

amount on a state wide basis which is to be raised from property tax. The qualifying levy then is equal then to what ever the uniform state wide levy would be necessary to raise that local tax...that local property tax on a state wide basis. What this means is that there would be a fluctuating to some extent qualifying levy, and this concept is necessary if we are going to retain the concept year after year, the state providing 50% of the support. The exact levy that would be used by other schoold districts are on a fractional basis if they are not a K-12 system in relation to what they would have to have if they were a K-12 or for example a class one school with the 1-8 grade would have a levy of  $\frac{3}{7}$  of whatever the state wide uniform levy was for a qualifying levy. Subsection 2 of section six deals with the factor that is in the present law dealing with sparcity and recognizing that in some areas of the state because of the sparcity of population they must have smaller sized classes then hence higher per pupil cost and in those instances the insured needs as it is spelled out is increased recognizing that necessity. Section 7 deals with the actual distribution of the.....to an individual school district in their determination of equalization aid if they have a qualifying levy sufficiently high. What this does exactly the way the present or essentially the way the present law works in which the foundation aid is considered, the amount of revenue from the qualifying levy is considered that other miscellaneous receipts which are identified in the bill are considered and these then are subtracted then from the insured need and that difference represents equalization aid to an individual school district. If they have a cost above the insured needs on a per pupil base cost above that then reverts back onto the local district just as the case now. Section eight deals again with the method of distributing the aid that was provided for in section four. YOU will recall that section four sets aside a certain amount 5 million dollars to be redistributed by the state board of education for those schools who would have an undue hardship because of limitations on expenditure on the bill because of an increase or decrease in any one given year. The total because...in the past we have arbiturarily...arbiturarily if a school got a or a had a certain growth they arbiturarily got a difference or a slight increase. This is changed to an application basis because generally you find a growing school district expenditures on a budget increase are not on a straight line basis that they tend to be staired stepped in that they can have perhaps an additional 50, or a 100 students one year with minimal changes in expense and staff while the following year the addition of 50 or 100 may make a significant difference because they can not be absorbed in existing classes an additional staff has to be placed on. This then would provide those schools additional funds as needed to meet those growing enrollment and also rise above much of the limitations in the bill. Section nine is distribution of the five point two million which represents 50% of the cost for transportation for special gifted children and for culturally and economically deprived. Again it is on application to the board of education which sets criteria for these programs. These are on-going programs whose criteria are already set. Section ten is the limitation factor in the bill which probably is the most controversial part on at least in the minds of some. The committee amendment, the study committee's bill however had a flat 5% limitation on increase in a budget of a given year. That same concept is retained in this bill but we have added because of the possible enactment of 172 and one additional limitation. There was a limitation as you know placed on 172 yesterday to the extent of 8%. The way 472 is written they have a 5% in a one year, or a 12% for the two years using the 71-72 school year as the base year. Or an average of six for the two. This is still compatible with the amendment