

it was called for, section four points out that expands on one-half of the cost being provided by the state as I have previously indicated plus it determines those receipts that are accountable to the local school districts in determining what portion of the cost will be shared by the state. Such state costs that a local school district have such as community services, adult education or school lunch programs as well as some others are left the responsibility of the local school districts both to fund and to operate if they so choose to have that kind of program. Also the bill is designed to be implemented over a two year period with half of the state support being put in the first year and half the second year and the reason for this is that there is a less of an impact obviously on sales and income tax rates when it or the increase is phased in over a two year period. I might mention at this point that the staff figures given to me this morning would indicate with the limitations as they are provided in the bill. That it would require in the year 1975 approximately 55 million dollars of additional money an equal amount in 76 to raise the funding up to the point equal or full requirement of the bill this is on the assumption of the 20 million revenue sharing is reappropriated this year. That is not done then of course that would have to be

(end belt #6)

(start belt #7)

added to the amount that I have just indicated. Section five sets apart a separate funding for later sections in the act which I will touch upon when I get to that point. Section six is the distribution between equalization and foundation A as a bill was designed 60% of the funds collected would be distributed on the foundation basis and 40% on equalization. I point, I might point out at this point that it is immaterial in a sense to what that percentage split is as long as the equalization portion is fully funded. According to the staff figures a 40% split would result and would provide for equal ...sufficient funds for the equalization portion to be fully funded and of course once equalization is accomplished then there is no reason not to distribute the balance of the money on a flat per pupil basis. The section seven is the level of insured needs the bill is designed so that the insured needs would increase in an annual basis in the same proportion as required by the spending limitations that this insures that state support will remain at a constant ratio rather than decline as been the case in recent experiences of the bill that was passed in 1967. The section eight is the way the qualifying levy is determined and for equalization aid and essentially the qualifying the levy for equalization aid would be the state wide levy that would be necessary to raise the amounts necessary to be funded from local property tax. If it would be a floating levy and again, the reason that it is is to maintain the same ratio as provided for the bill in future years. Section nine is the allocation of one of the special funds a part of this, or this one is five million dollars which is placed in a special fund and the school districts upon applications essentially hardship cases can apply because of increase or decreasing enrollment. This is a problem that we have worked with for a number of years. In the past we have generally gone the route that if a school district had a certain percentage increase in enrollment that they were allowed a certain percent