

**PROFILE OF CHANGES IN COLORADO SCHOOL FUNDING
1988-89 TO 1996-97, WITH A COMPARISON OF 1996-97
TO 1994-95 AND TO 1995-96**

Prepared for

THE COLORADO SCHOOL FINANCE PROJECT

Colorado Association of School Boards
Colorado Association of School Executives
Colorado BOCES Association
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This is the fourth in a series of annual profile reports designed to examine the status of school funding in Colorado. The first report compared 1993-94 to 1988-89 using statewide average information.¹ The second and third reports updated the first one to include data for 1994-95 and 1995-96 and supplemented statewide average information with data designed to examine differences across school districts based on their size (enrollment level), enrollment growth, and wealth.² This report examines data for 1996-97, comparing it to data for 1988-89, 1994-95 and 1995-96. The report is designed to fulfill one objective of the Colorado School Finance Project: to monitor school funding using reliable data by tracking the level of state and local support for public schools and examining how funds are spent.

The attached tables present the comparative data. The first group of tables (Tables 1-5) displays statewide averages and provides historical data for 1988-89, 1994-95, 1995-96, and 1996-97 along with annual changes between those years. The second group of tables (Tables 6-8) displays data for 1996-97 disaggregated for school districts organized by size, change in enrollment, and wealth. It should be noted that some data are provided for a school year (such as 1996-97) and other data are provided for a fiscal year (such as FY1997); for our purposes, we use the year 1996-97 as essentially the same as FY1997 although the use of the particular designation is more precise. The data indicate that:

¹ "A Profile of the Fiscal Status of Public Schools in Colorado: Changes Between 1988-89 and 1993-94 and Comparisons to Other States" (Colorado School Finance Project, January 1996).

² "Profile of Changes in Colorado School Funding, 1988-89 to 1994-95" (Colorado School Finance Project, December [Revised] 1996).

- ! enrollment levels in Colorado's public schools continued to grow in 1996-97 although at a slightly more rapid rate than in previous year(schools served 107,500 more pupils in 1996-97 than they did in 1988-89);
- ! enrollment of low income pupils and those in special education programs continue to be at comparatively high levels.
- ! local revenues increased in 1996-97, although at a lower rate than in 1995-96.
- ! state revenues increased in 1996-97, they increased at a faster rate than in the previous year;
- ! the revenues available to school districts in 1996-97 have not kept pace with growth and inflation since 1988-89, which resulted in a revenue "gap" of \$526 per pupil(about \$338 million in total) for 1996-97, this gap is higher than that in 1988-89 but less than the previous year;
- ! per pupil spending in 1996-97 was 9.7 percent lower than it had been in 1988-89 after considering the impact of inflation (the Denver-Boulder Consumer Price Index rose by 34.4 percent during the period);
- ! the average salary level of teachers in Colorado continued to fall further behind its 1988-89 level. When inflation is taken into consideration, teachers are earning over \$3,000 less today than in 1988-89 after looking at inflation;
- ! Colorado's population continued to grow in 1996-97 and both statewide property valuation and personal income increased although property value rose at a rate higher than personal income for the first time.
- ! support for education decreased as a proportion of income in 1996-97, with the result that had tax support for education as a percentage of aggregate personal income been the same in 1996-97 as it had been in 1988-89, the state's public schools could have obtained \$904 million more in revenue in 1996-97, an amount that is nearly three times the amount needed to eliminate the revenue gap.

Statewide Data

The figures in Table 1 indicate that enrollment continued to grow and that the pace

of that growth was nearly the same in 1996-97 as compared to 1995-96. In 1996-97, Colorado's public schools served 107,548, or 20.1 percent more pupils than they served in 1988-89. Of the total enrollment, 71,160 pupils, or 11.1 percent of all pupils, received special education services while 145,952 pupils, or 22.7 percent of all pupils, came from low income families. The data shows a reversal of the downward trend that had been seen in recent years in the proportion of pupils from low income families.

School districts in Colorado continued to rely more on local revenue, most of which comes from property taxes, than on state revenue in FY1997. Though this gap closed during FY1997, the growth in local revenue per pupil in FY1997 was considerably less than the increase in FY1996. State revenue increased at a higher rate in FY1997 than in FY1996 and the rate of growth was much larger than that of local revenue. Between FY1996 and FY1997 total revenue per pupil rose by 2.8 percent, a rate below that of inflation (which was 3.5 percent as measured by the Denver-Boulder Consumer Price Index) and slightly lower than that of the previous year.

In previous reports, school district expenditures have been divided into two components: (1) total "A", an amount that excludes all capital spending as well as spending for transportation, food services, and community services -- total "A" reflects the basic operating costs of the districts and (2) other operating revenue. As shown in Table 2, districts spent \$4,877 per pupil for basic operating purposes in FY1997, 4.2 percent more than they had spent in FY1996. If the figures for CY1989, FY1995, and FY1996 are expressed in FY1997 dollars, adjusting each year's data by an appropriate amount to reflect inflation, then spending in FY1997 was about 9.7 percent lower than it had been in

CY1989; where spending in FY1996 is below that of FY1995, FY1997 spending has grown above that of FY1995. In FY1997, the rate of spending for other operations, adjusted for inflation, continued decreasing to a level 12.4% below 1988-89. Too, the downward trend in the proportion of spending allocated to instruction, seen in the previous year, continued. Also, the long term trend to spend a lower proportion of all funds on the operation and maintenance of facilities (plant operation) is again apparent in FY1997. The percent spent on Administration has stayed fairly constant over time.

The figures in Table 3 illustrate the continuing existence of a revenue "gap" for Colorado school districts. Based solely on inflation, school districts should have received \$741.4 million more revenue in FY1997 than they received in CY1989; because they only obtained \$459.6 million in new revenue for inflation, they lost \$281.8 million in the aggregate, or \$438 per pupil in FY1997. Similarly, school districts should have received \$581.0 million to deal with enrollment growth between CY1989 and FY1997; because they obtained \$524.5 million, for growth, there was a loss of \$56.5 million, or \$88 per pupil. Taken together, districts needed \$338.4 million, or \$526 per pupil, more than they received in FY1997 to provide similar services to those they had provided in CY1989.

The availability of classroom teachers in schools is very sensitive to the revenue situation, as shown in Table 4. As revenues increase or decrease in real terms (adjusted for inflation), school districts employ more or fewer classroom teachers relative to the numbers of pupils they serve. In 1996-97, the number of classroom teachers per 1,000 pupils increased as real revenues increased. Teacher salaries continued a long term trend of declining in real terms; in 1996-97, the average teacher salary was 8.8 percent lower

than it had been in 1988-89 when adjusted for inflation. Yet, in 1996-97, the characteristics of teachers that affect their salaries, their years of experience and level of training, were almost identical to 1988-89 levels.

Finally, as shown in Table 5, the state continued to boom in 1996-97, with a growing population and expanding tax bases. In fact, although the rate of population growth in 1996-97 was lower than it had been in 1995-96, property valuation and aggregate personal income increased dramatically. Property valuation increased at its fastest rate in years, with aggregate personal income growing at a rate slightly less than 1995-96. Relative to income, reliance on both property taxes and state aid has been decreasing steadily over time (from 3.89 percent of income to 2.97 percent of income when property taxes and state aid are examined together), although property tax revenue has declined significantly relative to income (from 2.10 percent to 1.29 percent) while state aid has only decreased slightly (from 1.79 percent to 1.68 percent). This means that, in 1996-97 an additional \$904.0 million could have been available for public schools if the same proportion of personal income had been taxed by the state and by local districts to support those schools; since that amount exceeds the revenue gap discussed above, about \$566.6 million in tax relief could have been provided simultaneously.

Differences Across Districts Based on Enrollment

In Table 6, districts have been grouped into five categories based on their level of enrollment. As indicated, the vast majority of districts in the state (103), had fewer than 1,000 pupils although the nine largest districts enrolled more than half of all pupils. There is

no relationship between size and rate of overall growth in enrollment. Regardless of size, districts had a similar proportion of pupils enrolled in special education programs. The smallest and largest districts had the highest proportions of pupils from low income families with the greatest increase in that proportion between 1988-89 and 1995-96 in those largest districts.

In terms of teachers, the very smallest districts employed many more per 1,000 pupils and those with less than 20,000 pupils essentially had the same number of teachers per 1,000 pupils in 1996-97 as they had in 1988-89 while larger districts employed fewer teachers per 1,000 pupils in 1996-97 than had been the case in 1988-89. Salaries grow as the size of the district the teacher is in grows. These districts have a higher percent of teachers with an education at a masters level degree or higher. This higher level of education increases pay. The largest salary increase occurred in the smallest districts between 1988-89 and 1995-96, driven, in part, by increases in the training and experience of teachers in small districts relative to larger ones during the period.

As expected, the smallest districts spent the most per pupil, while spending grew as districts grew for districts with enrollments above 1,000 pupils. Spending in districts with enrollments below 20,000 pupils increased to a greater extent between 1988-89 and 1996-97 than it did in larger districts. The spending pattern was very similar across all districts, although smaller districts tended to spend a higher proportion on administration while larger districts tended to spend more on support services. In fact districts above 10,000 pupils spent about 7.7% more on support services than did the smallest districts. All districts spent a higher proportion of current expenditures on basic

functions in FY1997 as compared to CY1989.

In FY1997, larger districts tended to rely more on local revenue although both the very largest and very smallest districts local revenues decreased while they had the largest percentage increases in state revenues. The revenue gap was much greater in large school districts than in small ones and between CY1989 and FY1997, the revenue gap decreased in smaller districts and increased districts with between 20,000 and 49,999 enrollment, the largest districts stayed basically the same.

Small districts had the highest levels of property value per pupil and, while property declined between 1988-89 and 1996-97 in all districts, the decrease was substantially higher in larger districts as compared to small ones.

Differences Across Districts Based on Change in Enrollment

In Table 7, districts have been organized into five groups based on the change in enrollment between 1988-89 and 1996-97. During that period, enrollment decreased in 18 districts (by 5.0 percent, on average), grew by up to 38.0 percent in 120 districts, and rose by more than 38.0 percent in 38 districts (on average, the rate of growth was 68.7 percent in those districts). Districts with the largest growth had the smallest proportions of pupils enrolled in special education programs. There is a direct relationship between enrollment growth and the proportion of pupils from low income families: the higher the rate of growth, the smaller the proportion of such pupils -- in fact, the highest growth districts saw a reduction in the proportion of pupils from low income families between 1988-89 and 1996-97.

Districts in which enrollment declined employed more teachers per 1,000 pupils and, as might be expected, were the only districts in which there was an increase in the number of teachers per 1,000 pupils. The average salary level of teachers in 1996-97 was lower in districts that had the highest and lowest rates of growth. In the high growth districts this may reflect lower average years of experience and lower levels of training (that is, rapid growth districts may hire younger teachers).

There is also a relationship between rate of enrollment growth and per pupil spending for basic purposes: the higher the rate of growth, the lower the level of spending and the lower the rate of increase in spending over time. Rapidly growing districts spend slightly more on instruction and slightly less on support services as a proportion of all spending. The fastest growing set of districts spent more than any other group on administration. Districts spend a varying proportion of all current operating expenditures for basic purposes, the districts with growth of 13.0% - 23.4% spent the highest amount.

Faster growing districts rely to a slightly higher extent on local revenue than slower growing districts, in large measure because faster growth districts are wealthier than slower growth districts. In contrast those districts that have decreasing enrollment rely on state aid much more heavily than any other group. And districts that are growing faster have higher revenue gaps than slower growing districts (growing districts have much higher gaps compared to districts losing enrollment). The revenue gap has actually decreased for the fastest growing districts in the past few years. The gap in decreasing enrollment districts grew in FY1997 compared to FY1996.

Differences Across Districts Based on Wealth

Colorado's school districts are grouped into five categories based on their property wealth per pupil. Given the distribution of wealth across the districts, and the similarity in wealth for those districts in the center of the distribution, it is most appropriate to compare the highest and lowest wealth groups in order to understand the relationships between wealth and characteristics of the finance system.

While there is no obvious relationship between wealth and either enrollment growth or proportion of pupils in special education, the least wealthy and the most wealthy districts had the highest proportions of pupils from low income families.

In terms of teachers, the least wealthy and most wealthy districts had the highest numbers of teachers per 1,000 pupils but, while districts in all wealth groups had either decreases or basic stagnation in the numbers of teachers per 1,000 pupils, the highest decline was in the wealthiest districts. Teachers years of experience and training has increased over time in the least wealthy districts while it has decreased in the same time in the wealthiest districts. And while teachers in wealthier districts received higher salaries, the amount of increase between the groups was similar except for a slower increase in the \$42,000 - \$43,799 wealth category . Over time, the characteristics of teachers have become more similar in the districts, regardless of wealth.

In FY1997, per pupil spending for basic purposes was very similar for all districts other than the wealthiest ones, which reflects the fact that between CY1989 and FY1997, spending grew more in lower wealth districts than it did in higher wealth districts. The pattern of spending was very similar across all districts although lower wealth districts

spent a higher proportion on instruction and higher wealth districts spent a higher proportion on administration.

As would be expected, higher wealth districts obtain a much higher proportion of their revenues from local sources while state aid is highest for the least wealthy districts. While there was little change in the amount of revenue provided by local sources between CY1989 and FY1997, state aid rose substantially, with the highest increase in the most wealthy districts. The revenue gap was nearly twice as large in the wealthiest districts as compared to the least wealthy districts in 1996-97 and between CY1989 and FY1997 the gap only slightly increased or even decreased in lower wealth districts and increased in higher wealth districts.

TABLE 1

COMPARISON OF CHANGE IN NUMBER OF PUPILS, PUPILS ENROLLED IN SPECIAL EDUCATION, AND PUPILS FROM LOW INCOME FAMILIES BETWEEN 1988-89 AND 1996-97

<u>Year</u>	<u>1988-89</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>
(1) All Pupils (FTE)	536,196	612,053	627,274	643,744
<i>Change from Earlier Year</i>		2.2% ¹	2.5%	2.6%
(2) Pupils in Special Education (Head Count)	50,681	67,324²	69,317	71,160
<i>Percentage of All Pupils</i>	9.5%	11.0%	11.1%	11.1%
(3) Pupils from Low Income Families (Free Lunch Program Head Count)	96,812	141,741	137,811	145,952
<i>Percentage of All Pupils</i>	18.1%	23.2%	22.0%	22.7%

¹ This is an average annual figure for the period 1988-89 to 1994-95.

² In 1994-95 the approach to counting pupils in special education changed.

TABLE 2

COMPARISON OF CHANGE IN PER PUPIL REVENUES AND
EXPENDITURES BETWEEN 1988-89 AND 1996-97

<u>Year</u>	<u>CY1989</u>	<u>FY1995</u>	<u>FY1996</u>	<u>FY1997</u>
Current Operating Revenues:				
(1) Local	\$2,602	\$2,498	\$2,590	\$2,621
<i>Change from Earlier Year</i>		- 0.7% ¹	3.7%	1.2%
(2) State	\$1,797	\$2,397	\$2,449	\$2,559
<i>Change from Earlier Year</i>		4.9% ¹	2.2%	4.5%
(3) Federal	\$226	\$294	\$298	\$306
(4) Total	\$4,629	\$5,191	\$5,340	\$5,487
<i>Change from Earlier Year</i>		1.9% ¹	2.9%	2.8%

¹ These figures are average annual percentage changes for the period 1988-89 to 1994-95.

TABLE 2 (Continued)

<u>Year</u>	<u>CY1989</u>	<u>FY1995</u>	<u>FY1996</u>	<u>FY1997</u>
<u>Current Operating Expenditures:</u>				
(1) Total "A" per Pupil²	\$4,020	\$4,501	\$4,679	\$4,877
<i>Change from Earlier Year</i>		<i>1.9%¹</i>	<i>4.0%</i>	<i>4.2%</i>
Adjusted by CPI ³ to FY1997	\$5,402	\$4,866	\$4,842	\$4,877
(2) Other Operating per Pupil	\$532	\$620	\$641	\$626
<i>Change from Earlier Year</i>		<i>2.6%¹</i>	<i>3.4%</i>	<i>-2.3%</i>
Adjusted by CPI ³ to FY1997	\$715	\$670	\$663	\$626
(3) Distribution by Function:				
Instruction	66.2%	67.8%	67.2%	66.9%
Plant Operation	11.7%	10.3%	10.0%	9.9%
Administration	9.4%	9.5%	9.4%	9.3%
Support	12.7%	12.5%	13.4%	13.9%

² Total "A" excludes spending for capital purposes, transportation, food services, and community services.

³ To get to FY1997, multiply: FY1997 by 1.000; FY1996 by 1.035; FY1995 by 1.081; and CY1989 by 1.344.

TABLE 3

**COMPARISON OF ANTICIPATED AND ACTUAL CHANGE IN CURRENT
OPERATING EXPENDITURES BETWEEN CY1989 AND FY1997**

<u>CY1989 to FY1996</u>	<u>Change in Revenue Due to:</u>		
	<u>Inflation</u>	<u>Growth</u>	<u>Inflation and Growth</u>
Anticipated Increase in Revenue	\$741,427,524	\$581,013,576	\$1,322,441,100
Actual Increase in Revenue	\$459,594,803	\$524,484,985	\$984,079,788
Difference (Gap = Actual - Anticipated)	- \$281,832,721	- \$56,528,591	- \$338,361,312
Per Pupil Gap	- \$438	- \$88	- \$526

Change in Average Per Pupil Gap by Year

FY1995	- \$507
FY1996	- \$543
FY1997	- \$526

Note: Inflation is calculated using the Denver-Boulder Consumer Price Index (CPI), which grew by the following amounts between CY1989 and: FY1995, 24.6%; FY1996, 29.9%, and FY1997, 34.4%.

TABLE 4

**COMPARISON OF CHANGE IN NUMBERS AND CHARACTERISTICS
OF TEACHERS BETWEEN 1988-89 AND 1996-97**

<u>Year</u>	<u>1988-89</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>
(1) Classroom Teachers per 1,000 Pupils	51.7	49.9	49.3	49.5
(2) Total Teachers per 1,000 Pupils	58.1	55.9	56.6	56.4
(3) Average Teacher Salary	\$29,614	\$34,590	\$35,268	\$36,293
Adjusted to CPI ¹ to FY1997	\$39,801	\$37,392	\$36,502	\$36,293
(4) Average Number of Years of Experience	13	13	13	13
(5) Percentage of Teachers with at Least a Masters Degree	47.3%	48.0%	48.1%	47.2%

¹ To get to FY1997, multiply: FY1997 by 1.000; FY1996 by 1.035; FY1995 by 1.081; and CY1989 by 1.344.

TABLE 5

COMPARISON OF CHANGE IN STATEWIDE POPULATION, PROPERTY VALUE,
AND PERSONAL INCOME BETWEEN 1988-89 AND 1996-97

<u>Year</u>	<u>1988-89</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>
(1) Population	3,271,400	3,662,700	3,747,600	3,822,700
<i>Change from Earlier Year</i>		1.9% ¹	2.3%	2.0%
(2) Property Valuation (millions)	\$33,241	\$28,635	\$29,647	\$32,287
<i>Change from Earlier Year</i>		- 3.5% ¹	3.5%	8.9%
(3) Aggregate Personal Income (millions)	\$53,966	\$84,643	\$91,766	\$98,258
<i>Change from Earlier Year</i>		7.8% ¹	8.4%	7.1%
(4) Proportion of Personal Income Consumed by Current Operating Sup- port for K-12 Education:				
<i>Local Property Taxes:</i>				
Total (millions)	\$1,131	\$1,176	\$1,220	\$1,267
Percentage of Aggregate Per- sonal Income	2.10%	1.45%	1.36%	1.29%

¹ This is an average annual figure for the period 1988-89 to 1994-95.

TABLE 5 (Continued)

<u>Year</u>	<u>1988-89</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>
(5) Proportion of Personal Income Consumed by Current Operating Support for K-12 Education:				
<i>State General Fund Aid:</i>				
Total (millions)	\$964	\$1,467	\$1,536	\$1,647
Percentage of Aggregate Personal Income	1.79%	1.77%	1.72%	1.68%

Source: "Focus Colorado: Economic & Revenue Forecast, 1997-2003" (Legislative Council, December 1997)

Note: Some figures for 1994-95 and 1995-96 are different from those used in earlier reports due to revisions by the Legislative Council.

TABLE 6

**PROFILE OF SCHOOL FINANCE CHANGE, 1988-89 TO 1996-97
DISTRICTS GROUPED BY ENROLLMENT**

<u>Enrollment Category</u>	Less Than <u>1,000</u>	<u>1,000-</u> <u>9,999</u>	<u>10,000-</u> <u>19,999</u>	<u>20,000-</u> <u>49,999</u>	More Than <u>50,000</u>
<u>Group Characteristics:</u>					
Number of Districts	103	55	9	7	2
1996-97 Enrollment	36,686.5	143,892	129,295	188,167.5	145,702.5
<u>Change in Pupils 1988-89 to 1996-97:</u>					
Change in Total Enroll.	5,922.5	26,732	15,348	41,389.5	18,155.5
% Change	19.3%	22.8%	13.5%	28.2%	14.2%
% Spec. Ed. 1988-89	10.4%	10.0%	9.3%	9.2%	9.0%
% Spec. Ed. 1996-97	11.3%	11.4%	10.6%	11.2%	10.8%
% Low Income 1988-89	29.4%	21.4%	18.8%	11.7%	19.0%
% Low Income 1996-97	29.4%	21.7%	25.3%	14.4%	30.2%
<u>Teachers</u>					
1996-97 Tchrs./1,000 Pupils	76.9	59.5	56.2	54.8	50.3
Change in Teach./1,000	-5.0	0.2	0.3	- 0.7	- 5.7
1996-97 Average Salary	\$27,930	\$33,359	\$35,870	\$38,846	\$39,765
Change in Salary	28.2%	24.5%	23.1%	21.7%	20.8%
<u>Years of Experience:</u>					
1988-89	11.0	12.5	13.2	12.8	14.5
1996-97	11.7	12.8	14.1	13.3	13.4
<u>% with Masters or More:</u>					
1988-89	25.1%	38.7%	48.1%	51.5%	58.2%
1996-97	26.6%	41.6%	48.1%	50.6%	56.0%

TABLE 6 (Continued)

<u>Enrollment Category</u>	Less Than <u>1,000</u>	<u>1,000-</u> <u>9,999</u>	<u>10,000-</u> <u>19,999</u>	<u>20,000-</u> <u>49,999</u>	More Than <u>50,000</u>
<u>Spending</u>					
FY1997 Total "A" Per Pupil	\$5,344	\$4,696	\$4,590	\$4,917	\$5,140
<i>% Change CY1989 to FY1997</i>	24.6%	24.7%	24.9%	18.2%	18.6%
<u>Percentage of Total "A" by Function:</u>					
<u>Instruction</u>					
CY1989	66.5%	66.4%	66.4%	65.5%	66.4%
FY1997	66.8%	67.5%	67.6%	66.9%	65.8%
<u>Administration</u>					
CY1989	14.3%	10.9%	8.5%	8.8%	8.5%
FY1997	14.3%	10.2%	7.7%	8.7%	9.0%
<u>Plant M&O</u>					
CY1989	12.4%	12.1%	12.0%	11.4%	11.3%
FY1997	11.5%	10.5%	9.8%	9.3%	9.9%
<u>Pupil/Staff/ Other Support</u>					
CY1989	6.8%	10.6%	13.1%	14.3%	13.8%
FY1997	7.3%	11.8%	15.0%	15.0%	15.3%
<u>Revenue</u>					
Total "A" Spending as a % of Total <u>Operating Revenue</u>					
CY1989	80.7%	86.1%	87.5%	88.9%	86.3%
FY1997	82.5%	87.5%	90.3%	90.1%	89.3%

TABLE 6 (Continued)

<u>Enrollment Category</u>	Less Than <u>1,000</u>	<u>1,000-</u> <u>9,999</u>	<u>10,000-</u> <u>19,999</u>	<u>20,000-</u> <u>49,999</u>	More Than <u>50,000</u>
<u>Revenue (Continued)</u>					
FY1997 Percent of Total Operating Revenue:					
Local	43.9%	46.9%	37.1%	52.0%	52.9%
State	51.6%	46.6%	56.9%	44.0%	40.5%
Federal	4.2%	6.5%	6.0%	4.1%	6.6%
Change in Operating Revenue per Pupil CY1989 to FY1997:					
Local	- 3.8%	8.4%	5.0%	3.8%	- 9.0%
State	59.9%	38.0%	33.3%	35.8%	64.5%
Federal	11.4%	48.1%	30.5%	21.8%	47.3%
Revenue Gap per Pupil:					
FY1995 vs. CY1989	\$559	\$443	\$420	\$429	\$687
FY1996 vs. CY1989	\$460	\$402	\$308	\$707	\$705
FY1997 vs. CY1989	\$419	\$366	\$350	\$675	\$683
<u>Assessed Valuation</u>					
1996-97 per Pupil Change	\$71,443 - 3.6%	\$59,725 -4.6%	\$33,721 -15.5%	\$46,501 -25.3%	\$54,643 -29.8%

TABLE 7

**PROFILE OF SCHOOL FINANCE CHANGE, 1988-89 TO 1996-97
DISTRICTS GROUPED BY CHANGE IN ENROLLMENT**

	<u>Enrollment Change Category</u>				
	<u>Decrease</u>	<u>Up to 12.9%</u>	<u>13.0%- 23.4%</u>	<u>23.5%- 37.9%</u>	<u>More Than 38.0%</u>
<u>Group Characteristics:</u>					
Number of Districts	18	53	36	31	38
1996-97 Enrollment	25,566	207,912.5	237,186	95,095.5	77,983.5
<u>Change in Pupils 1988-89 to 1996-97:</u>					
Change in Total Enroll.	-1,332	17,949.5	36,714	22,450.5	31,765.5
% Change	-5.0%	9.4%	18.3%	30.9%	68.7%
% Spec. Ed. 1988-89	9.2%	10.3%	9.1%	9.0%	8.3%
% Spec. Ed. 1996-97	10.5%	11.9%	10.9%	11.2%	9.5%
% Low Income 1988-89	38.6%	24.4%	13.4%	13.0%	8.1%
% Low Income 1996-97	42.4%	36.5%	17.5%	12.9%	6.8%
<u>Teachers</u>					
1996-97 Tchrs./1,000 Pupils	61.7	56.3	54.2	57.9	59.7
Change in Teach./1,000	2.1	- 3.6	- 1.0	- 0.9	- 1.4
1996-97 Average Salary	\$32,749	\$36,672	\$37,455	\$36,566	\$33,005
Change in Salary	18.2%	22.0%	23.8%	23.0%	26.0%
<u>Years of Experience:</u>					
1988-89	14.7	13.9	12.8	12.5	10.2
1996-97	14.6	14.0	13.5	12.8	10.7
<u>% with Masters or More:</u>					
1988-89	45.7%	50.36%	47.7%	45.1%	38.0%
1996-97	44.2%	47.0%	48.8%	48.9%	42.3%

TABLE 7 (Continued)

	<u>Enrollment Change Category</u>				
	<u>Decrease</u>	<u>Up to 12.9%</u>	<u>13.0%- 23.4%</u>	<u>23.5%- 37.9%</u>	<u>More Than 38.0%</u>
<u>Spending</u>					
FY1997 Total "A" Per Pupil	\$4,816	\$5,105	\$4,722	\$4,942	\$4,679
<i>% Change CY1989 to FY1997</i>	27.2%	20.9%	23.4%	19.2%	18.3%
Percentage of Total "A" by Function:					
<u>Instruction</u>					
CY1989	65.9%	66.3%	66.3%	66.2%	65.2%
FY1997	65.8%	66.5%	67.2%	67.1%	67.1%
<u>Administration</u>					
CY1989	9.6%	9.4%	9.0%	9.3%	11.6%
FY1997	9.2%	9.0%	9.1%	9.2%	10.3%
<u>Plant M&O</u>					
CY1989	11.8%	11.0%	11.9%	12.5%	12.7%
FY1997	10.4%	9.9%	9.9%	10.0%	10.1%
<u>Pupil/Staff/ Other Support</u>					
CY1989	12.7%	13.4%	12.8%	12.0%	10.5%
FY1997	14.6%	14.6%	13.9%	13.7%	12.4%
<u>Revenue</u>					
Total "A" Spending as a % of Total <u>Operating Revenue</u>					
CY1989	89.0%	84.4%	88.7%	87.7%	87.6%
FY1997	88.0%	88.8%	89.8%	87.5%	88.4%

TABLE 7 (Continued)

	<u>Enrollment Change Category</u>				
	<u>Decrease</u>	<u>Up to 12.9%</u>	<u>13.0%- 23.4%</u>	<u>23.5%- 37.9%</u>	<u>More Than 38.0%</u>
<u>Revenue (Continued)</u>					
<u>FY1997 Percent of Total Operating Revenue:</u>					
Local	30.1%	46.5%	46.0%	55.9%	52.0%
State	61.5%	45.8%	49.3%	39.2%	45.5%
Federal	8.4%	7.7%	4.6%	4.8%	2.4%
 <u>Change in Operating Revenue per Pupil CY1989 to FY1997:</u>					
Local	25.4%	- 9.7%	10.0%	- 0.3%	1.0%
State	28.1%	52.5%	32.7%	61.0%	52.0%
Federal	46.4%	42.0%	54.5%	48.7%	-36.3%
 <u>Revenue Gap per Pupil:</u>					
FY1995 vs. CY1989 ¹	\$327				\$672
FY1996 vs. CY1989 ¹	\$233				\$638
FY1997 vs. CY1989	\$273	\$570	\$423	\$628	\$635
 <u>Assessed Valuation</u>					
1996-97 per Pupil Change	\$29,932 4.8%	\$49,099 -28.5%	\$47,377 -8.1%	\$55,938 -26.7%	\$60,991 -20.6%

¹ Not available because only four groups were used in these years, which do not match the five groups used in 1996-97.