578	21	Yes			Yes		1230.96	31
14-04-01	Yuma Elementary	1.8492	22	Yes	Yes		Yes		1154.21	42
07-04-21	Murphy Elem.	1.8355	23		Yes		Yes		1105.82	47
14-04-04	Quartzsite Elem.	1.8165	24		Yes		Yes		1082.25	50
07-04-03	Tempe Elem.	1.7635	25	Yes	Yes		Yes		1118.44	46
07-04-07	Wilson Elem.	1.7552	26				Yes		1274.75	27
11-04-33	Picacho Elem.	1.7532	27		Yes		Yes		1440.65	21
12-04-25	Sonoita Elem.	1.7385	28	Yes	Yes		Yes		1215.08	34
08-04-04	Kingman Elem.	1.7010	29				Yes		1064.97	51

GENERAL MAINTENANCE AND OPERATION (FUND 001): FY 1977-78  
 Analysis of Tax Rates for 04 Districts

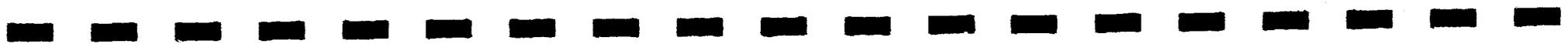
CO-TY-DT	DISTRICT NAME	TAX RATE	RANK	874	OVERRIDE	RECEIVES NO STATE BASIC AID	EXP > BSL	NEGATIVE BEGINNING CASH BALANCE	EXPEND- ITURE PER ADM	RANK
02-04-12	Elfrida Elem.	1.7000	30						967.80	68
07-04-08	Osborn Elem.	1.6880	31	Yes	Yes		Yes		1236.85	30
14-04-19	Wenden Elem.	1.6612	32		Yes		Yes		1258.05	28
07-04-40	Glendale Elem.	1.6347	33		Yes		Yes		1051.96	53
07-04-05	Isaac Elem.	1.6161	34		Yes		Yes		1007.18	63
10-04-10	Amphitheater El.	1.6025	35	Yes	Yes		Yes		1048.25	54
14-04-26	Bouse Elem.	1.5890	36			Yes	Yes		1527.58	16
08-04-12	Topock Elem.	1.5060	37		Yes	Yes	Yes		2311.49	5
13-04-06	Cottonwood-Oak C	1.4698	38				Yes		993.89	64
08-04-08	Peach Springs Elem.	1.4576	39	Yes			Yes		1714.50	11
02-04-22	Pearce Elem.	1.4200	40				Yes		1122.42	45
08-04-25	Lake Havasu El.	1.3765	41				Yes		1055.14	52
11-04-04	Casa Grande Elem.	1.3586	42	Yes	Yes		Yes		1033.13	58
08-04-16	Mohave Valley Elem.	1.3433	43				Yes		1035.67	57
08-04-15	Bullhead City Elem.	1.2639	44	Yes			Yes		1041.41	55
11-04-22	Toltec Elem.	1.2480	45	Yes			Yes		1171.48	38
08-04-11	Chloride Elem.	1.2397	46				Yes		1765.38	10
07-04-06	Washington Elem.	1.1598	47		Yes		Yes		953.34	71
01-04-06	Concho Elem.	1.0979	48				Yes		1189.72	36
11-04-18	Sacaton Elem.	1.0800	49	Yes			Yes		1524.57	17
11-04-24	Stanfield Elem.	1.0470	50	Yes			Yes		1021.90	60
01-04-23	McNary Elem.	1.0043	51	Yes			Yes		2302.90	6
07-04-28	Kyrene Elem.	1.0008	52	Yes			Yes		1039.32	56
08-04-13	Yucca Elem.	.9713	53				Yes		1685.17	12
07-04-44	Avondale Elem.	.9677	54	Yes	Yes		Yes		971.98	67
11-04-15	Superior El.	.9456	55		Yes		Yes		1185.30	37
01-04-05	Nav. Comp St El.	.9093	56	Yes		Yes	Yes		2046.71	9
14-04-24	Wellton Elem.	.8511	57	Yes			Yes		1169.47	39
08-04-09	Littlefield El.	.8076	58			Yes	Yes		2755.42	4



GENERAL MAINTENANCE AND OPERATION (FUND 001): FY 1977-78  
 Analysis of Tax Rates for 05 Districts

CO-TY-DT	DISTRICT NAME	TAX RATE	RANK	874	OVERRIDE	RECEIVES NO STATE BASIC AID	EXP > BSL	NEGATIVE BEGINNING CASH BALANCE	EXPEND- ITURE PER ADM	RANK
12-05-20	Patagonia UHS	3.1810	1	Yes			Yes		1676.41	5
14-05-76	Bicentennial UHS	2.1505	2			Yes	Yes		3755.13	1
14-05-40	Antelope UHS	1.9258	3	Yes			Yes		1776.57	3
10-05-06	Marana HS	1.9064	4				Yes	Yes	1639.74	6
02-05-22	Valley Union HS	1.9000	5				Yes		1357.01	16
02-05-09	Benson UHS	1.6700	6	Yes			Yes		1635.18	7
07-05-01	Buckeye UHS	1.4537	7		Yes		Yes		1555.09	9
08-05-30	Mohave UHS	1.4149	8					Yes	1319.55	20
07-05-97	Deer Valley HS	1.3498	9				Yes		1349.13	17
07-05-10	Phoenix UHS	1.3441	10	Yes			Yes		1374.84	14
10-05-04	Amphitheater HS	1.3379	11	Yes	Yes		Yes		1399.85	12
07-05-14	Tolleson UHS	1.0895	12	Yes			Yes		1341.69	18
13-05-04	Mingus UHS	1.0810	13						1264.98	23
11-05-02	Casa Grande UHS	1.0698	14	Yes			Yes		1394.97	13
14-05-70	Yuma UHS	1.0298	15	Yes					1317.67	21
10-05-16	Catalina Foothills	1.0270	16				Yes		1460.08	10
07-05-13	Tempe UHS	1.0100	17	Yes					1304.27	22
11-05-40	Santa Cruz UHS	.9732	18						1240.20	24
07-05-05	Glendale UHS	.8741	19						1231.68	25
05-05-01	Safford HS	.8138	20						1097.07	27
07-05-16	Agua Fria UHS	.7099	21	Yes					1225.54	26
02-05-68	Sierra Vista HS	.6300	22				Yes		1322.25	19
14-05-60	Northern Yuma UHS	.5929	23	Yes			Yes		1884.49	2
01-05-90	Apache Cty. HS	.5504	24	Yes			Yes		1439.52	11
11-05-43	Apache Junction HS	.1844	25				Yes		1361.70	15
11-05-15	Superior HS	-0-	26		Yes		Yes		1744.44	4
09-05-20	Alchesay HS	-0-	26	Yes			Yes		1602.57	8

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SPECIAL EDUCATION (FUND 002): FY 1977-78  
 Analysis of Tax Rates for 02 Districts

CO-TY-DT	DISTRICT NAME	TAX RATE	RANK	LESS THAN 500 ADM	RECEIVE NO STATE AID	EXP. per WADM	RANK
10-02-12	Sunnyside Unif.	1.2327	1			1108.75	41
05-02-07	Ft. Thomas Unif.	1.1816	2	Yes		1426.48	24
07-02-41	Gilbert Unif.	1.1759	3			2146.97	5
11-02-20	Maricopa Unif.	1.0421	4			1585.16	19
07-02-09	Wickenburg Unif.	1.0089	5			2837.95	1
07-02-04	Mesa Unif.	0.9682	6			1608.19	18
04-02-01	Globe Unif.	0.9673	7			1163.29	39
03-02-06	Fredonia/Moccasini Unif.	0.9089	8	Yes		986.12	50
02-02-27	Douglas Unif.	0.9000	9			1463.40	23
07-02-69	Paradise Valley Unif.	0.8874	10			1645.97	16
07-02-48	Scottsdale Unif.	0.8775	11			1729.03	13
10-02-01	Tucson Unif.	0.8765	12			1501.96	21
02-02-02	Bisbee Unif.	0.8600	13			1385.66	26
02-02-21	St. David Unif.	0.8000	14	Yes		1232.49	37
09-02-27	Kayenta Unif.	0.7575	15			1817.46	11
06-02-03	Clifton Unif.	0.7530	16			1361.58	28
10-02-08	Flowing Wells Unif.	0.7166	17			1493.55	22
03-02-01	Flagstaff Unif.	0.6983	18			1664.27	15
11-02-01	Florence Unif.	0.6810	19			1039.27	47
09-02-03	Holbrook Unif.	0.6483	20			1345.60	30
13-02-28	Camp Verde Unif.	0.6332	21			1088.65	44
05-02-06	Pima Unif.	0.6300	22			833.04	56
04-02-41	Hayden-Winkelman	0.5827	23		X	2047.64	8
11-02-03	Ray Unif.	0.5691	24			1181.19	38
01-04-19	Ganado El.	0.5190	25			1365.88	27
09-02-32	Pinetop-Lakeside	0.4609	26		X	2289.60	3
03--2-15	Tuba City Unif.	0.4400	27			1738.68	12
02-02-01	Tombstone Unif.	0.4300	28			1095.37	42
11-02-08	Mammoth/San Man. Unif.	0.4253	29		X	1723.35	14
04-02-10	Payson Unif.	0.4213	30			652.90	59
07-02-24	Gila Bend Unif.	0.3791	31			1326.81	32
07-02-80	Chandler Unif.	0.3721	32			969.33	51
07-02-11	Peoria Unif.	0.3310	33			1130.42	40

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## Analysis of Tax Rates for 02 Districts

CO-TY-DT	DISTRICT NAME	TAX RATE	RANK	LESS THAN 500 ADM	RECEIVE NO STATE AID	EXP. per WADM	RANK
13-02-01	Prescott Unif.	0.3237	34			1359.38	29
12-02-35	Santa Cruz Valley	0.3167	35		X	1828.22	10
06-02-02	Duncan Unif.	0.3070	36			859.14	53
01-04-08	Window Rock El.	0.3055	37			1011.91	49
02-02-14	Bowie Unif.	0.2900	38	Yes	X	1613.41	17
04-02-40	Miami Unif.	0.2811	39			893.03	52
13-02-20	Bagdad Unif.	0.2790	40		X	1250.54	36
09-02-05	Snowflake Unif.	0.2584	41			1322.96	33
13-02-43	Mayer Unif.	0.2526	42	Yes		1035.06	48
10-02-15	Ajo Unif.	0.2487	43		X	1261.32	35
09-02-10	Show Low Unif.	0.2420	44			816.91	57
01-04-24	Chinle El.	0.2375	45			1555.28	20
02-02-13	Willcox Unif.	0.2300	46			507.85	60
02-02-18	San Simon Unif.	0.2000	47	Yes	X	2333.02	2
03-02-02	Williams Unif.	0.1953	48		X	1045.58	45
13-02-31	Ash Fork Unif.	0.1818	49	Yes	X	1044.32	46
09-02-01	Winslow Unif.	0.1759	50			1315.15	34
10-02-30	Sahuarita Unif.	0.1551	51		X	2093.84	6
03-02-04	Grand Canyon Unif.	0.1454	52	Yes	X	2275.27	4
05-02-04	Thatcher Unif.	0.1300	53			855.95	55
13-02-40	Seligman Unif.	0.1205	54	Yes	X	696.92	58
13-02-22	Humboldt Unif.	0.1179	55		X	311.26	61
03-02-08	Page Unif.	0.1126	56		X	1885.99	9
06-02-18	Morenci Unif.	0.0620	57		X	857.46	54
09-02-02	Joseph City Unif.	0.0603	58	Yes	X	2075.03	7
11-02-21	Coolidge Unif.	0.0308	59			1341.22	31
07-02-89	Dysart Unif.	0.0000	60			1423.19	25
12-02-01	Nogales Unif.	0.0000	60			1095.07	43

SPECIAL EDUCATION (FUND 002): FY 1977-78

Analysis of Tax Rates for 03 Districts

CO-TY-DT	DISTRICT NAME	TAX RATE	RANK	LESS THAN 500 ADM	RECEIVE NO	STATE AID	EXP. per WADM	RANK
10-03-40	Indian Oasis El.	1.5386	1				1272.64	24
11-03-44	J.O. Combs Elem.	1.0222	2	Yes			1737.15	13
07-03-81	Nadaburg Elem.	0.7818	3	Yes			1275.45	23
07-03-75	Morristown Elem.	0.6034	4	Yes			1424.27	20
02-03-45	Double Adobe Elem.	0.4900	5	Yes			1376.60	21
07-03-93	Cave Creek Elem.	0.4209	6				1726.09	14
13-03-52	Yarnell Elem.	0.4124	7	Yes			3808.07	4
05-03-05	Solomonville Elem.	0.4100	8	Yes			1032.81	30
10-03-13	Tanque Verde Elem.	0.3308	9				1809.18	12
03-03-10	Maine Cons. Elem.	0.3142	10	Yes			3121.75	6
07-03-86	Mobile Elem.	0.2865	11	Yes	X		-0-	36
11-03-02	Oracle Elem.	0.2621	12				1363.35	22
13-03-17	Congress Elem.	0.2526	13	Yes			781.68	32
04-03-33	Packard Elem.	0.2331	14	Yes	X		4015.23	2
02-03-42	Apache Elem.	0.2200	15	Yes	X		-0-	36
07-03-60	Higley Elem.	0.2106	16	Yes			2182.22	9
07-03-98	Fountain Hills Elem.	0.2081	17	Yes	X		2752.92	7
09-03-25	Hopi Elem.	0.2076	18				1105.59	28
13-03-02	Williamson V. Elem.	0.1966	19	Yes	X		4099.47	1
13-03-35	Hillside Elem.	0.1928	20	Yes	X		-0-	36
13-03-26	Beaver Creek Elem.	0.1841	21	Yes			1567.18	19
05-03-16	Bonita Elem.	0.1800	22	Yes	X		-0-	36
13-03-23	Kirkland Elem.	0.1777	23	Yes			1060.10	29
10-03-39	Continental Elem.	0.1519	24	Yes	X		3996.65	3
02-03-55	McNeal Elem.	0.1400	25	Yes	X		-0-	36
13-03-15	Skull Valley Elem.	0.1268	26	Yes			1200.00	26
10-03-20	Vail Elem.	0.1165	27	Yes	X		2512.02	8
04-03-12	Pine Elem.	0.1131	28	Yes	X		2142.24	10
10-03-51	Mary E. Dill Elem.	0.1012	29	Yes			3370.55	5
07-03-90	Ruth Fisher Elem.	0.0785	30	Yes	X		1675.70	16
12-03-28	Santa Cruz Elem.	0.0773	31	Yes			563.33	34
07-03-95	Queen Creek Elem.	0.0727	32	Yes	X		1676.35	15
02-03-26	Cochise Elem.	0.0700	33	Yes	X		1989.15	11

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## Analysis of Tax Rates for 03 Districts

CO-TY-DT DISTRICT NAME	TAX RATE	RANK	LESS THAN 500 ADM	RECEIVE NO STATE AID	EXP. per WADM	RANK
02-03-81 Forrest Elem.	0.0700	33	Yes	X	-0-	36
13-03-50 Canon Elem.	0.0581	35	Yes	X	1600.00	18
07-03-71 Sentinel Elem.	0.0460	36	Yes	X	-0-	36
07-03-94 Theba Elem.	0.0439	37	Yes	X	-0-	36
02-03-23 Naco Elem.	-0-	38	Yes		1220.10	25
02-03-49 Palominas Elem.	-0-	38	Yes		1673.44	17
02-03-66 Rucker Elem.	-0-	38	Yes	X	-0-	36
03-03-05 Chevelon Butte	-0-	38	Yes	X	-0-	36
04-03-05 Young Elem.	-0-	38	Yes	X	582.23	33
04-03-20 Rice Elem.	-0-	38			1158.19	27
05-03-09 Klondyke Elem.	-0-	38	Yes	X	-0-	36
06-03-22 Blue Elem.	-0-	38	Yes	X	-0-	36
06-03-45 Eagle Elem.	-0-	38	Non. Op.	Non. Op.	Non. Op.	36
07-03-63 Aguila Elem.	-0-	38	Yes		331.37	35
10-03-35 San Fernando Elem.	-0-	38	Yes	X	-0-	36
10-03-37 Empire Elem.	-0-	38	Yes	X	-0-	36
13-03-07 Walnut Grove Elem.	-0-	38	Yes		-0-	36
13-03-14 Champie Elem.	-0-	38	Yes		-0-	36
13-03-41 Crown King Elem.	-0-	38	Yes	X	-0-	36
13-03-47 Rincon Elem.	-0-	38	Yes	X	-0-	36
13-03-51 Chino Valley Elem.	-0-	38			864.86	31
13-03-55 Peeples Valley Elem.	-0-	38	Yes	X	-0-	36
10-03-44 Redington Elem.	-0-	38	Yes		-0-	36

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Analysis of Tax Rates for 04 Districts

CO-TY-DT	DISTRICT NAME	TAX RATE	RANK	LESS THAN 500 ADM	RECEIVE NO STATE AID	EXP. per WADM	RANK
07-04-44	Avondale Elem.	1.4184	1			1711.41	32
01-04-18	Puerco Elem.	1.1141	2			2746.22	7
11-04-43	Apache Junction Elem.	1.1017	3			2659.05	8
07-04-40	Glendale Elem.	0.9963	4			1850.36	25
07-04-79	Litchfield Elem.	0.8702	5			2088.67	18
08-04-15	Bullhead City Elem.	0.8542	6			1808.12	26
11-04-18	Sacaton Elem.	0.8500	7			1616.36	36
07-04-83	Cartwright Elem.	0.8408	8			1348.33	53
07-04-14	Creighton Elem.	0.7783	9			1951.33	21
11-04-33	Picacho Elem.	0.7392	10	Yes		2289.73	12
07-04-97	Deer Valley Elem.	0.7147	11			1742.73	24
11-04-15	Superior Elem.	0.7130	12			1710.16	31
07-04-06	Washington Elem.	0.6941	13			1765.62	14
07-04-01	Phoenix Elem.	0.6907	14			2217.79	16
07-04-38	Madison Elem.	0.6709	15			2190.25	27
07-04-05	Isaac Elem.	0.6703	16			1780.48	20
07-04-03	Tempe Elem.	0.6093	17			1955.31	11
07-04-31	Balsz Elem.	0.5858	18			2316.47	13
07-04-28	Kyrene Elem.	0.5818	19			2274.10	30
07-04-07	Wilson Elem.	0.5556	20			1763.07	45
07-04-45	Fowler Elem.	0.5358	21			1474.08	50
07-04-21	Murphy Elem.	0.5288	22	Yes		1378.19	39
11-04-24	Stanfield Elem.	0.5129	23			1554.11	40
07-04-68	Alhambra Elem.	0.4964	24			1535.10	24
08-04-04	Kingman Elem.	0.4938	25			1897.39	60
02-04-12	Elfrida Elem.	0.4800	26	Yes		1266.18	22
07-04-92	Pendergast Elem.	0.4662	27			1905.77	37
11-04-04	Casa Grande Elem.	0.4575	28			1596.80	38
01-04-07	Alpine Elem.	0.4398	29	Yes		1581.04	9
08-04-06	Owens Whitney Elem.	0.4304	30	Yes		2532.52	23
11-04-22	Toltec Elem.	0.4210	31	Yes		1899.96	6
07-04-08	Osborn Elem.	0.4097	32		X	2892.99	41
10-04-06	Marana Elem.	0.4084	33			1533.72	

## SPECIAL EDUCATION (FUND 002): FY 1977-78

## Analysis of Tax Rates for 04 Districts

CO-TY-DT	DISTRICT NAME	TAX RATE	RANK	LESS THAN 500 ADM	RECEIVE NO STATE AID	EXP. per WADM	RANK
10-04-10	Amphitheater Elem.	0.3982	34			1662.20	34
07-04-33	Buckeye Elem.	0.3897	35			1444.08	46
07-04-65	Littleton Elem.	0.3786	36			1367.16	51
14-04-04	Quartzsite Elem.	0.3501	37	Yes		1103.31	71
10-04-16	Catalina Foothills	0.3390	38			2118.61	17
08-04-25	Lake Havasu Elem.	0.3374	39			1433.18	49
14-04-01	Yuma Elem.	0.2895	40			1775.63	28
14-04-24	Wellton Elem.	0.2696	41	Yes		2487.48	10
08-04-16	Mohave Valley Elem.	0.2603	42	Yes		1529.94	42
05-04-01	Safford Elem.	0.2572	43			1169.02	66
12-04-06	Patagonia Elem.	0.2471	44	Yes		739.43	77
07-04-47	Arlington Elem.	0.2378	45	Yes		1364.03	52
13-04-06	Cottonwood-Oak Creek	0.2342	46			971.87	73
02-04-09	Benson Elem.	0.2300	47			1044.26	72
08-04-22	Valentine Elem.	0.2289	48	Yes	X	-0-	78
14-04-16	Hyder Elem.	0.2144	49	Yes		2922.01	5
01-04-01	St. Johns Elem.	0.2015	50			2206.91	15
01-04-06	Concho Elem.	0.1938	51	Yes	X	-0-	78
07-04-25	Liberty Elem.	0.1888	52			1321.78	56
14-04-17	Mohawk Valley Elem.	0.1820	53	Yes		1147.17	67
07-04-02	Riverside Elem.	0.1697	54		X	3496.06	3
02-04-22	Pearce Elem.	0.1600	55	Yes		1100.91	71
14-04-30	Salome Elem.	0.1440	56	Yes	X	3062.45	4
02-04-68	Sierra Vista Elem.	0.1400	57			1210.39	63
08-04-11	Chloride Elem.	0.1165	58	Yes		778.47	76
11-04-11	Eloy Elem.	0.1145	59			1346.25	54
08-04-09	Littlefield Elem.	0.1114	60	Yes	X	-0-	78
08-04-14	Colorado City	0.1031	61	Yes		1524.80	43
08-04-13	Yucca Elem.	0.0961	62	Yes	X	-0-	78
13-04-03	Verde Elem.	0.0763	63	Yes		1259.35	61
08-04-12	Topock Elem.	0.0467	64	Yes	X	-0-	78
07-04-66	Roosevelt Elem.	0.0413	65			1181.22	65
08-04-03	Hackberry Elem.	0.0300	66	Yes	X	-0-	78

## SPECIAL EDUCATION (FUND 002): FY 1977-78

## Analysis of Tax Rate for 04 Districts

CO-TY-DT	DISTRICT NAME	TAX RATE	RANK	LESS THAN 500 ADM	RECEIVE NO STATE AID	EXP. per WADM	RANK
11-04-05	Red Rock Elem.	0.0236	67	Yes	X	-0-	78
08-04-08	Peach Springs Elem.	0.0011	68	Yes		1437.42	47
01-04-05	Navajo Com. Sta. Elem.	-0-	69	Yes	X	-0-	78
01-04-10	Round Valley Elem.	-0-	69			1318.42	57
01-04-23	McNary Elem.	-0-	69	Yes		1486.21	44
02-04-53	Ash Creek Elem.	-0-	69	Yes		1311.86	59
02-04-64	Pomerene Elem.	-0-	69	Yes		849.93	75
07-04-17	Tolleson Elem.	-0-	69			1135.59	68
07-04-49	Palo Verde Elem.	-0-	69	Yes		1223.84	62
07-04-59	Laveen Elem.	-0-	69			1638.94	35
07-04-62	Union Elem.	-0-	69	Yes		2071.25	19
08-04-24	Mt. Trumbull Elem.	-0-	69	Non.Op.	Non.Op.	Non. Op.	78
14-04-03	Vicksburg Elem.	-0-	69	Yes	X	16070.80	1
14-04-11	Somerton Elem.	-0-	69			866.56	74
14-04-13	Crane Elem.	-0-	69			1197.20	64
14-04-19	Wenden Elem.	-0-	69	Yes	X	4358.22	2
14-04-26	Bouse Elem.	-0-	69	Yes		1317.14	58
14-04-27	Parker Elem.	-0-	69			1103.65	69
14-04-32	Gadsden Elem.	-0-	69			1322.63	55
09-04-20	Whiteriver Elem.	-0-	69			1434.42	48
12-04-09	Lochiel Elem.	-0-	69	Yes	X	-0-	78
12-04-25	Sonoita Elem.	-0-	69	Yes	X	-0-	78

## SPECIAL EDUCATION (FUND 002): FY 1977-78

## Analysis of Tax Rates for 05 Districts

CO-TY-DT	DISTRICT NAME	TAX RATE	RANK	LESS THAN 500 ADM	RECEIVE NO STATE AID	EXP. per WADM	RANK
11-05-43	Apache Junction H.S.	0.4857	1		X	2324.59	3
07-05-10	Phoenix U.H.S.	0.3909	2			1813.25	8
11-05-40	Santa Cruz U.H.S.	0.3462	3		X	2656.87	1
07-05-14	Tolleson U.H.S.	0.3415	4			1955.83	6
11-05-15	Superior H.S.	0.3291	5	Yes		1264.66	16
07-05-13	Tempe U.H.S.	0.2953	6			2116.53	5
14-05-60	Northern Yuma U.H.S.	0.2920	7		X	2155.66	4
07-05-05	Glendale U.H.S.	0.2862	8			1638.28	12
07-05-16	Agua Fria U.H.S.	0.2841	9			1571.18	14
05-05-01	Safford H.S.	0.2248	10			722.53	24
10-05-04	Amphitheater H.S.	0.2209	11			2401.36	2
07-05-01	Buckeye U.H.S.	0.1997	12			982.04	20
02-05-68	Sierra Vista H.S.	0.1800	13			1064.23	19
14-05-70	Yuma H.S.	0.1754	14			759.87	22
14-05-76	Bicentennial U.H.S.	0.1709	15	Yes	X	-0-	26
14-05-50	Antelope U.H.S.	0.1629	16	Yes	X	1573.00	13
10-05-06	Marana H.S.	0.1625	17			1719.36	9
07-05-97	Deer Valley H.S.	0.1610	18		X	1654.86	11
08-05-30	Mohave U.H.S.	0.1273	19		X	1160.00	18
11-05-02	Casa Grande U.H.S.	0.1260	20		X	1169.88	17
02-05-22	Valley Union H.S.	0.1200	21	Yes	X	1428.24	15
02-05-09	Benson U.H.S.	0.1100	22	Yes		726.03	23
12-05-20	Patagonia U.H.S.	0.0521	23	Yes	X	1840.84	7
01-05-90	Apache County U.H.S.	0.0480	24		X	790.07	21
13-05-04	Mingus U.H.S.	0.0277	25		X	507.04	25
09-05-20	Alchesay H.S.	-0-	26	Yes		1657.36	10
10-05-16	Catalina Foothills	-0-	26	Yes	X	-0-	26

Transportation (Fund 004): FY 1977-78

## Analysis of Tax Rates for 02 Districts

Unified School Districts

<u>CO-TY-DT DISTRICT NAME</u>	<u>TAX RATE</u>	<u>OPERATING COST/MILE</u>	<u>OPERATING COST/STUDENT</u>
11-02-21 Coolidge Unif.	1.6414	1.01	142.06
11-02-20 Maricopa Unif.	1.5523	.56	104.23
02-02-21 St. David Unif.	1.3700	2.81	217.97
02-02-01 Tombstone Unif.	1.0300	.59	116.75
02-02-02 Bisbee Unif.	.9300	.93	131.73
04-02-01 Globe Unif.	.8997	.48	61.90
13-02-22 Humboldt Unif.	.8028	.77	110.28
07-02-24 Gila Bend Unif.	.7785	.56	107.51
02-02-27 Douglas Unif.	.7500	1.03	238.33
07-02-41 Gilbert Unif.	.7477	1.06	130.66
01-04-24 Chinle Elem.	.7028	1.14	279.52
07-02-89 Dysart Unif.	.6898	.97	114.81
05-02-07 Ft. Thomas Unif.	.6585	.69	95.77
13-02-28 Camp Verde Unif.	.6314	.65	68.24
06-02-02 Duncan Unif.	.6220	.41	53.26
05-02-06 Pima Unif.	.6000	.53	96.87
04-02-41 Hayden-Wink.	.5746	1.51	151.65
01-04-19 Ganado Elem.	.5724	.84	158.87
12-02-01 Nogales Unif.	.5709	.94	130.60
10-02-12 Sunnyside Unif.	.5533	1.13	99.01
02-02-13 Willcox Unif.	.5500	.92	270.06
11-02-01 Florence Unif.	.5465	.41	112.34
07-02-80 Chandler Unif.	.5324	.72	136.11
07-02-69 Paradise Valley Unif.	.5236	1.06	112.84
05-02-04 Thatcher Unif.	.5100	.92	75.43
09-02-03 Holbrook Unif.	.4873	.89	129.38
03-02-15 Tuba City Unif.	.4567	.80	68.64
10-02-08 Flowing Wells Unif.	.4526	1.41	83.74
07-02-11 Peoria Unif.	.4363	.82	61.34
09-02-32 Pinetop-Lakeside	.4312	.76	66.96
07-02-09 Wickenburg Unif.	.4303	.78	160.10
09-02-10 Show Low Unif.	.4199	.61	56.10
06-02-03 Clifton Unif.	.3840	.44	20.46
03-02-01 Flagstaff Unif.	.3746	.89	227.46
04-02-10 Payson Unif.	.3693	1.05	57.85
12-02-35 Santa Cruz Vall.	.3665	.69	166.55
09-02-01 Winslow Unif.	.3602	.78	55.64
02-02-14 Bowie Unif.	.3600	.47	897.34
07-02-04 Mesa Unif.	.3462	.73	121.69
02-02-18 San Simon Unif.	.3400	.30	129.59
03-02-04 Grand Canyon Unif.	.3348	3.30	607.19
13-02-43 Mayer Unif.	.3282	1.75	3390.50
11-02-03 Ray Unif.	.3074	.58	108.54
13-02-01 Prescott Unif.	.2931	.73	65.80
10-02-01 Tucson Unif.	.2823	.89	165.70
09-02-05 Snowflake Unif.	.2117	.73	78.40
11-02-08 Mammoth-San Man.	.2088	.69	66.97

(contd.)

Transportation (Fund 004): FY 1977-78

## Analysis of Tax Rates for O2 Districts

Unified School Districts (contd.)

CO-TY-DT DISTRICT NAME	TAX RATE	OPERATING COST/MILE	OPERATING COST/STUDENT
07-02-48 Scottsdale Unif.	.1581	.90	117.47
04-02-40 Miami Unif.	.1450	.91	91.99
09-02-02 Joseph City Unif.	.1419	.75	542.27
10-02-30 Sahuarita Unif.	.1407	1.00	178.58
03-02-02 Williams Unif.	.1329	.66	160.77
10-02-15 Ajo Unif.	.1297	1.17	37.19
03-02-06 Fredonia Moc. Unif.	.1157	.81	275.40
09-02-27 Kayenta Unif.	.1134	1.07	329.46
13-02-40 Seligman Unif.	.1043	.54	671.32
13-02-31 Ash Fork Unif.	.0902	.78	560.02
03-02-08 Page Unif.	.0661	1.08	216.12
06-02-18 Morenci Unif.	.0350	.68	28.86
13-02-20 Bagdad Unif.	-0-	1.79	90.98
01-04-08 Window Rock Unif.	-0-	1.25	194.64

Analysis of Tax Rates for 03 Districts

Elementary Districts Not  
in a High School District

CO-TY-DT	DISTRICT NAME	TAX RATE	OPERATING COST/MILE	OPERATING COST/STUDENT
02-03-66	Rucker Elem.	2.8800	.43	1791.07
09-03-25	Hopi Elem.	2.6466	.76	291.76
10-03-44	Redington Elem.	2.2733	.35	143.77
10-03-40	Indian Oasis El.	2.2573	.84	247.65
07-03-95	Queen Creek Elem.	1.6287	.86	90.58
13-03-02	Williamson V. El.	1.5969	1.75	3390.50
02-03-42	Apache Elem.	1.3300	.62	2164.97
12-03-28	Santa Cruz Elem.	1.1541	1.15	384.41
	Common Carrier		-0-	-0-
11-03-02	Oracle Elem.	.8998	.62	118.46
02-03-49	Palominas Elem.	.8000	.57	150.41
07-03-81	Nadaburg Elem.	.7675	.60	115.74
04-03-05	Young Elem.	.7334	.73	83.08
05-03-05	Solomonville Elem.	.7000	.65	114.00
03-03-10	Maine Cons. El.	.6424	.89	1008.36
07-03-93	Cave Creek Elem.	.6111	.68	193.07
10-03-51	Mary E. Dill Elem.	.5510	.52	164.48
13-03-15	Skull Valley Elem.	.5104	.80	251.81
10-03-35	San Fernando Elem.	.4969	.52	370.12
10-03-13	Tanque Verde Elem.	.4938	1.11	100.19
07-03-75	Morristown Elem.	.4762	.62	167.69
03-03-05	Chevelon Butte El.	.4254	.56	823.25
13-03-23	Kirkland Elem.	.4160	.52	244.07
13-03-17	Congress Elem.	.4020	1.27	203.04
07-03-94	Theba Elem.	.3607	1.18	500.09
07-03-63	Aguila Elem.	.3548	.74	250.36
10-03-20	Vail Elem.	.3435	.71	214.82
13-03-51	Chino Valley Elem.	.3150	.75	77.62
13-03-35	Hillside Elem.	.3123	1.38	619.09
05-03-16	Bonita Elem.	.3100	.68	305.98
11-03-44	J.O.Combs Elem.	.3026	.70	65.47
07-03-60	Higley Elem.	.2525	.85	88.99
02-03-23	Naco Elem.	.2500	.24	22.80
13-03-50	Canon Elem.	.2298	.56	75.11
13-03-26	Beaver Creek Elem.	.2026	.36	56.64
07-03-71	Sentinel Elem.	.1843	.36	247.38
02-03-81	Forrest Elem.	.1700	.62	215.33
02-03-45	Double Adobe Elem.	.1600	.52	141.64
07-03-90	Ruth Fisher El.	.1599	1.00	308.62
07-03-86	Mobile Elem.	.1308	.64	893.98
10-03-37	Empire Elem.	.1192	.36	264.30
04-03-33	Packard Elem.	.1143	1.02	810.40
04-03-12	Pine Elem.	.1120	.73	151.25
02-03-26	Cochise Elem.	.1100	.52	262.49
10-03-39	Continental Elem.	.1023	.70	228.47
13-03-41	Crown King Elem.	.1003	-0-	-0-

No students transported

Transportation (Fund 004): FY 1977-78  
 Analysis of Tax Rates for 03 Districts

Appendix 5(b) cont'd

Elementary Districts Not  
 in a High School District (contd.)

CO-TY-DT DISTRICT NAME	TAX RATE	OPERATING COST/MILE	OPERATING COST/STUDENT
02-03-55 McNeal Elem.	.1000	-0-	-0-
05-03-09 Klondyke Elem.	.1000	-0-	-0-
07-03-98 Fountain Hills El.	.0859	.75	181.92
13-03-07 Walnut Grove El.	.0249	.61	786.75
13-03-55 Peeples Valley El.	-0-	-0-	-0-
13-03-52 Yarnell Elem.	-0-	.53	223.97
13-03-47 Rincon Elem.	-0-	-0-	-0-
13-03-14 Champie Elem.	-0-	-0-	-0-
06-03-45 Eagle Elem.	Nonop	Nonop	Nonop
04-03-20 Rice Elem.	-0-	-0-	-0-
06-03-22 Blue Elem.	-0-	-0-	-0-

Analysis of Tax Rates for 04 Districts

Elementary School Districts  
in High School Districts

CO-TY-DT DISTRICT NAME	TAX RATE	OPERATING COST/MILE	OPERATING COST/STUDENT
09-04-20 Whiteriver El.	2.8464	1.08	99.88
		Shown as Unified	
07-04-62 Union El.	1.7874	.75	135.32
07-04-59 Laveen El.	1.3629	.73	93.05
12-04-06 Patagonia El.	1.3618	.77	104.04
14-04-16 Hyder El.	1.1151	.53	222.15
07-04-65 Littleton El.	1.1147	.81	66.60
07-04-25 Liberty El.	1.0888	.85	124.86
11-04-18 Sacaton El.	.9100	1.14	248.68
08-04-16 Mohave Valley Elem.	.8935	.87	116.99
07-04-07 Deer Valley El.	.8853	.76	104.82
		Shown as Unified	
07-04-66 Roosevelt Elem.	.8036	1.52	111.55
01-04-18 Puerco Elem.	.7876	1.17	167.60
11-04-43 Apache Jnct. Elem.	.7624	.65	102.93
		Shown as Unified	
14-04-03 Vicksburg Elem.	.6766	.58	761.38
02-04-22 Pearce Elem.	.6700	.56	129.02
01-04-06 Concho Elem.	.6592	.32	36.72
02-04-53 Ash Creek Elem.	.6300	.61	480.63
11-04-24 Stanfield Elem.	.5972	.77	164.71
02-04-12 Elfrida Elem.	.5800	.49	107.48
11-04-11 Eloy Elem.	.5566	.74	108.22
01-04-10 Round Valley El.	.5522	1.27	146.33
11-04-33 Picacho Elem.	.5250	.66	102.46
12-04-25 Sonoita Elem.	.5208	.73	382.03
08-04-15 Bullhead City El.	.4996	1.28	136.23
01-04-01 St. Johns Elem.	.4991	.32	52.66
07-04-17 Tolleson Elem.	.4812	4.32	468.63
07-04-49 Palo Verde Elem.	.4472	.48	107.70
07-04-92 Pendergast Elem.	.4437	1.06	31.96
14-04-30 Salome Elem.	.4353	.92	195.34
07-04-79 Litchfield Elem.	.4131	.63	87.70
14-04-11 Somerton Elem.	.4101	.42	66.58
14-04-24 Wellton Elem.	.4014	1.01	133.66
14-04-13 Crane Elem.	.3863	.74	52.86
07-04-45 Fowler Elem.	.3812	.99	70.33
11-04-22 Toltec Elem.	.3690	.74	105.38
07-04-44 Avondale Elem.	.3646	.91	74.41
11-04-04 Casa Grande Elem.	.3632	.71	102.65
02-04-68 Sierra Vista El.	.3600	.46	45.13
07-04-33 Buckeye Elem.	.3587	.71	62.36
14-04-17 Mohawk Valley El.	.3380	.53	166.07
08-04-22 Valentine Elem.	.3289	.68	275.71
14-04-04 Quartzsite Elem.	.3189	.35	149.37
08-04-14 Colorado City Elem.	.3142	2.17	42.60
07-04-28 Kyrene Elem.	.3042	.94	129.06

Transportation (Fund 004): FY 1977-78  
 Analysis of Tax Rates for 04 Districts

Appendix 5(c) cont'd

Elementary School Districts  
 in High School Districts (contd.)

CO-TY-DT	DISTRICT NAME	TAX RATE	OPERATING COST/MILE	OPERATING COST/STUDENT
07-04-21	Murphy Elem.	.3026	.65	12.92
14-04-19	Wenden Elem.	.2979	.58	693.52
05-04-01	Safford Elem.	.2927	.88	82.85
			Shown as Unified	
02-04-64	Pomerene Elem.	.2900	.70	93.51
14-04-27	Parker Elem.	.2833	1.05	156.22
08-04-04	Kingman Elem.	.2761	.93	74.92
02-04-09	Benson Elem.	.2600	.25	72.53
13-04-06	Cottonwd.-Oak Cr.	.2587	.77	66.83
08-04-13	Yucca Elem.	.2512	1.16	1351.64
13-04-03	Verde Elem.	.2482	.86	83.96
08-04-08	Peach Sprgs. Elem	.2366	.57	40.44
07-04-06	Washington Elem.	.2215	.85	91.21
07-04-05	Isaac Elem.	.2200	1.31	71.83
07-04-83	Cartwright Elem.	.2163	1.07	83.86
07-04-40	Glendale Elem.	.2127	1.63	111.29
07-04-31	Balsz Elem.	.1915	1.51	85.73
07-04-07	Wilson Elem.	.1871	1.69	132.90
07-04-47	Arlington Elem.	.1739	.39	165.43
14-04-32	Gadsden Elem.	.1700	.64	47.02
07-04-68	Alhambra Elem.	.1466	1.58	189.74
10-04-10	Amphitheater Elem.	.1434	.93	134.18
			Shown as Unified	
07-04-38	Madison Elem.	.1392	1.27	70.22
14-04-01	Yuma Elem.	.1323	.93	150.36
07-04-03	Tempe Elem.	.1290	.88	105.15
08-04-06	Owens Whitney Elem.	.1244	-0-	-0-
01-04-23	McNary Elem.	.1188	-0-	-0-
07-04-08	Osborn Elem.	.0942	1.43	30.03
07-04-14	Creighton Elem.	.0837	1.19	83.51
07-04-01	Phoenix Elem.	.0802	1.31	94.02
08-04-11	Chloride Elem.	.0723	.63	295.04
11-04-15	Superior Elem.	.0715	.55	26.06
			Shown as Unified	
07-04-02	Riverside Elem.	.0674	1.99	159.28
11-04-05	Red Rock Elem.	.0414	.32	292.40
08-04-09	Littlefield Elem.	.0278	-0-	-0-
08-04-03	Hackberry Elem.	.0070	-0-	-0-
10-04-16	Catalina Fthills.	.0038	1.23	163.80
14-04-26	Bouse Elem.	-0-	.39	337.80
12-04-09	Lochiel Elem.	-0-	-0-	-0-
10-04-06	Marana Elem.	-0-	-0-	-0-
08-04-25	Lake Havasu El.	-0-	-0-	-0-
08-04-24	Mt. Trumbull Elem.	Nonop	Nonop	Nonop
08-04-12	Topock Elem.	-0-	-0-	-0-
01-04-07	Alpine Elem.	-0-	-0-	-0-
01-04-05	Nav. Comp. St. El.	-0-	-0-	-0-

Transportation (Fund 004): FY 1977-78  
 Analysis of Tax Rates for 05 Districts

High School Districts

CO-TY-DT DISTRICT NAME	TAX RATE	OPERATING COST/MILE	OPERATING COST/STUDENT
09-05-20 Alchesay H.S.	1.1345	1.08	99.88
		Shown as Unified	
12-05-20 Patagonia U.H.S.	.8381	1.05	403.21
10-05-06 Marana H.S.	.6288	.86	180.44
07-05-14 Tolleson U.H.S.	.4528	.91	91.02
02-05-68 Sierra Vista H.S.	.3800	-0-	-0-
14-05-50 Antelope U.H.S.	.3065	.46	89.95
02-05-09 Benson U.H.S.	.3000	-0-	-0-
14-05-70 Yuma U.H.S.	.2998	.99	101.09
11-05-02 Casa Grande U.H.S.	.2967	.58	206.73
07-05-01 Buckeye U.H.S.	.2928	1.21	206.70
14-05-60 N. Yuma U.H.S.	.2786	.82	219.99
11-05-43 Apache Jct. H.S.	.2462	.65	102.93
		Shown as Unified	
07-05-16 Agua Fria U.H.S.	.2458	.80	112.63
01-05-90 Apache City H.S.	.1892	.47	95.41
02-05-22 Valley Union H.S.	.1600	.31	180.67
10-05-04 Amphitheater H.S.	.1576	.93	134.18
		Shown as Unified	
05-05-01 Safford H.S.	.1563	.88	82.85
		Shown as Unified	
11-05-40 Santa Cruz U.H.S.	.1433	.31	155.00
13-05-04 Mingus U.H.S.	.1354	5.05	437.91
14-05-76 Bicentennial U.H.S.	.1324	.29	220.03
07-05-05 Glendale U.H.S.	.1315	.79	82.66
08-05-30 Mohave U.H.S.	.1176	1.04	117.03
07-05-10 Phoenix U.H.S.	.0716	9.21	1231.23
07-05-13 Tempe, U.H.S.	.0662	.91	173.03
11-05-15 Superior H.S.	.0032	.55	26.06
		Shown as Unified	
10-05-16 Catalina Fthills	-0-	-0-	-0-
07-05-97 Deer Valley H.S.	-0-	.76	104.82
		Shown as Unified	

## BUDGETED CAPITAL OUTLAY (Fund 410): FY 1977-78

## Analysis of Tax Rates for 02 Districts

CO-TY-DT DISTRICT NAME	TAX RATE	RANK	CAPITAL OUTLAY EXP./ADM
07-02-41 Gilbert Unified	4.2686	1	439
01-04-19 Ganado Elem.	4.0746	2	213
09-02-27 Kayenta Unified	2.7514	3	499
07-02-89 Dysart Unified	2.3834	4	91
09-02-10 Show Low Unified	2.3525	5	169
04-02-01 Globe Unified	2.0626	6	100
12-02-01 Nogales Unified	2.0411	7	114
13-02-22 Humboldt Unified	1.4799	8	248
11-02-20 Maricopa Unified	1.4364	9	173
07-02-09 Wickenburg Unified	1.3492	10	122
02-02-02 Duncan Unified	1.1640	11	189
02-02-21 St. David Unified	1.1400	12	88
07-02-69 Paradise Valley Unif.	1.1320	13	91
05-02-06 Pima Unified	1.0600	14	87
10-02-08 Flowing Wells Unified	1.0413	15	126
02-02-27 Douglas Unified	1.0000	16	46
07-02-80 Chandler Unified	.9135	17	61
11-02-21 Coolidge Unified	.8346	18	60
02-02-01 Tombstone Unified	.8200	19	61
13-02-28 Camp Verde Unified	.8046	20	65
13-02-43 Mayer Unified	.7795	21	149
11-02-01 Florence Unified	.7683	22	85
09-02-03 Holbrook Unified	.7375	23	56
06-02-03 Clifton Unified	.7160	24	95
02-02-02 Bisbee Unified	.7100	25	41
13-02-20 Bagdad Unified	.6725	26	315
03-02-04 Grand Canyon Unified	.6197	27	487
02-02-14 Bowie Unified	.5900	28	181
09-02-05 Snowflake Unified	.5897	29	111
07-02-04 Mesa Unified	.5810	30	56
09-02-32 Pinetop-Lakeside	.5582	31	95
13-02-01 Prescott Unified	.5476	32	58
04-02-40 Miami Unified	.5423	33	219
07-02-24 Gila Bend Unified	.4977	34	66
03-02-01 Flagstaff Unified	.4934	35	77
06-02-18 Morenci Unified	.4900	36	36
10-02-01 Tucson Unified	.4734	37	61
09-02-01 Winslow Unified	.4582	38	32
07-02-48 Scottsdale Unified	.4378	39	87
03-02-15 Tuba City Unified	.4349	40	81
03-02-08 Page Unified	.4278	41	353
10-02-15 Ajo Unified	.4263	42	129
04-02-10 Payson Unified	.4212	43	81
05-02-07 Ft. Thomas Unified	.4142	44	94
04-02-41 Hayden-Winkelman	.4070	45	175
07-02-11 Peoria Unified	.3867	46	47
10-02-12 Sunnyside Unified	.3706	47	36
01-04-24 Chinle Elementary	.3663	48	158

## BUDGETED CAPITAL OUTLAY (Fund 410): FY 1977-78

## Analysis of Tax Rates for 02 Districts

CO-TY-DT DISTRICT NAME	TAX RATE	RANK	CAPITAL OUTLAY EXP./ADM
02-02-13 Willcox Unified	.3600	49	50
11-02-03 Ray Unified	.3550	50	94
12-02-35 Santa Cruz Valley	.2455	51	39
02-02-18 San Simon Unified	.2300	52	76
11-02-08 Mammoth-San Manuel	.1811	53	93
02-02-02 Joseph City Unified	.1742	54	369
13-02-31 Ash Fork Unified	.1730	55	207
03-02-02 Williams Unified	.1729	56	78
05-02-04 Thatcher Unified	.1600	57	99
13-02-40 Seligman Unified	.1515	58	132
10-02-30 Sahuarita Unified	.1175	59	119
01-04-08 Window Rock Elem.	-0-	60	214
03-02-06 Fredonia-Moc. Unif.	-0-	60	605

## BUDGETED CAPITAL OUTLAY (Fund 410): FY 1977-78

## Analysis of Tax Rates for 03 Districts

CO-TY-DT DISTRICT NAME	TAX RATE	RANK	CAPITAL OUTLAY EXP./ADM
13-03-52 Yarnell Elem.	2.8140	1	102
10-03-40 Indian Oasis Elem.	1.9699	2	141
09-03-25 Hopi Elementary	1.9514	3	73
02-03-23 Naco Elem.	1.9100	4	74
07-03-81 Nadaburg Elem.	1.2393	5	66
02-03-49 Palominas Elem.	.8900	6	71
10-03-13 Tanque Verde Elem.	.8152	7	110
13-03-41 Crown King Elem.	.7962	8	197
07-03-71 Sentinel Elem.	.7332	9	806
02-03-45 Double Adobe Elem.	.7200	10	62
07-03-93 Cave Creek Elem.	.6566	11	279
11-03-02 Oracle Elem.	.6502	12	89
13-03-26 Beaver Creek Elem.	.6410	13	164
05-03-05 Solomonville Elem.	.6400	14	126
13-03-51 Chino Valley Elem.	.6210	15	75
13-03-23 Kirkland Elem.	.5835	16	153
04-03-12 Pine Elementary	.5800	17	185
07-03-95 Queen Creek El.	.5290	18	57
07-03-75 Morristown Elem.	.5253	19	100
05-03-16 Bonita Elem.	.5200	20	112
04-03-33 Packard Elem.	.4250	21	124
07-03-60 Higley Elem.	.3813	22	84
07-03-94 Theba Elem.	.3437	23	76
10-03-51 Mary E. Dill Elem.	.3355	24	73
13-03-14 Champie Elem.	.3083	25	-0-
04-03-05 Young Elem.	.2796	26	22
11-03-44 J.O. Combs Elem.	.2762	27	74
13-03-15 Skull Valley El.	.2555	28	66
07-03-63 Aguila Elem.	.2340	29	44
02-03-55 McNeal Elem.	.2200	30	34
13-03-50 Canon Elem.	.1908	31	23
10-03-35 San Fernando El.	.1685	32	71
03-03-10 Maine Cons. El.	.1611	33	63
13-03-07 Walnut Grove El.	.1530	34	29
07-03-98 Fountain Hills Elem.	.1081	35	52
13-03-35 Hillside Elem.	.0793	36	31
10-03-20 Vail Elem.	.0671	37	49
07-03-90 Ruth Fisher El.	.0659	38	99
02-03-26 Cochise Elem.	.0500	39	134
10-03-39 Continental Elem.	.0454	40	77
07-03-86 Mobile Elem.	.0439	41	73
02-03-42 Apache Elem.	.0400	42	2
13-03-02 Williamson V. El.	.0075	43	-0-
03-03-05 Chevelon Butte	-0-	44	99
04-03-20 Rice Elementary	-0-	44	100
12-03-28 Santa Cruz Elem.	-0-	44	163
13-03-47 Rincon Elem.	-0-	44	-0-
06-03-45 Eagle Elem.	Nonop	44	Nonop
10-03-37 Empire Elem.	-0-	44	-0-
13-03-17 Congress Elem.	-0-	44	-0-

## BUDGETED CAPITAL OUTLAY (Fund 410): FY 1977-78

## Analysis of Tax Rates for 03 Districts

CO-TY-DT DISTRICT NAME	TAX RATE	RANK	CAPITAL OUTLAY EXP./ADM
10-03-44 Redington Elem.	-0-	44	-0-
05-03-09 Klondyke Elem.	-0-	44	-0-
06-03-22 Blue Elem.	-0-	44	-0-
02-03-66 Rucker Elem.	-0-	44	-0-
02-03-81 Forrest Elem.	-0-	44	-0-
13-03-55 Peoples Valley Elem.	-0-	44	-0-

## BUDGETED CAPITAL OUTLAY (Fund 410): FY 1977-78

## Analysis of Tax Rates for 04 Districts

CO-TY-DT	DISTRICT NAME	TAX RATE	RANK	CAPITAL OUTLAY EXP./ADM
11-04-18	Sacaton Elem.	5.5600	1	211
14-04-13	Crane Elem.	2.1003	2	265
11-04-11	Eloy Elementary	1.9818	3	124
08-04-14	Colorado City Elem.	1.1902	4	149
01-04-07	Alpine Elem.	1.0950	5	335
14-04-32	Gadsden Elem.	1.0718	6	95
01-04-06	Concho Elem.	1.0523	7	389
07-04-59	Laveen Elem.	1.0370	8	41
07-04-66	Roosevelt Elem.	1.0322	9	63
07-04-40	Glendale Elem.	.9280	10	112
12-04-06	Patagonia Elem.	.8996	11	150
14-04-11	Somerton Elem.	.8929	12	45
07-04-06	Washington Elem.	.8598	13	104
07-04-97	Deer Valley El.	.8553	14	91
07-04-83	Cartwright Elem.	.7971	15	57
02-04-12	Elfrida Elem.	.7800	16	115
07-04-65	Littleton Elem.	.7560	17	33
01-04-18	Puerco Elem.	.7417	18	88
02-04-68	Sierra Vista El.	.7400	19	86
14-04-24	Wellton Elem.	.7031	20	141
07-04-92	Pendergast Elem.	.7014	21	66
07-04-21	Murphy Elem.	.6931	22	76
01-04-10	Round Valley El.	.6664	23	58
01-04-01	St. Johns Elem.	.6198	24	192
07-04-45	Fowler Elem.	.5732	25	74
07-04-05	Isaac Elem.	.5730	26	62
07-04-28	Kyrene Elem.	.5705	27	129
08-04-15	Bullhead City Elem.	.5604	28	105
02-04-64	Pomerene Elem.	.5600	29	63
14-04-04	Quartzsite Elem.	.5416	30	222
07-04-44	Avondale Elem.	.5279	31	42
14-04-30	Salome Elem.	.4937	32	140
08-04-16	Mohave Valley Elem.	.4681	33	92
07-04-03	Tempe Elem.	.4449	34	84
07-04-62	Union Elem.	.4426	35	235
07-04-79	Litchfield Elem.	.4276	36	69
10-04-10	Amphitheater El.	.3984	37	84
11-04-24	Stanfield Elem.	.3940	38	78
11-04-15	Superior El.	.3832	39	149
07-04-17	Tolleson Elem.	.3711	40	31
08-04-08	Peach Springs Elem.	.3684	41	243
11-04-33	Picacho Elem.	.3658	42	96
14-04-27	Parker Elem.	.3641	43	72
07-04-49	Palo Verde Elem.	.3590	44	84
11-04-04	Casa Grande Elem.	.3513	45	73
07-04-68	Alhambra Elem.	.3429	46	54
05-04-01	Safford El.	.3238	47	43

## BUDGETED CAPITAL OUTLAY (Fund 410): FY 1977-78

## Analysis of Tax Rates for 04 Districts

CO-TY-DT DISTRICT NAME	TAX RATE	RANK	CAPITAL OUTLAY EXP./ADM
08-04-04 Kingman Elem.	.3210	48	57
07-04-25 Liberty Elem.	.3144	49	40
13-04-06 Cottonwood-Oak Cr	.3120	50	64
09-04-20 Whiteriver El.	.3083	51	88
11-04-22 Toltec Elem.	.3027	52	107
14-04-16 Hyder Elem.	.3025	53	85
14-04-01 Yuma Elementary	.2928	54	92
07-04-31 Balsz Elem.	.2916	55	76
07-04-01 Phoenix Elementary	.2681	56	85
08-04-25 Lake Havasu	.2645	57	104
07-04-14 Creighton Elem.	.2439	58	74
02-04-22 Pearce Elem.	.2500	59	123
02-04-53 Ash Creek Elem.	.2500	59	114
02-04-09 Benson Elem.	.2200	61	49
08-04-13 Yucca Elem.	.2108	62	189
01-04-23 McNary Elem.	.1981	63	179
07-04-38 Madison Elem.	.1942	64	65
07-04-08 Osborn Elem.	.1881	65	116
07-04-33 Buckeye Elem.	.1837	66	37
10-04-16 Catalina Foothills	.1810	67	80
10-04-06 Marana Elem.	.1655	68	55
14-04-19 Wenden Elem.	.1653	69	133
07-04-07 Wilson Elem.	.1582	70	70
08-04-06 Owens Whitney Elem.	.1550	71	145
12-04-25 Sonoita Elem.	.1359	72	76
08-04-22 Valentine Elem.	.1332	73	75
11-04-43 Apache Junction El.	.1280	74	70
07-04-47 Arlington Elem.	.1277	75	90
14-04-17 Mohawk Valley El.	.1206	76	49
08-04-11 Chloride Elem.	.1185	77	147
13-04-03 Verde Elem.	.1122	78	35
11-04-05 Red Rock Elem.	.0673	79	508
14-04-26 Bouse Elem.	.0574	80	61
07-04-02 Riverside Elem.	.0458	81	107
14-04-03 Vicksburg Elem.	.0376	82	207
01-04-05 Nav. Comp. St. El.	.0258	83	-0-
08-04-03 Hackberry Elem.	.0220	84	592
08-04-12 Topock Elem.	.0182	85	6
08-04-09 Littlefield El.	-0-	86	11
12-04-09 Lochiel Elem.	-0-	86	-0-
08-04-24 Mt. Trumbull Elem.	non- operating	86	

## BUDGETED CAPITAL OUTLAY (Fund 410): FY 1977-78

## Analysis of Tax Rates for 05 Districts

CO-TY-DT DISTRICT NAME	TAX RATE	RANK	CAPITAL OUTLAY EXP./ADM
12-05-20 Patagonia UHS	2.2861	1	259
09-05-20 Alchesay HS	1.4131	2	70
07-05-14 Tolleson UHS	1.0703	3	220
14-05-70 Yuma UHS	.6532	4	245
07-05-13 Tempe UHS	.5838	5	247
01-05-90 Apache Cty. HS	.5135	6	226
11-05-40 Santa Cruz UHS	.4851	7	208
02-05-68 Sierra Vista HS	.4800	8	84
14-05-50 Antelope UHS	.3462	9	232
02-05-09 Benson UHS	.3400	10	148
07-05-16 Agua Fria UHS	.3379	11	84
14-05-60 Northern Yuma UHS	.3347	12	124
07-05-97 Deer Valley HS	.3292	13	94
14-05-76 Bicentennial UHS	.2741	14	385
10-05-04 Amphitheater HS	.2675	15	98
07-05-05 Glendale UHS	.2548	16	59
07-05-10 Phoenix UHS	.2507	17	105
07-05-01 Buckeye UHS	.2305	18	102
05-05-01 Safford HS	.2158	19	66
13-05-04 Mingus UHS	.2091	20	95
08-05-30 Mohave UHS	.1918	21	117
10-05-06 Marana HS	.1590	22	139
11-05-02 Casa Grande UHS	.1114	23	66
10-05-16 Catalina Foothills	.1104	24	98
11-05-43 Apache Junction HS	.1052	25	87
11-05-15 Superior HS	.1040	26	239
02-05-22 Valley Union HS	.0700	27	57

## CAPITAL LEVY (FUND 420): FY 1977-78

## ANALYSIS OF TAX RATES FOR 02 DISTRICTS

CO-TY-DT	DISTRICT NAME	TAX RATE	RANK	CAPACITY PER ADM	RANK
02-02-01	Tombstone Unif.	.6000	1	47	47
02-02-13	Willcox Unified	.6000	1	86	29
09-02-01	Winslow Unified	.6000	1	41	52
02-02-18	San Simon Unif.	.6000	1	187	13
02-02-21	St. David Unif.	.6000	1	60	36
02-02-27	Douglas Unified	.6000	1	48	46
03-02-06	Fredonia-Moc.Unf.	.6000	1	93	28
04-02-01	Globe Unif.	.6000	1	52	38
04-02-10	Payson Unified	.6000	1	111	22
04-02-40	Miami Unified	.6000	1	234	9
05-02-04	Thatcher Unif.	.6000	1	37	54
06-02-02	Duncan Unified	.6000	1	112	21
07-02-09	Wickenburg Unif.	.6000	1	94	26
07-02-11	Peoria Unified	.6000	1	51	44
07-02-24	Gila Bend Unif.	.6000	1	43	51
07-02-41	Gilbert Unified	.6000	1	38	53
07-02-48	Scottsdale Unif.	.6000	1	94	26
07-02-69	Paradise Val. Un.	.6000	1	47	47
07-02-89	Dysart Unif.	.6000	1	21	58
09-02-03	Holbrook Unif.	.6000	1	57	40
09-02-27	Kayenta Unified	.6000	1	119	20
10-02-01	Tucson Unif.	.6000	1	75	32
10-02-08	Flowing Wells Unif.	.6000	1	71	33
10-02-12	Sunnyside Unif.	.6000	1	55	41
11-02-01	Florence Unif.	.6000	1	60	36
11-02-21	Coolidge Unif.	.6000	1	36	56
12-02-01	Nogales Unified	.6000	1	37	54
12-02-35	Santa Cruz Vall.	.6000	1	221	11
13-02-01	Prescott Unif.	.6000	1	85	30
13-02-20	Bagdad Unified	.6000	1	374	6
13-02-22	Humboldt Unif.	.6000	1	123	19
13-02-28	Camp Verde Unif.	.6000	1	66	34
03-02-15	Tuba City Unif.	.5854	33	50	45
03-02-01	Flagstaff Unif.	.5775	34	99	25
05-02-07	Ft. Thomas Unif.	.5627	35	44	50
07-02-04	Mesa Unified	.5600	36	58	39
03-02-04	Grand Canyon Unf.	.4639	37	135	17
03-02-08	Page Unified	.4519	38	521	4
13-02-43	Mayer Unified	.4500	39	126	18
09-02-02	Joseph City Unif.	.4483	40	1,192	1
13-02-40	Seligman Unif.	.4258	41	481	5
09-02-32	Pinetop-Lakeside	.4035	42	101	24
11-02-08	Mammoth-San Man.	.4035	42	226	10
09-02-10	Show Low Unif.	.4000	44	52	42
11-02-20	Maricopa Unified	.3607	45	62	35
05-02-06	Pima	.3600	46	26	57
02-02-02	Bisbee Unified	.3000	47	60	36

CAPITAL LEVY (FUND 420): FY 1977-78  
ANALYSIS OF TAX RATES FOR 02 DISTRICTS

CO-TY-DT	DISTRICT NAME	TAX RATE	RANK	CAPACITY PER ADM	RANK
10-02-30	Sahuarita Unif.	.3000	47	779	2
04-02-41	Hayden-Winkelman	.3000	47	277	7
01-04-24	Chinle El.	.3000	47	6	61
02-02-14	Bowie Unified	.3000	47	186	14
07-02-80	Chandler Unif.	.3000	47	47	47
03-02-02	Williams Unif.	.2312	53	242	8
01-04-09	Ganado El.	.2963	54	15	59
06-02-03	Clifton Unified	.2000	55	78	31
11-02-03	Ray Unified	.1173	56	157	16
10-02-15	Ajo Unified	.1000	57	180	15
09-02-05	Snowflake Unif.	-0-	58	111	22
06-02-18	Morenci Unified	-0-	58	612	3
13-02-31	Ash Fork Unif.	-0-	58	197	12
01-04-08	Window Rock El.	-0-	58	9	60

CAPITAL LEVY (FUND 420): FY 1977-78  
ANALYSIS OF TAX RATES FOR 03 DISTRICTS

D-TY-DT	DISTRICT NAME	TAX RATE	RANK	CAPACITY PER ADM	RANK
13-03-07	Walnut Grove El.	.3000	1	54	39
13-03-14	Champie Elem.	.3000	1	101	19
10-03-13	Tanque Verde El.	.3000	1	40	43
10-03-20	Vail Elem.	.3000	1	268	9
13-03-50	Canon Elem.	.3000	1	66	34
13-03-51	Chino Valley El.	.3000	1	39	44
17-03-93	Cave Creek Elem.	.3000	1	97	20
07-03-94	Theba Elem.	.3000	1	89	25
04-03-05	Young Elem.	.3000	1	19	48
14-03-12	Pine Elementary	.3000	1	96	21
10-03-39	Continental Elem.	.3000	1	389	4
10-03-40	Indian Oasis El.	.3000	1	7	54
15-03-05	Solomonville El.	.3000	1	59	38
12-03-28	Santa Cruz Elem.	.3000	1	64	36
09-03-25	Hopi Elementary	.3000	1	8	53
10-03-51	Mary E. Dill El.	.3000	1	79	27
13-03-52	Yarnell Elem.	.3000	1	73	30
11-03-44	J. O. Combs El.	.3000	1	17	49
07-03-98	Fountain Hills El.	.3000	1	169	16
17-03-86	Mobile Elem.	.3000	1	261	11
07-03-71	Sentinel Elem.	.3000	1	337	8
13-03-41	Crown King Elem.	.3000	1	263	10
13-03-10	Maine Cons. El.	.3000	1	176	15
04-03-33	Packard Elem.	.3000	1	93	22
04-03-49	Palominas Elem.	.3000	1	31	46
13-03-26	Cochise Elem.	.3000	1	1,473	1
13-03-02	Oracle Elem.	.2720	27	32	45
04-03-20	Rice Elem.	.2000	28	4	55
02-03-45	Double Adobe El.	.2000	29	45	41
04-03-75	Morristown Elem.	.1968	30	68	32
07-03-95	Queen Creek El.	.1548	31	30	47
03-03-05	Chevelon Butte	.1522	32	342	6
13-03-55	Peoples Valley	.1000	33	70	31
04-03-81	Forrest Elem.	.1000	33	237	13
13-03-23	Kirkland Elem.	.1000	33	75	29
04-03-23	Naco Elem.	.1000	33	12	51
13-03-35	Hillside Elem.	.1000	33	92	23
02-03-42	Apache Elem.	.1000	33	724	2
02-03-55	McNeal Elem.	.1000	33	47	40
04-03-81	Nadaburg Elem.	-0-	40	17	49
16-03-35	San Fernando El.	-0-	40	44	42
10-03-37	Empire Elem.	-0-	40	341	7
04-03-22	Blue Elem.	-0-	40	231	14
04-03-45	Eagle Elem.	Nonop	73	Nonop	56

CAPITAL LEVY (FUND 420): FY 1977-78  
ANALYSIS OF TAX RATES FOR 03 DISTRICTS

CO-TY-DT	DISTRICT NAME	TAX RATE	RANK	CAPACITY PER ADM	RANK
05-03-45	Klondyke Elem.	-0-	40	425	3
05-03-16	Bonita Elem.	-0-	40	76	28
07-03-60	Higley Elem.	-0-	40	64	36
07-03-63	Aguila Elem.	-0-	40	67	33
13-03-15	Skull Valley El.	-0-	40	90	24
13-03-17	Congress Elem.	-0-	40	12	51
10-03-44	Redington Elem.	-0-	40	66	34
13-03-02	Williamson V. El.	-0-	40	162	17
13-03-47	Rincon Elem.	-0-	40	256	12
02-03-66	Rucker Elem.	-0-	40	120	18
07-03-90	Ruth Fisher El.	-0-	40	355	5
13-03-26	Beaver Creek El.	-0-	40	84	26

## CAPITAL LEVY (FUND 420): FY 1977-78

## ANALYSIS OF TAX RATES FOR 04 DISTRICTS

D-TY-DT	DISTRICT NAME	TAX RATE	RANK	CAPACITY PER ADM	RANK
01-04-10	Round Valley El.	.3000	1	35	66
02-04-09	Benson Elem.	.3000	1	65	44
02-04-12	Elfrida Elem.	.3000	1	47	54
02-04-22	Pearce Elem.	.3000	1	136	17
02-04-53	Ash Creek Elem.	.3000	1	124	19
02-04-68	Sierra Vista El.	.3000	1	38	62
07-04-01	Phoenix Elem.	.3000	1	112	24
07-04-05	Isaac Elem.	.3000	1	31	71
07-04-06	Washington Elem.	.3000	1	38	62
07-04-08	Osborn Elem.	.3000	1	162	16
07-04-14	Creighton Elem.	.3000	1	72	39
07-04-21	Murphy Elem.	.3000	1	39	60
07-04-25	Liberty Elem.	.3000	1	25	75
07-04-28	Kyrene Elem.	.3000	1	42	58
07-04-33	Buckeye Elem.	.3000	1	43	57
07-04-38	Madison Elem.	.3000	1	95	30
07-04-40	Glendale Elem.	.3000	1	34	68
07-04-44	Avondale Elem.	.3000	1	28	73
07-04-65	Littleton Elem.	.3000	1	12	84
07-04-66	Roosevelt Elem.	.3000	1	18	79
07-04-68	Alhambra Elem.	.3000	1	50	53
07-04-83	Cartwright Elem.	.3000	1	18	79
07-04-92	Pendergast Elem.	.3000	1	22	76
07-04-97	Deer Valley Elem.	.3000	1	31	71
08-04-04	Kingman Elem.	.3000	1	66	42
08-04-06	Owens Whitney El.	.3000	1	207	11
08-04-08	Peach Springs El.	.3000	1	120	22
08-04-11	Chloride Elem.	.3000	1	433	10
08-04-14	Colorado City El.	.3000	1	12	84
08-04-15	Bullhead City El.	.3000	1	80	37
08-04-16	Mohave Valley El.	.3000	1	57	48
10-04-06	Marana Elem.	.3000	1	89	32
10-04-10	Amphitheater El.	.3000	1	60	47
10-04-16	Catalina Foothills	.3000	1	110	25
11-04-04	Casa Grande Elem.	.3000	1	66	42
11-04-11	Eloy Elementary	.3000	1	19	78
11-04-15	Superior Elem.	.3000	1	87	33
11-04-22	Toltec Elem.	.3000	1	127	18
11-04-06	Patagonia Elem.	.3000	1	61	46
11-04-09	Lochiel Elem.	.3000	1	961	3
12-04-25	Sonoita Elem.	.3000	1	177	15
13-04-03	Verde Elem.	.3000	1	91	31
13-04-06	Cottonwood-Oak C.	.3000	1	73	38
14-04-01	Yuma Elem.	.3000	1	52	52
14-04-04	Quartzsite Elem.	.3000	1	118	23
14-04-11	Somerton Elem.	.3000	1	17	81
14-04-13	Crane Elem.	.3000	1	39	60
14-04-16	Hyder Elem.	.3000	1	101	27
14-04-19	Wenden Elem.	.3000	1	182	14

CAPITAL LEVY (FUND 420): FY 1977-78  
ANALYSIS OF TAX RATES FOR 04 DISTRICTS

CO-TY-DT	DISTRICT NAME	TAX RATE	RANK	CAPACITY PER ADM	RANK
14-04-24	Wellton Elem.	.3000	1	57	48
14-04-27	Parker Elem.	.3000	1	46	56
14-04-30	Salome Elem.	.3000	1	85	36
14-04-32	Gadsden Elem.	.3000	1	16	82
07-04-45	Fowler Elem.	.3000	1	35	66
07-04-47	Arlington Elem.	.3000	1	194	13
07-04-49	Palo Verde Elem.	.3000	1	68	41
11-04-43	Apache Jct. El.	.2922	57	38	62
07-04-07	Wilson Elem.	.2839	58	87	33
07-04-03	Tempe Elem.	.2700	59	54	51
08-04-25	Lake Havasu El.	.2600	60	124	19
11-04-33	Picacho Elem.	.2537	61	69	40
11-04-24	Stanfield Elem.	.2498	62	64	45
05-04-01	Safford Elem.	.2430	63	40	59
14-04-03	Vicksburg Elem.	.2296	64	484	9
01-04-06	Concho Elem.	.2215	65	103	26
07-04-31	Blasz Elem.	.2106	66	100	28
07-04-59	Laveen Elem.	.2000	67	13	83
14-04-17	Mohawk Valley El.	.1509	68	121	21
02-04-64	Pomerene Elem.	.1500	69	56	50
07-04-17	Tolleson Elem.	.1107	70	20	77
11-04-05	Red Rock Elem.	.0496	71	2,047	2
07-04-02	Riverside Elem.	.0200	72	613	7
01-04-01	St. Johns Elem.	-0-	73	37	65
01-04-05	Nav. Comp St El.	-0-	73	836	5
01-04-07	Alpine Elem.	-0-	73	87	33
01-04-18	Puerco Elem.	-0-	73	33	70
01-04-23	McNary Elem.	-0-	73	100	28
07-04-62	Union Elem.	-0-	73	34	68
07-04-79	Litchfield Elem.	-0-	73	47	54
08-04-03	Hackberry Elem.	-0-	73	3,115	1
08-04-09	Littlefield El.	-0-	73	918	4
08-04-12	Topock Elem.	-0-	73	504	8
08-04-13	Yucca Elem.	-0-	73	621	6
08-04-22	Valentine Elem.	-0-	73	204	12
08-04-24	Mt. Trumbull El.	Nonop	73	Nonop	Nonop
09-04-20	Whiteriver Elem.	-0-	73	4	87
11-04-18	Sacaton Elem.	-0-	73	7	86
14-04-26	Bouse Elem.	-0-	73	28	73

CAPITAL LEVY (FUND 420): FY 1977-78  
 ANALYSIS OF TAX RATES FOR 05 DISTRICTS

CO-TY-DT	DISTRICT NAME	TAX RATE	RANK	CAPACITY PER ADM	RANK
02-05-09	Benson UHS	.3000	1	149	11
02-05-68	Sierra Vista HS	.3000	1	57	26
05-05-01	Safford HS	.3000	1	81	20
07-05-01	Buckeye UHS	.3000	1	142	12
07-05-13	Tempe UHS	.3000	1	107	17
07-05-14	Tolleson UHS	.3000	1	61	25
07-05-16	Agua Fria UHS	.3000	1	76	22
07-05-97	Deer Valley HS	.3000	1	85	19
08-05-30	Mohave UHS	.3000	1	209	4
10-05-04	Amphitheater HS	.3000	1	121	16
09-05-06	Marana HS	.3000	1	214	3
09-05-15	Superior HS	.3000	1	185	6
12-05-20	Patagonia UHS	.3000	1	79	21
13-05-04	Mingus UHS	.3000	1	135	14
04-05-60	Northern Yuma UHS	.3000	1	141	13
14-05-70	Yuma UHS	.3000	1	102	18
14-05-76	Bicentennial UHS	.3000	1	540	1
09-05-43	Apache Jct. HS	.2922	18	66	24
09-05-40	Santa Cruz UHS	.2777	19	174	8
01-05-90	Apache Cty, H.S.	.2714	20	167	9
09-05-05	Glendale UHS	.2500	21	74	23
09-05-50	Antelope UHS	.2134	22	208	5
11-05-02	Casa Grande UHS	.2074	23	161	10
07-05-10	Phoenix UHS	.1900	24	131	15
09-05-22	Valley Union HS	.1500	25	179	7
10-05-16	Catalina Ft Hls	.1000	26	221	2
09-05-20	Alchesay HS	-0-	27	12	27

DEBT SERVICE (Fund 500): FY 1977-78  
Analysis of Tax Rates for 02 Districts

CO-TY-DT	DISTRICT NAME	Tax Rate	Tax Rate Rank	Assessed Val/ADM	Capacity per ADM	Cap/ADM Rank
07-02-69	Paradise Val. Unif.	3.0760	1	7,765	1,552	50
09-02-03	Holbrook Unif.	2.8346	2	9,525	1,904	40
10-02-08	Flowing Wells Unif.	2.4903	3	11,865	2,372	33
09-02-10	Show Low Unif.	2.3805	4	8,597	1,718	43
07-02-89	Dysart Unif.	2.3368	5	3,516	703	59
01-04-24	Chinle Elem.	1.9184	6	1,892	189	61
07-02-04	Mesa Unif.	1.7873	7	9,584	1,916	39
11-02-01	Florence Unif.	1.6626	8	9,984	1,996	37
09-02-01	Winslow Unif.	1.6221	9	6,773	1,354	53
10-02-12	Sunnyside Unif.	1.5960	10	9,195	1,838	41
11-02-21	Coolidge Unif.	1.5637	11	6,062	1,212	57
07-02-24	Gila Bend Unif.	1.5147	12	7,178	1,434	52
07-02-11	Peoria Unif.	1.4396	13	8,445	1,688	47
13-02-28	Camp Verde Unif.	1.3413	14	11,072	2,214	34
07-02-80	Chandler Unif.	1.2462	15	7,868	1,572	48
13-02-01	Prescott Unif.	1.2057	16	14,223	2,844	30
09-02-32	Pinetop-Lakeside	1.1241	17	16,787	3,356	24
01-04-08	Window Rick El.	1.1229	18	2,967	296	60
01-04-19	Ganado El.	1.0411	19	4,855	485	58
06-02-03	Clifton Unif.	.9830	20	13,071	2,614	31
10-02-01	Tucson Unif.	.9535	21	12,557	2,510	32
13-02-22	Humboldt Unif.	.9107	22	20,543	4,108	19
04-02-41	Hayden-Winkelman	.8697	23	46,180	9,234	8
09-02-05	Snowflake Unif.	.8673	24	18,551	3,710	22
02-02-01	Tombstone Unif.	.7200	25	7,819	1,562	49
12-02-01	Nogales Unif.	.7122	26	6,104	1,220	56
13-02-40	Seligman Unif.	.6835	27	80,121	16,024	6
03-02-02	Williams Unif.	.6266	28	40,339	8,066	9
07-02-09	Wickenburg Unif.	.6209	29	15,749	3,148	26
11-02-08	Mammoth-San M.	.5829	30	37,709	7,540	11
07-02-48	Scottsdale Unif.	.5508	31	15,747	3,148	27
09-02-02	Joseph City Unif.	.4530	32	198,809	39,760	1
03-02-08	Page Unif.	.4422	33	86,822	16,564	5
03-02-15	Tuba City Unif.	.4415	34	8,401	1,680	45
12-02-35	Santa Cruz Vall.	.3991	35	36,866	7,372	12
05-02-04	Thatcher Unif.	.3700	36	6,117	1,222	55
10-02-15	Ajo Unif.	.3516	37	30,057	6,010	15
11-02-20	Maricopa Unif.	.3030	38	10,260	2,050	35
09-02-27	Kayenta Unif.	.3012	39	19,806	3,960	20
02-02-27	Douglas Unif.	.2900	40	8,062	1,612	46
03-02-06	Fredonia Mocc. Unif.	.2599	41	15,414	3,082	28
02-02-13	Willcox Unif.	.2500	42	14,402	2,880	29
10-02-30	Sahuarita Unif.	.2027	43	129,862	25,972	2
03-02-01	Flagstaff Unif.	.1783	44	16,541	3,308	25
13-02-43	Mayer Unif.	.1471	45	21,037	4,206	18
06-02-18	Morenci Unif.	.1210	46	102,109	20,420	3
02-02-14	Bowie Unif.	.0900	47	30,951	6,190	14
07-02-41	Gilbert Unif.	.0402	48	6,309	1,260	54

DEBT SERVICE (Fund 500): FY 1977-78  
 Analysis of Tax Rates for 02 Districts

CO-TY-DT DISTRICT NAME	Tax Rate	Tax Rate Rank	Assessed Val/ADM	Capacity per ADM	Cap/ADM Rank
02-02-02 Bisbee Unif.	-0-	49	10,029	2,004	36
02-02-18 San Simon Unif.	-0-	49	31,248	6,248	13
02-02-21 St. David Unif.	-0-	49	9,978	1,994	38
03-02-04 Grand Canyon Unif.	-0-	49	22,489	4,496	17
04-02-01 Globe Unif.	-0-	49	8,654	1,730	44
04-02-10 Payson Unif.	-0-	49	18,542	3,708	23
04-02-40 Miami Unif.	-0-	49	39,154	7,830	10
05-02-06 Pima Unif.	-0-	49	8,916	1,782	42
05-02-07 Ft. Thomas Unif.	-0-	49	7,254	1,450	51
06-02-02 Duncan Unif.	-0-	49	18,672	3,734	21
11-02-03 Ray Unif.	-0-	49	26,196	5,283	16
13-02-20 Bagdad Unified	-0-	49	62,303	12,460	7
13-02-31 Ash Fork Unif.	-0-	49	98,356	19,670	4

DEBT SERVICE (Fund 500): FY 1977-78  
 Analysis of Tax Rates for 03 Districts

CO-TY-DT DISTRICT NAME	Tax Rate	Tax Rate Rank	Assessed Val/ADM	Capacity per ADM	Cap/ADM Rank
02-03-49 Palominas Elem.	2.1400	1	10,308	1,031	47
07-03-81 Nadaburg Elem.	1.3956	2	5,742	574	51
10-03-13 Tanque Verde El.	1.3242	3	13,236	1,324	45
11-03-02 Oracle Elem.	1.1333	4	10,762	1,076	46
07-03-95 Queen Creek El.	1.0008	5	10,114	1,011	48
07-03-86 Mobile Elem.	.8062	6	86,967	8,697	11
05-03-16 Bonita Elem.	.7000	7	25,352	2,535	29
11-03-44 J.O. Combs Elem.	.6419	8	5,765	577	50
13-03-51 Chino Valley Elem.	.6211	9	13,845	1,385	44
10-03-51 Mary E. Dill Elem.	.4622	10	26,188	2,619	28
13-03-26 Beaver Creek Elem.	.4372	11	28,001	2,800	27
07-03-98 Fountain Hills Elem.	.3948	12	56,313	5,631	16
10-03-40 Indian Oasis El.	.3083	13	2,293	229	54
07-03-93 Cave Creek Elem.	.2769	14	32,237	3,224	21
10-03-20 Vail Elem.	.2465	15	89,235	8,924	9
10-03-39 Continental Elem.	.1606	16	129,580	12,958	3
07-03-90 Ruth Fisher El.	.1246	17	118,227	11,823	5
05-03-05 Solomonville El.	.1100	18	19,735	1,974	39
02-03-23 Naco Elem.	-0-	19	3,858	386	52
02-03-26 Cochise Elem.	-0-	19	490,889	49,089	1
02-03-42 Apache Elem.	-0-	19	120,597	12,060	4
02-03-45 Double Adobe El.	-0-	19	14,968	1,497	42
02-03-55 McNeal Elem.	-0-	19	15,804	1,580	41
02-03-66 Rucker Elem.	-0-	19	39,864	3,986	18
02-03-81 Forrest Elem.	-0-	19	79,065	7,907	13
03-03-05 Chevelon Butte	-0-	19	113,866	11,387	6
03-03-10 Maine Cons. El.	-0-	19	58,580	5,858	15
04-03-05 Young Elem.	-0-	19	6,383	638	49
04-03-12 Pine Elementary	-0-	19	31,984	3,198	22
04-03-20 Rice Elementary	-0-	19	1,292	129	55
04-03-33 Packard Elem.	-0-	19	31,162	3,116	23
05-03-09 Klondyke Elem.	-0-	19	141,717	14,171	2
06-03-22 Blue Elem.	-0-	19	76,891	7,689	14
06-03-45 Eagle Elem.	Nonop	19	Nonop	Nonop	56
07-03-60 Higley Elem.	-0-	19	21,202	2,120	37
07-03-63 Aguila Elem.	-0-	19	22,340	2,234	34
07-03-71 Sentinel Elem.	-0-	19	112,415	11,242	8
07-03-75 Morrystown Elem.	-0-	19	22,606	2,261	33
07-03-94 Theba Elem.	-0-	19	29,649	2,965	26
09-03-25 Hopi Elementary	-0-	19	2,828	282	53
10-03-35 San Fernando El.	-0-	19	14,766	1,477	43
10-03-37 Empire Elem.	-0-	19	113,665	11,367	7
10-03-44 Redington Elem.	-0-	19	22,133	2,213	35
12-03-28 Santa Cruz Elem.	-0-	19	21,194	2,119	38

DEBT SERVICE (Fund 500) : FY 1977-78  
 Analysis of Tax Rates for 03 Districts

CO-TY-DT	DISTRICT NAME	Tax Rate	Tax Rate Rank	Assessed Val/ADM	Capacity per ADM	Cap/ADM Rank
13-03-02	Williamson V. El.	-0-	19	53,581	5,386	17
13-03-07	Walnut Grove El.	-0-	19	17,943	1,794	40
13-03-14	Champie Elem.	-0-	19	33,624	3,362	20
13-03-15	Skull Valley El.	-0-	19	30,000	3,000	25
13-03-17	Congress Elem.	-0-	19	34,849	3,485	19
13-03-23	Kirkland Elem.	-0-	19	25,009	2,501	30
13-03-35	Hillside Elem.	-0-	19	30,684	3,068	24
13-03-41	Crown King Elem.	-0-	19	87,545	8,754	10
13-03-47	Rincon Elem.	-0-	19	85,243	8,524	12
13-03-50	Canon Elem.	-0-	19	21,850	2,185	36
13-03-52	Yarnell Elem.	-0-	19	24,197	2,420	31
13-03-55	Peoples Valley El.	-0-	19	23,495	2,349	32

## DEBT SERVICE (Fund 500): FY 1977-78

## Analysis of Tax Rates for 04 Districts

CO-TY-DT	DISTRICT NAME	Tax Rate	Tax Rate Rank	Assessed Val/ADM	Capacity per ADM	Cap/ADM Rank
07-04-92	Pendergast El.	1.9387	1	7,297	730	76
07-04-17	Tolleson El.	1.9277	2	6,825	683	77
07-04-65	Littleton El.	1.4254	3	4,163	416	84
07-04-66	Roosevelt El.	1.3996	4	6,046	605	80
14-04-13	Crane El.	1.3227	5	13,127	1,313	61
07-04-97	Deer Valley El.	1.2785	6	10,358	1,036	74
07-04-79	Litchfield El.	1.2244	7	15,623	1,562	56
07-04-28	Kyrene El.	1.2004	8	14,059	1,406	59
07-04-83	Cartwright El.	1.1860	9	6,122	612	79
08-04-15	Bullhead City El.	1.1063	10	26,798	2,680	38
11-04-43	Apache Jct. El.	1.0713	11	12,614	1,261	65
07-04-45	Fowler El.	1.0386	12	11,816	1,182	68
10-04-10	Amphitheater El.	1.0376	13	20,044	2,004	48
11-04-11	Eloy El.	1.0210	14	6,463	646	78
08-04-08	Peach Spring El.	.9777	15	39,962	3,996	23
07-04-40	Glendale El.	.8556	16	11,438	1,144	70
08-04-16	Mohave Valley El.	.8301	17	19,010	1,901	49
11-04-04	Casa Grande El.	.8018	18	22,108	2,211	43
10-04-06	Marana El.	.7811	19	29,768	2,977	33
10-04-16	Catalina FtHills El.	.7159	20	36,627	3,663	26
05-04-01	Safford El.	.6845	21	13,241	1,324	60
07-04-03	Tempe El.	.6733	22	17,886	1,789	52
07-04-06	Washington El.	.6553	23	12,708	1,271	63
07-04-59	Laveen El.	.6501	24	4,195	420	83
14-04-32	Gadsden El.	.6390	25	5,488	549	82
13-04-06	Cottonwood-Oak C.	.6288	26	24,298	2,430	39
01-04-18	Puerco El.	.6218	27	11,060	1,106	72
07-04-33	Buckeye El.	.5872	28	14,213	1,421	58
02-04-68	Sierra Vista El.	.5800	29	12,626	1,263	64
14-04-04	Quartzsite El.	.5767	30	39,296	3,930	24
01-04-10	Round Valley El.	.5711	31	11,707	1,171	69
08-04-25	Lake Havasu El.	.5643	32	41,372	4,137	20
07-04-05	Isaac El.	.5506	33	10,471	1,047	73
07-04-25	Liberty El.	.5495	34	12,426	1,243	67
01-04-01	St. Johns El.	.5083	35	12,445	1,245	66
08-04-04	Kingman El.	.4844	36	21,844	2,184	44
14-04-24	Wellton El.	.4477	37	18,984	1,898	50
08-04-22	Valentine El.	.4276	38	68,042	6,804	13
02-04-22	Pearce El.	.4200	39	45,307	4,531	18
14-04-01	Yuma El.	.4147	40	17,349	1,735	53
02-04-12	Elfrida El.	.3600	41	15,665	1,567	55
07-04-44	Avondale El.	.3283	42	9,179	918	75
14-04-16	Hyder El.	.2959	43	33,748	3,375	28
14-04-27	Parker El.	.2842	44	15,402	1,540	57
08-04-11	Chloride El.	.2732	45	144,532	14,453	9
14-04-26	Bouse El.	.2229	46	92,434	9,243	11
14-04-19	Wenden El.	.2121	47	60,640	6,064	15
07-04-38	Madison El.	.1888	48	31,744	3,174	31
07-04-68	Alhambra El.	.1888	48	16,698	1,670	54
07-04-31	Balsz El.	.1720	49	33,479	3,348	29

## DEBT SERVICE (Fund 500): FY 1977-78

## Analysis of Tax Rates for 04 Districts

CO-TY-DT	DISTRICT NAME	Tax Rate	Tax Rate Rank	Assessed VAL/ADM	Capacity per ADM	Cap/ADM Rank
11-04-22	Toltec El.	.1454	50	42,443	4,244	19
11-04-15	Superior El.	.1336	51	29,142	2,914	34
07-04-47	Arlington El.	.1266	52	64,626	6,463	14
01-04-05	Nav.Comp.Sta. El.	-0-	53	278,705	27,871	5
01-04-06	Concho El.	-0-	53	34,320	3,432	27
01-04-07	Alpine El.	-0-	53	28,891	2,889	36
01-04-23	McNary El.	-0-	53	33,220	3,322	30
02-04-09	Benson El.	-0-	53	21,575	2,158	45
02-04-53	Ash Creek El.	-0-	53	41,361	4,136	21
02-04-64	Pomerene El.	-0-	53	18,786	1,879	51
07-04-01	Phoenix El.	-0-	53	37,287	3,729	25
07-04-02	Riverside El.	-0-	53	204,495	20,450	7
07-04-07	Wilson El.	-0-	53	29,137	2,914	35
07-04-08	Osborn El.	-0-	53	53,844	5,384	17
07-04-14	Creighton El.	-0-	53	24,070	2,407	40
07-04-21	Murphy El.	-0-	53	12,979	1,298	62
07-04-49	Palo Verde El.	-0-	53	22,643	2,264	42
07-04-62	Union El.	-0-	53	11,426	1,143	71
08-04-03	Hackberry El.	-0-	53	1,038,253	103,825	1
08-04-06	Owens Whitney El.	-0-	53	68,916	6,892	12
08-04-09	Littlefield El.	-0-	53	306,087	30,609	4
08-04-12	Topock El.	-0-	53	167,936	16,794	8
08-04-13	Yucca El.	-0-	53	207,126	20,713	6
08-04-14	Colorado City El.	-0-	53	4,078	408	85
08-04-24	Mt. Trumbull El.	Nonop	53	Nonop	Nonop	88
09-04-20	Whiteriver El.	-0-	53	1,240	124	87
11-04-05	Red Rock El.	-0-	53	682,360	68,236	2
11-04-18	Sacaton El.	-0-	53	2,403	240	86
11-04-24	Stanfield El.	-0-	53	21,438	2,144	46
11-04-33	Picacho El.	-0-	53	22,921	2,292	41
12-04-06	Patagonia El.	-0-	53	20,264	2,026	47
12-04-09	Lochiel El.	-0-	53	320,509	32,051	3
12-04-25	Sonoita El.	-0-	53	58,944	5,894	16
13-04-03	Verde El.	-0-	53	30,248	3,025	32
14-04-03	Vicksburg El.	-0-	53	116,211	11,621	10
14-04-11	Somerton El.	-0-	53	5,729	573	81
14-04-17	Mohawk Valley El.	-0-	53	40,430	4,043	22
14-04-30	Salome El.	-0-	53	28,188	2,819	37

## DEBT SERVICE (Fund 500): FY 1977-1978

## Analysis of Tax Rates for 05 Districts

CO-TY-DT	DISTRICT NAME	Tax Rate	Tax Rate Rank	Assessed VAL/ADM	Capacity per ADM	Cap/ADM Rank
12-05-20	Patagonia UHS	1.3936	1	26,317	2,632	21
10-05-04	Amphitheater HS	1.0878	2	40,300	3,030	16
07-05-14	Tolleson UHS	1.0572	3	20,253	2,025	25
07-05-16	Agua Fria UHS	1.0423	4	25,242	2,524	22
11-05-40	Santa Cruz UHS	1.0355	5	58,125	5,813	8
11-05-43	Apache Jct. HS	.9878	6	22,164	2,216	24
07-05-05	Glendale UHS	.8534	7	24,740	2,474	23
05-05-01	Safford HS	.8495	8	26,913	2,691	20
07-05-13	Tempe UHS	.7035	9	35,642	3,564	17
02-05-68	Sierra Vista HS	.7000	10	18,967	1,897	25
10-05-06	Marana HS	.6676	11	71,352	7,135	3
13-05-04	Mingus UHS	.6100	12	45,154	4,515	14
08-05-30	Mohave UHS	.4481	13	69,620	6,962	4
07-05-01	Buckeye UHS	.4433	14	47,262	4,726	12
14-05-50	Antelope UHS	.4137	15	69,355	6,936	5
07-05-10	Phoenix UHS	.3484	16	43,607	4,361	15
11-05-02	Casa Grande UHS	.3215	17	53,751	5,375	10
01-05-90	Apache Cty HS	.1391	18	55,725	5,573	9
02-05-09	Benson UHS	-0-	19	49,546	4,955	11
02-05-22	Valley Union HS	-0-	19	59,533	5,955	7
07-05-97	Deer Valley HS	-0-	19	28,255	2,826	19
09-05-20	Alchesay HS	-0-	19	4,073	407	26
10-05-16	Catalina Foothills HS	-0-	19	73,836	7,384	2
11-05-15	Superior HS	-0-	19	61,826	6,183	6
14-05-60	Northern Yuma UHS	-0-	19	47,016	4,702	13
14-05-70	Yuma UHS	-0-	19	33,966	3,397	18
14-05-76	Bicentennial UHS	-0-	19	179,858	17,986	1

FINANCING CAPITAL OUTLAY

A Report to the  
Joint Select Committee on Tax Reform and School Finance  
of the Arizona Legislature

June 1979

# FINANCING CAPITAL OUTLAY

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FINANCING CAPITAL OUTLAY (Continued)

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## I. HISTORICAL PERSPECTIVE

Even though title for school buildings may legally reside with the state, and the courts have legally considered education to be a state function, historically, the financing of public school capital outlay has been largely left to the local school district. In the late 1800's, legislatures were concerned primarily with the protection of bond purchasers, limiting the amount spent on construction and the curtailment of public debt.<sup>1</sup> In the early twentieth century, as educational costs continued to grow, a few states began to give limited aid to special or needy districts. In 1901, Alabama began to give aid for rural school buildings. In 1903, North Carolina began providing a few state loans and Delaware provided aid for school buildings in black school districts. South Carolina, in 1909, began providing aid on a matching basis for black, rural school buildings. Virginia had been providing limited state loans since the nineteenth century.<sup>2</sup>

By 1940, Weller reported that 12 states were making some provisions for state participation in financing capital outlay. Some had grant programs, often only token in nature and amount. Three states had state loan programs. Flat grants, matching grants, variable grants and revolving loan programs were the methods used to allocate the state aid. No consistent fiscal theory or administrative procedures were apparent in these early plans.<sup>3</sup>

It was not until after World War II, with the post-war baby boom creating a tremendous need for facilities, that a significant increase took place in the number of states that provided aid for capital expenditures and in the amount of state aid provided. By 1965, 40 of the 50 states were providing some form of state assistance in financing school facilities. Five states had both loan and grant programs; nine states had loan programs only; and 19 states had grant programs only. Several states were guaranteeing local school bonds and in some instances were purchasing local bond issues. A few states utilized state building authorities.<sup>4</sup>

Among the refinements which appeared in the state grant and loan programs were the loan-grant or limited repayment programs of California and Ohio, the inclusion of debt service and lease-rental payments as a measure of need in several states, recognition of rapid enrollment growth as a measure of capital outlay need, and the use of state teacher retirement funds and permanent school funds as a source of funds for loan programs. Cooperative state and local funding of capital outlay and debt service had become an actuality. However, the amount of state funding was substantial in only half the participating states and was ill-conceived and token in the other 20. Ten states continued to follow the concept that financing of local public school facilities was solely a local responsibility.<sup>5</sup>

During the 1970's, the "decade of school finance reform," primarily as a result of or in the aftermath of, legal action, many states reformed the methods by which they allocate state funds to local school districts in an effort to bring about greater equality of educational opportunity and equalization of resources among districts. In most cases, however, these reforms have dealt only with equalization of current operating expenditures. Over the past five years, few changes have taken place in state aid for capital outlay expenditures and none of these changes was required by legal action.<sup>6</sup> However, two of the court tests of state school finance did include direct references to state support for

capital outlay. One of these cases in which the court made direct reference to state participation in local districts' capital expenditures was the Arizona case of Hollins v. Shofstall. The court noted that:

However, funds for capital improvement for school districts are even more closely tied to district wealth than are funds for operating expenses. The state and county make no contribution whatever to the cost of capital improvements. The capability of a school district to raise money by bond issues is a function of its total assessed valuation.<sup>7</sup>

In the other case, the New Jersey Supreme Court stated that the "state's obligation includes...capital expenditures without which the required educational opportunity could not be provided."<sup>8</sup> Court acknowledgements such as these, plus the current inequities and inequalities which exist among districts in the financing of school facilities have led many school finance observers to speculate that a new wave of school finance litigation could well develop over the issue of state participation in the equalization of educational opportunity as it relates to the provision of school buildings.

## II. CURRENT ISSUES IN STATE AID FOR CAPITAL OUTLAY

### A. Fiscal Neutrality

Capital outlay and debt service requirements vary much more widely among school districts than do requirements for current operating expenditures. The fact that 13 states presently do not share at all in the funding of capital outlay "indicates extreme disequalization of both fiscal capacity and local tax burden -- or, put another way, many of the existing state plans severely violate the principle of fiscal neutrality"<sup>9</sup> established by the courts. This concept, as expressed in Serrano,<sup>10</sup> Rodriguez<sup>11</sup> and other decisions, states that the quality of a child's education may not be a function of wealth other than the wealth of the state as a whole. However, as Rosmiller pointed out, application of the "Serrano" concept to the funding of school facilities would encounter problems which may differ from those encountered in financing current operating expenditures. While estimates can be made of a state average per pupil annual current operating need, this is simply not the case for school facilities, because, as previously stated, need for construction and debt service dollars varies greatly among school districts.<sup>12</sup>

### B. Demographics

With the stabilization of school enrollments in many districts, nationally, there is a tendency to assume that the need for additional school facilities no longer exists; however, individuals will still be moving about within school districts, among school districts, and among states. This population mobility results in the need for additional facilities in some areas and their abandonment in others.

Declining enrollments in many districts may reduce the current increases in annual expenditures for capital projects, but the need to anticipate population shifts and to renovate older facilities will still require a large capital investment.<sup>13</sup> Urban school districts in particular, have suffered from declining enrollments and have outdated facilities which require renovation. However, both rural and urban areas can suffer from obsolete and instructional outmoded facilities. According to a 1968 study by the U.S. Office of Education, more than 500,000 classrooms were needed in the United States to replace antiquated and obsolete buildings.<sup>14</sup> A backlog of construction was created during the depression of the 1930's and during World War II and remained during the post-war years as facilities which normally would have been replaced remained in use as districts tried to accommodate rapid enrollment increases. More recent data regarding construction needs lead to the conclusion that the backlog is increasing.<sup>15</sup> In states where state aid is directed toward new construction, not renovation, districts with these types of capital needs do not have equal access to state aid.

### C. Debt Limitations

In other states, unduly restrictive debt and tax limitations have affected local school districts' ability to raise sufficient funds to meet their facility needs. Thus, many school districts, particularly those with rapidly

increasing enrollments, find themselves at the maximum debt limit with many unmet facility needs and little or no state aid. Such limits may also indirectly affect the interest rates obtained by school districts when they issue bonds since the percentage of allowable indebtedness is a factor considered in the rating of bonds.

These limits also bear no relationship to an individual district's need for funds nor further equality of resources available for needed facilities in that, since these limitations are usually expressed in terms of a percentage of the district's assessed valuation, wealthier districts can generate more funds than poorer districts and still remain within the debt limit. In states without uniform assessment procedures, the above situation would be compounded if the less wealthy districts also had below average assessment levels. Thus, states that allocate state aid for capital outlay on a flat grant or percentage of approved project costs basis, and at the same time impose restrictive debt or tax limitations can create a situation where the poorer districts cannot generate sufficient funds to meet their share of the project.<sup>16</sup> On the other hand, if there are no debt or tax limitations, the wealthier districts not only can meet their share of approved project costs easier than less wealthy districts, but at the same time can generate additional funds in excess of state regulated costs and can provide locally desired options, superior equipment, decoration or other nonallowable items with lower effort.<sup>17</sup> In other states, variations in local facility needs and fiscal abilities are so extreme that many districts could not meet their needs even if all legal restrictions on local debt and tax rates were removed.

#### D. Interest Costs

Not only do less wealthy districts who are at or near the debt limitations pay higher interest rates because this factor is considered in the rating their bonds are given, they also pay higher interest rates because the tax base available for repayment is another factor considered in bond ratings. Thus, a less wealthy district is faced with the double penalty of not only making a greater effort to repay the same principal as would a wealthier district, but also of making even more effort to meet the higher interest costs. In those states which provide loans to school districts, this interest penalty can be alleviated and there may even be a savings in the amount paid for capital construction since states will usually incur lower interest rates than most school districts (e.g., in 1974, the interest rate for state issued bonds was 47 points less than the average interest paid by school districts).<sup>18</sup>

#### E. Bond Elections

To further exacerbate the problem, the results of bond elections in most states indicate that taxpayers are reluctant to cast their votes for bonds which would increase the taxes they must pay. Between the school years 1957-58 and 1967-68, nationally, 66.7 to 74.7 percent of the school bond elections were successful; between 1968-69 and 1974-75, only 46.3 to 56.8 percent were approved.<sup>19</sup> Overall, voter reactions to property tax rates suggest that psychological limits may have been reached and that tax rates may have reached confiscatory levels in many school districts.<sup>20</sup>

F. Variations and Increases in Costs of Construction

The costs of school facilities may vary among school districts not only due to variations in interest costs, but also because of differing costs for sites, labor and materials, factors over which the school district has no control. All districts involved in capital projects have been affected by the tremendous increase in construction costs. School Management Magazine estimated that between 1957-58 and 1973-74, the Cost of Building Index rose from its base of 100 to a rating of 191; the Cost of Materials Index increased to 147; the Cost of On-Site Labor Index rose to 256; and the Cost of Off-Site Labor Index grew to 220.<sup>21</sup>

While all districts involved in capital projects are affected by these increased costs, they are not all equally impacted. Wealthier districts are again in a more favorable position. As construction costs increase, the number of needy districts appears to have increased and the fewer the districts which can support capital projects, especially totally out of local revenues.

G. Expansion of Instructional Programs

The relationship between school facilities and instructional programs has long been recognized. In recent years, the expansion of early childhood and kindergarten programs, vocational, technical and adult education programs, special education and compensatory education programs, as well as curricular innovations which call for increased science offerings, foreign language laboratories, learning centers, open environment, etc., have added to the need for facilities by requiring more square feet per pupil, more special equipment and hardware, and more complex facilities than was customary in the past.<sup>22</sup> The new federal legislation for the handicapped which required facilities to be accessible to the handicapped has also added increased costs to construction and required that school districts renovate existing facilities in order to comply with the regulations.

### III. CURRENT PATTERNS OF STATE SUPPORT FOR CAPITAL OUTLAY

Patterns of state aid for capital outlay and debt service have become as varied as traditional allocation dimensions for current operating expenditures. State participation ranges all the way from full state assumption to no state participation. Examples exist on either extremity and along this continuum. Hawaii, Florida, and Maryland are the three states on the extreme of full state funding. 13 states are on the other extreme of no state participation. Washington and California are predominantly state funded, while Missouri and Wyoming have limited participation in the form of special purpose and emergency loans. Most states, however, fall in between these extremes. A recent publication of the Education Commission of the States (ECS) described five schemes employed by the states that were then participating in the financing of local school building construction.<sup>23</sup> These patterns were: (1) full state funding, (2) state and local sharing, (3) state flat grants, (4) state qualifying grants, and (5) state loans. Table 1 presents the ECS classification of states with a brief description of their program. The 1975-76 ECS data have been updated whenever new data were available. It should be noted that some states employ more than one pattern and will be found in more than one column. The five state aid schemes are briefly discussed in the following sections and a brief description is given of each state program within each category. This is followed by the perceived advantages and disadvantages of the particular methods of funding.

#### A. Full State Funding

Only three states attempt to provide full support of capital outlay and debt service. These states are Florida, Hawaii and Maryland. The ECS report indicated that although legislation in these states provided complete support for capital costs, in both Florida and Maryland the programs have not been fully funded and either local districts have contributed revenues to meet their capital needs or they have not been met.<sup>24</sup> Moreover, cost for site purchases are not included in the support program in Maryland. Even in Hawaii, the only state to have full state funding of education, counties are authorized to supplement state funds.

##### 1. Florida

The Florida Comprehensive School Construction and Debt Service (CSCDS) Program is financed by the Public Education Capital Outlay and Debt Service Trust Fund and administered by the state commissioner of education through the Office of Educational Facilities Construction. This trust fund, which also provides financing for higher education capital outlay, is comprised of proceeds from the sale of public education bonds, all student building fees and capital improvement fees, that portion of federal revenue sharing funds appropriated for education facilities construction, and any other funds for educational facilities construction including all federal grants and donations. The State Board of Administration is authorized to invest the trust funds of any state supported retirement system, and any other state funds available for investment, in loans to the trust fund at a rate of interest no less favorable than would have been received elsewhere.

Table 1

Patterns of State Support for Capital Outlay Among the Fifty States:  
FY 1978-79

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Full State Assumption

- Florida - District may supplement up to 6 mills
- Hawaii - Counties may supplement for non-approved expenditures.
- Maryland - Districts may supplement with no limitation. Does not include site purchase.

State/Local Sharing

- Alaska - 80% of approved project cost and debt service.
- Connecticut - 40% - 100% of approved project cost. Interest subsidies.
- Delaware - 60% of approved project costs. 100% for special and vocational schools.
- Maine - 95% of approved project costs. Building authority.
- New Hampshire - 35% - 55% of principal of approved projects.
- Pennsylvania - Percentage of approved construction cost, approved rental cost of approved sinking fund charge.
- Tennessee - Up to 57.5% of approved projects and debt service.
- Vermont - 30% of approved construction costs, 20% of debt service, and 75% of special education classrooms.

State Flat Grant

- Alabama - \$64.87 per teacher unit.
- Florida - Proceeds from automobile licenses on basis of instructional units.
- Indiana - \$40 per ADA for current operating, debt service or the cumulative building fund.
- Kentucky - \$1700 per classroom unit.
- Mississippi - \$18 per child in average daily attendance.
- Missouri - Per pupil for reorganized districts and central schools.

Table 1  
(Continued)

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State Flat Grant (continued)

- Nevada - Part of guaranteed basic support calculated on weighted pupil can be used for capital outlay.
- South Carolina - \$30 per pupil in grades 1-12, \$15 per pupil in K.
- Virginia - 1% of net funds from state sales and use tax distributed on the basis of school age population.
- West Virginia - \$200,000 per county, \$239.2722 per pupil in grades 1-12, \$239.2722 times assistance ratio per pupil.

State Equalizing Grant

- Illinois - Need on percentage equalizing basis to 90th percentile. State share is 20% - 70%; one-half debt service.
- Massachusetts - 50% - 70% of approved projects depending on district wealth and type of district.
- Michigan - \$40,000 of property value per pupil is guaranteed only if, when coupled with operating taxes, the rate does not exceed 26.4 mills.
- New Jersey - Equalized to wealth of district at 65th percentile for debt service and capital outlay of previous year.
- New Mexico - Guarantees \$35 per mill for up to 2 mills for first year of three year levy.
- New York - Reimbursement of approved project costs based upon rated pupil capacity of building and cost allowance. Additional incentive to reorganize.
- Rhode Island - Minimum of 30% of capital outlay expenditures, depending on housing aid ratio, plus 75% of difference between debt service costs and yield of a 3 mill tax. Required levy of 13.28 mills.
- Utah - State pays greater of 33% of unmet critical needs or eligible amount under continuing school building formula once revenue from 13.5 mill has been applied against district need. Critical needs building program aid requires district levy of at least 18 mills.
- Washington - 20% - 90% of approved projects based on percentage equalizing.
- Wisconsin - Included as sharable cost in basic state aid calculation.

Table 1  
(Continued)

State Loans

- Arkansas - 6% interest.
- California - Loans from the sale of state bonds with no interest.
- Indiana - 3 different loan funds, largest requires district to have levied debt service tax of 5 mills for 3 previous years; disaster loans.
- Michigan - State will loan up to all the required funds over a 13 mill district levy provided the district also levies a minimum prescribed mill tax for current operating.
- Minnesota - Debt service only; district must exceed its maximum debt service levy by 10% or \$5,000.
- North Carolina - Loans from state Literacy Fund.
- North Dakota - 2-1/2% interest; district must levy 20 mill tax during repayment period.
- Virginia - Loans from the state Literacy Fund not to exceed \$1,000,000 payable over 5-30 years.
- Wisconsin - Currently 5.5% interest. Outstanding district debt must be less than 10% of equalized valuation.
- Wyoming - Emergency loans to districts who have building needs and are 95% of statutory debt limitation during past 3 years.

No State Participation

- |           |              |
|-----------|--------------|
| Arizona   | Ohio         |
| Colorado  | Oklahoma     |
| Iowa      | Oregon       |
| Kansas    | South Dakota |
| Louisiana | Texas        |
| Montana   | Idaho        |
| Nebraska  |              |

Note: Georgia presently has a method of financing capital outlay, however new legislation was passed which will become effective on July 1, 1979. As of the date of this report information on the new system is not available, therefore, Georgia is not included on this table or in the following description.

The state commissioner of education annually determines the projected school plant and debt service needs of each school district and reports this to the legislature. The needs determination is based on: (1) projected student membership for the next five years, (2) projected number of unhoused students, (3) cost of removing the deficiencies related to health and safety to life standards, (4) cost of improving the educational environment in existing school plants, (5) current construction cost data as determined by the state board, (6) five-year projected cost of amortizing the annual payment of the bonded indebtedness of the district incurred prior to July 1, 1973 and that part of the annual payment of the bonded indebtedness incurred subsequent to July 1, 1973 which service bond funds which were expended in meeting the projected plant needs of the district, (7) cost of site acquisition and improvement, (8) amount of funds from sources available to the district and earmarked for capital outlay purposes, (9) district housing index, (10) square footage requirements for program grade groups, (11) special instructional facilities needed to improve the program at a school center, but not necessarily to increase the student stations of the center, and (12) amount of funds derived from voted ad valorem taxes (exclusive of funds utilized for payment of bonded indebtedness) in excess of ten mills which were expended for school construction projects which would have been funded by the state under the provisions of the act during the five years immediately prior to the beginning of each fiscal year.

The estimated cost of unfunded school plant and debt service needs of each school district is determined by subtracting the projected additional resources available from state and local funds and the expenditure of ad valorem taxes in excess of ten mills from the cost of the projected school plant and the five-year projected debt service needs. Since Florida is not currently allotting sufficient funds to fully fund the capital support program, the actual appropriation that districts receive is in proportion to their percentage of the state total unmet needs.

The funds that a school district receives from the CSCDS program must be expended on needed projects as shown by a survey of the district and according to a priority of expenditures. The first priority includes new classrooms and special instructional facilities to provide needed pupil stations, especially to alleviate overcrowding and eliminate multiple daily sessions; sites, additions to sites or site improvements; and, restoration and correction of safety to life and health deficiencies. The second priority area includes special and auxiliary facilities needed to improve the program at a school, but not necessarily to increase student stations; major alterations to existing heating, cooling, lighting or sanitary facilities. The third priority area is debt service for district bonds serviced by voted ad valorem taxes. Funds accruing to a district can only be expended on construction projects that utilize state board approved prototype design criteria as provided by law or that utilize plans previously approved by the department of education and used by the district.

## 2. Maryland

The 1971 Maryland School Building Construction Aid program, very simple on its face, provides that the state pays 100 percent of school construction

(except site purchase) beginning February 1, 1971, and the principal and interest payments on local and state debt created prior to June 30, 1967. However, as previously stated, the program has never been fully funded and in practice the state shares between 62 percent and 100 percent of all capital costs among the districts. To participate in the program, districts must enter into a contract approved by the local and the state superintendent and provide assurance that local funding is available.

### 3. Advantages and Disadvantages of Full State Funding

Among the perceived advantages of full state funding are the following: (1) all costs for capital outlay are borne by the state as a whole where legal responsibility for schooling is focused, (2) significant local property tax relief would be afforded since local funds would not be required, (3) ability to furnish needed school buildings would no longer be dependent upon local fiscal capacity and all districts would thus have equal opportunity to provide adequate school facilities for their pupils, (4) all funds are allotted based on needs, (5) if borrowed funds are used, borrowing on a state basis will likely result in lower interest rates, and (6) most state funding is not tied to public referendums which have become difficult to pass.

Perceived disadvantages of full state funding include:<sup>25</sup> (1) the possibility that local districts will become fiscally irresponsible since only state funds will be allocated to projects, (2) local interest and initiative might be reduced or eliminated, (3) uniformity of expenditures among all school districts might result eventually in similar levels of mediocrity, (4) the potential drain on the state treasury and the political consequences to legislators who vote to impose increases in state taxes are formidable problems, (5) there would be probable need to increase the size of the staff of the state education agency in order to achieve more rigid control over school building projects, (6) power and control become focused in the State Education Agency, and (7) all citizens pay for capital outlay when some live in local school districts that have no needs and thus will see no direct benefits.

### B. State/Local Sharing

Eight states share the cost of capital construction projects with local school districts, primarily on the basis of a percentage of approved project cost. These states are Alaska, Connecticut, Delaware, Maine, New Hampshire, Pennsylvania, Tennessee and Vermont. These states generally provide approximately half of all costs incurred, although interest costs are not eligible in New Hampshire. The proportion that will be paid may be related to the type of faculty, e.g., special education versus regular classroom or new construction versus renovation, or it may be related to some measure of school district wealth. In most cases a maximum state share for project costs is specified as well as what costs are eligible for sharing.

#### 1. Alaska

The Alaskan Aid for School Construction Statute provides that each year the state shall allocate to an organized borough or city which is a

school district the following sums: (1) payments made during the fiscal year two years earlier for principal and interest on school construction bonds and notes incurred before July 1, 1977, (2) 80 percent of payments made during the fiscal year two years earlier for principal and interest on school construction bonds and notes, (3) 80 percent of cash payments made after June 30, 1976 and before July 1, 1978 during the fiscal year two years earlier to pay costs of school construction, (4) 80 percent of principal and interest and cash payments during the fiscal year two years earlier for school construction made after June 30, 1978 to pay for costs of school construction projects approved under AS 14.07.020(11). Districts can get an advance on their state capital outlay aid if they can meet specific criteria related to immediate need.

Included in the approved project costs are the costs of acquiring, constructing, enlarging, repairing, remodeling, equipping or furnishing schools and includes the sum total of all costs of financing and carrying out the project.

## 2. Connecticut

Connecticut law states that any town or regional school district, by a vote of its legislative body, may apply for a state grant for school construction. The percentage of grant money a local board of education (town) may be eligible to receive is based upon its ranking (1 to 169) in terms of adjusted equalized net grant list per capita. Based upon such ranking, a percentage of not less than 40 nor more than 80 is determined for each town. The percentage of school building project grant money a regional board is eligible to receive is determined by (1) multiplying the population of each town in the district by each town's percentile ranking, (2) adding together the figures determined by (1), and, (3) dividing the total in (2) by the total population of all towns in the district.

The actual dollar amount of the grants is computed as follows: (1) for new school construction, for towns, the percentage (40-80) times the result of multiplying the capacity of the building by the number of gross square feet per pupil determined by the state to be adequate for the kind of educational program of programs intended and the gross cost per square foot for the project, (2) for any project involving a secondary regional school district, the calculated percentage plus an additional five percent but in no case in excess of 85 percent of the pupil square foot cost multiplied as in (1), (3) for any school project in a regional school district accommodating K-12, the calculated percentage plus an additional ten percent, but in no case in excess of 85% of the pupil square foot cost multiples as in (1), (4) for extensions, major alterations and site improvement of existing plants or purchase of existing buildings, for towns, (40-80) percent (as determined for the particular town) of the necessary cost as determined by the state board of education.

For all projects, one-half the eligible percentage is paid for new outdoor athletic facilities, tennis courts, natatorium, the spectator seating area of a gymnasium or the seating area of an auditorium. One-half the necessary project cost as determined by the state board is paid for an administrative or service facility. The entire cost of a regional vocational

or special education center is paid, as is the cost of constructing, remodeling, renting and equipping occupational training facilities, not to exceed \$200,000 per project. If the project involves the lease of an existing building which has been used as a private school, the grant is for an amount equal to one-twentieth of such building's appraisal value not to exceed one-half the necessary cost of the lease for more than 20 years. Finally, in addition to school building project grants, an amount equal to the determined percentage of site acquisition cost is paid as a grant. The site must be approved by the state board of education.

In order to receive the state grant the school board must submit final plans and specifications for each phase of site development and construction before the start of each phase. All plans must conform with the requirements of the state fire marshal, the department of health services, the life-cycle cost analysis approved by the commissioner of administrative services and the standards adopted by the state building inspector for design and construction of public buildings to meet the needs of disabled persons.

In addition to state grants for capital outlay, the state pays an interest subsidy for bonds issued after July 1, 1971 which the districts issue to pay their share of capital projects. The interest subsidy is the lower of either the difference between four percent per annum and six percent, or the net interest cost on such bonds. Also, any school district having a school building project which it is unable to complete may apply for a "hardship" grant or loan for such a project.

The state issues bonds to finance the state grant program. They are to be sold at not less than par and accrued interest and the full faith and credit of the state is pledged to support the bonds.

### 3. Delaware

The state currently assumes 60 percent of the approved project cost (which includes site, construction, equipment and all fees) of most public elementary and secondary school construction. Vocational education buildings and all special education facilities (except those for educable mentally retarded) are paid for entirely by the state. Classrooms for EMR students are included in the regular program. The amount of the local share of construction is 40 percent of the approved project cost plus any excess of the formula allowance. The necessary funds for the school district share are raised primarily by the issuance of bonds. However, the districts can also use funds obtained from gifts, insurance settlements, other monies not legally required for other purposes, and federal sources for the local share. Debt service funds are obtained from per capita and ad valorem levies.

Need for facilities are initially determined by the local school district which then submits a Major Capital Improvement request to the Department of Public Instruction. The request is evaluated by the school planning staff of the Department of Public Instruction and is then transmitted to the State Board of Education for approval which takes the form of a Certificate of Necessity. The Certificate of Necessity and the Major Capital Improvement request are then submitted to the Office of State Planning which

reviews and submits to the office of the Governor. Finally, at its next session, the General Assembly must authorize the issuance of state bonds to raise funds for the state share and for state purchase at private sale of local district bonds.

The provision for state purchase of local bonds was brought about by a recognition of the fact that local school districts were not treated equally by the bond market and substituting state credit for local credit would bring about savings. The interest rates charged to the school district are not less than the rates paid by the state on its bond, plus up to one-fourth of one percent per annum to cover administrative expenses.

In addition to state aid for new construction, the state pays 40 percent of costs incurred for minor capital improvements.

#### 4. Maine

As of July 1, 1977, district units pay five percent of the total cost of construction or the equivalent of one mill multiplied by the unit's initial state evaluation, whichever is less. The unit's share may be derived from either local appropriations or gifts or a combination thereof. The total cost is reduced by insured losses, any money from federal sources and any other noneducation funds except gifts and federal revenue sharing funds. The district then sells bonds in their name in the amount of the state's share and the state pays the bonds as they become due. For purposes of this aid, school construction projects are defined as new schools, site acquisition, additions and major renovations, and administrative or other service centers. All school construction projects are subject to approval of the State Board of Education. Such approval includes acknowledgement of the local need, approval of initial design, approval of estimated costs, and the board's intent to issue final approval subject to a favorable local vote and approval of final cost estimates. Site approval is also required. The state board is authorized to approve projects as long as no project approval will cause state debt service costs to exceed \$30,000,000 in any subsequent year. School construction projects approved by the state prior to July 1, 1977, including construction, debt service, and Maine Building Authority leases are also eligible for reimbursement.

In addition to the operation of a grant program, Maine operates the Maine Building Authority which builds school buildings and leases them to school districts. The authority is authorized to issue revenue bonds repayable from rentals.

#### 5. New Hampshire

New Hampshire pays annually to local school district which have not been cooperative or receiving districts for regional students, 30 percent of the annual payment on bond principal. No allowance is made for payment of interest. Supervisory union districts can receive an annual grant of 40 percent for construction of an administrative building. Cooperative districts and receiving districts operating an area school receive 40 percent plus five percent for each pre-existing district in excess of two and each sending district in excess of one, but in no event in excess of

55 percent. The amount of the principal payment, which serves as the basis for the percentage entitlement, may be increased by an amount equal to the amount of capital reserve funds and the amount raised by taxation up to the time of the bond issue which was actually expended in the construction or enlargement, divided by the number of years for which the notes or bonds were issued.

A school district desiring to participate in the grant program must have the plans, specifications and cost estimates for school plant construction and for proposals for the purchase of school buildings and the costs thereof approved by the state board prior to the start of construction. Eligible projects include site acquisition and development, new building construction, additions and alterations of existing buildings, architectural and engineering fees, equipment, and purchase of buildings.

Revenue for the state grant program comes from legislative appropriations. If in any year the state appropriation is not sufficient, the appropriation is to be prorated proportionally among the districts entitled to the grant.

#### 6. Pennsylvania

The Commonwealth of Pennsylvania pays annually to each school district erecting or sharing in the erection of a building or building with the State School Building Authority, Municipal Authorities, or nonprofit corporations for which the lease was approved on or after March 22, 1956, or through the incurring of bonded indebtedness on or after March 22, 1956, an amount to be determined by multiplying the district's capital account reimbursement fraction (CARF) computed for the year 1967 or, aid ratio, whichever is larger, by the approved reimbursable rental or approved reimbursable sinking fund charge. If this involved an area vocational-technical school, the amount is determined by multiplying the district's aid ratio or 50 percent, whichever is more, by the approved reimbursable rental or approved reimbursable sinking fund charge multiplied by the district's proportionate share of such rental sinking fund charge.

The approved building construction cost for which reimbursement is made for all school building construction and lease agreements prior to July 1, 1966, but after March 22, 1956, is determined to be the lesser of the cost of constructing the facility including the cost of essential fixtures and equipment but excluding architect's fees in excess of six percent or, the product of the rated pupil capacity as determined by the Department of Public Instruction and \$1,100 in the case of elementary schools, \$1,700 for high schools or a prorated combination for combined elementary-secondary schools. For construction or lease agreements after July 1, 1966, these figures are changed to \$2,300 to \$3,000 accordingly.

For approved additions or alterations to existing buildings prior to July 1, 1966, approved construction cost is the lesser of the cost of constructing the additions or alterations including the cost of essential fixtures and equipment excluding architect's fees in excess of six percent, of the difference obtained by subtracting the appraisal value of the existing building from the product of rated pupil capacity of the altered or

expanded building and \$1,100 in the case of elementary schools, \$1,700 for secondary schools, or a prorated combination for combined elementary-secondary schools. For additions or alterations after July 1, 1966, these figures are changed to \$2,300 and \$3,000 accordingly.

For area vocational-technical schools, the approved reimbursable rental charge or sinking fund charge is the product of \$2,200 for projects prior to July 1, 1966 or \$3,700 for projects subsequent to July 1, 1966 and the rated full-time pupil capacity of the facility.

For the purchase of any buildings, reimbursement is computed in the same manner as for constructed school buildings. The approved building cost is also computed in the same manner.

All building plans must be approved by the Department of Education. New construction must conform with the State Board of Education plan for reorganization of school districts and the approved ten-year plan of projected district needs. A district must possess the approved financial resources to meet its part of the cost.

#### 7. Tennessee

Tennessee's program of state aid for capital outlay provides for aid to local school districts for the purchase and improvement of sites, the construction of buildings, the remodeling or renovation of buildings, the purchase of equipment for school buildings and the purchase of student transportation equipment. The state aid may be used for the payment of the principal and interest on bonds or other indebtedness incurred since July 1, 1947.

To determine the cost of the capital outlay program for each LEA and for the state as a whole, a per capita amount per student in ADA is used. This amount is fixed by the state commissioner of education. Forty two and one-half percent of the aggregate cost of the program for capital outlay for the state is assumed to be available locally. The amount of funds which each county is assumed to have available locally is determined by applying the county's relative property value to the aggregate amount of funds assumed to be available locally. This amount is then subtracted from the aggregate cost of the capital outlay program for the county (per capita amount x ADA) and the remainder is the amount of the state capital outlay aid. These funds are then apportioned by the commissioner between all LEAs in the county on the basis of the ADA of each LEA during the preceding year.

Monies received from the state can be spent only for capital outlay purposes and only according to a plan recommended by the local superintendent, filed with the state commissioner and approved by the commissioner. The state has established minimum standards for school sites, including locations, school attendance centers, the construction of buildings for school purposes, the remodeling or renovation of buildings for school purposes of a capital outlay nature, and for equipment of building. Any unexpended balances can be carried forward onto the next fiscal year and spent for capital outlay purposes only.

## 8. Vermont

Upon approval of application to the state board of education, provided need is established, all standards and requirements met, including those related to cost and curriculum and provided the district shows adequate financing for the remainder of the project, grants of 30 percent of approved project costs are made to a union school district or academy, other approved schools, or elementary schools. The approved project cost is reduced by the amount received from federal services. Approved projects include new plant construction or extensive additions or alterations. The state also pays 75 percent of cost of construction, alteration or addition of special education classrooms. In addition, the state pays 20 percent of annual payments on bond interest and principal.

State revenues to support this grant program are generated from the sale of state bonds.

## 9. Advantages and Disadvantages of State/Local Sharing

As stated previously, the majority of these state/local sharing programs are based upon a state grant of some percentage of approved project cost. The following are among the perceived advantages of such an approach: (1) district could receive funds for immediate construction needs, (2) funds would be allocated on the basis of need, (3) school construction financing would be a shared state/local responsibility, (4) if a variable percentage is used, the degree of state participation could be formula determined, (5) local reliance on the property tax is decreased, (6) future indebtedness of the district is reduced, and (7) takes advantage of state financial resources while permitting the school building function to remain primarily in the hands of local officials.

Among the perceived disadvantages of this form of state/local sharing of capital outlay financing are: (1) large state appropriations would be needed initially, (2) only those with construction needs would participate, (3) no reward is given for prior construction, (4) some districts might be required to exhaust bond potential in order to participate and, even then, depending upon how high the state's share is, might not be able to generate the local share, (5) local expenditure patterns might become distorted in order for the local district to participate, and (6) state control over projects might become too prohibitive and the state agency bureaucracy might become larger and more cumbersome.

## C. State Flat Grants

A number of states, typically located in the Southeast, participate in financing local district capital outlay programs through the flat grant approach. Most states utilizing the flat grant base their support upon pupil membership or pupil attendance. In most of these states, funds are allocated only for state approved building projects that are actually under construction, although in a few states the flat grant could be retained by the district for future capital use.

1. Alabama

The Alabama flat grant for capital outlay is included in the minimum program allowance and is determined under regulations of the state board of education, based on the number of teacher units. Requirements for participation are that the local board of education submit an annual building program and otherwise comply with the requirements of law and the regulations of the state board of education regarding capital outlay expenditures.

2. Florida

In addition to its state capital outlay aid program which is designed to provide full state funding, Florida maintains the Capital Outlay and Debt Service Fund, a flat grant fund. Florida law specifies that the first proceeds of the revenues derived from the licensing of motor vehicles shall be distributed annually among the school districts on the basis of the number of instructional units. Florida Statutes also specify the procedures for computing instruction units from FTE's. For distribution purposes, the 1967-68 school fiscal year was established as a base year with districts receiving \$600 per instruction unit up to the 1967-68 total and \$800 per instruction unit for those units above the base. The units beyond the base are designated "growth units." Any portion of the grant funds not expended during the fiscal year may be carried forward.

3. Indiana

The Indiana flat grant program is not one which specifically grants monies for capital outlay purposes. Instead, Indiana distributes a flat grant of \$40 per average daily attendance in grades 1-12 which can be used either for current operating expenses, debt service, or the cumulative building fund. The school district must file a statement with the state school property tax control board before June 1 of each year if it desires to use a portion of the flat grant for its cumulative building fund or if it desires to use a portion of the flat grant for current operating expenses and desires to collect property taxes to fund a portion of its debt service requirements.

4. Kentucky

Capital outlay funding by the Commonwealth of Kentucky utilizes a flat grant of \$1,700 per classroom unit from the State Education Agency as the basic funding approach. State law specifies that the state grant funds be kept in a separate fund at the local school district level and only be used for capital outlay projects approved by the state superintendent of public instruction in accordance with requirements of law and based upon a survey made in accordance with administrative regulations of the state board. The fund may be spent for direct payment of construction costs, debt service, lease purchase agreements, retirement of any deficit resulting from over-expenditure for capital construction if such deficit resulted from a declared emergency, or a reserve fund. Also, if a district has a special levy per capital outlay or debt service which is equal to the state allotment or a proportionate fraction thereof, then, with the permission of the state superintendents, it may use the capital outlay allotment for current operations.

The survey of local district needs which is required before any capital outlay grant funds can be spent is conducted by the state department of education in every district at five-year intervals. It is conducted independently by a survey team approved by the state superintendent and the secretary of the state board of education. The survey is composed of seven sections: (1) community characteristics, (2) pupil information, (3) financial data for the district, (4) educational programs, (5) buildings and grounds, (6) transportation, and (7) recommendations. If a survey shows that a school district has no capital outlay needs either for construction, debt service, lease-purchase, deficits, or a reserve fund, upon approval of the state superintendent, the grant funds may be used for school plant maintenance, repair, insurance on buildings, replacement of equipment and purchase of school buses.

#### 5. Mississippi

Mississippi operates a simple flat grant program of \$18 per child in average daily attendance. The grant funds are held at the state level but credited to each school district. Grant funds may be used for capital outlay construction or debt service. However, no funds accruing to any school district can be expended unless approved by the State Educational Finance Commission. By law, the school district is required to submit an application, approved by the local board, to the commission stating the enrollment and average daily attendance by school and grade, the number of teachers, the facilities in use, the facilities to be provided with the funds expended, and the outstanding school indebtedness. In order to guide the commission in passing upon applications, the local board is also required to prepare a survey of necessary capital improvements and/or a plan for tax relief on school indebtedness. The survey must include existing facilities, desirable consolidations, the new construction and new facilities necessary and desirable for the efficient operation of the schools of the district, proper compliance with state energy conservation standards, and the plan of tax reduction in the school district by use of the grant funds in retiring any outstanding indebtedness.

If a school district has capital improvement needs in excess of that which may be financed by the credit due it from the flat grant, it can apply for an advance or loan against future grant allocations. Such advances or loans are at 2-1/2 per annum interest unless the state must pay a higher interest rate on the state funds which finance the program, then the rate of interest charged on such advances or loans is increased accordingly. The loans or advances are repayable, with principal and interest, from the annual grant allotment and from other funds as may be available. These loans do not constitute a debt within the meaning of the debt limitation statutes. The maximum amount which may be loaned or advanced is 75 percent of the estimated sum which will accrue to the districts from the grant allocation within 20 years.

#### 6. Missouri

The Missouri flat grant program is in the form of two special purpose flat grants. The Reorganization Building Aid Fund provides an apportionment of \$100 per pupil enrolled up to \$50,000, not to exceed one-half the cost of

buildings, additions, and equipment when such capital expenditure is made necessary by reason of reorganization. All building plans and needed aids must be approved by the state board of education. The Central Building Aid Fund provides a nominal grant of one-fourth the cost, up to \$2,000, toward the construction of an approved central high school. Plans and specifications must be approved by the state board of education and call for a central high school containing one large assembly room.

7. Nevada

Nevada, like several other states listed under flat grants, does not have a flat grant program specifically for capital outlay or debt service. Instead, the guaranteed basic state support program, calculated on a weighted pupil basis, in addition to current operating expenditures, transportation and school lunches, can be used for rent of schoolhouses and construction, furnishing, or rental of teacherages when approved by the State Superintendent of Public Instruction. After meeting the above requirements, the distributive school fund monies may be used for site purchase or repair and construction of new buildings.

In addition, Nevada provides what might be considered state impact aid to any district where state employment of a parent or parents has a direct effect on the school population within the school district so that there is a need for new or improved facilities. The total population of pupils in ADA whose parents are state employees must exceed 15 percent of the total district ADA and must have a bonded indebtedness exceeding 60 percent of its bonding capacity. In such a case, the grant amount is \$1,200 per pupil in ADA whose parent or parents are state employees. Need must be approved by the state board of education. State bonds may be issued to finance this fund.

8. South Carolina

The South Carolina grant program operates as a grant from the General Assembly to the State Board of Education. The General Assembly annually allocates to the Board \$30 per pupil for each pupil enrolled in grades 1-12 and \$15 for each pupil enrolled in the State Kindergarten Program during the previous school year. After deducting the amount necessary to pay principal and interest payments due that year on state school bonds, the balance is credited on the books of the Board to the school district in proportion that each district's enrollment bears to the enrollment of the state as a whole.

The sum credited to school districts remain available to them until requisitioned by them for purposes approved by the Board. They can be used for financing capital improvements approved by the Board and to pay principal and interest on bonds and notes issued for capital improvements approved by the Board. In order to guide the Board in passing upon the requests for use of grant funds from the local school districts, each county board of education is required to prepare a survey of necessary capital improvements of a plan of tax relief for the county. The survey must show existing facilities, desirable consolidations, the new construction and new facilities necessary and desirable for the efficient operation of the public schools of the county and a plan of tax reduction by use of grants funds in retiring bonded indebtedness.

In order to avail itself of grant funds, a local school district must make application to the Board. Each project is reviewed and a recommendation is made to the Board. Upon approval by the Board, funds are remitted to the county treasurer of the school district concerned and placed in a special fund to be used only for the specified purposes. Advances may be made against future grants.

9. Virginia

The Virginia flat grant program, like Indiana, is not specifically a flat grant program for capital outlay. The Virginia flat grant program provides that one percent of the net funds derived from the state sales and use tax be distributed on the basis of school age population (currently approximately \$144 per ADM) for maintenance, operations, capital outlay and debt service expenditures.

Virginia also aids school districts by the Virginia Public School Authority purchasing school bonds at interest rates favorable to districts. In effect this can constitute a grant to school districts.

10. West Virginia

The Better School Buildings Act provides capital outlay funds to each county, which is the district, on the basis of the total of the following: (1) a flat grant of \$200,000 per county, (2) a flat grant of \$239.2722 per pupil enrolled in grades 1-12 and in special education (net enrollment), and (3) a grant of \$239.2722 per pupil in net enrollment multiplied by the district's assistance ratio. The assistance ratio is defined as the state bond potential per pupil divided by the county bond potential per pupil and the result multiplied by .8971819. Revenue to support this program of state aid are levied from the sale of state bonds. The grants may be used solely for construction, renovation, site acquisition and preparation or equipping of school buildings. Grant funds may not be used for debt service.

Each board of education is required to submit a comprehensive school facilities plan to the state board which shall release funds only for projects which are an approved part of such comprehensive plans. The state board will approve or disapprove plans within 90 days. Priority in the approval of plans is given to any county which satisfactorily shows to the state board that it has sufficient resources through grants, gifts, excess levies, county bond funds, or any other available money, to defray the cost of its plan where said plan calls for total expenditures in excess of the amount designated for that county under the distribution schedule.

11. Advantages and Disadvantages of State Flat Grants

Flat grants, although not recognizing variations in school district wealth, can do much to solve the basic problems of intergovernmental fiscal relations. Among the advantages of the use of flat grants are: (1) the majority of control can remain with the local school district, thus avoiding centralization while, (2) funds are obtained from statewide revenue sources, rather than the local property tax, thereby providing property tax relief, (3) future indebtedness of the district is reduced,

(4) they are easily administered and understood by the public and school staff, (5) all districts can participate, (6) some districts can accumulate funds to meet future needs, (7) state costs can be easily anticipated for the future, and (8) local school districts can engage in future planning since income is known in advance.

The perceived disadvantages of flat grants include: (1) grants can allow local school districts to become wasteful and abdicate financial responsibility, (2) need is not considered, thus some districts can possibly receive money not needed for current programs while other districts will have needs beyond the grant funds provided, (3) once initiated, continued pressure exists not only to continue, but to upgrade the amount of the grant.

#### D. State Equalizing Grants

An increasing number of states have made efforts to distribute state funds for capital expenditures through formulas that are sensitive to variations in district wealth. States using the equalizing approach usually represent states that have also implemented equalizing state aid programs for general operation expenditures. Though these states do not fund the full costs of capital outlay, they do support a greater proportion of capital costs in less wealthy districts. Provisions of these state equalization formulas ranged from placing limits on proportions of state support in approved projects, to funding the difference between costs of projects and the amount raised locally by a prescribed tax rate.

##### 1. Illinois

The Illinois Capital Development School Construction Act provides for a state grant for capital outlay based on a percentage equalizing basis. A grant index equal to 1 minus the ratio of the district's assessed valuation to the assessed valuation of the district at the 90th percentile determines the state share of approved projects. The minimum state share is 20 percent and the maximum is 70 percent. Districts must make application to the Capital Development Board, who, in conjunction with the State Board of Education, establishes standards and priorities. Revenue for the grant program is obtained from the sale of state bonds.

In addition to the above capital outlay grants, the state also provides for debt service grants to eligible districts. The debt service grant is determined by multiplying the capital outlay grant index times the annual principal and interest payment of the district and will provide up to one-half existing debt service. Districts must have constructed a facility after January 1, 1969 and make application.

##### 2. Massachusetts

Massachusetts provides school construction grants to cities, towns, regional school districts, or counties on an equalized approved project cost basis. The construction grant for any approved school project in cities or towns is 50 percent of the final approved cost multiplied by a percentage equal to the proportion of the district's equalized valuation per school attending child to the state average, provided that the portion of the grant which is for interest shall not be less than 40 nor more than 65 percent of that part of the approved cost which consists of interest, and the

remainder of the total construction grant shall not be less than 50 percent nor more than 65 percent of the remainder of the grant excluding interest. The construction grant for a regional school district which enrolls grades K-12 is 60 percent of the final approved cost, multiplied by the ratio of the district's equalized valuation per attending child to the state average but in no case less than 50 nor more than 75 percent. The construction grant for a regional school district which does not include grades K-12 varies from 50 to 65 percent. The total construction grant for any approved school project in any county is 50 percent of the final approved cost. The school district finances the projects by the issuance of bonds, the state pays its share of bond principal and interest in annual installments. In any case, if the facility is required for desegregation efforts, 100 percent of interest is paid by the state.

Approved projects include construction, enlargement, reconstruction, remodeling, rehabilitation, purchase of sites, purchase of existing structures, equipment, and central kitchens. Said board of education reviews applications to determine if they meet minimum construction, program and cost standards. Approval of projects is based on the following order of priorities: (1) to replace or renovate a building which is structurally unsound or otherwise in a condition seriously jeopardizing the safety of children; (2) projects to prevent severe overcrowding; (3) projects needed to prevent loss of accreditation; and (4) projects needed to replace or add to obsolete buildings in order to provide a full range of programs consistent with state and approved local requirements.

### 3. Michigan

Michigan allocates grants for debt service on the basis of equalized mills. The maximum amount reimbursable in 1978-79 is computed by multiplying the equalized millage by the membership, and multiplying the product by the amount by which \$40,000 exceeds the state equalized valuation per membership pupil of the district. The number of mills to be equalized is computed by: (1) dividing the amount of the district's total obligation per debt service and building and site by the membership, and dividing the result by \$40,000, and (2) adding 1 mill for payments due to the state, when applicable, for loans made from the School Board Loan Fund. The number of mills when added to the operational millage or 26 mills, whichever is lesser, shall not exceed 26.4 mills. School districts eligible for grants must apply and must operate a K-12 program and must be paying debt service obligations incurred as the result of borrowing for capital outlay projects and in meeting building and site fund requirements.

### 4. New Jersey

The New Jersey School Building Aid Law provides grants for purposes of debt service and capital outlay. The state's grant is the total of the district's debt service and capital outlay expenditure for the pre-budget year multiplied by the current expense state support ratio. If the product is less than zero, the district receives no support. The equalized support ratio is obtained by dividing the district's equalized valuation per pupil by the guaranteed valuation per pupil at the 65th percentile and subtracting one.

5. New Mexico

The public School Capital Improvements Aid authorizes state grants to be made to school districts for the purposes of: (1) erecting, remodeling, making addition to, providing equipment for or furnishing public school buildings, and (2) maintenance of public school buildings or public school grounds, exclusive of salary expenses of school district employees. The state grants to school districts an amount equal to the amount by which the revenue estimated to be received from a tax levy of one or two mills is less than \$35 per mill times the district's ADM. The grant is made only for the initial year that the tax is imposed, although the levy can be up to a maximum of three years.

Another act, the Public School Emergency Capital Outlay Act, provides grants to meet the most urgent school district capital outlay needs on an emergency basis which cannot be met by the school district after it has exhausted all available sources.

6. New York

New York provides grants for approved capital expenditures in compliance with standards established by the state department of education. Grants are based upon rated pupil capacity of buildings and cost allowances for schools housing grades K-6, 7-9, or 10-12. The cost allowances are updated by a monthly index of the cost of labor and materials and are expressed in dollars per pupil in rated capacity. The amount of the state grant is determined by adding the amount of the district's base year approved expenditures for capital outlay and its current year approved expenditures for debt service and multiplying the sum by its state aid ratio. The state aid ratio is calculated by dividing the full assessed value per resident weighted ADA by the state average full assessed value per weighted ADA, multiplying the quotient by .51 and subtracting from 1.000. For reconstruction on modernization projects, the net amount of the grant is not to exceed 50 percent of the cost allowance for new construction.

New York also provides incentive aid to school districts to reorganize. Reorganized districts are entitled to 25 percent additional building expense aid, not to exceed 95 percent of approved expenditures for capital outlay and debt service. No aid is paid to districts scheduled for reorganization unless the aid will not impede reorganization.

7. Rhode Island

The Rhode Island School Housing Aid Program Fund provides aid to districts for approved new construction, plus an allowance for construction completed between June 30, 1949 and January 1, 1960, less federal aid. Each year the state pays to each district a grant equal to the sum of the following: (1) 1/20th of the cost of approved new construction and an equal amount for each of the next 19 years times the school housing aid ratio; (2) 1/20th of the cost of each school housing project completed after June 30, 1949 and an equal amount for each of the next 19 years less the number of years prior to June 30, 1960 that the project was completed times the school housing aid ratio, and (3) 75 percent of the remainder, if any, of the total costs for payment of school housing commitments after the deductions of payments due from (1) and (2) and the yield of three dollars per thousand on equalized weighted assessed valuation for the next year preceding

that in which payment is made. The state housing aid ratio is calculated by (1) multiplying the ADM in grades 1-12 for the state fiscal year next preceding that in which aid is to be given by \$350, (2) deducting the yield of 13.28 mills of equalized weighted assessed valuation, and (3) the ratio that (2) bears to (1) shall be the housing aid ratio, provided that in no case shall the ratio be less than 30 percent. The housing aid ratio is increased by 2 percent for each regional school district and 5 percent for housing facilities for vocational training in communities other than regional school districts.

#### 8. Utah

The School Building Equalization Act of 1977 contains provisions for the participation of the state of Utah in the financing of capital outlay by several methods. The basic method of participation is through the allocation of a state equalization grant. The state grant to each school district is the lesser of the continuing formula amount or the critical formula amount. The continuing formula amount is defined as 15 percent of the weighted pupil unit amount for the previous school year multiplied by the number of weighted pupil units in the basic minimum school program for the current year, plus 40 percent of the bonds redeemed during the current year, less the revenue from a 13.5 local levy. The critical formula amount is defined to be 33 percent of the district unmet critical school building needs plus the bonds redeemed and interest paid during the current year, less the 13.5 mill levy. Unmet critical school building needs means the estimated cost to eliminate occupancy and structural hazards and educationally intolerable and overcrowded conditions as computed by the state board of education in cooperation with the local school board, less all available building funds including revenue from bond sales committed to building projects not included in updated critical school building needs and the difference between net bonds outstanding and 95 percent of the district's bonding capacity.

In order to qualify for participation in the state equalization grant program, a school district must meet the following requirements: (1) adopt a comprehensive school building program which is accepted by the state board, and (2) levy for the applicable year a property tax of 13.5 mills. In districts where the proceeds of 13.5 mills equal or exceed the school building state supported program there is no state grant.

The second way by which Utah provides capital aid to school districts is by the critical school building program. To qualify for assistance under this program the school district must meet the following additional requirements: (1) the cost of the critical school building program must be greater than the cost of the continuing school building program; (2) levy a tax of at least 18 mills which shall include the qualifying levy of 13.5 mills; (3) commit uncommitted building funds in the district at the close of the fiscal year immediately preceding the year for which application for critical school building aid is made to the critical school building program; (4) certify to the state board that all school plants are covered by adequate fire insurance; (5) certify to the state board the amount of unused bonding capacity of the district, and; (6) certify that the district has complied with the requirements for assistance.

The third way by which Utah provides capital outlay assistance is by the school building revolving account. This account advances funds to school districts which qualify for participation in the school building state supported program. To receive advance funds a district must: (1) bond to at least 95 percent of capacity; (2) levy at least 18 mills for capital outlay purposes for the period of the fund advance; (3) be unable to complete a school building project or part thereof with existing district bonding and all other resources; (4) contract with the state board to repay the advance within five years with future state building funds or local revenue funds, and; (5) meet any other conditions imposed by the state board.

9. Washington

Washington provides state aid for approved costs of construction and modernization of school plant facilities on a percentage equalizing basis. The local school board determines the cost of the proposed contract including site acquisition and preparation, construction and equipment which is then subject to review and approval by the state board of education. The state's share of the approved project cost is computed by the following formula: The ratio of the school district's adjusted valuation per full time equivalent pupil divided by the ratio of the total state adjusted valuation per full time pupil shall be subtracted from three, and then the result of the foregoing shall be divided by three plus (the ratio of the school district's adjusted valuation per full time equivalent pupil divided by the ratio of the total state adjusted valuation per full time pupil). If the state board finds that additional state assistance is needed by a particular board to meet emergencies or urgent or special needs, they may grant such additional funds. The total amount of the state allotment in any case shall not exceed 90 percent of approved project cost nor be less than 20 percent.

Applications for state assistance are made to the superintendent of public instruction. Studies and surveys are conducted by the state board for the purpose of securing information related to: (1) the kind and extent of the school plant facilities required and the urgency of need for such facilities in districts that seek assistance; (2) the ability of such districts to provide capital funds by local effort; (3) the need for improvement of school administrative units and school attendance areas among or within such districts, and; (4) any other pertinent matters.

10. Wisconsin

State aid for capital outlay in Wisconsin is included in that portion of general aid designated as nonoperating sharable cost. Capital outlay from current-year levy is included in sharable cost, as is up to \$90 per pupil for debt service. The state's share is based upon the district's net guaranteed valuation.

11. Advantages and Disadvantages of State Equalizing Grants

This method of state participation in the financing of capital outlay has more advantages than disadvantages. The major disadvantage is that

a high level of state support is required if the program is to be successful. The major advantages of this program are: (1) problems resulting from unequal tax resources among districts are alleviated and extremely low levels of service or excessive local tax burdens can be avoided; (2) all but the wealthiest districts would receive some state support, thus tax relief is afforded most districts; (3) state support would enhance the marketability of local bonds, and; (4) local effort is still required, thus extravagant use of state funds is unlikely.

#### E. State Loans

Ten states provide direct loans to school districts for approved capital projects. Such loans generally carry a fixed interest rate, usually somewhat lower than would be required if obtained by the school district alone, and require local districts to repay the loan over a fixed period of time. Moreover, most states operating loan programs require that districts be taxing themselves for capital outlay expenditures at a certain minimum tax rate or bond themselves at a certain level in order to qualify for the state loan. In Michigan, districts must be taxing themselves at a certain rate for both capital outlay and current operating in order to qualify for a loan.

##### 1. Arkansas

Currently Arkansas provides loans to school districts from a Revolving Loan Fund for the refunding of legally issued and outstanding bonds provided that a substantial savings in gross interest charges can be thus effected, the refunding of legally issued and outstanding debts, the payment of major repairs and construction additions, the purchase of surplus buildings and equipment, and the purchase of sites, facilities and equipment. Six percent is charged for such loans -- the highest state loan rate in the nation.

Funds for the Revolving Loan Program are bonds issued by the state board of education and a permanent revolving school fund. The state board is also authorized to borrow up to \$2,000,000 from the State Treasury to finance the loans.

In order to participate in the loan program, districts must submit and have approved an application to the state board of education. District debt service including the requested loan cannot exceed 15 percent of the assessed valuation except for hardship cases where 18 percent is allowed.

In addition of the Revolving Loan Fund, Arkansas also operated an Emergency Loan Fund which loans up to \$125,000 to districts who have no borrowing capacity and who have suffered a loss of facilities as a result of fire or natural disaster with insurance insufficient to replace the loss.

##### 2. California

The California State School Building Aid Program provides loans to school districts with capital needs for site acquisition and building construction. The school district must receive voter approval before incurring the indebtedness. Allocation is made to the state which must approve the

project based on need as well as established school building standards. Priority for allocation of funds is based on acuteness of overcrowding, sudden growth, or local effort in terms or proportion of total tax funds expended for school construction. A school district must exceed 95 percent of its bonding capacity to be eligible. The state loan funds are obtained from the sale of state bonds. The title to the property remains with the state until the loan is repaid. The repayment period is up to 30 years.

### 3. Indiana

In addition to its flat grant program, Indiana has three loan programs which provide funds to local school districts for capital outlay purposes. The Veterans Memorial School Construction Fund was established as a revolving loan fund by a one-time appropriation of \$1,500,000 in 1955. The maximum amount of the loan is \$250,000 unless: (1) the school district has an adjusted assessed valuation per pupil in ADA of less than \$8,400; (2) the district's debt service tax rate would exceed \$3.00 per \$100 of assessed valuation; and, (3) the School Property Tax Control Board recommends a waiver of the loan limitation. Eligibility for loans is based upon local effort and need. The district must have levied at least 5 mills for debt service for at least 3 years prior to application and must be at 90 percent of its maximum debt limitation. Loan monies cannot be used for gymnasiums, auditoriums, or any athletic facilities. Repayment of principal plus 1 percent interest is withheld by the state from the district's state basic grant distribution and transferred directly to the Veterans Memorial Fund. Loans are not made to build schools whose enrollments in grades 1-8 would be less than 30 per grade or in grades 9-12 would be less than 270.

The Veterans Memorial School Construction Fund Disaster Loan is a revolving loan fund which loans monies to school corporations which have suffered loss by fire, flood, tornado, wind or other disaster which makes all or part of the school building or buildings unsafe for school purposes. The total amount of the loan fund, a one-time appropriation, is \$3,000,000. The loan must be repaid within 20 years at an annual interest rate of 1 percent of the unpaid balance. The amount of repayment is withheld by the state from the district's state basic grant distribution.

The Common School Building Fund is also a revolving loan fund established by a one-time appropriation, in 1959. The amount of the approved project loan is not to exceed \$2,000 per pupil, including the funds to be provided locally, up to \$75,000 maximum loan amount. The maximum dollar amount may be waived if the district meets the same criteria for waiver as established for the Memorial Construction Fund. Repayment of principal plus interest of not less than 2-1/2 nor more than 4 percent per annum on the unpaid balance is made over a maximum period of 20 years and is withheld by the state from the district's semiannual state basic grant distribution. To be eligible for a loan, a district must have raised by bond issue and/or cumulative building fund levy, an amount equal to at least 2 percent of the adjusted assessed valuation.

4. Michigan

The Michigan Constitution of 1963 provides that the state through the State School Board Loan Fund administered by the State Department of Education may issue bonds for the purpose of making loans to school districts for the purpose of debt service only. A school district may borrow each year all or part of the difference between what 13 mills will generate and what it needs for principal and interest payments on qualified bonds for that year. The school district must also be levying not less than a prescribed minimum levy for operating purposes to be eligible for a loan. When a district's debt service requirements fall below what 13 mills produce, it must continue levy 13 mills until it has repaid the state loan. State statutes also provide that 1 mill of those levied for loan repayment will be equalized for purposes of the state basic allocation.

5. Minnesota

Minnesota statutes provide that any school district in which the required levy for debt service in any year will exceed its maximum debt service levy by 10 percent or by \$5,000, whichever is less, is qualified for a debt service loan in an amount not exceeding the amount applied for, and not exceeding 1 percent of the net debt of the district, and not exceeding the difference between the required and the maximum effort debt service levy in each year. Upon approval of the loan request by the state commission of finance, the commissioner notifies the county auditor that the loan amount is available and appropriated for payment of principal and interest on its outstanding bonds and such auditors shall reduce by that amount the taxes otherwise leviable as the district's debt service on the tax rolls for such year. The loans bear an interest rate determined by the commissioner of finance annually, at the multiple of 1/10th of 1 percent per annum next higher than the average annual rate payable on Minnesota state school bonds outstanding, but in no event less than 3-1/2 percent per annum on the unpaid principal. Each district receiving a debt service loan must levy for debt service in that year and each year thereafter, until all its debts to the fund are paid, the amount of its maximum effort debt service levy or the amount of its required debt service levy less the amount of any debt service loan that year, whichever is greater.

Minnesota statutes also provide that to the extent monies are from time to time available, capital loans will be made to school districts for the purpose of site purchase and for acquiring, bettering, furnishing, or equipping school buildings. Application is made to the state board of education which must certify that the loan is needed to replace facilities dangerous to the health and safety of pupils, or to provide for pupils for whom no adequate facilities exist; that such facilities could not be made available by consolidating the district with an adjacent district without lowering the fiscal capacity of that district or so increasing its area that it would not longer be viable; and that existing institutions or facilities within the area could not be acquired or leased to provide the facilities safely and at a lower cost. Capital outlay loans must be approved by a majority of the voters of the district. Terms or repayment are the same as for debt service loans.

7. North Carolina

In North Carolina the State Board of Education may make loans from the State Literacy Fund for the purpose of aiding in the erection and equipment of school plants, maintenance buildings and transportation garages. Loans are repayable in ten annual installments at a uniform rate determined by the State Board of Education, not to exceed six percent.

8. North Dakota

Although classified as a state loan program, the North Dakota program, like the Wyoming program, operates very similar to a school building authority. The state board of public education administers the State School Construction Fund. Revenue for the Construction Fund comes from state apportionments. To be eligible for a loan a school district must have a facility need which has been approved by the state department of education in terms of conforming to state plans, usefulness and adequacy in terms of design, location, safety, comfort and convenience. The district must also show the ability to amortize the costs of construction and to defray the cost of operation and maintenance. Any district applying for a loan must at that time be levying a sufficient mill levy which the board has determined will provide for the repayment of the loan within 20 years (20 mills) and must have an existing bonded indebtedness to the maximum permitted by law (presently 10 percent of assessed valuation). Districts cannot borrow more than 30 percent of the taxable valuation of the district and in no case over one million dollars. No loan money can be used for auditoriums or gymnasiums except where an entire school plant is constructed and the auditorium or gymnasium is considered part of the plant, provided priority shall first have been given to the construction and improvement of school units not including an auditorium or gymnasium.

The way the fund operates, the local board enters into a lease contract with the state board for the facility constructed and improved by the state board. The rental from the district is applied to the total cost of the construction or improvement until the full amount expended by the state is repaid together with 2-1/2 percent interest per annum. Upon full payment of all rentals, the state board delivers title or bill of sale to the district.

9. Virginia

In addition to its flat grant program, the Commonwealth of Virginia provides that the state board is authorized to loan money from the state Literacy Fund for the purpose of constructing, enlarging or altering school facilities. The maximum amount of the loan is \$1,000,000. Repayment of principal and interest, not to exceed 3 percent per year, is made annually over a period of from 5 to 30 years.

10. Wisconsin

The Wisconsin State Trust Fund makes loans to school districts for operations and maintenance of schools, construction, alterations or additions of schools, sites, teacherages, bus garages, equipment, and refunding of

bonds. In order to qualify, districts must obtain approval of their applications from the commission of public lands and have an indebtedness, including that of the proposed loan, not in excess of the statutory debt limitation of 10 percent of equalized valuation. Loans may be for a period of up to 20 years at an annual interest rate of not less than 2 percent (currently 5.5 percent).

11. Wyoming

The Wyoming loan fund (Emergency School Construction Assistance Fund) is administered by the State Farm Loan Board which approves or disapproves applications for loans. The source of revenue for the fund is the Common School Permanent Land Fund. The Farm Loan Board issues a debenture bond to the State Treasurer who then transfers the amount to the board for remission to the school district. After funds are transferred to the district, the district issues a warranty deed to the Farm Loan Board. The school district then rents the facility from the Farm Loan Board and has the option of repurchasing such facility at the original cost. Loans can be made for periods of up to 20 years at 3.25 percent interest.

In order to be eligible for a loan a school district must have a school building emergency need which is beyond the financial capacity of the district to meet by other means. In addition, the bonded indebtedness of the district must have reached 95 percent of the statutory limitation within three years of the time of application.

12. Advantages and Disadvantages of State Loans

Advantages of state loan programs include; (1) capital outlay funds are obtained from revenue sources with a broader base than the property tax; (2) if financed by state bonds borrowing is more economical because the state can ordinarily borrow funds cheaper than local school districts; (3) local millage for debt service can be limited by state loans for debt service; (4) if the loan is not included in state debt limitations, restrictive debt limitations can be overcome; (5) to the extent funds are available, funds are available when needed; and (6) loan qualification criteria can permit systematic facility planning at the state level and only approved projects need be included.

Among the disadvantages of state loan programs are: (1) loan funds are too limited in most states to meet anything but the most critical needs; (2) the property tax remains the source for financing capital outlay; (3) subjective rather than objective criteria for awarding loans tends to exist; (4) loan programs are often a stop-gap approach to solving a more pressing statewide problem; and (5) local control can be weakened through loan requirements.

#### IV. ELEMENTS OF STATE CAPITAL OUTLAY PROGRAMS: ANALYSIS OF CURRENT PRACTICES

In 1970, the National Education Finance Project (NEFP) completed a national study of capital outlay financing which analyzed the existing programs in the 50 states, with particular attention to the development of alternative models for state participation in funding capital outlay of school districts. In addition, based on the analysis of outstanding state-local fiscal programs, four elements were identified as being essential in the formulation of proposed alternative models for consideration by states in designing capital outlay programs. These four elements were:

1. Determination of need.
2. Allocation procedures.
3. Use of proceeds.
4. Source of funds.<sup>27</sup>

Each of these elements has a significant impact on the nature of capital outlay financing. To a certain extent, these elements are interrelated. For example, it would be unlikely that a state would have complete local funding of capital outlay with state determination of need. Conversely, it would be surprising to have full state funding with little state participation in defining need. This interactive effect should be kept in mind as the elements are reviewed individually on the following pages.

##### 1. Determination of Need

Any state contemplating participation in financing local school district capital outlay programs would be required to devise a basis for determining need and approving project costs. Determination of need involves review of two kinds of need. One need is quantitative in nature and refers to the projection of the number of students to be housed. The other kind of need is more qualitative and includes a consideration of the educational programs to be accommodated and an evaluation of the buildings and sites already existing.

Various states have specific enumerations of what must be included in the needs study. For example, Georgia law requires that each school district have a comprehensive and annually-updated facility inventory that includes, but is not necessarily limited to, location and size of each parcel of land owned by the district; design-type and year of construction of each building upon such parcels, and; size, number of designed teaching stations and number of designed student stations for each room in such buildings. In addition, a local facilities plan must be completed which shall include a description of all new facilities needed seven years hence; a list of facilities projected for abandonment for said period; a description of needed expansion of existing facilities during said period; the results of all considerations concerning the merger of small and inefficient facilities and the merger of programs for students of low-incidence conditions, and; such other similar facility improvements as the State Board may deem necessary. Finally, state statute requires that at least once every five years each district complete a comprehensive survey of capital facilities needs for seven years hence which shall include needs resulting from growth, development patterns, obsolescence, and program improvements and expansions.

The educational facilities study required for state approval of capital outlay expenditures in Kentucky is conducted by the Kentucky Department of Education in every school district at five-year intervals. Although its components are not spelled out in statute, they are by regulation. They are: (1) community characteristics, including location, size, comparative expenditures, salaries, pupil/teacher ratios, etc.; (2) pupil information, including school census for the last five years and a linear projection for the next eight years; (3) financial data for the district, such as, assessments, tax rates, permissive taxes, special voted building taxes, and state foundation capital outlay allotment; (4) educational programs, which includes grade organizations, high school course offerings, and special services such as principal, secretary or lunch service; (5) buildings and grounds, which includes descriptive data such as acreage, terrain, construction data, heat type and utilities; (6) transportation data related to busses, drives and loading areas, and; (7) recommendations related to school organization and programs, school centers, and priorities for capital outlay expenditures.

No matter what process is used to determine need, the real issue in determination of need is not the process, but who is responsible for accomplishing the process, i.e., who determines the need -- the state or the local school district. A continuum of possibilities exist between the two extremes. On one extreme, the local school district can have complete responsibility for planning of capital outlay. The other extreme would be for the state to determine all local school district capital needs. Cooperative processes anywhere between these two extremes are also possible.

Examples exist of states which function at both extremes and along the continuum. Normally, states which do not participate in the funding of capital outlay have no involvement in the determination of needs. All needs analysis is the responsibility of the local school district. On the other extreme is a state like North Carolina. Capital outlay needs are determined by a state education agency team. Georgia and Delaware are examples of states between these two extremes. Needs are determined by the local school district, but submission of a formal plan to the state education agency is required. The state also makes staff available to assist in the planning process. Thus, while the local school district is charged with the task of needs determination and the state with monitoring, a spirit of cooperation is emphasized.<sup>29</sup> Chart 1 lists a few of the more important advantages and disadvantages associated with either end of the needs determination continuum.

Once the state has either determined the need or approved the locally determined need, the approved project cost must be determined. Approved project costs would be determined from the application of objective formula incorporating standardized space and facility requirements, as well as state or regional construction indices. An alternative approach would be to use the actual costs of construction, site acquisition costs, architectural fees, site development costs of sewage treatment facilities and cost of equipment. Statutory provisions or agency requirements might provide for exclusion of specified items such as site development, movable equipment, swimming pools, or auditoriums and spectator gymnasiums. Objectivity in state programs requires that these exclusions and limitations be clearly defined by statutes, rules or regulations.<sup>30</sup> Most states allow districts to provide for these excluded features out of district funds.

Chart 1

The Determination of Need Variable in State Capital Outlay

Continuum

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L.E.A. Determined Advantages:

1. The concept of local control of schools is protected.
2. Real understanding of local conditions exists if the local staff is involved in the determination.
3. More citizen and staff involvement with a diffusion of control is likely.
4. If local funds are involved, the local decision-making is reasonable.
5. Local acceptance of the needs identified may be easier if accomplished locally.

Disadvantages:

1. Adequate staff may not exist to do the planning task required.
2. Local politics may become overly dominant.
3. Some L.E.A.s may not take the task seriously leading to an inadequate assessment.
4. Differing views and capabilities will cause lack of universality in need determination within the state.
5. Concern for day to day operation may overshadow the determination of facility needs.

S.E.A. Determined Advantages:

1. Facility need is a complex question and facility planning expertise in the form of a state team can be used.
2. The politics of the locale can be avoided by the objective outside expert.
3. L.E.A. resources can be conserved for other tasks.
4. The L.E.A. crisis of the moment can be ignored and future planning considered.
5. If S.E.A. funds are involved, the S.E.A. has an obligation to be involved.
6. S.E.A. determination does not negate some L.E.A. participation in the process.
7. Consistent application of the subjective judgements often required is more likely.

Disadvantages:

1. S.E.A. determination of needs requires the dedication of considerable resources if done properly.
2. Power and staff is centralized and may lead to an unmanageable bureaucracy.
3. S.E.A. staff may have difficulty understanding sensitive local issues.

Source: The Equalization Study Advisory Committee of the State Superintendent of Public Instruction and the Equalization Study Staff of the Kentucky Department of Education, State Plan for Equalization of Financial Support to Public Education (Lexington, KY: Kentucky Department of Education, 1978), P.27.

Once the cost of the project has been approved, it is then included in the state foundation program, state grant program, state loan program or a program of full state funding. If the state program is to be in the form of a grant program, the units of need -- whether pupil, classroom, or instructional unit -- should be expressed in the same form as in the basic state aid program for current operation. This will facilitate administration of the program and development of understanding on the part of legislators and local school officials.<sup>31</sup> The national survey conducted by the NEFP found no state with grant programs where the project cost was exclusively locally determined.<sup>32</sup> The very descriptor, "approved", implies that some state agency has the final decision as to the project cost which will be the basis for state participation.

States with loan programs also require that the need, nature and cost of the proposed project be approved before the loan is given. In states which utilize building authorities, need must also be approved by the state before the project is constructed. In Georgia, need for the facility is determined by the same process of local survey and state approval as is used for the state grant program. In Pennsylvania, also, projects must be approved by state school officials. In Maine, not only must the state approve, but a majority of the electors of the district must approve before the district can enter into a lease agreement with the state building authority.

The three states which provide for full state funding of capital projects also require that some state approval be given for the proposed project. For example, as noted previously, Florida law stipulates that state capital outlay funds can only be expended on construction projects that utilize state board approved prototype-design criteria or plans that have been previously approved by the department of education and used by the district.

## 2. Allocation Procedures

As was noted in the previous chapter on "Current Patterns", a variety of practices has developed among the states in the allocation of funds for capital outlay programs. The three basic allocation procedures are: grants, loans or building authorities. Grants may be uniform amount, called flat grants, may be made inversely with local ability (equalizing grants), or may be on a percentage basis, usually a percentage of approved project cost. Some states have special purpose grant programs. For example, Missouri provides token grants for abandonment of elementary schools and for construction of central high schools. Massachusetts and New York also use grants as an incentive for reorganization.

Flat grants may be allocated on a per ADA basis (Indiana and Missouri), per classroom basis (Kentucky), per pupil basis (Missouri and South Carolina), per weighted pupil basis (Nevada), per school-age child basis (Virginia), or per teacher unit basis (Alabama). State equalizing grants are usually allocated on the basis of some ratio relating the district's assessed valuation to the statewide assessed valuation or on the basis of a guaranteed yield per pupil or per mill. Other states based their capital outlay grants upon a predetermined percentage or dollar amount of approved project costs. Some examples of states which operate on an approved project cost basis are Delaware, which pays 60 percent of APC, Connecticut 40 to 80 percent of APC depending on the adjusted equalized net per capita of the district, and Maine which pays a minimum of 95 percent of APC.

Grant funds may be allocated on a one-time basis or may be spread over a period of years. The latter procedure is most appropriate when the purpose of the grant program is to allocate funds on the basis of assumed depreciation or for payments of debt service.<sup>33</sup>

The requirements for allocation of state loan funds also vary considerable among the states. However, all state loan programs require the local school districts to submit applications for the loans and all states except Wisconsin consider district need and indebtedness as factors in allocating the loan funds.

If the state allocation of capital outlay aid is to be in the form of loans to local school districts, interest savings will normally be realized as the funds can usually be secured at a lower interest rate if the state is the guarantor of the securities. In contrast to grants, state loans result in debt which is payable in the future. If responsibility for repayment of the loan must be assumed by the local school district without any "forgiveness" feature, the burden of repayment will fall exclusively on the local property taxpayers, with all the resultant inequities.<sup>34</sup>

The third major procedure by which states provide aid to local school districts in meeting capital needs is by the use of building authorities. The use of state school building authorities began after World War II when Georgia (1951), Maine (1951), and Pennsylvania (1947) enacted legislation creating state school building authorities. However, school building authorities may, or do, operate at either the state or local level. In fact, the first school building authorities were at the local level, in Indiana and Kentucky, in the 1920's.

A public authority may be defined as a corporate body authorized by legislative action to function outside the regular structure of government in order to finance, construct, and generate revenue producing enterprises.<sup>35</sup> School building authorities have more limited powers than other authorities. A significant restriction is that school building authorities finance and construct, but do not operate schools.

A school building authority is not a governmental agency, but is "a public or quasi-public corporation having power to perform some or all of the functions without pledging the faith and credit or tax revenues of a governmental unit; issue authority bonds for public school purposes, construct public school buildings, lease public school buildings to local public school administrative units, and transfer title to such unit."<sup>36</sup> A school building authority obtains funds by sales of revenue bonds. Since it is not a governmental agency, state and local debt limits need not apply.

In Pennsylvania, many of the revenue bonds are sold to the state public school employees board. In Maine and Pennsylvania the bonds are limited to a 40-year term. Lease and lease-purchase contracts with local school districts provide the revenue by which the revenue bond principal and interest payments are made. In Maine and Pennsylvania rental payments are guaranteed by the state in the event of default by local districts. States which operate state building authorities allow school districts to use state capital outlay grant funds to meet the terms of the lease contract with the building authority.

In addition to state school building authorities, agencies in two states, which are normally classified as loan fund agencies, in fact operate similar to a state building authority. The Wyoming State Farm Loan Board which administers the Emergency School Construction Assistance Fund and the North Dakota State Board of Public School Education which administers the State School Construction Fund both essentially operate as building authorities.

Local building authorities are used in a number of other states. In Kentucky the local fiscal agent (county or city, depending on the type of district) may also act as a building authority to school districts, serving as a non-profit agency which issues revenue bonds for school construction and enters into a lease agreement with the school district. In addition to the state building authority, Pennsylvania also has Municipal Building Authorities. The New York City Educational Construction Fund provides for construction of public schools in combined-occupancy buildings. The Fund constructs joint-tenancy facilities, issues revenue bonds, and leases to the agencies or firms occupying the facilities. The city eventually becomes the owner of the school portion of the facility. The Fund has first lien on state school aid to New York City. Bonds are limited to 40 years. The Boston Public Facilities Commission and the Chicago Public Building Commission have also engaged in school construction and lease-purchasing with local school districts.

In addition, California, Florida, and Iowa allow school districts to engage in lease-purchase contracts with private individuals or corporations. In Florida, approval by the State Board of Education is required; in Iowa and California, approval of the voters is required. The term of the lease may not exceed 20 years in Iowa, 30 in Florida, and 40 in California. Construction must be approved by the district board in Florida and must be on property owned by the district in California. State capital support money may be used for lease-rental payments in Florida.

### 3. Use of Proceeds

Several options for the use of allocated state capital outlay funds are appropriate. State grant funds are often placed in a construction account in local districts or if not needed for some time, are usually invested as reserve funds until needed. If an immediate need for funds does not exist in the local district, the funds may be held in escrow at the state level until the local district has a project underway or has incurred debt that is scheduled for repayment. Usually state grants can be used for either capital outlay or debt service. However, New Hampshire's program stipulates that the funds can be used only for bond principal. Some state programs, such as Kentucky, Georgia, Maine, and Pennsylvania permit the payment of lease-purchase from the allocated funds. And, although the primary purpose of the state grants is to aid with school construction, a few states, such as Indiana and Kentucky, permit such grant funds to be used to meet current operating costs. Although this alternative may be in conflict with legislative intent, it allows districts which have made prior effort and have no current or projected need to put the funds to effective use.

As far as the use of state loan monies, each state operating a state loan program, except Michigan, permits the use of the loan funds for capital outlay. The Michigan program provides only for debt service needs in excess

of the revenue obtained from a local debt service tax levy of 13 mills, provided the district is also levying 12 mills for current operating expenditures. Minnesota loans money for both capital outlay and debt service, while Arkansas and Wisconsin permit the loans to be used for both refunding of existing debt and for capital outlay.

#### 4. Source of Funds

The ultimate source of revenue for local school districts in financing school facilities is the local property tax. However, whenever state funds have been made available for local school district capital outlay, they have usually been derived from nonproperty taxation or from nontax sources. Sources of funds for state grant programs may be appropriations from state general funds, earmarked state tax revenues, proceeds of state bond issues or the income from the permanent state funds. The three basic sources of funds for state loan programs are appropriations from state general funds (Indiana and North Dakota), state bonds (California, Michigan and Minnesota), and permanent school funds (North Carolina, Wisconsin and Wyoming). State loan programs that are based exclusively on state permanent funds are usually inadequately financed. The amounts available are usually small and fixed and bear little relationship to the needs of school districts.<sup>37</sup> Arkansas has an unusual twist in allowing the State Board of Education to borrow up to \$5 million from the Teacher Retirement System to supplement the permanent school fund resources used in their loan program.<sup>38</sup>

Other funds for financing building projects of local school districts have been derived from sources such as city building authorities, municipal authorities and regional or state agencies which utilize revenue bonds as a principal source of funds. Building authorities also obtain funds from legislative and local appropriations, state permanent and retirement funds and sales of stock.

Private sources of funds for school construction are used occasionally in a few states. Lease-purchase contracts are sometimes entered into with corporations, insurance companies, investment firms and commercial groups.<sup>39</sup>

The Financing Capital Outlay section of this report was prepared by L. Dean Webb, Consultant to the Joint Select Committee

FOOTNOTES

- <sup>1</sup>As quoted in: W. Montford Barr and William R. Wilkerson, Innovative Financing of Public School Facilities (Danville, IL: The Interstate Press and Publishers, Inc., 1973), p. 35.
- <sup>2</sup>Montfort Barr et. al., Financing Public Elementary and Secondary School Facilities in the United States, Special Study No. 7, National Educational Finance Project (Bloomington, IN: Bureau of Surveys and Administrative Studies, Indiana University, 1970).
- <sup>3</sup>David Alexander, "Financing Capital Outlay," Critical Issues in Educational Finance, eds. Stephen B. Thomas and Koy M. Floyd (Harrisonburg, VA: Virginia Institute for Educational Finance, 1975), p. 109.
- <sup>4</sup>Barr, et. al., op. cit., p. 139.
- <sup>5</sup>William R. Wilkerson and W. Montfort Barr, Financing School Construction in Virginia (Bloomington, IN: Center for Administrative Studies, Indiana University, mimeographed, 1973), p. 5.
- <sup>6</sup>John Augenblick, Systems of State Support for School District Capital Expenditures (Denver, CO: Education Commission of the States, 1977), p. 1.
- <sup>7</sup>Hollins v. Shofstall, Superior Court of Arizona, Maricopa County, No. C-253652, June 1, 1972, reversed, 110 Ariz. 88, 515 P.2d 590 (1973).
- <sup>8</sup>Robinson v. Cahill, 62 N.J. 473, 303 A.2d 273 (1973).
- <sup>9</sup>William R. Wilkerson, Problems and Issues of Fiscal Neutrality in Financing School Construction (Washington D.C.: School Finance Task Force, U.S. Office of Education, Department of Health, Education and Welfare, mimeographed, 1973), p. 5.
- <sup>10</sup>Serrano v. Priest, 487 P. 2d 1241 (Calif. 1971).
- <sup>11</sup>Rodriguez v. San Antonio School District, 337 F. Suppl. 280 (1973).
- <sup>12</sup>Richard A. Rossmiller, "Full State Funding in Education," Six Crucial Issues of Education (Denver, CO: National Association of State Boards of Education, 1972), pp. 5-27.
- <sup>13</sup>Augenblick, op. cit., p. 4.
- <sup>14</sup>Task Force on Public School Facilities Needs, Office of Education, Projections of Public School Facilities Needs, 1968-69 through 1972-73, Congressional Record, July 18, 1968, No. 124.
- <sup>15</sup>Wilkerson, Problems and Issues of Fiscal Neutrality in Financing School Construction, p. 9.
- <sup>16</sup>Augenblick, op. cit., p. 12.

- <sup>17</sup>Ibid., pp. 12-13.
- <sup>18</sup>Ibid., p. 5, citing Irene A. King and Richard Barr, Bond Sales for Public School Purposes, 1973-74, U.S. Department of Health, Education and Welfare, National Center for Educational Statistics (Washington, D.C.: Government Printing Office, 1975), pp. 4-5.
- <sup>19</sup>Kern Alexander and James Hale, "Financing School Facilities," Educational Equity: Improving School Finance in Arkansas (Gainesville, FL: Educational Finance and Research Institute, 1978), p. 157.
- <sup>20</sup>Educational Finance and Research Institute, "Financing School Facilities," Our Children's Educational Needs: Reforming School Finance in West Virginia (Gainesville, FL: Educational Finance and Research Institute, 1977), p. 157.
- <sup>21</sup>Alexander, op. cit., p. 114.
- <sup>22</sup>Educational Finance and Research Institute, op. cit., p. 158.
- <sup>23</sup>Augenblick, op. cit.
- <sup>24</sup>Ibid., p. 7.
- <sup>25</sup>Wilkerson, Problems and Issues of Fiscal Neutrality in Financing School Construction, p. 9.
- <sup>26</sup>Barr, et. al., op. cit.
- <sup>27</sup>Ibid., pp. 231-241.
- <sup>28</sup>The Equalization Study Advisory Committee of the State Superintendent of Public Instruction and the Equalization Study Staff of the Kentucky Department of Education, State Plan for Equalization of Financial Support to Public Education (Lexington, KY: Kentucky Department of Education, 1978), p. 25.
- <sup>29</sup>Ibid., p. 26.
- <sup>30</sup>Barr, et. al., op. cit., pp. 231-232.
- <sup>31</sup>C. M. Bernd, William K. Dickey and K. Forbis Jordan, "Revenue Requirements for School Transportation Programs and School Facilities," Educational Need in Public Economy (Gainesville, FL: The University of Florida Presses, 1976), p. 25.
- <sup>32</sup>Barr, et. al., op. cit., pp. 154-155.
- <sup>33</sup>Bernd, Dickey, and Jordan, op. cit.
- <sup>34</sup>Ibid.

<sup>35</sup>Ibid., p. 176 quoting Council of State Governments, Public Authorities in the States, Chicago, IL: Council of State Governments, 1953), p. 3.

<sup>36</sup>Ibid., quoting C. D. Hutchins and E. C. Deering, Financing Public School Facilities (Washington, D.C.: U.S. Office of Education, 1959), p. 199.

<sup>37</sup>Ibid., pp. 155, 164-166.

<sup>38</sup>Ibid., p. 167.

<sup>39</sup>Ibid., p. 72-73.

OVERVIEW OF COMMUNITY COLLEGE FINANCE IN ARIZONA

A Report to the  
Joint Select Committee on Tax Reform and School Finance  
of the Arizona Legislature

June 1979

OVERVIEW OF COMMUNITY COLLEGE FINANCE IN ARIZONA

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## INTRODUCTION

The "Overview of Community College Finance in Arizona" provides background information which reviews the Community College system in Arizona.

The overview begins with an examination of the current law and the Community College system as it presently exists.

The second section of the Overview provides data on revenues and expenditures from FY 1973-74 through FY 1977-78.

Section III provides information on community college district tax rates over the past several years.

Section IV describes the affect that inflation has had upon the current state aid formula for community colleges.

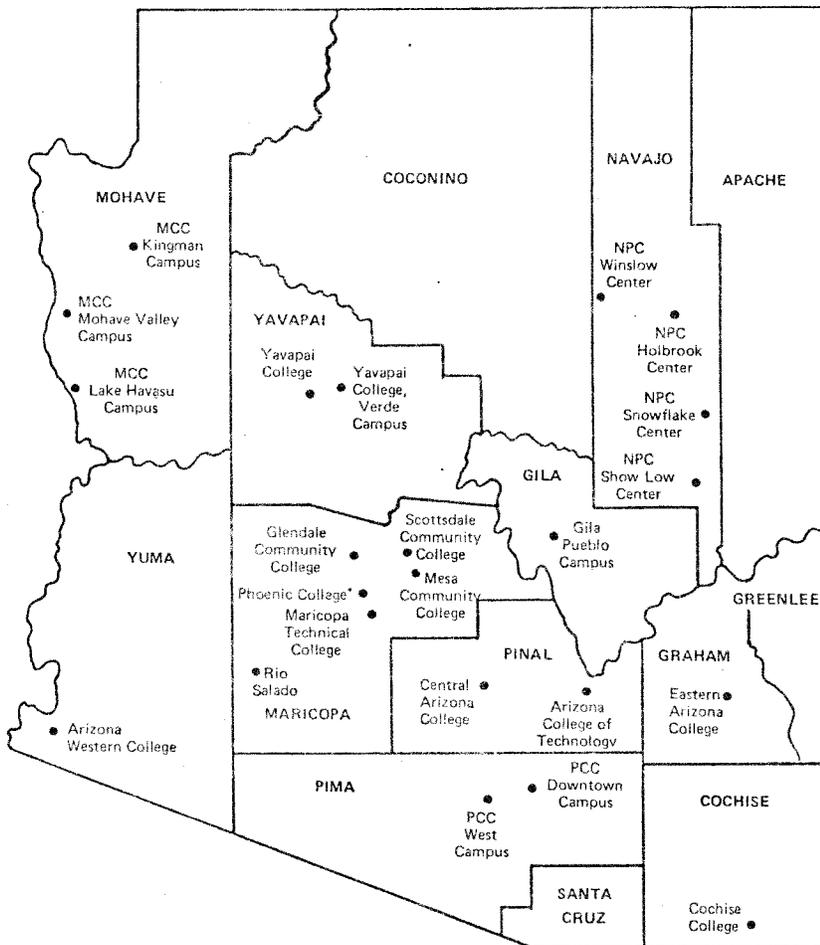
The fifth and final section of the Overview provides a comparison of financing methods in other states.

I. LEGAL BACKGROUND -- CURRENT LAW AND THE  
COMMUNITY COLLEGE SYSTEM AS IT EXISTS TODAY

Presently there exist nine community college districts in Arizona. Apache, Coconino, Gila, Greenlee, and Santa Cruz Counties are not organized community college districts. The Gila Pueblo Campus, which is located in Pinal County, and the Arizona College of Technology, which is located in Pinal County, are administered by the Graham and Pinal community college districts respectively.

TABLE 1

Arizona Community College Districts



- 9 Community College Districts
- 14 Colleges
- 10 Skill Centers
- 22 Campuses
- 379 Off-campus Locations

\*Rio Salado Community College established Fall 1978. (Centers throughout Maricopa County.)

The following sections highlight the key aspects of the current laws dealing with community colleges.

A. Formation of Community College Districts

A community college district may be organized for a single county or two or more contiguous counties if the total assessed valuation for the preceding year in the county or counties is equal to or greater than \$120 million. The district, before it is organized, must have a minimum potential of 320 full-time equivalent students. (A full-time equivalent student, or FTSE, means student enrollment for 15 college credit units per semester.) The State Board of Community Colleges determines this minimum potential has been met when 40% of the high school graduates in the county for the two years prior to organization will produce at least 320 FTSE.

B. Administration

1. Community College District Governing Board

The State Board establishes five precincts in the county based upon the organization vote. From each of these five districts one member of the county community college district governing board is elected. The district is required to hold monthly meetings. Vacancies on the district board are filled by the county school superintendent.

2. State Board of Directors for Community Colleges

The State Board of Directors for Community Colleges is composed of 17 members: one from each county, who are appointed by the Governor; one member from the Board of Regents; the Superintendent of Public Instruction; and the Director of the Division of Vocational Education. The State Board appoints an executive director who is not a member of the board. The State Board is required to meet not less than 8 times a year. Vacancies on the State Board are filled by the Governor.

C. Community College Budgets

By administrative rule and regulation each district is required to submit a preliminary budget to the State Board "on or about" April 10. By statute, not later than July 10 of each year each community college district submits a proposed budget for the current year to the State Board. The proposed budget must include:

1. The estimated cost of operational expenses.
2. The estimated funds needed.
3. The estimated per capita operational expenditure per annual FTSE (annual FTSE is determined by dividing the estimated total college credit units by 30.)

No later than the second Monday in August, each community college district board holds a public hearing on the proposed budget. In addition to the previously listed information required in the budget, the following information must be included in the proposed budget:

1. The percentage of increase or decrease in each budget category as compared to each category of the budget for the preceding year.
2. The total amount of revenues by source that was necessary to meet the district's budget for the fiscal year preceding the fiscal year of the proposed budget.
3. The total amount of revenues by source that will be necessary to meet the proposed district budget.
4. The combined property tax levies for the district for community college purposes and the components thereof for the fiscal year of the proposed budget.
5. The combined property tax rate for the district for community college purposes and the components thereof for the fiscal year preceding the fiscal year of the proposed budget.
6. The estimated amount of combined property tax levies for the district for community college purposes and components thereof necessary for proposed budget.
7. The percentage increase or decrease in property tax levies required for the proposed budget compared to the levies for the preceding fiscal year.
8. A statement to the effect that the board of supervisors of the county, unless otherwise authorized by the governing board of the district, is required by law to levy a total amount of property taxes on the district for community college purposes not in excess of the total amount levied on the district for community college purposes for the fiscal year preceding the fiscal year of the proposed budget. The statement shall further contain information to the effect that such authorization must be approved during proceedings convened for the final adoption of the district's proposed budget and if such authorization is given the property taxes of the district for community college purposes will be greater than the amount which the board of supervisors would otherwise levy.

Immediately following the public meeting, each community college district board adopts its final budget.

D. Financing of Community Colleges

1. Operational Support (M&O)

a. State Aid

- (1) Historical Perspective of State Aid. The following is a recap of legislative changes to the funding formula for operations since inception of the State Community College System in 1962.

<u>Year</u>		<u>Formula</u>
1962-1971	Basic Grant	\$525 per FTSE for first 1,000 FTSE \$350 per FTSE above 1,000 FTSE
1972-Present	Basic Grant	\$680 per FTSE for first 1,000 FTSE \$440 per FTSE above 1,000 FTSE
	Vocational/ Technical Grant (in addition to Basic Grant)	\$272 per FTSE for first 1,000 FTSE \$176 per FTSE above 1,000 FTSE

(2) Determination of State Aid. To receive state aid a district must prepare its budget based on its estimate of FTSE. In order to determine the estimated FTSE for the following fiscal year, a district must submit its estimate to the state board for approval. State aid is appropriated by the Legislature in the following amounts for each district:

- (a) First 1,000 FTSE - \$680 per capita per annum
- (b) Above 1,000 FTSE - \$440 per capita per annum
- (c) First 1,000 FTSE in vocational or technical courses - \$272 per capita per annum. (In addition to amount provided in (a) or (b).)
- (d) Above 1,000 FTSE in vocational or technical courses - \$176 per capita per annum. (In addition to amount provided in (a) and (b).)

The apportionment dates for state aid are the 15th of July, October, January and April. The first three payments are based on the estimated FTSE. The April 15 apportionment is adjusted for state aid purposes in the following manner: The number of FTSE as of 45 days after classes begin in the Fall and in the Spring are averaged to obtain the actual FTSE for the year. The actual FTSE is the amount on which final state aid payments are based. However, if the actual FTSE is greater than the estimate made by the district, the district will receive state aid based on their estimate.

State aid may be paid in the prescribed amounts per capita or it may be paid at a lesser amount, but the lesser amount must be sufficient to increase the district levy for maintenance to a tax rate of \$0.50 per \$100 assessed valuation.

The state aid provided for operational support cannot be expended for construction or repair of buildings or purchase of grounds or equipment.

b. State Equalization Aid

- (1) Historical Perspective of State Equalization Aid. The following is a recap of legislative changes to State Equalization Aid since its enactment in 1971.

Year

1971-1977 Equalization Aid was granted to any district with an assessed valuation of less than \$60 million at a tax rate of \$0.75 per \$100.

1977 to present Equalization Aid granted to any district with an assessed valuation of less than \$120 million at a tax rate of \$1.35 per \$100.

- (2) Determination of State Equalization Aid. If a district has an assessed valuation of less than \$120 million the state pays an amount equal to the difference between the amount which a \$1.35 tax rate on the assessed valuation of \$120 million would raise and what a \$1.35 tax rate on the districts assessed valuation would raise. Graham County is the only district presently affected by this provision. This equalization provision may only be used if the local district tax rate is greater than or equal to \$1.35.

- (3) Local. The county Board of Supervisors levy community college tax rates. If a district board fails to follow the budgetary procedures, the county board must levy a tax not in excess of the tax levied for the previous year. If a district board complies with all of the budgetary procedures, the county board sets a tax rate which will provide sufficient funds to meet the requirements of the budget.

2. Capital Outlay

- a. Historical Perspective of State Capital Outlay Aid. The following is a recap of legislative changes to the capital outlay funding formula since 1962.

<u>Year</u>	<u>Formula</u>
1962-1972	\$115 per FTSE for all students and all districts
1972-1977	\$135 per FTSE for all students and all districts
1978-Present	\$175 per FTSE for districts with less than 5,000 FTSE \$135 per FTSE for districts with 5,000 FTSE or more

- b. Determination of State Capital Outlay Aid. State aid for capital outlay is appropriated by the Legislature in the following amounts.

- (1) For districts with less than 5,000 FTSE -- \$175 per capita per annum.

- (2) For districts with 5,000 or more FTSE -- \$135 per capita per annum.

In addition, when a community college district board certifies the need for an additional campus or campuses to the State Board and the plan is approved by both the State Board and the Legislature, the Legislature appropriates an amount equal to 50% of the total cost for capital outlay for each campus. However, the amount appropriated cannot exceed \$500,000 at any one campus "including the purchase of equipment and facilities for cultural or auxiliary purposes of the community college, excluding the cost of any land donated to the district, and dormitories erected for the use of students or faculty members".

- c. Local. The district, with the consent of the State Board, may issue bonds to help finance permanent capital outlay. The constitutional bonding limitation of 10% of assessed valuation applies to community college districts.

d. Community College Bonding Authority

- (1) General Obligation Bonds (A.R.S. 15-686 E & F)

Community college districts, with the consent of the State Board, may conduct a General Obligation Bond election. . . "to determine whether or not bonds shall be issued and sold for purposes of paying its (college districts) share of the expenditures incurred for capital outlay." General Obligation Bond proceeds can only be expended for capital outlay purposes.

Districts may levy a tax and/or use its state aid capital outlay monies for bond interest and redemption payments.

- (2) Revenue Bonds

The State Board can authorize the issuance and sale of Revenue Bonds on behalf of the State Community College districts. Revenue Bonds can be sold for purposes of constructing the following facilities: student or faculty residence halls; dormitories, dining halls; student unions; field houses; stadia; and other revenue producing buildings, together with sites therefor and including equipment, furnishing, heating, lighting, and other service facilities in connection therewith.

Student registration fees and other income generated by the revenue producing facilities are the principal sources of revenue used to retire the bonds.

E. Students

A district may admit students from any part of the state which is not in a community college district on the same conditions as residents of the district. The county of the student's residence pays the community college district an amount equal to the operational expenses per capita per annum less the amount of average state aid per capita per annum.

## II. REVENUES AND EXPENDITURES, FY 1973-74 THROUGH FY 1977-78

### A. Revenue Sources

Table 2 illustrates the total revenue sources for all Arizona community colleges over the past five years.

Over the five-year period, revenue was derived from the following sources in these approximate percentages:

State Aid*	35%
District Levy	39%
Cash Balance	16%
Tuition, Federal, Other	10%

\*This includes both state aid for operation and for capital outlay.

The cash balance percentage was substantial in FY 1973-74 through 1976-77 partially because of the state's apportionment method in those years. During those years, the community colleges would estimate a lower than expected FTSE. The Legislature would make the appropriation based on this low estimate. Then in the spring, the community colleges would compute their actual FTSE for the year, which would be greater than the estimated FTSE. The Legislature would then make a supplemental appropriation to cover the increased FTSE. However, because the supplemental appropriation was made near the end of the school year, the community colleges were not able to spend the money before the end of the school year and thus had to carry the unspent money over to the next school year as a cash balance. Beginning with the 1976-77 school year, however, community colleges receive state aid based on the lesser amount of estimated FTSE vs. actual FTSE. The Legislature no longer has to provide a supplemental appropriation each year to meet the "increase" in FTSE.

### B. Expenditures

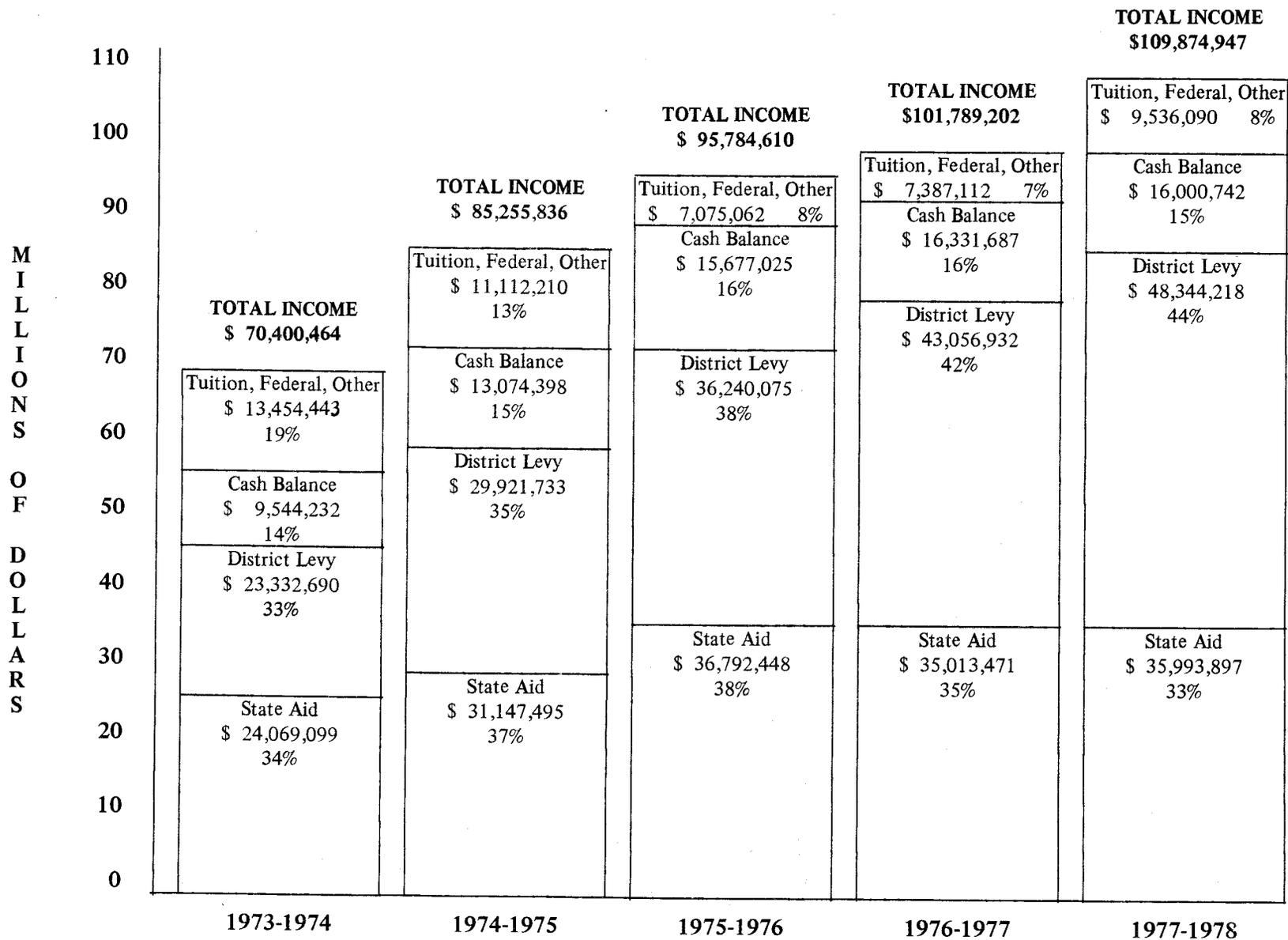
Table 3 illustrates the total expenditures of all Arizona community colleges over the past five years. (See page III-9)

Over the five-year period, expenditures were made in the following areas in these approximate percentages:

Operations	85%
Capital Outlay	10%
Bond Redemption	5%

In FY 1977-78 approximately 74% of the operations expenditures by line item was for salaries and wages; 12% was for fixed charges, such as operation of the physical plant; 6% was for communications; 5% was for supplies; and the other 3% was for contracted services, travel, library books, and miscellaneous. For the same year the operations expenditures by function were approximately: instruction 59%, student services and general expenses 13%, physical plant 13%, administration 10%, library and audiovisual 4%, and auxiliary enterprises 1%.

**TABLE 2  
TOTAL REVENUE SOURCES  
FY 1973-74 through FY 1977-78**

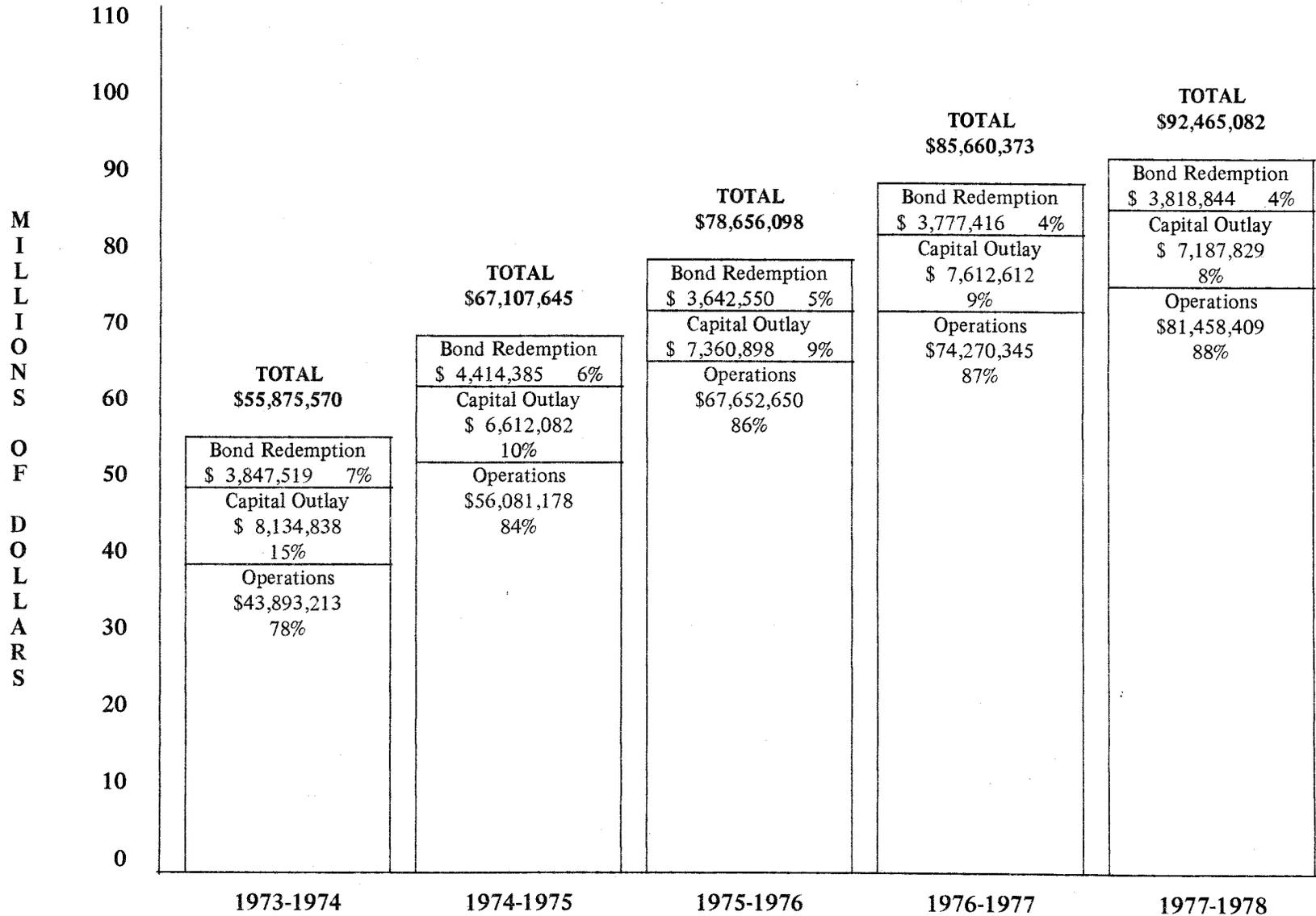


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**TABLE 3  
TOTAL EXPENDITURES  
FY 1973-74 through FY 1977-78**

6-III



C. State Average Operational Cost per FTSE

The following table traces the growth in the number of community college students on an FTSE basis, as well as the average operational cost per FTSE.

TABLE 4

Actual FTSE and State Average  
Operational Cost per FTSE

YEAR	TOTAL FTSE	PERCENT INCREASE (DECREASE)	AVERAGE OPERATIONAL COST PER FTSE	PERCENT INCREASE (DECREASE)
1964-65	9,308		\$ 667	
1965-66	12,227	31.4%	651	( 2.4)%
1966-67	14,052	14.9	737	13.2
1967-68	15,615	11.1	826	12.1
1968-69	17,930	14.8	883	6.9
1969-70	21,506	19.9	949	7.5
1970-71	26,672	24.0	1,078	13.6
1971-72	30,550	14.5	1,147	6.4
1972-73	30,957	1.3	1,253	9.1
1973-74	34,915	12.8	1,257	0.3
1974-75	44,808	28.3	1,252	( 0.4)
1975-76	53,388	19.1	1,267	1.2
1976-77	50,060	( 6.2)	1,484	17.1
1977-78	50,707	1.3	1,606	8.2

As the table indicates, the FTSE count increased from FY 1964-65 through FY 1975-76. From FY 1975-76 to FY 1976-77 the FTSE count decreased, but once again continued to increase the following year. From FY 1964-65 through FY 1977-78 the average annual percentage increase was 13.9%.

The average operational cost per FTSE remained virtually constant from FY 1972-73 through FY 1975-76. However, during the last two fiscal years shown on the table the average operational cost per FTSE has increased. The average operational cost per FTSE from FY 1964-65 through FY 1977-78 has increased at an average annual percentage growth of 7%.

Table 5, which follows, indicates the average operational aid per FTSE received from the state and from district levies.

TABLE 5

Average Operational Aid per Full-Time Equivalent Student (FTSE)  
from the State and from District Levies

YEAR	AVERAGE OPERATIONAL COST PER FTSE	AVERAGE STATE OPERATIONAL AID PER FTSE AND PERCENT OF AVERAGE COST		AVERAGE DISTRICT LEVY FOR OPERATIONAL COST PER FTSE AND PERCENT OF AVERAGE COST	
1972-73	\$1,253	\$570	45.5%	\$602	48.0%
1973-74	1,257	566	45.0	625	49.7
1974-75	1,252	560	44.7	619	49.4
1975-76	1,267	554	43.7	634	50.0
1976-77	1,484	554	37.3	808	54.4
1977-78	1,606	575	35.8	896	55.8

As the table indicates, the percentage of state aid received to the average operational cost per FTSE has declined each year while the average district levy as a percent of the average operational cost has increased in all but one fiscal year. (The remaining funds used to meet costs came from fund balances, tuition, federal aid, and other sources.)

D. State Average Capital Outlay and Bond Redemption Cost per FTSE

The following table traces the average capital outlay and bond redemption cost per FTSE as well as the average capital outlay aid received from the state and from district levies.

TABLE 6

Average Capital Outlay and Bond Redemption Cost per FTSE  
and Aid Received from the State and From District Levies

YEAR	AVERAGE CAPITAL OUTLAY AND BOND REDEMPTION COST PER FTSE	AVERAGE STATE CAPITAL OUTLAY AID PER FTSE AND PERCENT OF AVERAGE COST		AVERAGE DISTRICT LEVY FOR CAPITAL OUTLAY AND PERCENT OF AVERAGE COST	
1972-73	\$243	\$135	55.6%	\$57	23.5%
1973-74	343	124	36.2	43	12.5
1974-75	246	135	54.9	48	19.5
1975-76	206	135	65.5	44	21.4
1976-77	228	145*	63.6	52	22.8
1977-78	217	135	62.2	58	26.7

\*Includes \$500,000 for Pima Community College Downtown Campus

As the table indicates, the state contributes a far greater percentage of capital outlay and bond redemption cost than is contributed from district levies.

Section III, which follows, shows the impact on community college district tax rates and the amount of funds used for both operational support and for capital outlay and bond redemption.

### III. COMMUNITY COLLEGE DISTRICT TAX RATES

The following table illustrates community college district tax rates from FY 1973-74 through FY 1978-79.

TABLE 7

Community College District Tax Rates

District	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	Average
Cochise	\$1.05	\$1.00	\$1.12	\$1.09	\$0.92	\$1.27	\$1.08
Graham	0.86	1.00	1.07	1.10	1.35	1.35	1.12
Maricopa	0.57	0.57	0.59	0.71	0.76	0.84	0.67
Mohave	0.38	0.59	0.69	0.70	0.80	0.88	0.67
Navajo	0.14	0.98	0.90	0.84	0.76	0.68	0.72
Pima	0.48	0.60	0.60	0.67	0.65	0.84	0.64
Pinal	0.81	1.13	0.98	1.14	1.19	1.30	1.09
Yavapai	1.05	1.06	1.23	1.35	1.35	1.58	1.27
Yuma	1.22	1.14	1.32	1.27	1.39	1.64	1.33
Average	\$0.73	\$0.90	\$0.94	\$0.99	\$1.02	\$1.15	\$0.95

For the same period of time, levies have increased as well as the tax rates. In FY 1973-74, after the tax rates were set, community college levies on a statewide basis were to raise \$24.7 million while in FY 1978-79, \$56.5 million was to be raised. In FY 1978-79, community college district levies exceeded the total levies of cities for the first time (\$56.6 million vs. \$52.5 million).

#### IV. THE EROSION OF STATE AID SUPPORT DUE TO INFLATION\*

As the preceding two sections indicated, revenue derived from the local community college district tax base has increased over the past several years. A portion of the increase in local funds can be attributed to the state system of allocating aid to community colleges on a flat grant basis.

Any flat grant or fixed funding formula that is not automatically adjusted for inflation, yields less and less dollars in terms of purchasing power as inflation continues to increase. State aid to community colleges from FY 1973-74 through FY 1977-78 has fallen well behind the rate of inflation.

The following examples demonstrate the significant impact of lost purchasing power due to inflation.

##### Metropolitan Phoenix Consumer Price Index

The Metropolitan Phoenix Consumer Price Index used to determine constant dollars was obtained from the Bureau of Business and Economic Research as A.S.U. The CPI for the years prior to 1975 were roughly determined by the House staff from the fourth quarter CPIs provided by the Bureau of Business and Economic Research. There was not a Metropolitan Phoenix CPI prior to 1975. The Metropolitan Phoenix CPI was used to adjust all dollar amounts across the state because it was felt that the measurement would more clearly approximate the effects of inflation in Arizona as a whole than would the national CPI.

The quarterly reported CPIs were used to develop the following fiscal year CPIs:

FY 1973-74	100.0
FY 1974-75	107.8
FY 1975-76	115.9
FY 1976-77	122.5
FY 1977-78	133.4

In simple terms, it would take approximately \$1.33 in FY 1977-78 to equal a FY 1973-74 dollar in terms of purchasing power.

The following table illustrates the state operational and capital outlay aid formula amounts on a per FTSE basis and the affects of inflation. From FY 1973-74 through FY 1977-78 as depicted in the table, there was no change in the state aid formula so that in FY 1977-78 districts received the same dollar amounts as shown in FY 1973-74.

\*Portions of this text abstracted from "Education and the Money Crisis", K. Howden, State Board of Directors for Community Colleges.

TABLE 8

State Operational and Capital Outlay Aid  
Adjusted for Inflation, FY 1973-74 through FY 1977-78

## STATE AID

	Operational Aid Adjusted for Inflation (per FTSE)				Capital Outlay Aid Adjusted for Inflation (Per FTSE)
	1st 1,000 FTSE	over 1,000 FTSE	1st 1,000 Voc. FTSE	over 1,000 Voc. FTSE	
FY 1973-74	\$680	\$440	\$272	\$176	\$135
FY 1974-75	733	474	293	190	146
FY 1975-76	788	510	315	204	156
FY 1976-77	833	539	333	216	165
FY 1977-78	907	587	363	235	180
Actual					
FY 1977-78	\$680	\$440	\$272	\$176	\$135
Difference	\$227	\$147	\$ 91	\$ 59	\$ 45

In periods of accelerated enrollment growth, the community colleges kept pace with inflation because they were getting more and more dollars in state aid as a result of upward enrollment trends. With enrollment growth fairly stable over the last three year period and rising costs because of unprecedented inflation, college districts have had to lean heavily on local property tax levies to balance budgets. In effect, local districts have had to carry more and more tax burden because the state aid contribution does not compensate for the loss of purchasing power due to inflation.

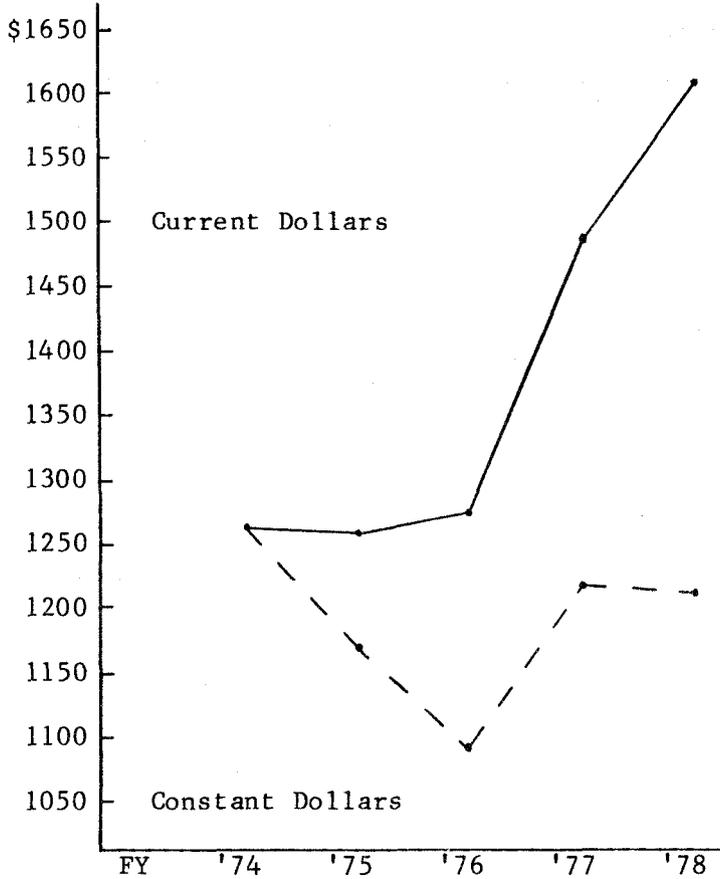
Table 9 is a graphic comparison of the Metropolitan Phoenix Consumer Price Index as related to current and constant dollars.

TABLE 9

Graphic Comparison of Consumer Price Index as Related to  
Current and Constant Dollars, Arizona State Community College System

Community College Operating Costs/FTSE  
(Average for all Districts)

Year	Current Dollars	Constant Dollars
1974	\$1,257	\$1,257
1975	1,252	1,161
1976	1,267	1,093
1977	1,484	1,211
1978	1,606	1,204

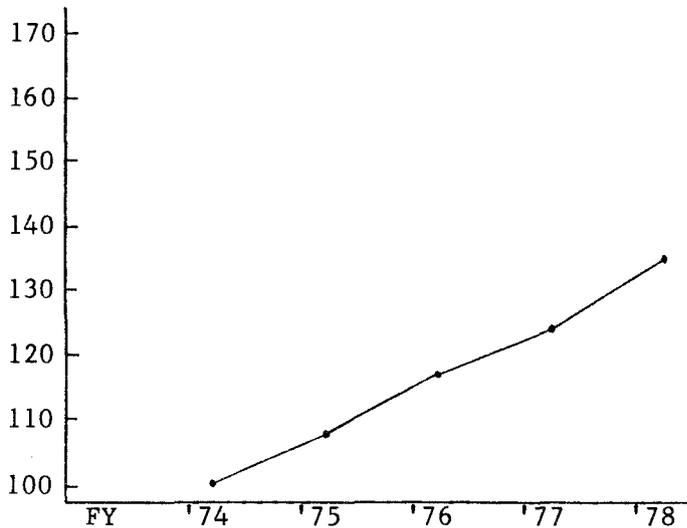


FY Metro Phoenix Consumer Price Index  
1973-74 through 1977-78

Metro Phoenix CPI  
Fiscal Year Ending

FY-CPI

1974	100.0
1975	107.8
1976	115.9
1977	122.5
1978	133.4



V. COMPARISON OF FINANCING METHODS IN OTHER STATES  
FOR OPERATIONAL PURPOSES<sup>1</sup>

Researchers at the Institute of Higher Education, the University of Florida, studied community college funding in the United States from 1973 to 1976. Information was provided by each state regarding the current funding method and any changes occurring in funding.

Allocation of funds to community colleges varies considerably from one state to another and in some instances varies from one community college to another within a state. Wattenbarger and Starnes felt that sufficient similarities existed to permit classification of funding methods into four general funding methods. These models are (a) full state assumption -- negotiated budget funding, (b) unit rate formula, (c) minimum foundation, and (d) cost-based funding.

Since several states support more than one funding plan, a state may fall into more than one category.

A definition of each model and the number of states which use each model follows.

A. Full State Assumption -- Negotiated Budget Funding

This method involves presentation of budgetary needs before a state legislature by a member of the state board or a college representative. Actual budgetary funds are determined on the basis of negotiation between the college or state board representative and the legislature. The budget is approved in full or on a line item basis.

No states in this category reported any revenue from local district taxes to support colleges.

Number of states using this method -- 12.

B. Unit Rate Formula

The unit rate formula allots a set amount per unit of measure. In many states, a set amount is allotted per Full-Time Equivalent Student (FTSE) or per credit hours. Credit hour and FTSE are the most common units of measure.

Some states, in addition, place a maximum ceiling on community college aid. This ceiling is often a percentage of college operating expenses.

Number of states using this method -- 15.

Maximum level of state support established -- 5 states.

No maximum -- 10 states.

<sup>1</sup>Statistics regarding methods of support are taken from Financial Support Patterns for Community Colleges, Starnes, Paul M. and James L. Wattenbarger, Institute of Higher Education, University of Florida, Gainesville, 1976.

C. Minimum Foundation Funding

Individual college district funding is computed at a variable rate depending on the amount of local tax funds available and/or providing a state minimum support per student when state and local funds are combined.

Number of states using this method -- 8.

NOTE: Arizona was placed in this funding category because of current statutory language. However, the state is more appropriately placed in the Unit Rate Formulas, as the provision in statute which provides that a minimum \$0.50 per \$100 assessed valuation be levied is, in fact, nonoperative.

D. Cost-Based Program Funding

Funding is provided under this method on the basis of costs, which vary with different curricula, different colleges (such as the College of Education versus the College of Liberal Arts), and college operations, including student services, instruction and research, and administration.

Local tax funds may or may not be used under this model.

Number of states using this method -- 15.

E. State Summary

The following list places the states into the aforementioned four funding categories. Since several states support more than one funding plan, a state may fall into more than one category.

1. Full State Assumption -- Negotiated Budget Funding (12 states)

Colorado (state controlled)  
Connecticut (state system)  
Delaware (one institution only)  
Idaho  
Indiana (one institution only)  
Kentucky (part of University System)  
Maine (part of University System)  
Massachusetts (state system)  
Rhode Island (one institution only)  
Utah  
Vermont (one institution only)  
Virginia (also related to cost analysis)

2. Unit Rate Formula Funding (15 states)

a. Maximum level of state support established

Maryland (\$1100/FTE -- maximum)  
Missouri (\$20/credit hour -- maximum)  
New Jersey (\$600/FTE -- state maximum)  
New York  
Pennsylvania (\$1500/FTE -- maximum)

b. No maximum presented

Alabama (pro rata share of appropriated funds)  
Alaska (academic programs only)  
Colorado (totally controlled) (state residents only)  
Kansas (maximum of \$15.50/credit hour)  
Mississippi  
Nebraska (pro rata share of total)  
North Dakota  
Ohio (in six categories)  
Oklahoma (locally controlled) (limited by appropriations)  
Oregon (state residents only)

3. Minimum Foundation Funding (8 states)

Arizona\*  
California  
Illinois  
Michigan  
Montana  
New Mexico  
Wisconsin  
Wyoming

4. Cost-Based Program Funding (15 states)

a. Full state funding

Arkansas  
Florida (cost studies at state level)  
Georgia (costs determined by Regents)  
Hawaii (negotiated amounts)  
Louisiana (computed statewide)  
Minnesota (computed and/or negotiated)  
Nevada  
Tennessee  
Washington  
West Virginia

b. Local support in addition to state

Iowa  
North Dakota  
Oklahoma (state system)  
South Carolina  
Texas

Two states did not report a method of funding community colleges: New Hampshire and South Dakota.

The following table summarized the preceding sections. In addition, the table presents with each of the four types of financial support, some of the alternatives available within each type and the advantages and disadvantages of each alternative. Following the table is narrative summary which briefly explains each of the alternatives.

\*See note on page III-17 under Minimum Foundation Funding

TABLE 10

## Community College Financial Support Patterns

Financial Support Type	States Using Funding Approach	Alt. No.	Alternative	Advantages	Disadvantages	Comments	
A. Full State Assumption  All operating and capital funds appropriated by the State	Colorado Conn. Delaware Idaho Indiana Kentucky  (12)	Maine Mass. Rh. Isl. Utah Vermont Virginia	Al  Negotiated		-Potential for full equalization -High degree of accountability -Eliminates direct dependency on local property taxes	-Large staff may be required -Loss of direct responsiveness to local needs may occur with decisions being made at state level	
B. Unit Rate or Flat Grant  State allocation of funds on basis of a simple formula specifying dollars per unit measure (e.g. current Arizona formula)	Alabama Alaska Arizona Colorado Kansas Maryland Miss. Missouri  (16)	Nebraska N. Jersey New York N. Dakota Ohio Oklahoma Oregon Pennsylv.	B1	Current formula (Arizona)	-No Change in legislation required -High local control	-No inflation factor -Minimum urban/rural differentiation -High variance in tax rates -High and increasing dependency on the local property tax	
			B2	Single formula (Modification of current formula)	-Minimal change in legislation required -High local control	-Minimum urban/rural differentiation -High variance of tax rates	Built-in inflation factor
			B3	Double formula (two sets of coefficients)	-Minimal change in legislation required -Provides urban/rural differentiation -High local control	-Medium variance of tax rates	Build-in inflation factor

TABLE 10  
(continued)

Financial Support Type	States Using Funding Approach	Alt. No.	Alternative	Advantages	Disadvantages	Comments
C. Minimum Foundation Funding  State allocation computed at a variable rate dependent upon local tax funding capabilities. (Involves some form of equalization and a minimum cost per FTSE foundation level.)	Calif. N. Mexico Illinois Wisc. Michigan Wyo. Montana (7)	C1	Equalized tax rate in organized districts	-Equalizing of CC costs throughout organized districts -Tax rate less sensitive to local A.V. fluctuations	-Could reduce local decision making	
		C2	Percentage Match (Arizona)	-Improved urban/rural differentiation -Build-in inflation factor	-May not reduce dependency on property taxes	Percentage could be differentiated between rural and urban
		C3	Assessed valuation equalization (Modification of current formula)	-Improved urban/rural differentiation -Reduce dependency on property taxes	-Medium variance of tax rate	
D. Cost-Based Program Funding	Arkansas Minn. Florida Nevada Georgia Tenn. Hawaii Wash. Louis. W. Virg. (10)	D1	Full State Support (two sets of coefficients)	-Provides funding compatible with local needs -Provides urban/rural differentiation	-Complex formula	
	Iowa S. Carol. N. Dak. Texas Okla. (5)	D2	State plus local support	-Provides funding compatible with local needs	-Complex formula	

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Community College Financial Support Patterns

A. Full State Assumption (Alternative No. A1)

Funds are requested from the state for the total operational and capital requirements on a negotiated basis.

B. Unit Rate or Flat Grants

Alternative No. B1: The present formula for Arizona, as described previously, falls within this category. Funds are appropriated on a specified amount per unit.

Alternative No. B2 -- Single Formula: This alternative basically provides that the unit rates as described in B1 be adjusted or modified to correct for inflationary losses. The present state aid formula could be modified to include an inflationary factor.

Alternative No. B3 -- Double Formula: This basically provides one formula for small districts and a different formula for large districts. It could or could not include an inflationary factor. This approach is presently being used for state aid for capital outlay which distinguished between large and small districts (greater or less than 5,000 FTSE).

C. Minimum Foundation Funding

Alternative C1 -- Equalized Tax Rate Throughout College Districts: This alternative is similar to the current funding system used for elementary and secondary schools. A level of funding is guaranteed and in order to achieve the guaranteed level a district must make a uniform local effort. The result is a funding approach wherein all college districts would levy an identical tax rate in order to achieve the guaranteed funding level.

Alternative No. C2 -- Percentage Match: This concept provides that the state contributes a fixed percentage of the operating costs, i.e., 50% state and 50% local; 60% state and 40% local.

Alternative No. C3 -- Assessed Valuation Equalization: This alternative is basically an extended version of the current equalization aid provisions for community college districts. For example, all districts with less than \$500 million in assessed valuation would receive "equalization aid" based on the differential of this actual assessed valuation and \$500 million, at a fixed tax rate.

D. Cost-Based Program Funding

Alternative No. D1 -- Full State Support: This alternative provides for full state funding based on program costs.

Alternative No. D2 -- State Plus Local Support: This alternative provides that aid be based on program costs and that the state and local contributions be based at a fixed percentage of program costs.