

OREGON STATE SCHOOL FUND HISTORY
Highly abridged

BEFORE MEASURE 5

Property tax primary source of school funding. Although state Basic School Support equalized to some degree, there were still wide disparities in funding per student across the state, both because some district voters were willing to pay a higher rate and because some districts had greater property wealth.

MEASURE 5 (1990)

Over 5 year period, lowered property tax rate for school operations to \$5 per \$1000. No local option to exceed rate

State becomes major funder of schools. At full phase in, everyone paying the same tax rate for schools.

SCHOOL FUNDING		
	Property Tax	State School Support
1990-91	\$1,550	\$606
1995-96	\$927	\$1,750

In thousands.

STATE SCHOOL FUND (1991)

Four principles:

- Share all school resources
- Districts decide how to spend money
- Adjustments made only for factors outside district control
- Minimize incentives to change behavior

Issues:

- What is equity – equity of resources, opportunity, or outcomes?
- Tradeoff between equity and creating unwanted incentives (identification bias).
- What if districts not spending allocated amount on the particular purpose?
- Community identity
- Tradeoff between state funding and adequacy.

MEASURE 50 (1998)

Froze tax rate and limited property value growth. Allowed local option to impose taxes above Measure 50 limit, but not above Measure 5 limit.

Raises question of how/whether to equalize local option levies.

Legislature adopts system to largely equalize power to tax.

Equity issue involves tradeoff between:

- Equity for students statewide
- Adequacy
- Local control (vote with your feet)
- Fairness of the property tax itself