

Oregon's Basic School Fund Budget Made of Make-Believe Figures

Editor's note: A revamp of some of Oregon's most-established money procedures has been suggested in a report by the legislature's own fiscal officer. This is the second of three articles on the subject.

By ANN H. PEARSON

Salem —(UPI)—The Oregon Legislature is dealing with make-believe figures when it makes its biggest appropriation of all, according to the legislative fiscal officer.

The legislature appropriated \$115 "per census child" to the basic school fund for local schools during the 1961-62 school year.

Actually, for a real child going to public school that year, the Hermiston School District received \$199.62 from the basic school fund.

The Pendleton School Dis-

trict, just 27 miles away in the same county, received \$124.11 from the same fund for a similar child.

Legislative fiscal officer Kenneth Bragg says it may be time for the legislature to stop dealing out school money blind.

He says the legislature may want to take public school financing matters into its own hands as explicitly as it has the rest of the state's money matters.

The basic school fund was created in 1946, when the voters decided state-collected taxes should help pay the cost of local schools.

It amounts to an estimated \$127.5 million for the current biennium, about one-third of all general fund money.

Most of the fund represents the state's share of the cost

of public grade and high schools, offsetting the local property taxes that pay the balance.

The basic school fund is the only one left in Oregon's general fund budget where the legislature makes a lump sum appropriation without saying how the money will be spent after that.

It also is the only case where the legislature doesn't know exactly how much it is appropriating. The legislature doesn't provide a flat sum. It appropriates so much "per census child between the ages of 4 and 20."

The final sum depends on the census.

Bragg says the confusion is multiplied because the census has nothing to do with the way the money is handed out and distributed.

In the first place, it does not even all go to the districts. The State Department of Education skims off its operating costs. So do some special programs. The governor wants to include educational television.

About 94 per cent that is left does go to schools, but not on a per-census-child basis.

For one thing, the census formula counts children between 4 and 20. Most children going to school are between

6 and 17. Of these, many are in parochial schools. Thus there are fewer children, or more money per actual public school child.

Small sums go to districts on the basis of growth and transportation needs.

Special Programs
Districts with special programs for handicapped, gifted, migrant, and retarded children get special help.

Of the bulk of the money that is left, 80 per cent goes to the districts on a "per weighted pupil" basis. That means per pupil, except a little more is added for high school students.

Then 20 per cent goes for equalization, to make sure each child gets an equal educational opportunity. Equalization is based on the true cash value of property in each district.

In other words, the poorer districts get more than the richer ones.

To put the whole thing in terms of Hermiston and Pendleton, each gets \$104.63 in flat per pupil grants.

But Pendleton, with true cash value of property at \$29,613 per pupil, get no equalization, while poorer Hermiston, with true cash value of \$10,806 per pupil, gets \$82.39 per pupil equalization.

Pendleton gets \$6.64 per pupil for special programs for the gifted, mentally retarded and curriculum improvement. Hermiston gets only \$0.96 for the handicapped and curriculum improvement.

Pendleton gets \$13.12 for transportation and \$6.36 for growth. Hermiston gets \$10.65 and \$1.95.

Bragg suggests that the legislature abolish the basic school fund.

Instead, he says, the legislature should make flat, separate appropriations for aid to local schools, the Department of Education, and each of the special programs.

Then, says Bragg, the law-makers will know just what they are doing when they appropriate money for public schools, and will be able to do what they intend.

STAR GAZER

By CLAY R. POLLAN

Your Daily Activity Guide According to the Stars

To develop message for Wednesday, read words corresponding to numbers of your Zodiac birth sign.

ARIES MAR. 21-20	Taurus APR. 21-20	GEMINI MAY 21-20	CANCER JUNE 21-20	LEO JULY 21-20	VIRGO AUG. 21-20	LIBRA SEPT. 21-20	SCORPIO OCT. 21-20	SAGITTARIUS NOV. 21-20	CAPRICORN DEC. 21-20	AQUARIUS JAN. 21-20	PISCUS FEB. 21-20
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Good Adverse Neutral

Why Home Rule Proposal Lost Discussed at Chamber Lunch

The ghost of the home rule controversy, one of the hottest local issues in many years, was raised briefly by two former members of the charter committee at the Monday noon meeting of the Medford Chamber of Commerce Roundtable.

The committee members, Dr. Arthur Kreisman of Southern Oregon college, and Paul Selby, Medford businessman, appeared on the program in the absence of Mrs. Alice Rutter, who was called out of town.

Selby began by disclaiming any intention of trying to breathe life into the matter.

"We're not here to start a controversy," he said, "but rather we'd like a discussion about the reasons why the voters turned the charter down by such an overwhelming margin."

Dr. Kreisman seconded Selby's statement.

Other Charters Pass

"We'd like to find out why

it was defeated," he said. "Nobody knows now what happened. Similar charters passed in two other counties."

"Here was a sincere, earnest group of citizens appointed by the county court to do a job. We studied the matter thoroughly, asked as many people as we could what they would like to have in a charter, worked hard to explain the proposal to the voters, and then had the charter utterly repudiated by a three-to-one margin."

The SOC professor speculated on some possible mistakes the charter committee might have made in attempting to inform the public about the charter and its provisions.

"Did we talk to too many groups like this one, instead of to different sections of the valley's population?" he asked.

Questionnaires Distributed

Before the discussion, short questionnaires were passed out to the Roundtable members in which they were asked to reveal their sources of information about the charter, whether they had favored or were opposed to the measure, and what were the determining factors that decided how they voted on the proposal last fall.

The Roundtable members were at considerable variance with the county's voters. According to the questionnaires, they had voted 16 to 8 in favor of the charter.

"Some had the idea that the charter committee was

trying to put something over on the voters," Dr. Kreisman said, "but that couldn't have been further from the truth."

Equal Numbers

He recalled that the committee was composed in equal number of Republicans and Democrats.

Dr. Kreisman said that before the election he and other members of the charter committee were subjected to what he termed "dirty in-fighting."

"I got letters and telephone calls accusing me of being a communist, a buddy of Khrushchev, and other vicious things like that," he said.

Selby asked the group whether another attempt should be made to put the charter before the voters.

Another try.

Against Details

One Roundtable member said he felt the people had voted "against details" in the charter, that it needed to be more simply written.

"How do you write a detailed charter?" Dr. Kreisman asked in return.

Another member suggested that opponents of the charter had appealed to the emotion rather than the reason of the voters, and yet another person said he felt people had connected the building code with the home rule idea.

At the end of the program, Selby asked how many in the audience would be willing to work in behalf of the charter should it be proposed again.

Only one hand was raised.

Your Money's Worth

By SYLVIA PORTER

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HOW TO SAVE ON TAXES—II

Major Changes in 1962 Tax Form

On the federal tax form which you will fill out in coming weeks to report what you owe on your 1962 income, there are exceedingly important changes resulting from the major tax laws passed by Congress in the last session.

One involves the new 7 per cent investment credit which is allowed for purchases of certain depreciable business property in 1962. This is shown on a completely new line, 15 (e) on Form 1040.

Thousands of business and professional men will find this new credit is giving them an unanticipated tax cut, for the credit is to be taken as a straight reduction in your tax, not just as a deduction from taxable income. It's almost the equivalent of a cash rebate. But if you are entitled to the credit, you also will have to fill out and attach a Form 3468 to your Form 1040. More on this in a later column.

Another change results from the fact that Congress gave many retired individuals a substantial tax cut by raising the retirement income credit in 1962.

This boost in the retirement income credit can mean a saving of up to \$114.80 for you, as an individual, on your 1962 return. If you are a married man and you and your wife are both entitled to a retirement income credit, the 1962 tax cut can be even greater.

The retirement income credit computation schedule on separate Schedule B has been revised to give you the higher credit. Be sure, therefore, to get the top saving due you through the new, higher credit by carefully completing this revised schedule.

A third change you will find on the 1962 tax return is a new method of collecting any refund to which you may be entitled.

In addition to having the choice of taking your refund in cash or as a credit against your 1963 estimated tax, you now have the choice of taking it in the form of U. S. Series E savings bonds. All you need do is show your preference in the appropriate space on line 19 of Form 1040. The government, incidentally, has a procedure for auditing returns claiming refunds and understandably chooses for audit those claiming the highest dollar amount of refunds. If you're claiming a substantial refund and you are filing a declaration of your 1963 estimated tax, you will might prefer to take your overpayment as a credit against your estimated tax rather than ask for a cash refund—and by asking just about guarantee an audit of your return.

A fourth change in the 1962 form appears in the depreciation schedule on Schedule C, used to report on business or professional income.

The depreciation schedule was altered to provide the taxpayer with a choice of computing depreciation under the Treasury Guideline methods (more on this in a later column) or under the taxpayer's previous method—whichever saves you more tax by giving you a bigger deduction.

A fifth highly significant change made last year doesn't show up in the form itself. It's only in the instructions to the form. This refers to the doubling of the medical expense ceiling.

In a column following in this series, details on this doubling will be spelled out, for the new ceiling is of crucial money-saving importance to taxpayers the nation over. In brief, the new medical expense tax break permits you, as a taxpayer who is not 65 or over and disabled, to deduct your medical expenses in an amount up to \$5,000 times your exemptions (not counting the special exemptions for blind persons or those 65 or over). Your deduction, however, can't exceed:

- (1) \$10,000 if you are single and not the head of a household nor a surviving spouse entitled to income splitting, or if you are a married person filing a separate return;
- (2) \$20,000 if you are a married person filing a joint return, or a single person who is head of a household or a surviving spouse entitled to income splitting.

If you are a disabled person 65 or over, you can deduct even larger amounts under the new law change.

Next: Expense Account Deductions.

Whatever you're saving for...

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