

THE EFFECTS OF THE RURAL SCHOOL DISTRICT LAW  
ON FINANCING OREGON'S SCHOOLS  
1947-1949

by

ERWIN FRED LANGE

A THESIS

submitted to

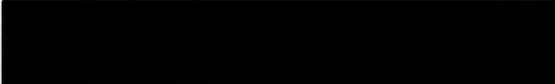
OREGON STATE COLLEGE

in partial fulfillment of  
the requirements for the  
degree of

DOCTOR OF EDUCATION

June 1951

APPROVED:

  
\_\_\_\_\_  
Professor of Education, and

  
\_\_\_\_\_  
Professor of Science Education  
In Charge of Major

  
\_\_\_\_\_  
Chairman of School Graduate Committee

  
\_\_\_\_\_  
Dean of Graduate School

Date thesis is presented May 9, 1951

Typed by Loree L. Lange

## TABLE OF CONTENTS

	Page
CHAPTER I. INTRODUCTION . . . . .	1
Nature of the Problem . . . . .	1
The Need of the Study . . . . .	4
Limitations of the Study . . . . .	7
CHAPTER II. HISTORY OF THE RURAL SCHOOL DISTRICT LAW.11	
Historical Background . . . . .	11
Oregon Education Association . . . . .	39
The Oregon State Grange . . . . .	44
Oregon Farmers Union . . . . .	58
Oregon Business and Tax Research, Inc. . . . .	61
Oregon League of Women Voters . . . . .	71
CHAPTER III. POLICIES, PROCEDURES, AND PROBLEMS . .	76
Rural School Board Policies and Procedures . .	76
Rural School Board Problems . . . . .	96
CHAPTER IV. THE EFFECT OF THE RURAL SCHOOL DISTRICT LAW . . . . .	114
Equalization of School Taxes . . . . .	114
Consolidation of School Districts . . . . .	131
Position of the County School Superintendent. .	137
Cooperative Planning . . . . .	142
School Property Taxes . . . . .	149
Related Effects . . . . .	157
CHAPTER V. SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS . . . . .	159
Summary . . . . .	159
Conclusions . . . . .	168
Recommendations . . . . .	170
Suggested Studies . . . . .	171
ADDENDUM . . . . .	173
BIBLIOGRAPHY . . . . .	176
APPENDIX . . . . .	182

## LIST OF TABLES

Table	Page
I. Vote on the Rural School District Law Nov. 5, 1946 . . . . .	28
II. Vote on Rural School District Law in First Class Districts . . . . .	29
III. Percent of Rural School District Levy Out- side of Six Percent Limitation for 1948-1949 School Year . . . . .	99
IV. Percent of Rural School District Levy Out- side of Six Percent Limitation for 1949-1950 School Year . . . . .	100
V. The Range of Tax Millage Rates of the Common School Districts During 1947-1948 School Year . . . . .	115
VI. The Range of Tax Millage Rates of the Common School Districts During 1948-1949 School Year . . . . .	116
VII. The Range of Tax Millage Rates of the Common School Districts During 1949-1950 School Year . . . . .	117
VIII. The Coefficients of Variation of Tax Rates .	121
IX. Percent of Property Taxes of Districts Comprising Rural School District Levied by Rural School Boards During 1948-1949 School Year. . . . .	124
X. Percent of Property Taxes of Districts Comprising Rural School District Levied by Rural School Boards During 1949-1950 School Year. . . . .	125
XI. County School Superintendents' Report of Effects of the Rural School District Law . .	126
XII. Uniform Tax Rates of Rural School Districts 1948-1949. . . . .	129
XIII. Uniform Tax Rates of Rural School Districts 1949-1950. . . . .	130

Table	Page
XIV. Change in Number of School Districts . . . .	134
XV. Salaries of Superintendents of County Unit Systems . . . . .	140
XVI. Salaries of Superintendents of Rural School Districts . . . . .	140
XVII. Salaries of County School Superintendents and Their Compensation from Rural School Boards . . . . .	141
XVIII. Number of Rural School District Hearings . .	148
XIX. Increases in School Property Taxes . . . . .	150
XX. Increases in School Taxes from All Sources .	150
XXI. Levies for Operating Expenses of Rural School Boards . . . . .	156

THE EFFECTS OF THE RURAL SCHOOL DISTRICT LAW  
ON FINANCING OREGON'S SCHOOLS

1947-1949

CHAPTER I

INTRODUCTION

The Nature of the Problem

As the American scene became more complex socially, economically, and industrially, the need for equalization of school property taxes became more and more a problem for all people concerned with public school finance. School districts endowed with rich natural resources or with large taxable utilities were able to support good schools with little effort on the part of the rank and file of taxpayers. However, in less fortunate districts the ordinary individual property owner was often taxed excessively even though only mediocre schools resulted. In states that adopted minimum standards for schools but did not provide state financial aid, the situation became more acute. Often districts did not possess the resources necessary to provide the type of education demanded by the state. In many school districts birth and immigration increases exceeded the rate at which the taxable wealth of the district developed. In such

districts the problem was intensified. Consequently, outside aid was frequently necessary, and out of this need grew many plans for the equalization of school support. Such plans have been made primarily on state and county levels as the Federal Government has not financially supported general public education.

Plans for equalization of school support in the United States had their greatest growth in the years following 1920. During this period (74, p. 19) the amount of school income derived from state sources increased from 16.7% in 1929 to 41.1% in 1947. The county has never been a source of large school support and the amounts obtained from county funds had gradually declined from 10.6% in 1929 to 5.2% in 1947.

In view of the national trend, it is worthy to note that the voters of Oregon approved two referendum measures appearing on the ballot in November 1946 dealing with the equalization of school support. The one legislative enactment, providing for state aid to public schools, was known as the Basic School Support Law, while the other, equalizing taxes on the county basis, was entitled the Rural School District Law. The latter was only applicable to rural school districts outside of first class and comparable union high school districts, while the Basic School Support Law provided for the

distribution of state funds to all types of public school districts.

The adoption of the two equalization measures grew out of conditions described in the introductory paragraph which had existed in Oregon in the post-depression period. Equalization as it existed was on a very limited and meager basis, while the inequities existing among the districts were tremendous. The only real source of state support prior to 1943 was the irreducible school fund which provided an income (42, p. 15) of \$385,023.48 or \$1.48 per capita allotment in 1931 but had by 1943 been reduced to \$321,419.56 or \$1.21 per capita. The two mill elementary school tax, although state-wide in application, was in effect a county tax as it was entirely distributed in the county in which it was assessed and collected. The county school fund assessed at the rate of ten dollars per census child was the only other true equalization program in effect. The great burden of financing public schools fell upon the local district property tax. The proportion of school income from the various sources for Oregon for the 1932-33 (36, p. 42) and 1942-43 (40, p. 29) school years follow:

	<u>1932-33</u>	<u>1942-43</u>
Irreducible school fund	2.5%	1.6%
County school fund	14.4	15.3
Two mill elementary tax	14.5	9.5
Local district tax	68.6	73.6

While the financing of schools is handicapped by being dependent on a large measure of support from the local district, other public agencies and services that derive their revenue from property taxes are likewise handicapped in their efforts to serve the public, especially if school taxes are already excessive.

It is the purpose of this study to investigate the development of the Rural School District Law in Oregon and to determine the effects of the law on the financing of Oregon's schools during the first two years that the plan was in effect.

#### The Need for the Study

The need for the study is brought about by the uniqueness of the equalization plan embodied in the Rural School District Law. Some states equalize school support on the county basis but no state has a plan that is directly comparable to that worked out in Oregon where a county board has the authority to change and pass upon the budget of the local district and levy a uniform county tax. The plan is also unique in that the board has taxing powers but no school administrative duties, and no authority to supervise the expenditure of the monies allocated to the local districts.

The need of this study is further manifested by the

reactions of the citizenry toward the measure. Probably no school legislation introduced in Oregon in the post-depression period has been as controversial; none has attracted the attention of interested groups and organizations as the Rural School District Law. In spite of gross inequities in ability of districts to support public schools, the proposals met with bitter opposition in legislative sessions for ten years before it finally became law.

It is hoped that as a result of this study a successful general pattern of county equalization might be developed in which complete control of the local district will remain with the local board of directors. It is further hoped that some of the findings may serve as guides or be of value to members of county boards in approaching the problems that arise from administering the equalization law. Since the plan is unique with Oregon, it is possible that other states with many rural school districts may find a compilation of experiences of value in considering reorganization problems. Finally, the study should be of value to members of the legislature and state officials responsible for formulating policies and making decisions affecting the future course of the county equalization movement.

This dissertation is confined to the study of the thirty-one counties in which county Rural School Districts

were established. Five counties were already organized as county unit systems and so did not come under the provisions of the law. The first two school years (1948-1949 and 1949-1950) in which the law was in effect were chosen since these were the experimental years in which problems resulting from the application of the law were most certain to arise. In order to determine some of the effects of the Rural School District Law, the last school year (1947-1948) prior to its becoming effective is used as a basis for comparison.

The material used for this study was secured from many and varied sources over a period of three years. The most productive sources of data include official reports of state officials, senate and house journals, Oregon general laws, and official publications of groups interested in the movement. Tax rate sheets published by the various county assessors together with similar tables appearing in Oregon school directories were used in securing data concerning the tax rates of the many local districts. Supplementary information was secured by two questionnaires concerning the Rural School District Law sent to county school superintendents. To insure a high rate of return, the questionnaires were distributed and collected by the office of the state superintendent of public instruction.

### Limitations of the Study

This study is most seriously handicapped by the inability to limit the factors affecting public schools during the years 1947 to 1949 to one variable. Since several variables were present, these must be recognized to avoid forming false assumptions and wrong conclusions. It is often difficult to determine whether a new school situation was brought about because of the policy of the Rural School Board or because of some other factor.

The years embracing this study are characterized by rising costs, dollar devaluation, and general inflationary trends which are reflected in higher cost of public education on all levels. Coupled with the higher cost of education, Oregon found itself increasing in population at a rate almost unprecedented in its history. The abnormal high war birth rate was beginning to make itself felt by an increase in elementary school population, especially in the lower grades. Unfortunately, the increase in school population was not uniformly distributed, thus placing a more severe burden on some communities than on others.

In 1947 the state department issued and distributed among all of the school districts of Oregon a pamphlet defining the minimum requirements for the standardization of schools (33, pp. 1-19). This pamphlet served as a

guide for local officials in bringing their schools up to state requirements so that the district could participate in the distribution of the state basic school fund. Many districts were so deficient in meeting the minimum standards that they were allowed state aid if they formulated a plan and could show reasonable progress toward becoming standard. Other districts found the requirements too severe and consequently consolidated with neighboring districts. It is thus difficult to determine whether the improvement occurring in schools, or the rate of consolidation is the result of the policies of the Rural School Board or the desire of the local district to be classed as standard by the state examining committees which visited all Oregon schools during the time covering this study. The examining and standardizing of schools grew out of the passage of the Basic School Support Law.

Other limitations of this study arose from the unavailability of certain data, particularly as related to tax rates of school districts for bonded or warrant indebtedness or interest thereon which by law cannot be included in the budget of the Rural School Board. Since all assessors report only the special levies in school districts without reporting their purpose, it is impossible to determine what part of the tax levy of local districts is used for expenditures which cannot be

assumed by the Rural School Board. Thus the extent of equalization is much greater than is revealed by this study. This situation is further complicated by the fact that in some districts, funds for capital outlay are acquired by an excessive levy over a short period of time and is made a part of the regular operating budget while in other districts capital outlays are financed by bonding over a long period of time in order to have a lower tax rate. Again, districts may finance new additions by both plans, especially if the district is already bonded to the legal limit. Rural District Boards may allow funds in the local budget for capital outlay on an equalized basis. In a few counties this has occurred. Therefore, this study will be concerned only with the total millage levy of the district without regard for the purpose of the levy. The actual excessive tax rate in mills is always pointed to by critics of school costs, and is used in making comparisons without regard for conditions that caused the extreme.

Considerable difficulty arose in attempting to determine from the records of county assessors the number of local school districts comprising the various Rural School Districts in any year. The difficulty is due to several factors. One is that on consolidation, which may occur at any time of the year, the two parts of the newly formed district might have quite different

tax rates dependent on the amount of bonded or warrant indebtedness involved. Many assessors carry such parts of districts along on tax rate sheets as separate districts. A similar situation occurs in the case of joint districts extending into two or more counties. While a certain amount of money may be raised equally throughout the district, each assessor will report a different tax rate because of a different assessing ratio in each county. Therefore this study will deal with districts and segments of districts when these have different tax rates.

## CHAPTER II

## HISTORY OF THE RURAL SCHOOL DISTRICT LAW

Historical Background

The passage of the Rural School District Law by the 1945 legislative assembly and its approval by the people of Oregon at the November election of 1946 climaxed a series of attempts over a period of ten years to bring about the equalization of school taxes on the county level, and at the same time retain a maximum of control within the local school district. The adoption of the act grew out of the great variations and inequalities that developed during depression years in local district property tax rates, and the tremendous differences between districts in taxable wealth per school child. Even though the county unit law had been in effect since 1921, only four counties, Crook, Hood River, Klamath and Lincoln, had been so organized by 1933. In spite of the fact that studies of county unit systems in Oregon and other states indicated that such organization was more efficient and economical, there was little interest in the other 32 Oregon counties to give up the local district system.

The acuteness of the problem was presented in the thirtieth biennial report (37, pp. 10-12) to the thirty-seventh (1933) legislative assembly by State Superintendent of Public Instruction, C. A. Howard. The report

listed a number of variances and inequalities existing in district levies for schools and then cited specific examples in six Oregon counties. The variations in tax rates were from no school taxes in 287 districts of the state to a millage levy of 51.6 mills in district number eighty-two in Malheur county. The inequalities listed for Douglas county for the 1930-31 school year follow (37, p. 10):

	<u>Low</u>	<u>High</u>	<u>Comparison</u>
District tax levy in mills	.5	42.4	1 to 84
District tax per pupil enrolled	5.41	689.4	1 to 127
District tax per teacher	154.31	3,484.29	1 to 22
Assessed valuation per pupil	2,350.92	96,055.00	1 to 40

A taxpayer assessed for \$5000---

If situated in lowest taxed school district, would pay for district tax \$2.50.

If situated in highest taxed school district, would pay for district tax \$212.00 or over 84 times as much.

Similar comparisons were made for Tillamook, Umatilla, Lane, Multnomah, and Clackamas counties.

The remedy suggested for these gross inequities was the formation of larger school districts, or the organization of county unit systems. Many statistics supporting the lower cost of education in county unit systems were cited in the report. Governor Julius L. Meier in his message to the legislature also referred to the problem in rather general terms (18, p. 4) by calling attention to the need of equalization of taxes, particularly between school districts, as the main source of school revenue is the local property tax. The governor suggested that the

state assume its obligation in the support of schools and that county boards be established to administer state equalization within the various counties.

The 1933 legislature did nothing to solve the problem as it had been presented by the state superintendent of public instruction and the governor but did adopt the far-reaching House Joint Resolution 16 which provided for the appointment by the governor of an educational commission to make a study of both the elementary and high schools of Oregon with special reference to organization and finance. In pursuance to this resolution, Governor Julius L. Meier appointed Dr. Victor P. Morris, Eugene; J. C. Kendall, Portland; Mrs. A. Y. Meyers, Marshfield; R. A. McCornack, Eugene; E. G. Bates, Gearhart; T. D. Potwin, Portland; and Francis Galloway, The Dalles. The resolution directed the commission to report its findings, together with recommended legislation, to the legislative assembly in 1935.

Another significant influence in bringing about county-wide equalization was the dissatisfaction of the Oregon State Grange with the county unit type of organization and the opposition of that group to any legislation which would make the county unit law mandatory in all counties. The campaign to bring about equalization, particularly in second and third class school districts, began in 1933 when Ray W. Gill, Master of the State Grange

(54, p. 22), warned the Grangers at their annual assembly of the evils of county units and suggested the need of careful thought for the proposal of alternate legislation. This warning of the Master resulted in great activity on the part of the Grange during the years until the Rural School District Act became law.

The thirty-first biennial report (38, pp. 10-12) of the state superintendent of public instruction to the thirty-eighth (1935) legislature again pointed out the existence of gross inequalities in taxing ability of the 2163 Oregon school districts. Columbia, Grant, Josephine, and Wasco counties were specifically dealt with in presenting the problem. To alleviate the situation, the reorganization of school districts into county units was recommended, but since only a few counties had availed themselves of this type of organization and little interest was evident in other counties, the superintendent expressed the hope that all counties would eventually become county units. In the meantime, a commission authorized by the 1933 legislature was to make recommendations designed to correct the existing inequalities. At the time the biennial report was being prepared, the commission had not yet formulated its recommendations, but the state superintendent reported that a number of meetings had been held and that the proposed legislation would fall into three general

classifications (38, p. 12):

1. Legislation for a plan of school district reorganization into larger units, with a moderate degree of responsibility and administration vested in a county school board.
2. Legislation designed to equalize school taxes within each of the counties, keyed in with the plan of school district reorganization.
3. The creation of a state school fund, from sources other than property, for the purpose of equalizing the school tax load between counties and for the reduction of property taxes for school purposes in all counties.

The report of the educational commission submitted to the 1935 legislature proposed legislation embodying three major lines of reorganization.

The first (17, p. 13) provided for a state equalization fund of \$1,500,000 to be raised from sources other than property taxes and was to replace part of the revenue that was being derived from the general property tax. The fund would provide aid for districts levying a five mill tax on estimated true assessed value and yet be unable to finance a minimum educational program.

The second proposal (17, p. 14) would establish a cooperative Rural School District in each county under the direction of a board of five members elected by zones. The duties of the board were defined as selecting the district school superintendent, administering

cooperative purchasing, reviewing local district budgets, and providing able superintendence and supervision. The bill was designed to give to all counties the advantages and economies of the county unit and yet preserve the identity and value of local organization.

The third major recommendation (17, p. 19) was the establishment of a county equalization fund which would provide monies for certain minimum standards in all elementary and secondary schools. The act set up a state equalization level of \$1200 per elementary classroom unit and \$1440 per secondary classroom unit. The administration of the fund was placed in a county equalization board consisting of one member from each first class district board and three members from the Rural School Board.

The principles and provisions developed by the commission in the latter two proposals formed the basis for all future plans of county school tax equalization and many of the ideas are involved in the Rural School District Law as it was adopted by the people of Oregon.

Senator E. A. McCornack of Lane county introduced the first equalization bill during the 1935 session. Senator McCornack had been a member of the educational commission and was also active in the Oregon State Grange.

The bill<sup>1</sup> was known as Senate Bill 39 and entitled (25, p. 14) "A Bill to establish county school equalization districts and to provide boards to administer the same." After the second reading of the bill in the senate it was referred to the committee on education (25, p. 101) whose report was without recommendation, as the author wished to withdraw the measure. The withdrawal was allowed by unanimous consent of the senate (25, p. 191).

In 1937, the problem was still present, and State Superintendent C. A. Howard called attention to and cited numerous examples of inequalities of taxing ability among the school districts in the thirty-second biennial report to the legislature. After discussing the problem as it existed in the many decentralized districts, the superintendent (39, p. 19) recommended the adoption of the plan of reorganization as it was developed by the educational commission authorized by the 1933 assembly. The plan had been completely ignored by the 1935 session.

The governor's message to the legislature did not refer to education.

The equalization measure of the 1935 legislature was introduced in the 1937 session jointly by senators Byron

---

<sup>1</sup>

The evidence indicates that this was the bill devised by the Oregon State Grange and not that of the educational commission.

D. Carney of Clackamas county, W. A. Johnson of Josephine county, and Thomas P. Graham, Jr. of Multnomah county. The bill was designated as Senate Bill 179 (25, p. 21) and entitled, "A Bill to establish county school Equalization Districts, to provide boards to administer same, prescribing duties and powers." After the second reading, the bill was referred to the senate committee on education. After the third reading as a special order of business, (25, p. 205) the measure was re-referred to the committee on education and did not again come out of the committee.

In the thirty-third biennial report to the fortieth legislative assembly (1939) the superintendent of public instruction, Rex Putnam, mentioned in general terms that inequalities as pointed out in past reports still existed, and that the ratio of tax levies had varied as much as one to 380 during the previous school year. Two lines of attack were suggested as a basis for bringing about improvement. The one was reorganization of school units, and the other was equalization of school support both on the state and county level. Of the latter, the report said (40, p. 17):

In addition to the state equalization by a state fund, there should be equalization within the counties so that educational opportunities and the burden for supporting a minimum educational elementary and secondary program would be equally distributed. A minimum program for both elementary and secondary schools should be established on this equalized basis (a certain sum per

teacher unit). Individual districts should be free to provide facilities beyond this minimum if they see fit to do so. Appropriate standards should be determined by some competent authority, such as the State Board of Education, as a basis for participation in the equalized support.

A forceful presentation of the need of equalization was the recommendation to the fortieth (1939) legislative assembly by Governor Charles A. Sprague. In his opening message to the lawmakers he said (27, p. 415):

....There is wide disparity and gross injustice in school tax rates. Of the 2085 school districts of the state, 691 levy no special tax for elementary schools. For other districts the taxes range as high as 50.7 mills.

The time has come for a major operation if we want to do justice in school taxation and provide fair and adequate schooling for children of the state. We cling to an archaic multiple district system at a time when we have abolished small road districts and when transportation facilities bring central schools within easy access. I oppose making large state contributions to be poured down the funnel of wasteful and inefficient multiple districts. I am aware of opposition to the county unit system; and I do not propose to force that on the people. I am genuinely friendly to the idea of keeping the rural school fixed in the rural environment. But it is a mistake to stick blindly to the system of small school units. Experience has amply demonstrated the value of larger units.

I endorse the following program for school reorganization where counties do not come under the county unit plan:

1. Uniform county tax for elementary and high schools, as proposed by the state superintendent of public instruction, with additional tax levying power for districts under limits....

The other recommendations were not applicable to county equalization of school taxes.

The assembly also received a recommendation for county equalization in the report (23, pp. 26-29) of the interim commission on State and Local Revenues which had been appointed pursuant to House Joint Resolution twenty-one of the 1937 legislative session. While the purpose of the commission was to study the needs, and ways and means of raising revenue for social security measures and other governmental expenses of both the counties and the state, and to determine an equitable distribution of revenue between the various governmental units, these problems were so closely related to property taxation that recommendations concerning school organization and finance could not be omitted. The problem became particularly acute when counties attempted to raise their share of revenue for social security measures by a tax system which had been badly impaired by depression and crippled with delinquency. The commission found that forty-four per cent of all property taxes was required for the maintenance of the common school system and thirty-one per cent was in unequalized district levies while only thirteen per cent appeared in uniform assessments. A number of examples of inequalities in different counties was cited. While the commission was

not particularly interested in school taxes, it felt that it was of concern when such flagrant disregard of equities would impair and weaken the whole tax structure. The report pointed out that if the school tax were equitably distributed much of the strain would be relieved. Therefore, the recommendation of the commission was the application of the county unit plan in all counties but reserving the right of the people of any county to reject it by popular vote. If the county unit plan were rejected then equalization along the lines proposed by the educational commission should become mandatory. The commission also recommended that further equalization should be provided from state sources to relieve the burden on property.

House Bill 343 entitled "A Bill to establish a county equalization fund" was introduced in the 1939 legislature by the committee on education (27, p. 68). After the second reading, the bill (27, p. 467) was referred to the committee on administration and re-organization and after the third reading the bill (27, p. 613) passed the house by the following vote: yeas, 41; nays, 14; absent, 1; and excused, 4.

In the senate the measure met with bitter opposition and several sections were amended (27, p. 325) in an effort to secure approval. After the second reading, the bill (27, p. 299) was referred to the committee on education and after the third reading the vote on the

passage was (27, p. 354): yeas, 14; nays, 15; and excused, 1. On the following day (27, p. 362), Senator James A Best of Umatilla county moved that the vote whereby the bill failed to pass be reconsidered and the vote on the reconsideration passed. The bill was re-referred to the committee on education and the act failed to pass the senate by the following vote (27, p. 383): yeas, 6; nays, 22; deceased, 1; and excused, 1.

In the thirty-fourth biennial report to the forty-first legislative assembly (1941) Superintendent of Public Instruction Rex Putnam again called attention to the inequalities in both ability and effort to support education as pointed out in past biennial reports. To alleviate these conditions, the need for legislation (41, p. 19) for the equalization of school support on both the state and county levels was presented as it had been to the previous legislative assembly.

The Governor's message to the 1941 legislature briefly referred to the equalization problem. Governor Charles A. Sprague said to the assembly (28, p. 263):

The 1939 act for reorganization of school districts was barren of direct results, but did stimulate voluntary consolidation of school districts in many counties. The need for better equalization of school taxes remains....

No legislation dealing with the equalization of school taxes was introduced during the 1941 legislative

session.

By 1943, problems relating to war conditions were of major importance and no reference was made to county equalization of taxes either in the biennial report of the state superintendent of public instruction of that year or in any succeeding year.

The Governor's message (29, p.176) to the 1943 legislature briefly referred to the need of a broader spread of the tax burden but did not offer any specific recommendations. The messages of the governor in succeeding years failed to refer to equalization of school taxes.

Legislation (29, p. 504) for equalization of school taxes was introduced by the house committee on taxation and revenue in the 1943 legislative session. The act was known as House Bill 361 and entitled "A Bill to create rural school districts and rural school boards and prescribe the powers and duties of such boards in respect to school district budgets and tax levies; and to provide that this act shall be referred to the people for their approval or rejection." The bill (29, p. 273) was referred to the committee on legislation and rules and after the second reading, it (29, p. 274) was referred to the committee on taxation and revenue. After the third reading, the vote (29, p. 303) on the passage of

the bill was: yeas, 28; nays, 29; absent, 3; so the bill failed to pass.

In the 1945 legislative assembly the bill (30, p. 513) "to create rural school districts, to provide powers and duties of boards thereof" was introduced by the committee on taxation and revenue of which Giles L. French of Sherman county was chairman. The bill was known as House Bill 80 and commonly referred to as the French bill, because of the interest and effort of Representative French in securing the passage of the Rural School District Law. He had been active in its support both in the 1943 and in the 1945 legislative sessions. After the second reading, the bill (30, p. 229) was referred back to the committee on taxation and revenue, and the vote (30, p. 315) on the passage of the bill after the third reading was yeas, 29; nays, 22; absent, 3; excused, 6. The bill failed to pass. Two days later Representative Frank van Dyke of Jackson county (30, p. 322) moved that the vote whereby the bill failed to pass be reconsidered. The vote on the reconsideration passed and the bill was re-referred to the committee on taxation and revenue. After the third reading, the vote (30, p. 351) on the passage of the bill was: yeas, 31; nays, 26; absent, 1; and excused, 2. The bill was passed and sent to the senate. After the second reading in the senate the bill (30, p. 145) was referred to the committee on education

where it was amended. After the third reading, the vote (30, p. 198) on the bill was: yeas, 20; nays, 10. The bill passed and was sent back to the house where representative French moved that the house concur in the senate amendments and pass the bill as amended. On this question the vote (30, p. 401) was: yeas, 52; nays, 2; absent, 5; excused, 1. The bill passed as amended and was referred to the people for their approval at the general November election of 1946.

House Bill 80, or the Rural School District Law, (19, pp. 550-555), provided for a board of five members each to be elected from a designated zone to administer the law, and further provided for this board to replace the County District Boundary Board. The act was applicable to all schools of the county except first class districts. The duties of the Rural School Board were as follows: by June 30th of each year, each local district school board must submit its budget for examination and audit to the Rural School Board which may approve, reject, increase or decrease any item in the budget. If the action on the local budget was unsatisfactory to the local board, it could request a public hearing before the Rural School Board. After the hearings, the Rural School Board must combine all of the local budgets and levy a property tax amounting to the

total of all the local budgets. The consolidated budget levy is applicable at a uniform rate to all taxable property within the county Rural School District. The local board retained the power to levy school taxes for capital and interest of bonded indebtedness or warrants which have been authorized by the legal voters of the district.

As the 1946 general election approached, a number of groups and organizations became vitally interested in the bill and conducted active campaigns both for the approval and defeat of the measure. In general the groups in rural areas where the bill would become mandatory were active in securing its defeat, while in large cities where it was not applicable, organizations were active to secure approval. In the first group, the active campaigning organizations were the Oregon State Grange and the Oregon Farmers Union. While the Grange had been active for twelve years to secure the passage of such legislation, it now felt that too much authority was vested in the Rural School Board, and also felt that large city organizations were trying to force the measure on the rural people. In the second group, the two organizations most vitally concerned with the passage of the bill were the Oregon League of Women Voters, and a statewide, non-profit, non-partisan agency for tax

control known as Oregon Business and Tax Research, Inc.. Because of disagreements among school people, the Oregon Education Association did not take a part in the campaign, but lent its unanimous support in behalf of the Basic School Support Law which appeared on the same ballot.

An unofficial survey by the Oregon Education Association of the results of the November 5, 1946 balloting indicated that the bill which carried over the state as a whole by a 21,060 (Table I) majority was in effect voted in by the voters of first class districts which did not come under the provisions of the law. In twenty-two first class districts the measure was approved, but was defeated in seven. In these first class districts the majority in favor of the bill was (Table II) 29,885 which exceeded the state-wide majority by 8,825. In the city of Portland alone the majority in favor of the bill was 24,204 which exceeded the state-wide majority by 3,144 votes. Table I also shows that the measure was defeated in twenty-six counties and was approved in ten. Writers representing farm groups had warned rural people prior to the November election that voters in areas where the law was not applicable could easily carry the measure which was being opposed by rural organizations.

Before the Rural School District Law had had an opportunity to go into effect, the 1947 legislative

TABLE I

VOTE ON RURAL SCHOOL DISTRICT LAW NOV. 5, 1946 (44, p. 253)

	304, Yes	305, No
Baker	1,441	1,906
Benton	2,850	2,562
Clackamas	7,864	10,201
Gatsop	4,013	2,773
Columbia	2,043	2,246
Coos	2,796	3,055
Crook	466	512
Curry	462	438
Deschutes	1,898	1,738
Douglas	2,845	3,391
Gilliam	237	440
Grant	389	570
Harney	357	434
Hood River	1,139	1,315
Jackson	3,524	5,222
Jefferson	249	330
Josephine	1,886	2,255
Klamath	3,806	3,164
Lake	499	559
Lane	10,144	8,097
Lincoln	2,113	1,816
Linn	4,132	5,327
Malheur	1,472	1,724
Marion	9,551	8,525
Morrow	319	579
Multnomah	71,205	43,726
Polk	1,838	2,250
Sherman	288	354
Tillamook	1,595	1,486
Umatilla	2,252	2,989
Union	1,845	2,063
Wallowa	717	838
Wasco	1,318	1,526
Washington	4,994	6,586
Wheeler	235	261
Yamhill	2,951	3,365
Total	155,733	134,673

TABLE II

VOTE ON RURAL SCHOOL DISTRICT LAW IN FIRST CLASS SCHOOL DISTRICTS

Voted for Rural School District Law		
	Yes	No
St. Helens	670	502
Eugene	4,679	2,616
Milwaukie	663	469
Tillamook	555	398
Corvallis	1,762	1,184
Salem	5,434	3,187
Silverton	413	324
Hermiston	411	281
North Bend	516	392
Coos Bay	600	588
Coquille	324	308
La Grande	1,071	945
Dallas	453	442
Lebanon	699	553
Sweet Home	299	238
Ashland	694	662
Astoria	1,855	1,211
Grants Pass	1,341	1,309
Roseburg	1,188	1,175
Portland	61,619	37,415
Park Rose	719	430
McMinnville	630	393
	86,505	55,022

Voted Against Rural School Law		
	Yes	No
Oregon City	823	1,426
West Linn	409	480
Pendleton	790	1,017
Albany	1,261	1,366
Medford	1,291	1,843
Baker	918	1,007
The Dalles	870	911
	6,362	8,050

session assembled and several bills relating to it were introduced. Representative Colon R. Eberhard of Union county introduced House Bill 171 (31, p. 667) which would repeal the Rural School District Law. After the second reading, the bill was referred (31, p. 289) to the committee on education and was still in committee at the time of adjournment. House Bill 166, (31, p. 666) amending the Rural School Bill and repealing section 11, relating to consolidation with first class districts, was introduced by Representative Giles L. French. It too was in committee at the time of adjournment. The House committee on education sponsored House Bill 435 (31, p.707) which amended sections 2,3,4,5,6,7,9,12,13,14,15 and repealed section 10 of the Rural School District Law. After the third reading, the vote (31, p. 390) on the passage of this bill was: yeas, 59; excused, 1. The bill passed the house and was sent to the senate. In the senate the bill was further amended by the committee on education (31, p. 170), which then recommended the passage of the bill. On the passage of the bill the vote (31, p. 181) was yeas, 28; absent, 2. The House (31, p. 452) refused to concur in amendments made in the senate. As a result, a conference committee consisting of Representatives Lyle D. Thomas of Polk county, E. W. Kimberling of Grant county, and Senators (31, p. 205)

Ernest R. Fatland of Gilliam county, and Paul L. Patterson of Washington county was appointed. The conference committee (31, p. 486) suggested further amendments and recommended that the bill as amended pass. On the adoption of the conference committee report, the vote (31, p. 487) in the House was: yeas, 52; absent, 4; and in the senate the vote (31, p. 250) was: yeas, 25, absent, 1; excused, 4. The amended bill passed and was designated to go into effect January 1, 1948.

The changes (20, pp. 1129-1135) in the original law made by the 1947 legislative session involved setting a number of annual dates at which certain duties of the Rural School Board must be accomplished. These were:

- February 1: Local district budgets must be in the hands of the Rural School Board.
- March 15: Local boards must be notified of changes in the budget. Local district board may ask for a hearing.
- April 1: Final amount of levy must have been determined and each district notified.
- Third Monday in April: Date of special election if it is necessary to exceed the six per cent limitation.
- August 1: Rural School Board must notify county assessor and treasurer of levy for the Rural School District.

The amendments also exempted union high schools comparable to first class districts from the act. Also the provision whereby the Rural School Board was to replace the County Boundry Board was repealed. Local boards were authorized to levy additional funds if an insufficient sum had been allowed by the Rural School Board.

The legislature received the report of the Oregon Tax Study Commission which had been authorized by the Senate Joint Resolution Two of the 1945 legislative assembly. The resolution defined eighteen areas of study which included an analysis of the entire tax structure and of those areas one referred to public education as follows (47, p. iv):

7. To make a study of the needs and requirements of public education in all its branches and particularly the proportionate costs of primary and secondary education which should be carried by the state, with the view to determining how these charges against the cost of government may be more equitably distributed and our educational system improved.

At the time the study was being prepared, the state had already provided \$5,000,000 in state aid during the 1943-1944 and 1944-1945 school years and \$8,000,000 for the 1945-1946 school year. The commission found that as a result of these distributions the number of school districts levying no school taxes increased from 200 to 300 (47, p. 17) in one year while one district had to

levy as much as 115.5 mills, so that the distribution tended to increase rather than alleviate the inequalities of school taxes. The report pointed out that the approval of the voters of House Bill 80 was the first step toward state-wide equalization of school costs. The report further stated (47, p. 15):

Although a high level of state support for financing public schools may be desirable, the Tax Study Commission believes that equalization of school costs throughout the state is the most important aspect of the school finance problem which now confronts the State of Oregon. School levies for the current (1946-1947) school year range from zero in some districts to 115.5 mills in one district in this state.

Equalization of school costs goes hand in hand with equalization of educational opportunity. Districts with high tax rates for schools usually have little property to tax and cannot offer many educational advantages to the children in the district even though a high tax is levied. It is for this reason that the recommendation of the Tax Study Commission on school finance emphasizes the necessity for equalization of school costs. This recommendation is as follows:

The Tax Study Commission recommends that the state school aid should be used primarily for the equalization of educational opportunities and costs and that such state aid should be established by the Legislative Assembly on a permanent basis and should specify foundation standards for schools and prescribe controls for the distribution of such state aid and such reorganization of school units as will assure efficient operation of the elementary and secondary public school system in this state.

There is no evidence that the legislative session took any cognizance of the recommendation in regard to the problem of equalization as outlined in the report of

the Tax Study Commission.

The directors of the county Rural School Districts were elected in 1947 at the general school meeting which by law is held annually on the third Monday in June. Even though the law did not become effective until January 1, 1948, the boards were elected and held monthly meetings during the last six months of 1947. An opportunity was thus available for the newly elected members, unfamiliar with their duties, to study the practices and problems of financing rural schools. During this period a representative of the state department of education met with each board, explained the law, and suggested some approaches to the problem.

The law went into effect as scheduled, and the newly elected boards worked out many methods of approach (see chapter three). Because different procedures were used in different counties, a variety of problems arose which had not been foreseen by the drafters of the bill. A state-wide meeting of Rural School Board members was held in Salem in the fall of 1948 for the purpose of discussing and clarifying problems and procedures that had arisen out of the first year's experience. The session was called by the state department of education at the request of many board members from all parts of the state. A legislative committee was selected to prepare legislation that would make the functioning of the

law more practical and realistic. There was no sentiment at this or succeeding meetings for a state organization of Rural School Board members.

The newly adopted law did not prove to be popular in all areas of the state after the first year's trial. Many districts experienced increased tax rates with no additional funds available in the local districts, and many had to tax themselves excessively in order to provide what the citizenry demanded or what state standards required. Consequently, four bills relating to the Rural School District Law were introduced in the 1949 legislative assembly.

Representatives E. H. Condit of Clatsop county and E. W. Kimberling of Grant county introduced House Bill 227 (32, p. 814) providing the procedure for the abolishing of the Rural School District in and by a county. The measure passed the house by the following vote (32, p. 502): yeas, 45; nays, 10; and, excused, 5. In the senate the bill was referred to the committee on education (32, p. 814) and was in committee at the time of adjournment.

House Bill 200, amending sections one and four, was introduced by the committee on education (32, p. 810). It passed the house and in the senate was referred to the committee on education which reported back (32, p. 301)

with the recommendation that it do not pass and the bill was indefinitely postponed.

The committee on taxation introduced House Bill 26 which amended section sixteen of the Rural School District Law. After the second reading, it was referred to the committee on taxation (32, p. 388) and the committee report recommended the adoption of the bill. The vote (32, p. 390) on the passage was: yeas, 59; excused, 1. In the senate the bill (32, p. 25) was referred to the committee on assessment and taxation and after the third reading, the measure was approved by the unanimous vote of the senate (32, p. 33). House Bill 26 (21, p. 23) changed the date of filing the rural school district levy with the county assessor from August 15 to July 15 to conform with the practice of other tax levying bodies.

House Bill 321 (32, p. 828, amending sections 2, 9, 12, 13, 14, 15, and 16 of the Rural School District Law, was the most important piece of legislation relating to the problem of county tax equalization of the session. The bill was introduced by the committee on education at the suggestion of the Rural School Board legislative committee. After the second reading the bill was referred back to the committee on education. The committee recommended (32, p. 458) that the bill do pass and the vote (32, p. 466) on the passage was: yeas, 55; nays, 1; absent, 2; and excused, 3. The act was passed and sent to the

senate. After the second reading, the bill was referred to the committee on education (32, p. 125) and was reported back with the recommendation that it do pass as amended. The report (32, p. 251) was adopted but the bill was re-referred to the committee on education (32, p. 267). The committee report (32, p. 282) again recommended the passage and the vote on the enactment was: yeas, 29; and excused, 1. The House refused to concur in the senate amendments and a conference committee consisting of representatives (32, p. 614) Giles French of Sherman county and Lyle Thomas of Polk county, and senators (32, p. 316) Thomas Parkinson of Douglas county and Paul Patterson of Washington county was appointed. The conference committee report, recommending that the house accept the senate amendments and repass the bill, was passed by the following vote (32, p. 632): yeas, 53; absent, 5; and excused, 2.

The changes in the law brought about by House Bill 321 (21, pp. 867-871) grew out of problems and needs discovered by Rural School Board members during the first year in which the law was in effect. The amendments included requiring a vote of a district upon achieving first-class status in order to determine whether or not the district would withdraw from the Rural School District. Perhaps the most realistic change was transferring the

date at which the local school board must submit its budget to the Rural School Board from February 1 to March 15, and slightly changing other dates on which certain duties of the Rural School Board must be accomplished. This altering of dates allowed the local board six additional weeks in preparing its budget and brought the time of preparation somewhat closer to the expiration of the old budget. The new law also allowed Rural School Boards to establish and carry along an emergency fund which would be available to help local districts in times of dire distress. The status of the county school superintendent was somewhat elevated in making it possible for the Rural School Board to hire an executive secretary. The executive secretary could be the county school superintendent and he could receive compensation from the Rural School District in addition to his legally established salary. For Rural School District purposes, joint districts were transferred in entirety to the Rural School District in which the school house of the local district was located.

The provisions of House Bill 321 were immediately adopted in varying degree by the various rural school boards in working out the problems of the second year. In the fall of 1949 another conference of Rural School Board members was held in Salem in order to discuss the

effect of the new legislation on the operation of the Rural School District Law.

### Oregon Education Association

The Oregon Education Association, formerly known as the Oregon State Teachers' Association, has from time to time suggested legislation and has exerted influence on proposals in the state legislature by having its committees working with similar committees of the House and Senate. At other times, the teachers' organization has conducted public campaigns on measures affecting education when such laws were to be voted upon by the people of the state.

The first interest of this group in regard to county school tax equalization occurred during the 1945 legislative session when members of the organization were kept informed of the progress of school legislation by means of weekly mimeographed bulletins. Numerous references described the progress of House Bill 80, the Rural School District Law, through the two houses of the legislature.

In the April 1945 issue of the Oregon Education Journal, Dr. Frank W. Parr, executive secretary (67, p. 2), reporting on the action of the 1945 legislative assembly, called attention to the referral of House Bill

80 to be voted on at the general election of November 1946. He pointed out that the enactment had been praised by some school people and "damned" by others, but that the association had yet to take a definite stand on the measure, and it would undoubtedly be considered at the next session of the representative council.

The board of trustees of the Oregon Education Association (50, pp. 12-13) at the December 1945 meeting took action to appoint a special committee to study House Bill 80 and make recommendations to the representative council in March 1946. The committee consisted of five members, one representing each Oregon State Teachers' Association district. The trustee of each district made the appointment.

During January and February, the committee held three meetings. At the first two meetings, a number of interested people, both inside and outside the ranks of education, had an opportunity to present their views. The committee members further discussed the bill with people within their own district, and the chairman of the committee wrote to all county school superintendents to get their reactions. However, the committee could not come to a unanimous agreement on the stand the teachers should take on the controversial measure.

The committee report (7, pp. 11-12) was presented

to the representative council on March 30, 1946 by Lynn Gubser of McMinnville, chairman, and consisted of a minority and majority recommendation.

The minority of the committee based their recommendation on the following arguments against House Bill 80:

1. Is ambiguous in its provision for the Union high school district.
2. In those cases where a first class district is a part of a union high school district, the voters in the first class part are disenfranchised as far as the budget of the district is concerned.
3. Rural boards provided for in the bill have no administrative responsibility for the operation of schools; nor is there provision for any one to whom this administrative responsibility might be delegated.
4. Although the bill does not affect first class districts, the voters in such districts will vote on the measure.
5. Except in capital, it does not provide the opportunity for a district to improve its status beyond the county level, though it is eager to do so.
6. Does not provide equalization for capital outlay.
7. As is true of most controversial measures, this bill may face a challenge in the courts.
8. Detracts from local autonomy through the loss of tax levying powers by the local board.
9. Local board would be subject to heavy pressure by competing county groups.
10. Provides no assurance that the educational level in the county will be raised to the highest prevailing standard rather than dropped to the lowest.
11. May deter state equalization by leading voters to think that House Bill 80 will so solve the problems of providing equal educational opportunities.

The minority recommendation followed:

In view of the objectionable features of House Bill 80 listed above, the minority of the committee believe that the bill is not an adequate solution to the problem of equalization and recommend that the Oregon State Teachers' Association oppose this measure.

Signed

Eugene Silke, Springfield  
E. Dean Anderson, Secretary,  
Portland.

Arguments for House Bill 80 were presented by the majority of the committee:

1. Will equalize taxes by counties for all districts included under the bill.
2. Will spread the tax burden to the many areas which do not at present levy a special tax for school support.
3. Will encourage consolidation and thereby afford equal educational opportunities. For example, it insures transportation, etc..
4. Will result in approved budgetary procedures, especially in rural districts.
5. Offers the possibilities of greatly improved school conditions, especially for those that need to be improved.
6. Will encourage improvement of school standards by removing the incentives now existing for maintaining poor schools: that is, freedom from school taxes.
7. Is a definite step in direction of state equalization in that it will be easier to accomplish among 36 county units than among the present 1500 districts.
8. Represents an effort by the legislature to aid in the solution of better support for schools.
9. Will protect districts now paying a high rate of tax from ruination during depression periods.
10. Will correct the present condition in which many districts do not get their share of state and county funds because other districts make claims on the funds when no need exists.

The majority recommendation followed:

In view of the possible and potential value of House Bill 80 to education in Oregon, the majority of the committee recommend that the association give this bill its active support.

Signed

Oden Hawes, Arlington  
Ben Huntington, Bandon  
Lynn Gubser, Chairman,  
McMinnville

After the presentation of the committee report, Lynn Gubser moved for the adoption of the report. Then Martha Shull of Portland, chairman of the legislative committee for the Oregon State Teachers' Association, suggested in addition to the recommendations of the committee, that there might be a third alternative. Miss Shull contended that the principle of equalization was sound and therefore proposed: "With due recognition of weaknesses in the measure and with the expectation that the sponsors of the bill will take steps to correct them at the next session of the legislature, the legislative committee recommends that this association give House Bill 80 its support." The substitute motion became the center of a vigorous debate and a roll call vote on the motion indicated that twenty-eight members favored it and fifty opposed the adoption. A motion that the association oppose the measure was also voted down. Finally M. B. Winslow of Grants Pass proposed a substitute motion that action on House Bill 80 be tabled. The vote carried fifty-five to twenty-two which ended the discussion on

the controversial measure.

As a result of the March 1946 meeting of the executive council, the teachers' group did not take a part in the heated 1946 campaign when House Bill 80 was being considered by the people of Oregon.

During the 1947 legislative session the teachers' committee on rural education held a number of meetings in order to work out amendments to the Rural School District Law so that it would be acceptable to school people and at the same time carry out the intent of the sponsors. This committee prepared House Bill 435 which amended the Rural School District Law and the amended law became effective on January 1, 1948.

The rural education committee was again active as the time approached the convening of the 1949 legislative assembly. The members of the committee met with the legislative committee representing rural school boards and other interested organizations in order to work out a unified legislative program, and to sponsor amendments which the first two years operation deemed necessary in order to make the law function more effectively.

#### The Oregon State Grange

The most persistent proponent of county equalization of school taxes in Oregon was the Oregon State

Grange which worked diligently over a period of ten years to secure legislation which would accomplish this end and yet not abolish local control of rural school districts.

The campaign to secure such legislation began at the state convention in Pendleton, Oregon in June 1933 when Ray. W. Gill, Master of the State Grange, in his annual address pointed out the need of such legislation in the following words (54, p. 22):

On several occasions the Oregon State Grange has gone on record as opposing the county unit school system and I see no reason to change our stand. It is a movement toward concentrated authority and its adoption opens the opportunity for building up of a political school machine in every county. The system has an advantage by equalizing taxes throughout the county, however, it is not necessary to adopt the county unit, for this same thing could be accomplished by legislation without the county unit.

During the same session the education committee introduced a resolution (54, pp. 113-114) that the Grange continue to oppose the county unit system and that an inter-session committee be appointed to study and recommend a substitute for the county unit system. This resolution was adopted by the assembly.

In 1943 at the annual assembly in Roseburg, Master Ray W. Gill of the Grange referred in his opening address to the problem of public rural schools in Oregon by

saying (55, p. 19):

The Grange has always been a staunch supporter of education. In common with other public functions, the depression with its tax delinquencies and consequent difficulties in debt payments, has brought about revenue problems to the schools. There is need of additional state aid and I believe that a sum of \$2,000,000 should be provided. This can be secured from increased income and inheritance taxes. Provisions should be made for equalizing taxes within second and third class districts on a county-wide basis. This would reduce the tax strain upon the weak districts.

The special committee appointed at our last session has submitted a report dealing with this proposal which should have your careful consideration. This bill would retain the good features of the county unit and eliminate many bad features of the law. I recommend the continued opposition of the State Grange to the county unit law as now constituted.

After the Grange inter-session education committee presented a draft of the proposed legislation known as the County School Equalization Law, the convention approved the bill for introduction at the coming session of the Oregon legislature.

The address of Master Ray W. Gill to the 1935 State Grange session referred only to the efforts of the Grange in fighting compulsory county unit legislation and did not mention the need of tax equalization. However, the Grange legislative committee secured the adoption of the following report (56, p. 107):

The Grange School Equalization Bill, which was introduced after it had been

prepared by your interim committee on this subject, was defeated. We of the committee wish to recommend that this bill be re-introduced at the next session together with some slight amendments which appear to be necessary.

Morton Tompkins  
R. W. Gill  
V. F. Livesay

At the state convention of 1936, the matter of equalization of school taxes again received attention both in the annual address of the Master and also by the education committee. Master Ray W. Gill's reference to the problem was (57, p. 23):

The best feature of the county unit plan is equalization of school taxes. However, it is not necessary to adopt the bad features of the county unit in order to have equalization. After much study, the Grange sponsored a school equalization measure, but this was lost in the 1935 senate by a close vote. We should continue our efforts in favor of an equalization bill so that sparsely settled and financially weak districts may be assisted. I recommend our continued opposition to the county unit plan of school administration.

The recommendation of Grange Master Gill was also the report of the education committee and this report was approved by the assembly.

Equalization legislation failed to be enacted by the 1937 legislature, so Master Ray W. Gill again referred to the problem in his annual address at the state assembly of June of the same year. In discussing school equalization he said (58, p. 19):

Students of rural education admit the injustice of the great disparity of school costs in different school districts within the county. However, it is not necessary to adopt the county unit, with its many bad features, in order to secure the advantages of equalized school costs. At the Pendleton session of the State Grange a committee was authorized to study a plan of equalization. After months of study they reported the provisions of a bill for meeting equalization requirements. The bill was introduced in the 1935 session of the legislature. A county unit bill was also introduced at that session and in the intensity of the opposition to it, the equalization bill met with a cross fire. Some were so bitterly opposed to the county unit that they are not willing to accept any features that come out of it. Some were so intense in their support of a county unit plan that they would not accept the equalization bill. Several amendments were worked out in the various hearings and other revisions were adopted by later sessions of the State Grange. The bill was again introduced in the recent sessions of the legislature and failed for similar reasons to that of the former session. There is much misunderstanding of the bill and it should be thoroughly discussed in our Grange meetings. I am satisfied that the action of three sessions of the State Grange in support of such a measure is fully justified and we should continue to work for its passage.

These recommendations were embodied in the report of the legislative committee which was adopted by the session. The report consisted of the following section which referred to the problem of rural schools (58, p. 121):

Senate Bill No. 179 was the equalization bill. This was approved by the State Grange convention and was much misunderstood by opponents of the county unit

ADVANCE BOND

system and the bill found itself in an unusual position. That is that those who favored the county unit system did not want it and those who opposed the county unit system believed it was a county unit bill in disguise. These two groups were the contributing factors in defeating the bill.

It is the recommendation of your committee that this bill be thoroughly discussed in the subordinate Grange and that literature explaining it and comparing it with the county unit plan be furnished the subordinate Granges by the State Executive Committee. We are familiar with the desire of certain groups in this state who wish to pass a compulsory county unit law and we believe that the enacting of the county equalization bill is the surest way to defeat their aims and bring to the schools of Oregon a fair method of equalizing the tax burden.

In 1938 the Grange Master, Ray W. Gill (59, p. 43), again warned against the centralized school system of county unit administration and suggested the need for equalization. He urged the Grangers to give serious consideration to the problem in the meetings of the subordinate Granges. The education committee also considered equalization and again presented a report (59, p. 43) urging the continued study of school problems in cooperation with other organizations interested in the welfare of the public schools.

The third attempt to pass equalization legislation occurred in the 1939 legislature. The position of the State Grange was again voiced by Grange Master Gill in his annual address to that group at the June 1939 session as follows (60, pp. 33-34):

Through all of its existence, the Grange has been a constant friend of education and recognizes that one of the greatest mainstays for a democracy is its public school system. Because we are so interested and zealous of the welfare of our educational system, the Grange has taken an active part in all legislation having to do with our schools. Whenever the Grange has voiced a criticism of school methods or laws, it has been done with a constructive desire to help. There is a tendency on the part of some educators to overlook the value and importance of the layman's viewpoint in education. We hold that the parents, as individuals, perform an important part in the administration of schools. They inject into the school administration those practical viewpoints which come from a more distant perspective. They are the immediate contact between the home and the school. No educational program will succeed without these close associations of the parents and laymen. Education cannot be successfully administered by wearing an educational straight-jacket. Education must be built from the bottom up and not from the top down. It must rest upon the broad foundation of community and parental interest. For these and other reasons, the Grange has objected to the adoption of the County Unit School System. In the recent Legislature, a bill was introduced seeking further legislative promotion of the County Unit System and it was again defeated. The Grange believes that the financing of public schools is more than the obligation of a local community. It is an obligation in which the whole county and state are manifestly interested. The Grange therefore, favors the equalization of school costs and has caused the introduction of bills in the Legislature to effect this purpose. However, these bills were defeated and in this Legislature, another bill was introduced at the instance of the Superintendent of Public Instruction and the Governor who sponsored an equalization measure. While in many respects this bill was similar to the Grange measure, the equalization level per school unit was \$1,200. This amount is

excessive for many local districts. The minimum school unit requiring fifteen pupils was also too high for many local schools. Desire for amendments to these provisions and the confusion and misunderstandings led to its defeat in the Legislature. However, the Grange should persist in its efforts to secure a proper equalization bill that will lighten the financial burden upon many of the weaker school districts.

The recommendations of Grange Master Gill to the annual sessions of 1940 (61, pp. 39-40), 1941 (62, p.27) and 1942 (63, p. 20) were similar to those made at previous conventions reiterating the stand of the Grange as being opposed to the county unit system and recommending continued support in an effort to secure passage of the so-called Grange Equalization Bill.

During the war years the interest in equalization was somewhat lost and no reference was made to the problem at either the 1943 or 1944 annual sessions of the Grange. In 1945 no state meeting occurred so that the 1946 assembly served for both years.

The 1946 annual Grange session preceded the state-wide vote on the referred Rural School District Law by five months. In referring to the coming election Master Morton Tompkins said (64, p. 29):

Under the heading of schools, I believe we should consider the school tax equalization bill which has been submitted to the people by the State Legislature, to be voted on in November. This bill is similar to the one proposed by the State Grange several years ago, with the exception that the Grange made

it optional for each county and this plan is mandatory for every county in the state. It is a meritorious bill in principle and has for its purpose the equalization of the taxes of the district within each county. The inequalities of the levy of taxes in the past, has worked a great injustice. I firmly believe that even though the bill has a number of defects (which the next legislature could correct), it should receive the approval of the State Grange. I urge that you give it your support.

However, the education committee of the 1946 session, after considerable discussion, objected to the Grange supporting the Rural School District Law and introduced the following resolution which was adopted by the assembly (64, p. 212):

Whereas, Chapter 345, Laws of 1945 (House Bill 80), has been referred to the people of the State of Oregon for their approval or rejection at the next regular general election to be held in Oregon; and

Whereas, we feel that the dividing of the county into five zones with a five-man board is objectionable for the reason that it divests local control in favor of centralized control in the hands of a five-man board; and

Whereas, we feel that Section 10 of said bill is objectionable in that it takes away from the district boundary board its functions and places them in the hands of the proposed new board designated "rural school board"; and

Whereas, the "rural school board" as created by this act is given the right under Section 14 of the proposed bill to examine and audit the budgets of the several school districts and gives them the power to approve or reject, increase or reduce, any item or amount in any such budget; and

Whereas, this bill seeks to establish this "rural school board" with the purpose in mind of controlling local school districts

which are capable of conducting their own affairs; now, therefore, be it

Resolved, That we go on record as opposing the passage of said House Bill 80 referred to the people.

During the months approaching the general November election, the Grange carried on an active campaign to secure the defeat of the Rural School District Law. The following article (51, p. 1) from the Oregon Grange Bulletin is characteristic of the position that Grange writers took on the controversial issue:

. . . Criticizing what he termed was unjustifiable interference by city organizations in rural school affairs, Tompkins, in an interview with school principals from several rural areas said that the Grange resented the effort that was being made to force the "Bill establishing Rural School Districts and Boards" (305 X NO) on farm people.

The interview was occasioned by the recent sponsorship of the bill by the Oregon League of Women Voters and other organizations located in Portland such as the Portland Realty Board and the Oregon Business Tax and Research Bureau.

"The Bill establishing Rural School Districts and School Boards, after being turned down by all of the groups that would be affected by it, the Oregon State Grange, the Farmers Union and the Oregon Education Association, has finally found a champion in such groups as the Oregon League of Women Voters," Tompkins said. "Why these women single this out as the only measure upon which to bestow their special backing and financial support is hard to understand."

"The bill does not apply to school districts of the first class--with one thousand or more pupils. The League of Women Voters is a city women's organization with eight chapters in Oregon and 90 per cent or more of its members living in school districts that are not affected by

this bill. However, the good ladies spend their time and money working to secure legislation to reorganize schools that they know nothing about, which their children do not attend and ignore legislation that directly affects their own schools," Tompkins said.

"In the remaining days of the campaign, I suggest that these women join with such organizations as the Grange, Farmers Union, American Legion, Veterans of Foreign Wars, Assoc. of University Women, American Fed. of Labor, CIO, and Junior Chambers of Commerce in securing enactment of the Basic School Support Law--a bill that affects their schools--and leave rural school problems to rural people."

"The Grange has never opposed county school tax equalization. Furthermore, it has advocated consolidation where practical. It opposed House Bill 80, however, because it would destroy completely the voice of the local people in managing their own schools. The county school boards which it sets up fixes the budget for each local school district, right down to the amount of salary it pays the teacher and the cost of the coat of paint for the school building. You can't expect to retain local interest and high caliber school directors in rural areas if the job is reduced to that of mere clerk for the county school board."

In commenting upon the fact that House Bill 80 has the support of Portland real estate, business, and tax groups, Tompkins observed, "These people are not interested in good rural schools. In fact, they are not interested in schools at all. They are the only ones opposing the Basic School Support Law. They see in House Bill 80 a chance to reduce budgets for rural schools and thus taxes on corporation and absentee owned farm land. They feel it would be easier to make their deals with a single county school board than it is with school boards whose children attend the schools they manage."

"In fact some Grangers are beginning to wonder whether the Portland women's organization isn't being made the tool of selfish real estate interests. If the people whose

children attend rural schools, the people who pay the taxes for rural schools, and the teachers who teach in rural schools refuse to support the Bill establishing Rural School Districts and Boards, we think it only common courtesy and fair play that city groups allow rural areas to work out their own school problems."

In spite of the efforts of rural groups to secure the defeat of House Bill 80, the act was approved by the people of Oregon by a 21,060 majority at the general election of 1946. The law was amended by the 1947 legislative assembly so that those features which rural people were most opposed to were corrected before the law became effective. The date at which the act was to become law was set at January 1, 1948. In the meantime sentiment in various rural areas urged the direct repeal of the law while others thought it should have a fair trial.

At the time of this quandary, the State Grange assembled for the 1947 session. In reference to this law, Master Morton Tompkins in his annual address said (64, p. 39):

. . . Since the enactment by vote of the people last fall of the rural school district law, there has been a rash of consolidation movements whereby attempts have been made to make the consolidated districts large enough to exempt them from provisions of this law. Admittedly, the measure as adopted contained serious defects and did not provide adequate safeguards for individual schools. The recent legislature amended the measure to correct these defects and yet retain the valuable tax equalization feature

ADVANCE BOND

of the measure. Still further amendments of the same vein will probably be forthcoming from the next legislative session.

Although the Grange opposed the measure as it appeared on the ballot, I feel that the measure as amended probably meets most of the objections which we had. Although it has yet to be tried out, I am of the opinion that most rural schools will profit from it. Those school districts which are now rushing to consolidate with others to become exempt from its provisions could possibly see the day when they would repent their haste.

I cannot agree with those who would repeal the law without giving it a fair trial. The Grange has consistently sought ways and means whereby the school tax load could be equalized, even to the extent of initiating a school tax equalization measure several years ago. The tax equalization feature of the rural school district law is sound. Whether the other features of the measure are undesirable enough to outweigh this good feature, only time and trial can tell.

The above part of the address relating to the Rural School District Law constituted the education committee's report (65, p. 209) which was adopted by the assembly.

In 1948 Master Morton Tompkins spoke at some length to the annual Grange session concerning the relative merits of the county unit and the Rural School District systems. He saw in the county unit system a centralized control that had probably reached its limit of extension in Oregon, and he further felt that was as it should be (66, p. 30). After discussing some of the defects and possibilities of the rural school district law he said (66, p. 31):

The law is not perfect. No law is. I believe, however, that the experience gained during this first year of its operation will result in it being improved by amendments by the next session of the legislature.

There is some demand to have the bill repealed. I am of the opinion that such a move is at this time premature. It is my recommendation that the State Grange refrain from committing itself to such a position, at least until such a time as the law has been operative long enough to determine its merit, or lack of it.

Whatever decisions this State Grange session makes, I trust that you will keep uppermost in your minds the need for bringing rural education standards up to the highest possible level. To do otherwise would be to unnecessarily handicap our own children.

Much of the address dealing with education had already appeared as an editorial in the Grange Bulletin of May 5, 1948, thus serving to establish the position of the Grange among its members more firmly in favor of a fair trial for the equalization idea.

The final action of the Grange in respect to the Rural School District Law occurred during the 1949 legislative assembly when House Bill 200, which would abolish the elective office of county school superintendent and replace that office with a district superintendent appointed by the Rural School Board, was under consideration. This legislation had been proposed by the county superintendents and constituted a part of the legislative platform of the Oregon Education Association. The Grange opposed the measure on two counts (5, p. 15).

First, "the essentially democratic process of electing our public officials would be circumvented," and secondly, the bill would cause people living in first class districts outside of the jurisdiction of the Rural School Board to contribute to the support of the district superintendent but would receive no benefits from the office.

There were no further references to the Rural School District Law in the literature of the Grange during the remainder of 1949, nor did Master Morton Tompkins refer to the law in his annual address to the state convention of that year.

#### Oregon Farmers Union

During the early years of the development of the Rural School District Law, the Oregon Farmers Union was a small but growing organization. By 1946 the membership in Oregon had grown to over 12,000 active members. The Union was interested in rural problems and on various occasions during 1945, 1946, and 1947 the official publication advocated a program of state aid for schools.

Interest in county school tax equalization was first manifested in September 1946, when Lyle Thomas of Polk county, a member of the Union, and also a member of the

education committee of the house of representatives, wrote for the Oregon Farmer Union a denunciation of the denial of home rule for rural schools under the Rural School District Law to be voted on in November of that year. In a rather lengthy article (72, p. 1) he explained to the farmers the duties of the proposed Rural School Boards in adjusting and adopting budgets of local districts in any manner the Rural School Board might see fit, and then wrote:

. . . What would this do to local autonomy is of course very obvious. Insofar as financial matters are concerned, local school boards would be little better than advisers . . . While the referred rural school board measure would equalize within counties, such inequalities as now exist among the counties would continue unabated after the enactment of this measure.

. . . This leads to a feature about the proposal which needs to appear in the full light of day. This referred measure is effective only where second and third class districts are concerned, first class districts and county unit districts being exempt. But all districts and county unit districts are to vote on the passage of this proposal. It is clearly possible that the unaffected areas may vote the second and third class districts into a plan which does not affect them. It is probable that it is this plan of voting which gives the measure its only chance for passage.

After the vote of approval on the referred law, Ronald E. Jones, president of the Oregon Farmers Union, reported to the membership some of the changes which rural people could expect in their school situations. The following excerpts from his article (14, p. 1) of

November 15, 1946 illustrate his views:

School legislation adopted by the voters November 5 will cause drastic changes in rural school administration for the next school year.

. . . First and most drastic, school districts or school units with the exception of first class districts will have no tax levying power . . . .

This means then that for all school operation expense, local directors will have to first gain permission of the newly created rural school board before making commitments.

The equalization features of this bill are fine but in actual operation of schools it is very cumbersome.

Local school directors are required by law if they want to retain their teachers to hire them in March. How can they hire them if they do not know what rate of pay will be allowed by the rural school board? Naturally those school districts that are paying high wages will have to reduce to the average adopted for the county as a whole.

Anything outside of the regular curriculum will have to be abandoned because it will obviously be unfair for the county board to give one school district any more money for operating a school than it gives another.

In effect, local school directors, having no authority of their own, will have to carry out the orders of the county rural school board.

People interested in rural schools should be watching the county boundary board to see that proper zoning is done and then get good men for this rural school board as they certainly have a job.

In his annual report to the farmers early in 1947,

President Jones (15, p. 6) in referring to school legislation said:

We are actively supporting a full equalization formula to be adopted in Salem to strengthen this legislation. We are working to bring some clarification

out of the administrative muddle in which all rural schools were placed after the adoption by the people's vote of the rural school district bill. We actively opposed this bill in the election last fall but because of lack of interest among the voters we were unable to defeat it.

The final reference in respect to the Rural School District Law occurred after the bill had been amended by the 1947 legislature. Lyle Thomas reported to the subscribers of the Oregon Farmer Union the amendments which had been worked out during the past session and which restored some local controls to the second and third class districts. In discussing the various aspects of the amendments, he said (73, p. 6):

While it was not possible to secure outright repeal of this measure, it was amended very considerably with a view to retaining the maximum of local control and of reducing the county boards' authority to a minimum.

Oregon Business and Tax Research, Inc.

Oregon Business and Tax Research, Inc., a state-wide, non-profit, non-partisan organization for tax control, was organized in 1935 and has since that date issued a monthly bulletin called "Your Taxes" to its membership relating to tax problems in Oregon. Since the support of public schools has always been a tax problem of considerable concern, Oregon schools were frequently referred to in the bulletins. Such items as comparisons

of school costs, analysis of effects of new legislation on public school finance, and other news relating to school taxes were frequently discussed. The problem of equalized school property taxes did not become a major issue until after the passage of House Bill 80 by the 1945 legislative assembly. In the period beginning July 1945 and ending with the general election of November 1946, ten bulletins of the organization were devoted either in part or in their entirety to an analysis and discussion of House Bill 80. The analysis was the most extensive and complete study made of the bill by any of the organizations taking an interest in the 1946 campaign. It was the only objective analysis based on official county records that was presented to the public.

During the last six months of 1945, an analysis of the tax-less school districts in four Oregon counties appeared in the monthly bulletins as supporting evidence that House Bill 80 should be approved by the voters in November of 1946. The first such article (3, p. 2) called attention to the fact that thirteen districts, or 12.06% of Benton county's 1944-1945 assessed property valuation, paid no tax for the support of public elementary schools. The membership was further informed that the problem would gradually be brought to the attention of the taxpayer for two reasons (3, p. 2):

1. Former Tax Commissioner Earl Day, told the 1945 interim tax study commission at its first meeting in June, that the commission would be derelict in its study of opportunities to equalize property taxes in Oregon if it did not dig into the question of amount of property in a county that did not pay taxes for common schools . . . .

2. At the 1946 general election in Oregon people will vote on Rep. Giles French's HB 80, referred by the 1945 legislature, which proposal would set up a county board to fix a consolidated levy for schools on all property within a county.

The second study (70, p. 3) revealed that 19.51% of the assessed value of Sherman county was tax-free for elementary purposes during the 1944-1945 school year. This represented seven of the twenty districts in the county. All seven districts were in the non-high school district and paid six mills to that district. During 1943-1944, 30.44% of the county was tax-less property. It was generally true throughout Oregon that there were fewer tax-free districts in 1944-1945 than in 1943-1944. The reason for this was the provision of the State School Support Fund Law, as amended by the 1943 legislature, that local districts would receive an allotment of state funds not larger than the district's special tax levy for that year. The provision had the effect of districts levying a local property tax, whether needed or not, in order to qualify for a state apportionment.

The third county examined was Morrow county (16, p. 3) in which seven of the county's thirty-three

districts or 7.98% of the assessed valuation was tax-free for elementary purposes during the 1944-1945 school year. During the 1945-1946 school year, the number of tax-less districts was reduced because the 1945 legislature made a levy of at least three mills, a condition of eligibility for a district to participate in state funds regardless of whether or not the money was needed. Of the latter the article (16, p. 3) commented:

Levying 3 mills on property, whether the levy was actually necessary, meant that the budgeted expenses of that district were padded. All of which is an interesting slant on what's been happening to property taxpayers since the state school support fund idea was established by the public school people in 1942.

The final study (1, p. 3) of tax-less districts revealed that twenty of seventy second and third class districts, or 9.98% of assessed valuation of Baker county, was tax-free for elementary schools during 1944-1945. The article (1, p. 3) summarized the tax-free property in the four counties (Benton, Sherman, Morrow, and Baker) as follows:

Assessed value 1944-1945	\$55,579,107
Value not taxed for schools, 1944-1945	6,582,091
% value, not taxed, 4 counties	11.48%

In conclusion the article stated:

These substantial amounts of real property that, for various temporary or accidental reasons, paid no tax for a function of government, schools, that many regard as a common responsibility of all property, give impetus to the

French rural school district law that will be voted on by people at the November election.

During 1946 a major portion of four of Oregon Business and Tax Research, Inc. bulletins was devoted to a careful analysis of the effect of House Bill 80, as the measure would have applied had it been effective in Wasco, Washington, Douglas and Umatilla counties.

The first county analyzed was Wasco in which 33% of the county assessed valuation was tax-free, or 50.04% of the valuation outside of The Dalles school district did not levy a property tax for elementary purposes during the 1944-1945 school year. In the other districts tax levies ranged up to 25.86 mills. Had the tax been levied uniformly over the county, which would comprise the Rural School District, a uniform levy of 3.84 mills would have been necessary to raise the required funds for elementary schools. Had the Rural School District Law been in effect, thirty-three districts would have experienced tax increases up to the county levy of 3.84 mills, while nineteen districts would have had decreases ranging from 1.8 to 22.02 mills. The total levy for all school purposes would have been 5.79 mills.

Accompanying the analysis of House Bill 80 in Wasco county was a short article (12, p. 2) directed to "Stockmen, Bankers, Railroads, Farmers, Utility Operators."

The article warned that the approval of the French Bill would cause a substantial shift of taxes from certain property to less taxed property, and that this shift might be of concern to many property owners. The warning was then sounded (12, p. 2):

The French Bill deserves and must receive considerable analytical study. Its potential effects are too pronounced to be shrugged off lightly. School people who are sitting on top of a fat, snug taxable valuation behind their particular school system, won't want to lose their advantageous position. The good citizens who vote after studying a proposition a few moments in a voting booth, will have a vague understanding of what it's all about, at the best. The French bill is a thoroughly intelligent comprehension, even in a literate democracy.

After pointing out that taxpayers become accustomed to a tax burden in a manner similar to a person breaking in a new pair of shoes, and that it would not be easy to absorb a large increase, the article continued:

Few taxpayers, no matter how hard boiled, deny the great necessity for good schools in this tough grab and grapple age. But it is expecting too much of human nature to assume that all of them will cheerfully, even knowingly, vote what may be a substantially higher school tax cost onto themselves via the French bill. Property owners, with a smile on their faces and a ballot in their hands, who will generously slap a larger tax bill onto their pocketbooks, will necessarily have an unusual feeling of responsibility toward public education. A willingness to share-the-cost of schools will denote a high degree of citizenship acceptance that education of the kids is too important to all of us to be supported by only part of us.

House Bill 80 applied to Washington county as of the 1945-1946 school year was discussed (11, pp. 1-2) in the February 1946 bulletin, Your Taxes. Property valuation which would have been subject to the act amounted to \$23,046,891 and the tax levied which would come under equalization was \$504,426. If the tax were uniformly distributed, the rate would have been 21.89 mills. Then 104 second and third class elementary districts, ten union high school districts, and the non-high school district would have been included in the uniform levy. Actually ten districts levied no tax for elementary schools while one district levied 46.5 mills. Data were presented to show that if a \$5000 property assessed at 40% or \$2000 were under the uniform levy, the tax would be \$43.78 for school purposes. However, because of the diversity of tax rates in effect, the actual taxes varied from no tax to a tax of \$85.70.

The pro and con arguments developed by the Oregon State Teachers' Association committee were presented in parallel columns in the March 1946 issue of Your Taxes. In referring to the arguments in it, the writer (68, p. 4) stated:

Frankly, we publish these Yes and No arguments for the purpose of showing to what lengths some educators strained themselves in inventing negative ideas. Notice arguments 6 and 7 under the No heading. Of course, "Capital Outlay"

cannot be completely equalized within a county. The accidents of history make certain that some school districts will need new buildings or other capital outlays, while other S Ds (school districts) will not. As to No. 7 No argument what important revision of Oregon tax laws has not been subjected to a court test sooner or later?

A court test is no discredit to a valid new idea!

House Bill 80 applied to Douglas county appeared in the May 1946 issue of Your Taxes. The analysis was based on the 1945-1946 school year. Since a high percentage of property was already assessed for school purposes (only 3.97% of the assessed valuation was tax-free for elementary purposes), the effect of the law would be less than on the previously studied counties. The valuation of all property which would have come under the Rural School District was \$29,054,785 and the districts taxed themselves \$441,458 which could have been secured by a uniform levy of 15.1 mills. Thus twenty-two districts would have had a lower levy and forty-nine would have experienced increased tax rates had the Rural School District Law been in effect during that year.

In September the entire bulletin was given to an analysis of how House Bill 80 would have applied to Umatilla county during the 1945-1946 school year. A tax of \$354,767 had been imposed on an assessed valuation of \$38,997,552 which if levied uniformly



would have required a nine mill levy. An additional 1.5 mills would be required to raise the county school fund of \$10 per census child. So thirteen districts, or 9.5% of the assessed valuation, had no property tax for elementary schools, and twenty-nine districts, or 33.0% of the valuation, had a tax rate less than two mills. If House Bill 80 had been in effect, seventy-one school districts, or 79.2% of the valuation, would have had a higher tax rate, while thirteen districts, or 20.7% of the valuation, would have had a lower rate.

The September bulletin, being the last in the series, also contained a brief picture of the state as a whole for 1945-1946:

Valuation which would come under HB 80	\$461,796,516
Total tax levy for schools under HB 80	7,033,815
Average tax levy	15 mills

Twenty counties would have had a uniform levy less than fifteen mills while eleven counties, Clackamas, Columbia, Deschutes, Jackson, Lane, Malheur, Multnomah, Polk, Tillamook, Washington, and Yamhill counties would have had a levy over fifteen mills.

In order to make the need for equalization more apparent, a table of property values per school child with a column of ratios of the highest to lowest value per child for each county was included in the September bulletin. (This table was also used in "Memo, HB 80"

published by the Oregon League of Women Voters during the same month). In regard to the table the following comment was made (10, p. 2):

The significant figures are in the last colm (sic). Take Clackamas county (where of all places, educators oppose HB 80!); a 1-mill tax on property in S D 123 will produce 222 times as much revenue for school purposes as will a 1-mill tax in S D 126, a few miles away. S D 123 contains the high-value PGE Co. Three Links power plant. S D 126 doesn't contain much of anything. HB 80 provides a method whereby some of property value in S D 123 can be taxed for the benefit of low-valued S D 126 and the balance of the county.

That is REAL equalization of educational opportunity, placing behind each school child in a county an identical or uniform amount of taxable property value. Yet in the commotion among educators, among some alleged friends of "education", in favor of the so-called "basic" \$15,000,000 school bill, this sensible HB 80 will be overlooked, lost sight of in the dust kicked up about the "basic" bill!

The bulletin, Your Taxes, of October 1946 just prior to the November election contained a review of the measures to appear on the ballot. In regard to HB 80 the bulletin (69, p. 3) said:

OB&TR members and readers of Your Taxes, ought to be pretty well informed about the \$\$ and ¢¢ effect of HB 80 in leveling off school tax costs over ALL property within a county. Some Educational Administrators Oppose HB 80 because they feel that if you give five men (from all parts of a county) a semblance of "control" over budgetary expenditures, in effect you give them control of "administration" of schools, their curricula, their personnel, and so on.

We don't share this tenuous suspicion

with hypersensitive educators. We feel that if some property has the essential responsibility of supporting local schools, which is true, then there is no reason why ALL real property should not equally share that essential responsibility. That's the essence of HB-80,---make all property within a county bear an equalized share of local elementary school costs. On some property, on some farms, timber, outlying mills, the millage tax rate for public schools will go UP under HB 80,---especially if the property, farms, mills, are in outlying districts, away from city school areas.

The final reference to equalization came in June 1948 when the experience of the first year's work of Rural School Boards was summarized. A table of valuations, tax levies, and uniform millage rates was printed. The accompanying article pointed out that all counties had to vote to exceed the six percent limitation as the total tax levy of all county Rural School Districts was outside of the six percent limitation. In three counties, Curry, Polk, and Sherman, the vote to exceed the six percent limitation had failed to pass. The conclusion was (6, p. 2):

The rural school district idea does not insure lower taxes for rural schools under conditions as they exist in Oregon today: it shifts school costs, can't control them.

#### Oregon League of Women Voters

The activities of the Oregon League of Women Voters in respect to the Rural School District Law were confined

to the campaign prior to the November election of 1946. In September of that year, a fourteen page pamphlet or "memo" on House Bill 80 was printed and circularized among the membership of the League, other organizations, and independent voters. The attitude of the women's organization in regard to House Bill 80 (53, p. 1) was stated as:

Since school legislation touches our democracy at its base by influencing the conditioning of our children as citizens, the League of Women Voters has adopted certain basic attitudes towards school legislation briefly summarized as follows:

- (a) Increased state aid to education
- (b) Equalization of opportunity for all children
- (c) Consolidation of schools consistent with rising standards of education.

House Bill 80 is not actually legislation to consolidate schools. It is a move in that direction.

The pamphlet then discussed the problems of Oregon's many local school districts and referred to the advantages of consolidated schools. The arguments for consolidations were quotations taken from studies made in other states and dealt primarily with county unit organization. It was the purpose of the data cited to indicate that the development of tax equalization and school consolidation in rural areas was a national tendency.

Six pages of the pamphlet were devoted to an explanation of House Bill 80 followed by the following list of effects (53, p. 9) if the bill were passed:

It would oblige all districts in each county which are included under the bill to pay an equalized school tax as determined for that county.

At the present time no such controls are possible.

It would oblige districts to support locally, schools which now depend entirely upon State and County support.

It would equalize taxation in other districts which now over-tax themselves for schools.

It would tend to consolidate schools where there has been a reluctance to consolidate due to unwillingness to pay school taxes.

House Bill 80 provides a means of equitable distribution for any future State or Federal aid to elementary and secondary education in rural districts. This is particularly important with regard to Federal Funds as these, if authorized by Congress, will almost certainly be distributed on the basis of need after an equalized effort has been made on the part of the districts within the States to support their own schools.

A table of ratios (53, p. 10) of high to low valuation per census child in the various Oregon counties for the 1944-1945 school year was used to indicate the need of equalization. In three counties the ratio exceeded all others by a wide margin. These were Clackamas county, where the highest valuation in a school district was \$176,362.50 per census child, while the lowest was \$793.79 or a ratio of 222 to one. In Umatilla county the ratio was 212 to one, and in Malheur county 134 to one. While the ratio for Umatilla county was somewhat less than Clackamas county, the wealth per child was much greater, being \$273,030.50 in the district of highest

valuation and \$1,281.99 in the lowest. The five county unit districts were marked in the table to indicate that equalization had been accomplished, as the ratios varied only from 1.5 to one in Josephine county to one to one in Lincoln and Crook counties.

Page eleven of the pamphlet was devoted to ten arguments for House Bill 80 and three against the measure. These arguments were the statements developed by the committee of the Oregon Education Association which reported to the representative council on March 30, 1946.

An analysis of how House Bill 80 would have applied to Washington county during the 1945-1946 school year was presented on pages twelve and thirteen. The analysis was taken from the February 1946 issue of Your Taxes, the official publication of Oregon Business and Tax Research, Inc..

In conclusion, the readers of the pamphlet were urged to vote in favor of House Bill 80 with the following explanation (53, p. 14):

H.B. 80 is a tax-equalizing rather than a school-finance measure, but having made a study of the school situation in Oregon, and having compared it with the experiences gained by other States in similar situations, we are of the opinion that this Bill is progressive and fundamental to the well-being of rural education in Oregon.

With 36 county-unit boards to survey and distribute school finance (rather than the 1688 school boards now handling this problem)

more highly standardized methods can be introduced insuring more equal salaries to teachers, giving Oregon's rural school children a better opportunity, and paving the way for a stabilized system of school-finance in Oregon.

## CHAPTER III

## POLICIES, PROCEDURES, AND PROBLEMS

Rural School Board Policies and Procedures

During the first two years (1948-1949 and 1949-1950) under the new law the policies and procedures of Rural School Boards were characterized by considerable groping to make the law function effectively. Section 14 of the Rural School District Law (20, p. 1133) defines the duties of the rural school board as follows:

The rural school board shall examine and audit or cause to have examined and audited the budgets of the several school districts, joint school districts in which the schoolhouse is located in the county or county units embraced within the rural school district and shall have the power to approve or reject, increase or reduce any item or amount in any such budget, provided that the rural school board shall not reduce the total of budgeted expenditures of a district below the maximum program established in section 12 of the law providing for distribution of the basic school support fund.

Since the duties of the board were defined in such general terms, many approaches were used in an attempt to provide an equitable distribution of school funds.

The policies centered around such problems as: to what extent should school costs be equalized? To what extent and under what conditions should capital outlays be included in the uniform levy? Should auxiliary

agencies which are not enjoyed by all schools be included? What allowances should be made for salaries of teachers and other school employees? Various considerations arose in the different counties, the policies adopted and the procedures affected being almost as numerous as the counties involved in the law. Because of the diversity of plans used, a brief summary of each county's plan for the 1948-1949 and the 1949-1950 school years which were the first two years under the Rural School District Law will be presented.

Baker County. The county Rural School Board allowed most items as budgeted if they approached a general average and did not deviate too much from the previous year. For instance, one school budgeted an increase of \$600 and \$800 for teachers' salaries which was cut back. Also \$45 per child was allowed, if needed and requested, for maintenance, repair, and capital outlays, except in a few schools which might be discontinued. One school planning to build was allowed that amount as a reserve fund. An attempt was made to balance the salaries of teachers and administrators, but they were not made uniform. Transportation and other auxiliary agencies were allowed as budgeted in most cases. In four districts the amounts for transportation were reduced because of the excessive cost of transportation. An emergency fund of

three, four, or five percent was allowed depending on the size of the budget.

The second year plan followed the original in most items. Salary schedules were adopted for teachers, clerks, and administrators. About forty dollars per student was allowed for capital outlays when requested and needed.

Benton County. An attempt was made to consider the needs of the individual districts in determining the allowances for the items of the budget. The policy adopted included the following specific allowances: \$3000 for grade school principal; \$4000 for high school principal; \$2500 salary for teacher of one-room schools, \$100 additional for the second teacher; one dollar per student for supplies; \$2.50 and one dollar for textbooks; eight percent of payroll for retirement; fifty dollars library fund for first room and twenty-five dollars for each additional room; \$200 emergency fund for one-room school; \$300 emergency fund for two-room school. Capital outlays other than for library books were not allowed.

The plan initiated by the Clackamas County Board during 1948-1949 was adopted for 1949-1950. A district which conducted a school was allowed fifty-five cents per total daily membership (TDM) for non-transported students and sixty-five cents per TDM or \$2000 per teacher for transported students. High school allowances were one dollar per TDM for non-transported and

\$1.10 for transported students or \$2500 per teacher, whichever was the greater. Districts which did not operate a school were allowed \$250 per student up to \$2000 or sixty-five cents per TDM whichever was the greater.

Clackamas County. Because of the diversity of schools comprising the Rural School District, ranging from poor one-room buildings to large modern schools, the total daily membership was used in an attempt to equalize a basic educational program. An amount of fifty-five cents per TDM for non-transported and sixty-five cents for transported students with a minimum of \$2000 per teacher was adopted for 1948-1949 after a study of school costs for the three previous years. In case a district budgeted less than the plan allowed, the district received the budgeted amount. No restrictions were placed on the use of the allowances except those provided by law.

The same policy was followed during the next year except that because of the rising cost of education the apportionments were raised to sixty and seventy cents per TDM.

Glatson County. Most items in the budget which seemed reasonable and approached a general county average were allowed. The Rural School Board did not allow funds

for the school lunch program, school busses, or capital outlays such as new sites, new buildings, major alterations, and new furniture. A reasonable amount was allowed for new textbooks, library books, and play ground equipment. Emergency funds were established on a percentage basis of the total budget as follows: 0 to \$5000, 10%; \$5000 to \$25,000, 7½%; over \$25,000, 5%.

The same policy governed the action of the board during the second year (1949-1950).

Columbia County. During the first year all items were allowed as budgeted except capital outlays and auxiliary agencies.

The second year the board decided on a policy of allowing sixty-five cents per TDM as a more equitable apportionment of revenue and as a means of eliminating padded budgets. The board felt that auxiliary agencies should be supported in their entirety by local districts.

Coos County. The Rural School Board allowed items in the budget if such items seemed reasonable when compared with the budget of the previous year. Explanations of expenditures for maintenance and repair were requested so that they would not be confused with capital outlays. New busses were allowed in cases where they were badly needed. Capital outlays were approved on a county-wide basis if individual districts matched

the allowances of the county Rural School Board. A salary schedule was adopted to determine the apportionments for teachers' and principals' salaries. The schedule ranged from \$2400 for a teacher with no experience and two years of training to \$3600 for six years of experience with a master's degree. Extra salary was allowed for extra duties assigned a teacher by the school. Salaries of superintendents in districts with high schools were set irrespective of the salary schedule. Emergency funds were set on the basis of the total budget as follows: \$5000 to \$10,000, 7½%; \$10,000 to \$20,000, 5%; \$20,000 to \$50,000, 4%; over \$50,000, 3½%. Reserve funds were not considered on the equalized levy.

The policy of the second year was similar to that of the first year. The salary schedule for teachers and principals was raised \$150 over the previous year. Other specific allowances included four dollars per student for textbooks, new desks when needed, library books, busses, transportation, and lunch programs other than for food and for salary of cooks. No funds were allowed for new buildings, new sites, or major alteration on buildings.

Curry County. The Rural School Board demanded a detailed explanation of the items in the budget of the local district. Increases over the previous year were

allowed when properly justified. A salary schedule ranging from \$2300 to \$2600 for elementary teachers with an additional \$150 for principals, \$2800 to \$3200 for high school teachers, and \$3700 to \$4000 for high school principals was adopted as a guide for salary allocations. A reasonable amount was allowed for new furniture, equipment, and library books. Also \$250 per teacher was allocated for retirement. The following schedule was set up for emergency fund allowances: for budgets up to \$5000, 10%; \$5000 to \$10,000, 7½%; \$10,000 to \$20,000, 5%; \$20,000 to \$50,000, 2½%.

During the second year (1949-1950), items were allowed as budgeted if increases were reasonable and justified. The Rural School Board held a general meeting with local boards to discuss policies that would be acceptable. A single salary schedule was adopted for teachers. It ranged from \$2400 for teachers with two years of training to \$3200 for a master's degree and three years of experience. Elementary principals were allowed \$200 above the regular teachers' salary for the same training and length of experience. The salary schedule for high school principals ranged from \$3700 to \$4100. New busses, library books, and needed furniture and fixtures were included in the county budget.

Deschutes County. No particular policy was adopted

by the Rural School Board. Generally items were allowed as budgeted if increases seemed reasonable. Teachers were allowed a \$300 increase in salary. Increased amounts were considered under insurance and retirement. The only capital outlays allowed were two dollars per census child for new library books.

The plan of the second year was similar to that of the first. In general, budgeted items were accepted as long as increases over the previous year seemed reasonable. Allowances for maintenance and repairs were based on a consideration of the needs of the individual districts. Library books, transportation, and lunch programs were included in the general levy.

Douglas County. Unless exorbitant, items were generally accepted by the Rural School Board as budgeted by the local district. Specific allowances included: ten percent increase over the previous year in teachers' salaries, fire insurance when under fifty dollars transportation and ten percent depreciation of busses, library expenses, and five percent of the levy for emergency funds. Capital outlays, reserve funds, athletics, and lunch programs were not considered.

In general the plan followed during the second year was as originally adopted. In some cases a percentage increase was allowed in budgeted items.

Gilliam County. The Rural School Board did not adopt

a specific policy but accepted budgets as they were prepared by local districts.

The same plan was followed during the second year. Increases were allowed because of rising school costs. Transportation, new busses, lunch programs, needed furniture and fixtures, and library books were included in the county budget.

Grant County. Budgets were accepted as prepared by local districts except that only library books were allowed under capital outlays, and only the running expense of busses was allowed under auxiliary agencies. An amount up to ten percent of the first \$5000 of current expenditures and five percent for any amount over \$5000 was set as an emergency fund.

Percentage increases were allowed during the second year in most budgeted items. A maximum allowance for salaries was \$2600 per elementary teacher and \$3100 per secondary teacher. The board included lunch programs, and library books.

Harney County. The Rural School Board followed the same plan during each of the first two years. In general, items were allowed as budgeted except that salary schedules were adopted for teachers' and clerks' salaries. Transportation and lunch programs were included under auxiliary agencies while under capital outlays only new library books were allowed.

Jackson County. The Rural School Board followed the same plan for determining budget allowances during each of the first two years. The Board compiled averages of salaries for various classes of teachers and administrators from the submitted budgets, and allowed little variation from these averages. Average increases were allowed during the second year. Badly needed bus repairs were allowed, but no new busses were purchased on the county levy. Only library books were included under capital outlays. Excessive emergency funds were adjusted by conferences with local boards.

Jefferson County. In general the Rural School Board accepted the budgets as submitted by local boards, and in some cases raised and in others lowered items after conferences with local boards. The judgment of the local district budget committee was accepted in matters of maintenance, repair, and operation of plant. Transportation, lunch programs, health services, library books, and student insurance were included in the county budget.

The same procedure was followed during the 1949-1950 year.

Lake County. Because of the few and scattered school districts comprising the Rural School District, an intensive educational campaign was carried out by

the Rural School Board to make all districts aware of the problems associated with the new law. No excessive budgets were received, so budgets were adopted as presented except that capital outlays for new buildings were not allowed.

The same plan was followed during the second year.

Lane County. The Rural School Board allowed most items in the budget providing they were not out of line with items in budgets of comparable schools. Existing salaries with an increase for living costs were approved. New busses, new sites, and new buildings were left to the individual districts. Minor repairs, alterations, new furniture and equipment to meet school standards, and repair and replacements of busses were approved. The Board provided \$1.50 per elementary and two dollars per high school pupil for library funds, and \$221 per teacher was allowed for retirement fund. Emergency funds were set at approximately five percent of the budget.

The same plan was followed during the second year.

The Rural School Board members visited local schools and held conferences with local boards in an attempt to raise the over-all program to meet state standards.

Linn County. All budgeted items were allowed if they appeared reasonable. Capital outlays and reserve funds were left to the local districts. Specific

allowances were: \$2700 per teacher for salary, \$25 per teacher for library fund, and \$300 per teacher for emergency fund.

The same procedure was followed during the second year.

Malheur County. In general, the budgets were approved by the Rural School Board as prepared by the local districts. A few items were raised, and \$2400 was set as the minimum allowance for teachers' salaries. Of the amount requested twenty percent was allowed for capital outlays. Emergency funds were set at ten percent of the amount of the budget.

The same procedure was followed during the second year except that ten percent of the total budget was allowed for capital outlays, maintenance and repair, and emergency fund. During the first year local schools were visited by the Rural School Board, and during the second year conferences were held with local boards.

Marion County. The Rural School Board sat down with each local board and as a result of these conferences, all budgeted items except capital outlay and reserve funds were allowed. School lunch programs and transportation were approved. Emergency funds varied from five to eight percent of the budget.

All budgets were accepted as presented during the

second year. These had been prepared as a cooperative venture between the local district budget committee and the Rural School Board. There being no misunderstandings, budget hearings were not necessary.

Morrow County. The Rural School Board met and worked with local boards in preparing their budgets which were accepted as presented during each of the first two years. A salary schedule for teachers was adopted during the second year.

Multnomah County. In general the Rural School Board allowed items as budgeted with some exceptions. Salaries of administrators, secretaries, and office help were considered on the basis of school size. A minimum of \$2750 and a maximum of \$3200 was allowed for teachers' salaries. New busses were allowed districts in need of them. Each district was allowed to budget one dollar per pupil in average daily attendance in order to participate in a county program of visual instruction to be established in the county superintendent's office. New sites, new buildings, major alterations, and reserve funds were not approved, but other items of capital outlays were allowed. An exception was made in the case of one district which was bonded to the limit and yet could not provide adequately for the twenty-five percent increase in enrollment. This district was allowed \$34,000 for new buildings. Emergency

funds were about five percent of the estimated expenditures.

A similar plan was followed during the second year. A fixed amount per pupil was allowed for teaching supplies, textbooks, and school health examinations and services. Salaries of cafeteria employees were not allowed, but new equipment for cafeterias was included. Under capital outlays, needed furniture and fixtures, library books, and new school busses were approved.

Polk County. No restrictions were placed in this county on any item in the budget except fixed charges. Capital outlays were limited to \$1000 per school. However, since the election to exceed the six percent limitation failed to pass, each district received a prorated share which was about sixty percent of the budgeted amount.

The same procedure was followed during the second year. The vote to exceed the six percent limitation again failed so that districts again received a prorated portion of the budgeted amount.

Sherman County. The Rural School Board allowed minor improvements, \$1500 emergency fund, and all other items as budgeted including the purchase of new busses.

During the second year most items were either considered on the basis of need or allowed as budgeted.

A salary schedule for teachers was adopted. Transportation, purchase of new busses, lunch programs, and library books were approved on the county levy.

Tillamook County. The Rural School Board set basic salary allowances as follows: clerks of one-room schools, \$75 with \$50 more for each additional teacher; principals of elementary schools, \$3500; \$4100 for high school principals; elementary teachers, \$3000; and high school teachers, \$3400. Practically all other items were accepted including needed equipment, transportation, library books, and a reasonable emergency fund.

The same plan was followed during the second year. Transportation, lunch programs, needed furniture, library books, and one new bus were included in the Rural School District budget.

Umatilla County. The budgets submitted to the Rural School Board seemed reasonable when compared with other years, so practically all items were allowed as budgeted. The board felt that new busses, capital outlays except library books, and reserve funds were obligations of local districts. Up to ten percent of the operating expense was approved for emergency funds.

A similar procedure was followed during the second year. Items were approved as budgeted or a percentage increase was allowed because of rising prices. The

Rural School Board attempted to allow amounts in keeping with the needs of the district to meet state standards.

Union County. Allowances for salaries of teachers and bus drivers were standardized throughout the Rural School District, and salaries of clerks and administrators were set according to the size of schools. Teachers were allowed extra salary for extra-curricular activities. Office assistance and stenographers were not approved. In general, all items needed to meet school standards were allowed, particularly library books, furniture, and equipment. Under auxiliary agencies, the following were approved: health items, transportation, repair of busses, and supplies for busses on a mileage basis. About  $3\frac{1}{2}\%$  of the total budget was approved for emergency funds.

Salary schedules for teachers, administrators, clerks, and bus drivers were used as a basis for allowances during the second year. In general, items required to meet school standards were allowed. Transportation, lunch programs, library books, furniture, equipment, and some additions to buildings were approved. The Rural School Board visited local schools and held conferences with local boards.

Wallowa County. The Rural School Board allowed practically all budgeted items that seemed reasonable when compared with those of other years. A few items

under operation of plant seemed excessive so they were reduced. Salary allowances were set at \$2300 for elementary teachers, \$2700 for high school teachers, and \$3600 to \$4500 for superintendents according to size of school. Extra salary allowances were made for such activities as coaching, teaching agriculture, teaching of home economics, and for music teachers. Only library books were approved under capital outlays. Emergency funds were set at \$200 for one-room schools, \$400 for two-room schools, and others received what they asked for or what the board deemed reasonable.

In respect to the policy of the second year, the following comment was written on the questionnaire: "Last year was more of an experiment than a plan. Changes were made where it was thought best." The policy was to allow most items as budgeted or to reduce them to a reasonable level. For instance, under maintenance and repairs, the comment was made that the policy was to "cut out pads" and allow an amount in keeping with what had been spent in previous years. Salary schedules were adopted for clerks and administrators with \$2500 per elementary teacher's salary, \$2900 per high school teacher and extra allowances for teachers of agriculture, athletics, and home economics uniformly approved for all districts. Library books

and transportation were approved, but lunch programs were not allowed on the county levy.

Wasco County. Budgets were approved as presented except for hot lunch programs, new construction, and reserve funds which were considered as being obligations of the local districts.

The same procedure was followed during the second year. Most items were accepted as budgeted except that some items under maintenance and repairs were reduced. Lunch programs were not allowed on the county levy. Transportation, new school busses as replacements, library books, needed furniture, and fixtures were included in the budget of the Rural School Board.

Washington County. The Rural School Board considered the individual needs of the local districts on many of the items in the budget, and formed definite policies on salaries, cafeterias, and capital outlays. Elementary teachers' salaries of \$2800, and high school teachers' salaries of \$3300 were the maximums allowed in local budgets. The base salary of \$2800 for elementary principals and \$3500 for secondary principals with an increment of \$100 per teacher supervised were set as salary allowances for administrators. Transportation costs and the purchase of needed new busses were approved. Cafeteria expense up to \$2000 was allowed

with the recommendation that cafeterias be made self-supporting during the coming year. Reasonable new improvements were allowed. A local district must have bonded itself to the legal limit before it could be considered for aid in new buildings. Two such districts received aid amounting to \$31,000. The following percentages of the total budget were allowed for emergency funds: 0 to \$5000, 5%; \$5000 to \$10,000, 4½%; \$10,000 to \$30,000, 4%; \$30,000 to \$40,000, 3%; above \$40,000, 2%.

An objective formula for allowances to local districts was adopted during the second year. Allowances were based on the total daily membership as follows for elementary schools: sixty cents per pupil per day for non-transported pupils, and seventy cents for transported pupils with a minimum guarantee of \$2100 per teacher employed. If a local district budgeted less than provided by the formula, the budgeted amount was allowed. The formula for high schools was: \$1.20 per pupil per day for non-transported pupils, \$1.30 for transported pupils with a guarantee of \$2600 per teacher employed. No district was allowed more than the submitted budget. However, the vote to exceed the six percent limitation failed, so each elementary district received a prorated amount of 17.2% of the rural school board proposal, and each high

school district received 52.7% of the proposed amount. This action on the part of the voters reduced the uniform tax rate for elementary schools from twenty-six mills during the first year to 4.2 mills during the second year. The tax rate for high schools was reduced from 19.8 mills to 10.6 mills.

Wheeler County. Since the Rural School District is composed of relatively few local districts, the Rural School Board reviewed each item in the budget raising some and lowering others. Only library books were approved under capital outlays.

The same policy was adhered to during the second year except that minor alterations of buildings, needed furniture, and new fixtures were approved. A two-page statement of policy was sent to local boards as a guide for the preparation of the budget. Accompanying the statement were detailed mimeographed forms on which all items to be used and budgeted for could be checked. The purposes of these forms were to enable the local district to prepare a better budget, and to provide the Rural School Board with all of the necessary information when budgets were being considered.

Yamhill County. The Rural School Board felt that budgets should not vary widely from those of the preceding year, and requested a written explanation of any

Large increase in any item. In most cases, slight increases were approved. The Board allowed \$2800 as the maximum salary for elementary teachers, and \$3300 for secondary classroom teachers. Elementary principals were allowed \$2800 basic salary plus \$100 additional for each teacher supervised; and high school principals were allowed \$3500 basic salary with increments of \$100 per teacher. Only library books were approved under capital outlays. Emergency fund allowances were based on \$250 per teacher for elementary schools, and \$400 per teacher for secondary schools.

The same plan was followed during the second year with transportation and library books approved but with cafeterias and lunch programs not allowed.

#### Rural School Board Problems

During the first two experimental years (1948-1949 and 1949-1950) under the Rural School District Law a number of unforeseen and serious problems arose. Some of these were partly or entirely corrected at the end of the first year by the 1949 legislative assembly, while others of a controversial nature and are still present. Some will become more acute as the years go by.

The material for the analysis of Rural School Board problems was secured from questionnaires sent during the

fall of 1948 to all Rural School Board members and county school superintendents. Eighty-five questionnaires were returned from twenty-nine of thirty-one Rural School District counties. However, the eighty-five questionnaires represent more than that many opinions, as in several cases a single return expressed the views of the entire board.

Additional clarification of the problems occurred at two state conferences of Rural School Board members held in Salem after the completion of Rural School Board duties during the fall of 1948-1949. Between eighty and ninety delegates attended these day-long meetings at which many problems were discussed, and puzzling legal questions were answered by members of the state department of education.

Every Rural School Board was confronted with the problem of inheriting a low tax base and finding it necessary to adopt a high tax levy in order to carry out the policy of the Board and comply with section 14 (20, p. 1133) of the Rural School District Law. This section stipulates the extent to which a local budget may be reduced by the Rural School Board; that is, not below the amount guaranteed by the Basic School Support Law. During each of the first two years every county Rural School Board found it necessary to submit its

budget to the voters for approval to exceed the six percent limitation. Tables III and IV list the percent of the tax levy outside of the six percent limitation for each of the first two years. During the 1948-1949 school year (Table III) the amount of the tax levy outside of the six percent limitation in eighteen counties exceeded the tax base.<sup>2</sup> In five counties, Jackson, Jefferson, Lane, Marion, and Washington the amount of the levy outside of the tax base was over twice as great (over 66.7% of the levy) as the amount inside the tax base. In three counties, Curry, Polk, and Sherman the vote to exceed the six percent limitation failed so that the boards levied the amount of the tax base.

During the 1949-1950 school year the tax problem became more acute because the cost of education increased faster than the tax base (six percent). A study of Table IV indicates that in twenty-one counties in which the Rural school District levy had been approved, the amount of the levy outside of the tax base

---

<sup>2</sup>The tax base is the amount inside of the six percent limitation and represents the amount of the tax which can be levied by a taxing body without a vote of the taxpayers.

TABLE III

PERCENT OF RURAL SCHOOL DISTRICT LEVY OUTSIDE OF SIX  
PERCENT LIMITATION FOR 1948-1949 SCHOOL YEAR\*

	1	2	3	4
Baker	280.3	257.6	22.7	8.1%
Benton	229.6	170.8	58.8	25.6
Clackamas	653.6	305.1	348.4	53.3
Clatsop	248.7	114.8	133.9	53.8
Columbia	413.6	209.5	123.1	29.9
Coos	634.8	293.5	341.3	53.7
Curry	125.7	125.7		
Deschutes	114.0	47.8	66.2	58.0
Douglas	952.4	369.2	583.2	61.2
Gilliam	127.8	118.0	9.8	7.7
Grant	207.3	193.3	14.0	6.8
Harney	126.9	65.2	61.7	48.6
Jackson	1,003.4	269.0	734.4	73.3
Jefferson	272.0	84.5	187.5	69.0
Lake	136.3	45.7	90.6	66.4
Lane	1,249.2	280.9	968.3	77.5
Linn	716.1	256.1	460.0	64.3
Malheur	263.7	134.6	129.1	49.2
Marion	1,017.7	179.8	837.9	82.5
Morrow	270.6	100.6	170.0	62.8
Multnomah	1,180.1	320.3	859.8	47.3
Polk	236.3	236.3		
Sherman	61.7	61.7		
Tillamook	259.7	107.7	152.0	58.5
Umatilla	671.5	316.2	355.3	52.9
Union	258.7	139.2	146.5	51.3
Wallowa	189.9	91.2	98.6	52.2
Wasco	185.1	127.8	57.3	31.0
Washington	754.2	161.6	592.6	79.0
Wheeler	118.9	91.8	27.1	22.8
Yamhill	428.3	154.3	274.0	64.0

1. Total tax levy of rural school district (in thousands of dollars).
2. Tax base (in thousands of dollars).
3. Amount of levy outside of six percent limitation (in thousands of dollars).
4. Percent of Rural School District levy in excess of six percent limitation.

\*Data taken from questionnaires completed by county school superintendents.

TABLE IV

PERCENT OF RURAL SCHOOL DISTRICT LEVY OUTSIDE OF SIX  
PERCENT LIMITATION FOR 1949-1950 SCHOOL YEAR\*

	1	2	3	4
Baker	223.9	204.9	19.0	8.2%
Benton	313.8	180.8	133.0	42.5
Clackamas	813.3	360.9	542.4	55.6
Clatsop	313.5	121.6	191.9	61.0
Columbia	367.0	307.9	59.1	16.1
Coos	848.0	311.1	536.9	66.3
Curry	257.8	133.6	124.2	48.3
Deschutes	154.0	50.6	103.4	66.7
Douglas	1,456.3	391.4	1,064.9	73.2
Gilliam	150.5	150.5		
Grant	258.5	192.7	65.8	25.4
Harney	203.0	68.2	134.8	66.4
Jackson	1,040.5	281.5	759.0	72.8
Jefferson	311.0	89.6	221.4	71.0
Lake	167.1	48.2	118.9	71.2
Lane	1,804.8	301.5	1,503.3	83.2
Linn	976.6	271.5	705.1	72.2
Malheur	379.0	142.7	233.3	61.5
Marion	1,233.4	190.6	1,032.7	83.7
Morrow	380.2	90.6	289.6	76.0
Multnomah	1,685.8	339.6	1,346.2	80.7
Polk	250.2	250.2		
Sherman	176.5	65.4	111.1	63.0
Tillamook	330.0	112.0	218.0	66.0
Umatilla	854.4	335.2	519.2	60.7
Union	340.0	147.6	192.4	56.6
Wallowa	232.2	96.7	135.5	58.3
Wasco	241.8	135.2	106.6	44.1
Washington	173.1	173.1		
Wheeler	140.9	92.0	48.9	34.8
Yamhill	629.1	160.5	468.6	74.5

1. Total tax levy of rural school district (in thousands of dollars).
2. Tax base (in thousands of dollars).
3. Amount of levy outside of six percent limitation (in thousands of dollars).
4. Percent of Rural School District levy in excess of six percent limitation.

\*Data taken from questionnaires completed by county school superintendents.

was greater than the amount inside. In eleven counties the amount outside of the tax base was over twice the amount inside the six percent limitation. These were: Deschutes, Douglas, Jackson, Jefferson, Lake, Lane, Marion, Morrow, Multnomah, Washington, and Yamhill. In only two counties, Columbia and Jackson, was the percent of the tax levy outside of the tax base less during the second year than the first year. In all of the other counties in which the budgets were approved the amount of the levy outside of the tax base increased. Again in three counties the levy failed to pass--Gilliam, Polk, and Washington counties.

This critical tax problem was brought about by an unusual provision in section 15 (19, p. 554) of the Rural School District Law in which the tax base of the newly organized Rural School District was established by combining the tax bases of all of the individual districts coming into the Rural School District. Many of the local districts had lost their tax base because they had failed to levy a school tax for three or more successive years. This is well illustrated in the case of the Clackamas county Rural School District which was originally composed of seventy-four districts. Of these, twenty-six came in without a tax base and twenty-six more had a tax base less than \$1000. Yet during the

first year no district received less than \$1000 from the Rural School District budget.

This situation is unique in that a new taxing district usually establishes its own tax base (2, p. 26). It is possible for a district under the six percent limitation to vote on dividing the district into two or more new districts, and then vote to consolidate to form a new union high school district and establish a new tax base. After the base has been established it is governed by the six percent tax limitation which was adopted in 1916 as a constitutional amendment. The amendment provides that the base may not increase faster than six percent each year.

Considerable confusion exists in connection with the six percent limitation. On May 10, 1938, the Oregon State Tax Commission (2, p. 24) "Held that when a district had failed to levy a tax in any one of three years immediately preceding, the district had completely lost its tax base which could not be regained and thereupon any levy would be outside of the limitation and have to be properly presented to the voters." However, on May 21, 1938, the Attorney General's opinion 1936-38:666 (1938) ruled: "The base is the amount necessary to defray the ordinary expenses for which taxes may be levied without a vote of the people."

In reference to this opinion a study of the six percent limitation prepared for the Oregon Tax Study Commission states (2, p. 23):

This has been interpreted to mean that a situation where no taxes have been levied for three years is not within the scope of the limitation and that a new levy that may be made by such a taxing district is subject only to statutory provisions and if no statutory restrictions exist, the levy may be any amount found to be necessary by the legislative body of the taxing district having the authority to levy taxes.

In regard to the tax base of third class districts, the report states (2, pp. 34-35):

. . . There have been a number of questions affecting the application of this provision to third class districts. These questions arise because of the statutory requirement that all tax levies of third class school districts must be approved by the voter. The opinions of the Attorney General have frequently been in conflict on this point. The latest opinion on this question dated August 30, 1944, however, implies that third class districts do have a tax base since they are required to use form 70-C election notice which provides for "Notice of school election upon the question of increasing the tax levy over the amount limited by Section 11, Article XI, State Constitution."

In actual practice, a district which fails to levy a tax for three successive years loses its base, but many third class districts entered the Rural School District with a tax base.

If an adequate tax base is not established for

each Rural School District, a few organized voters in areas which pay more in taxes than their school district receives from the Rural School District budget can defeat the levy and cut the equalizing features of the law to a minimum. This problem may become more acute in future years, especially if inflationary trends continue. The tax base problem was studied by the Oregon Tax Study Commission which recommended to the 1947 legislature (47, p. 18):

The Tax Study Commission recommends that the Legislative Assembly submit a Constitutional amendment to the voters to clarify the application of the 6 per cent limitation to property taxes and to provide for the establishment of a new base by action of the voters of a taxing unit.

In discussing the need of the recommendation, the following explanation was given (47, p. 18):

It is also the purpose of this recommendation to provide a method whereby the voters of a new or existing taxing unit can establish a new tax base. Many new types of taxing units or districts have been created since this provision was added to the Constitution. Other taxing units have lost their tax base and much confusion now exists regarding procedures to be followed for levies without approval by the voters. Many other taxing units have expanded their corporate limits to care for an increased population and demands for governmental services and find it necessary to have authorization for levies in excess of the limitation.

Another unique provisions of the Rural School District Law was found in section 15 (20, p. 1134) which stated:

In case a proposed levy in excess of constitutional limitations is not approved by the legal voters of the rural school district the rural school board shall levy the maximum permitted by law. After deducting the estimated expenses provided in the budget of the rural school board said board shall apportion the remainder of the levy extended in the proportion that the original levy as determined and included by the rural school board for each district is of the total of all such levies in the rural school district.

No other school district in Oregon is burdened with the restriction of being unable to re-submit a defeated budget to the voters of the district. Many budget elections have won approval on the second or third attempt after an initial defeat. Often the proposed budget is altered somewhat before again being submitted to the people, but the Rural School Board had no such authority. A few Rural School Board members felt that one or more of the three defeated budgets of the first years might have passed at a second election had such an alternative been possible. The problem was somewhat corrected by the 1949 legislative assembly which amended section 15 (21, p. 870) of the law by the inclusion of the following provision:

The second election, if the rural board deems it advisable and necessary, may be

called after proper notice on a date fixed by the board.

A serious problem resulting from the low tax base arose during the first year (1948-1949) in regard to the budgets of a joint district whose territory lies in two or three counties and would therefore be a part of two or three rural school districts. In such districts the local budget was presented to the Rural School Board in the county in which the school was located. The Rural School Board of that county determined the amount of the budget to be allowed the joint district. After this amount had been determined section 15 (20, p. 1134) of the law provided:

. . . that the levy for the joint districts shall be prorated between the respective counties affected on the basis of the latest assessed valuation of the joint district in each county raised to true cash value.

The prorated amount was then included in the budget of each Rural School District with which the joint district was involved. No problem exists if all of the involved Rural School Districts voted favorably on the budget. A most serious problem arose when the budget was acted upon favorably in one county and defeated in the other. In this situation a real injustice occurred to the taxpayers in that section of the joint district that is a part of the Rural School District in which the

budget was defeated. The people of the joint district can vote to raise additional funds, but this could only be by a tax on all property of the joint district. This would not be just to the people living in that portion of the local district in the county which had already voted its share. There is no legal method by which a school tax may be levied on a segment of a local or joint district.

Such a problem arose during the first year in connection with the joint districts in Polk county in which the budget was defeated and was approved in the surrounding counties. In order that such a problem would not occur in future years, the 1949 legislature amended section 2 (21, p. 867) of the Rural School District Law to read:

Said rural school district shall embrace all territory within the county and, without regard to county lines, all territory in a joint school district shall be included in the rural school district of the county in which the joint districts' school is located.

This amendment extends the Rural School District to include fringes of a surrounding county. By this amendment, the joint district is a part of only one Rural School District rather than two or three, and the entire joint district is taxed uniformly.

The 1947 legislature amended section 13 of the law so that local districts had to submit their budgets to

the Rural School Board by February 1 of each year. This provision generated considerable criticism in all counties from Rural School Board members who felt that the date was too early. In order to submit the budget by February, the budget must be prepared in December or very early in January so that it might be posted in the district for twenty days as the budget law requires. This meant that a budget usually prepared in May and voted on the third Monday in June must be prepared five months earlier, or nine months before the opening of school. Board members pointed out that it is difficult to estimate costs of school needs nine months in advance of the opening date, and that this uncertainty leads to excessive padding of the budget. If a rise in prices occurs during the nine months period, the budget will not prove ample to meet the needs of the school. To a somewhat lesser extent, this would always be true in a normal situation.

Proponents of the law stated that the dates were established early in the year so that local boards would be in a position to contract for teachers by March 15 as provided for by law. However, since the local board might want to pay a teacher more or less than the Rural School Board provided, such reasoning does not apply. The local board is empowered to raise additional funds

in the local district by holding a special election. Such special elections were held in a great many local districts during each of the first two years.

The problem was somewhat alleviated by the 1949 legislature which changed the February 1 date to March 15, thus giving the local district six additional weeks to work out an adequate budget. While this shift is a step in the right direction, local boards feel that it is still quite early in the year to make proper estimates of school costs for the next year. Even at this later date it is extremely difficult to determine the amount of cash on hand at the end of the fiscal year, which is June 30. Since not all of the property taxes have been collected by budget making time, and unforeseen expenses may occur during the remainder of the school year, a budget committee finds itself in an awkward predicament. Either a point is made of spending all available funds or a conservative estimate of cash on hand is made. If there is no cash on hand at the end of the fiscal year, then the district is without funds for the first two or three months of the new fiscal year.

Perhaps the weakest provision for the perpetuation of the Rural School District was found in section 2 (20, p. 1129) of the law which provided:

Upon first becoming a district of the first class or union high school with a census equal to that of a district of the

first class the district shall be removed from the rural school district unless by vote it elects to remain a part thereof.

This provision was amended (21, p. 867) by the 1949 legislature to read as follows:

Upon first reaching a census equal to that of a district of the first class or a union high school district with a census equal to that of a district of the first class such district shall remain in the rural school district unless by vote at a special election in the district, called by the board within 90 days following the determination of the census, it elects to be removed therefrom.

The amendment was passed because one or two local district boards upon reaching first class status during the 1948 year allowed their district to be removed from the Rural School District without submitting the matter to a vote of the people. The amendment requires a vote within 90 days after achieving first class status to remove the local district from the Rural School District. However, the latter provision also is the basis for a serious problem which will be more noticeable as time passes, and may, in time, even eliminate the Rural School District in some counties. Experience indicates that the only criterion used to determine whether or not a newly formed first class district will remain as a part of the Rural School District is one of financial advantage. In order to have equalization of taxes, some districts will contribute more than they receive while in others

the reverse is true. What the provision can eventually do to the Rural School District can be illustrated by an example from Clackamas county. At the end of the second year (1949-1950), two districts achieved first class status. One was the Sandy school district which had gained \$20,932 the first year and \$27,375 the second year because of the equalizing principle of the Rural School District Law. The vote in this district was to remain a part of the Rural School District. The other was the Oswego district which had a high valuation compared with school enrollment. This district contributed in the first year \$22,557 and in the second \$33,086 more in taxes than the local district received from the Rural School Budget. The Oswego district voted to withdraw from the Rural School District. If such a trend were allowed to continue unabated, it is obvious that the Rural School District will become poorer and eventually the equalization features will disappear. Rural School Board members have expressed the sentiment that if first class districts may be a part of the Rural School District, and if the equalization features are sound, then no districts should be exempt from the provisions of the law.

Frequently mentioned short-comings of the law were the vague and general terms in which the duties of the Rural School Board are prescribed. Newly elected

members, unless guided by wise leadership, were often puzzled as to how the problem of budget review and equalization could be approached. One board member reported that five to fifteen hours were required at each meeting during the first year in order to work out a satisfactory plan. Many board members felt that a uniform plan or policy among all counties would make the law more effective.

Other problems mentioned were local in nature and became apparent only because of the plan the Rural School Board followed, rather than being inherent in the law itself.

In general, Rural School Board members felt that the law was a good one. Fifty percent of those returning the questionnaire felt, without reservation, that the equalization law was sound. Twenty percent felt that the measure was a step in the right direction but needed more time and possibly some changes in order to be entirely satisfactory. Ten percent expressed doubts as to whether the law would function as intended. Eight percent of the directors thought the law very undesirable and suggested immediate repeal, while the remainder of the members did not express a concrete opinion. However, when repeal of the Rural School District Law was discussed at the state conferences, the

attending delegates were unanimous in their opinion  
that the law should be continued and given a fair trial  
over a period of years.

## CHAPTER IV

## THE EFFECTS OF THE RURAL SCHOOL DISTRICT LAW

Equalization of School Taxes

The proponents of county equalization have long pointed to the wide disparity of tax rates among the various school districts, especially among second and third class districts. The passage of the Rural School District Law was prescribed as a cure for this condition.

That a wide difference in tax rates existed at the time the Rural School District Law went into effect is shown in Table V which lists the range of tax rates of the common school districts for the 1947-1948 school year. This was the year which immediately preceded the first year under the Rural School District organization. The table shows that twenty-five of the thirty-one counties affected by the law had rural districts which levied no local school tax. These were primarily suspended third class districts. On the other extreme, two counties, Lane and Linn, had districts which had to levy over 90 mills. Sixteen counties had tax ranges over 50 mills.

Table VI indicates what happened to the range of tax rates during the first year under county equalization of school taxes. The most noticeable change was the

TABLE V

THE RANGE OF TAX MILLAGE RATES OF THE COMMON SCHOOL  
DISTRICTS DURING 1947-1948 SCHOOL YEAR

	Low	High	Range
Baker	0.0	26.9	26.9
Benton	0.0	40.3	40.3
Clackamas	3.1	35.7	32.6
Clatsop	2.8	77.2	74.4
Columbia	0.0	69.5	69.5
Coos	0.0	38.9	38.9
Curry	0.0	60.1	60.1
Deschutes	0.0	52.8	52.8
Douglas	0.0	56.0	56.0
Gilliam	0.0	18.7	18.7
Grant	0.0	28.6	28.6
Harney	0.0	28.1	28.1
Jackson	0.0	69.9	69.9
Jefferson	0.0	50.7	50.7
Lake	0.0	20.6	20.6
Lane	4.2	96.3	92.1
Linn	0.0	96.0	96.0
Malheur	0.0	40.9	40.9
Marion	0.0	72.8	72.8
Morrow	0.0	31.1	31.1
Multnomah	9.2	69.9	69.9
Polk	0.0	66.4	66.4
Sherman	0.0	20.9	20.9
Tillamook	0.0	34.8	34.8
Umatilla	0.0	41.3	41.3
Union	4.7	30.2	25.5
Wallowa	2.8	70.3	70.3
Wasco	0.0	60.4	60.4
Washington	0.0	52.2	52.2
Wheeler	0.0	33.25	33.25
Yamhill	0.0	65.0	65.0
Mean of range			49.32

TABLE VI

THE RANGE OF TAX MILLAGE RATES OF THE COMMON SCHOOL  
DISTRICTS DURING 1948-1949 SCHOOL YEAR

	Low	High	Range
Baker*	17.6	27.1	9.5
Benton	24.2	49.2	25.0
Clackamas	14.0	61.2	47.2
Clatsop	26.7	57.2	30.5
Columbia	25.0	62.3	37.3
Coos*	30.5	46.4	15.9
Curry*	21.9	51.6	29.7
Deschutes	27.5	46.4	18.9
Douglas*	24.4	56.2	31.8
Gilliam*	12.0	22.4	10.2
Grant*	20.4	28.7	8.3
Harney	9.2	25.2	16.0
Jackson*	41.5	53.9	12.4
Jefferson	19.1	50.2	31.1
Lake*	14.3	16.1	1.8
Lane	22.8	55.0	32.8
Linn	18.1	66.1	48.0
Malheur	13.4	23.0	9.6
Marion	27.1	57.8	30.8
Morrow*	22.0	26.2	4.0
Multnomah	19.5	33.1	13.6
Polk	12.0	53.5	41.5
Sherman*	6.3	27.0	20.7
Tillamook*	34.1	42.0	42.0
Umatilla	9.5	19.3	8.8
Union*	18.4	33.9	15.5
Wallowa*	17.2	38.3	21.1
Wasco*	15.65	31.3	15.65
Washington	26.0	44.9	18.9
Wheeler*	27.22	31.45	4.23
Yamhill	15.9	47.7	31.8
Mean of range			20.98

\*Under the Rural School District Law the levy in these counties is not divided but includes both elementary and secondary school levies.

TABLE VII

THE RANGE OF TAX MILLAGE RATES OF THE COMMON SCHOOL  
DISTRICTS DURING 1949-1950 SCHOOL YEAR

	Low	High	Range
Baker*	20.8	36.1	15.3
Benton	31.1	55.5	14.4
Clackamas	16.2	58.3	42.1
Clatsop	33.0	53.9	20.9
Columbia	25.1	89.9	64.8
Coos*	37.6	59.8	22.2
Curry*	41.5	65.2	23.7
Deschutes	36.8	61.3	24.5
Douglas*	32.6	60.6	28.0
Gilliam*	13.7	13.7	0.0
Grant*	24.3	45.7	21.4
Harney	11.7	51.0	39.3
Jackson*	38.4	61.6	13.2
Jefferson	23.44	31.77	8.33
Lake*	17.1	19.3	2.2
Lane	30.5	71.7	41.3
Linn	26.0	95.0	69.0
Malheur	20.1	46.6	26.5
Marion	26.3	42.2	15.9
Morrow*	31.7	35.6	3.9
Multnomah	27.4	41.4	14.0
Polk	12.2	86.8	74.6
Sherman*	17.6	23.8	6.2
Tillamook*	39.2	49.4	10.2
Umatilla	12.1	33.1	21.0
Union*	21.5	32.3	10.8
Wallowa*	19.1	49.9	30.8
Wasco*	18.95	36.7	17.75
Washington	4.2	118.6	114.4
Wheeler*	32.38	38.02	5.64
Yamhill	21.0	64.5	43.5
Mean of range			27.28

\*Under the Rural School District Law the levy in these counties is not divided but includes both elementary and secondary school levies.

complete elimination of districts which levied no elementary tax. The low tax rate in each county was the Rural School District levy. Also very noticeable was the great decrease of the tax range in every county except Clackamas. In this county the high tax rate under the first year's Rural School District organization was higher than the preceding year. In no county did the range exceed fifty mills but in two counties, Clackamas and Linn, the range was approaching fifty mills. The mean of the tax rate range dropped from 49.32 mills in 1947-1948 to 20.98 in 1948-1949. The range was also somewhat lower in those counties in which the entire county comprises the Rural School District.<sup>3</sup> For these counties, the mean of the range was 16.2 mills.

That the range of the tax rates increased during the second year (1949-1950) under county equalization is shown in Table VII. Twenty counties had a greater tax rate range than in the first year under the new law. In four counties, Columbia, Harney, Linn, and Washington, the increase was over twenty mills. Because the vote to exceed the six percent limitation failed, and because of the low tax base, Washington county had the greatest

---

<sup>3</sup> These are Curry, Gilliam, Grant, Jefferson, Morrow, Sherman, Wallowa, and Wheeler.

difference between the low and high tax rate of any county during the three years under consideration. An unusual situation in one district occasionally causes an extremely high tax rate; in the case of Washington county this was true, with one district levying a tax of 118.6 mills. However, the second highest taxed district levied 97.7 mills during that year. Not only did twenty counties have a higher tax rate range than in the first year of the new law, but in four counties, Clackamas, Harney, Polk, and Washington, the tax rate range was greater than it was before the equalization plan went into effect (1947-1948). In eleven counties the tax rate range was less during the second year (1949-1950) than the first. The mean of the tax rate range increased from 20.98 mills in 1948-1949 to 27.28 mills in 1949-1950.

As a measure of the extent of equalization that took place, the coefficient of variation, sometimes called the coefficient of dispersion (8, p. 65), was calculated for the tax rates of the thirty-one counties affected by the Rural School District Law. The coefficient of variation was used rather than the standard deviation because of the great differences existing in the means of the tax rates in the various counties. Since the value of standard deviation is

affected by the magnitude of the mean, the coefficient of variation, which is found by dividing the standard deviation by the mean, was selected. The coefficients were multiplied by 100 so that they could be expressed as a percentage. As the value of the coefficient of variation approaches zero, the equalization of taxes approaches 100%, and the larger the value of the variation coefficient, the greater is the dispersion of tax rates. Table VIII lists the variation coefficients for the tax rates of the common school districts for the three year period.

The variation coefficients for 1947-1948 parallel the extremes in tax rates noted in Table V. The high values for the 1947-1948 year indicate that the tax rates were widely dispersed. The variation coefficients for 1948-1949 show, that as a result of Rural School Boards levying a minimum uniform tax in all districts, the dispersion was considerably reduced in every county. The mean of the coefficients of variation was reduced from 80.6% in 1947-1948 to 21.7% in 1948-1949. The greatest effect of the Rural School District Law in the equalizing of taxes was noticed in the case of the eight counties in which the entire county comprises the Rural School District. The tax rates were widely dispersed in these counties as is

TABLE VIII

## COEFFICIENTS OF VARIATION OF TAX RATES

	1947-48	1948-49	1949-50
Baker	80.6%	10.3%	14.5%
Benton	79.7	21.2	18.5
Clackamas	57.0	43.0	43.0
Clatsop	69.8	17.0	19.5
Columbia	53.5	24.3	45.6
Coos	84.2	10.5	16.6
Curry*	101.5	27.6	16.0
Deschutes	40.6	22.4	15.2
Douglas	74.2	24.6	16.9
Gilliam*	90.2	2.0	0.0
Grant*	94.7	10.8	20.2
Harney	95.0	45.8	40.0
Jackson	73.2	7.8	16.0
Jefferson*	58.0	34.4	19.5
Lake	80.5	3.3	4.3
Lane	66.5	26.4	21.0
Linn	92.5	49.1	27.0
Malheur	85.5	19.4	24.2
Marion	72.5	13.8	10.7
Morrow*	134.4	5.8	4.1
Multnomah	48.3	20.8	13.1
Polk	78.0	39.3	42.8
Sherman*	126.3	43.4	9.8
Tillamook	72.0	9.2	8.3
Umatilla	94.2	24.4	31.1
Union	47.7	23.7	14.4
Wallowa*	87.5	24.2	27.2
Wasco	130.1	14.6	22.4
Washington	66.6	16.7	60.8
Wheeler*	81.6	3.8	7.3
Yamhill	83.1	33.1	31.7
Mean of Coefficients of Variation	80.6	21.7	26.0

\*The entire county comprises the Rural School District.

shown by the mean coefficient of variation of 96.8% in 1947-1948 while that for all of the counties was 80.6%. In 1948-1949, the mean of the variation coefficients was reduced to 19.0% while the mean for all of the counties was 21.7%.

During the second year (1949-1950) the coefficients of variation increased in twelve counties, decreased in eighteen and remained constant in one. Table VIII also shows that four counties, Clackamas, Harney, Polk, and Washington which had a greater tax rate range during the second year under equalization than the year before county equalization went into effect, had coefficients of variation that were less during the second year than the year before equalization was attempted. This indicates that in spite of a greater range in tax rates, a considerable amount of equalization occurred. However, these four counties also had the largest variation coefficients during 1949-1950 of any of the thirty-one counties. In two of these counties, Polk and Washington, this was due to the refusal of the voters to exceed the six percent limitation, and to the low tax base of these counties, making it necessary for the many districts of unequal taxable wealth to levy additional taxes. In the other two counties, the Rural School Board accepted only a minimum program on the county levy and left the

rest to the local districts. The greatest equalizing effect during the second year occurred again in the eight counties in which the entire county is in the Rural School District. In these counties the mean of the coefficient of variation decreased from 19.0% in 1948-1949 to 13.0% in 1949-1950 while the mean for all of the counties increased from 21.7% to 26.0% during that same year.

Tables IX and X summarize the percent of rural school property tax levies that were derived from the equalized Rural School District levy. In general the percentages are higher in those counties in which there are few districts and in which but a single tax levy is made for both elementary and high schools. In general a smaller amount of the total tax load is carried by the Rural School District in those counties having many and diverse local districts such as Benton, Clackamas, Columbia, and Linn counties. In those counties in which the vote to exceed the six percent limitation failed, the percentage of funds furnished by the Rural School Board was much reduced, being only 15.0% in Washington county in 1949-1950.

Table XI summarizes the opinions of county school superintendents regarding the effects of the Rural School District Law in their respective counties during

TABLE IX

PERCENT OF PROPERTY TAXES OF DISTRICTS COMPRISING RURAL  
SCHOOL DISTRICT LEVIED BY RURAL SCHOOL BOARDS DURING  
1948-1949 SCHOOL YEAR

	1	2	3
Baker	297.2	272.8	91.9%
Benton	500.2	230.1	46.0
Clackamas	1,070.6	653.6	61.0
Clatsop	328.8	248.0	75.6
Columbia	628.5	414.4	66.0
Coos	683.5	636.4	93.1
Curry	226.8	125.8	55.4
Deschutes	124.9	114.0	91.2
Douglas	1,418.9	995.2	67.4
Gilliam	125.0	118.7	95.0
Grant	248.9	205.8	82.5
Harney		136.6	
Jackson	1,096.0	999.6	91.1
Jefferson	318.4	272.0	85.5
Lake	137.9	136.4	99.0
Lane		1,249.2	
Linn	1,287.5	717.1	55.6
Malheur	325.9	260.6	80.1
Marion		1,017.7	
Morrow	296.6	277.4	93.4
Multnomah	1,393.4	1,180.1	84.7
Polk	451.5	240.8	53.4
Sherman	155.8	61.5	39.5
Tillamook	271.8	259.9	95.6
Umatilla	901.1	773.1	85.9
Union	357.4	285.6	80.0
Wallowa	236.9	189.8	80.2
Wasco	196.3	185.9	94.7
Washington	955.3	755.2	79.0
Wheeler	116.9	113.0	96.8
Yamhill	606.4	428.3	70.0

1. Total property tax levy for rural schools in thousands of dollars.
2. Rural School District levy in thousands of dollars.
3. Percent of rural school property taxes levied by Rural School Board.

Data taken from county assessors' tax rate sheets.

TABLE X

PERCENT OF PROPERTY TAXES OF DISTRICTS COMPRISING RURAL  
SCHOOL DISTRICT LEVIED BY RURAL SCHOOL BOARDS DURING  
1949-1950 SCHOOL YEAR

	1	2	3
Baker	274.8	223.9	81.4%
Benton	539.9	314.2	58.3
Clackamas	1,386.2	813.3	56.8
Clatsop	439.6	385.3	87.8
Columbia	633.7	357.3	56.4
Coos	981.3	848.1	86.5
Curry	301.0	257.8	85.6
Deschutes	177.1	154.0	87.0
Douglas	2,051.0	1,456.3	71.0
Gilliam	144.3	144.3	100.0
Grant	351.1	258.5	73.7
Harney	244.2	202.9	83.0
Jackson			
Jefferson	358.8	311.0	86.7
Lake	172.6	167.2	97.0
Lane	2,358.3	1,798.0	76.2
Linn	1,320.0	978.3	74.1
Malheur	458.7	379.0	82.5
Marion			
Morrow	390.8	380.2	97.3
Multnomah	1,947.2	1,685.8	86.5
Polk	559.1	251.6	44.8
Sherman	208.0	176.8	84.8
Tillamook	348.5	330.4	95.0
Umatilla	920.9	840.6	91.4
Union	407.3	339.9	83.5
Wallowa	347.0	233.1	67.2
Wasco	262.2	242.7	92.7
Washington	1,155.4	173.1	15.0
Wheeler	163.6	142.6	87.2
Yamhill	806.0	629.1	78.0

1. Total property tax levy for rural schools in thousands of dollars.
2. Rural School District levy in thousands of dollars.
3. Percent of rural school property taxes levied by Rural School Board.

Data taken from county assessors' tax rate sheets.

TABLE XI

COUNTY SCHOOL SUPERINTENDENTS' REPORT OF EFFECTS OF THE  
RURAL SCHOOL DISTRICT LAW

	1	2	3	4	5	6	7	8	9
Baker	x	x			x	x	x	x	x
Benton		x	x			x	x	x	x
Clackamas		x	x		x		x		
Clatsop		x			x	x	x	x	x
Columbia		x	x						x
Coos	x	x			x	x			
Curry	x		x			x			x
Deschutes		x	x		x	x	x	x	x
Douglas		x			x	x	x	x	x
Gilliam		x	x		x	x	x	x	x
Grant		x			x	x	x	x	x
Harney		x	x			x			x
Jackson	x	x			x	x	x	x	x
Jefferson		x			x	x		x	x
Lake		x			x	x	x	x	x
Lane	x		x		x	x	x	x	x
Linn									
Malheur	x	x	x			x		x	x
Marion	x	x				x	x		x
Morrow	x	x	x		x	x	x	x	x
Multnomah		x			x	x		x	x
Polk	x	x	x				x		
Sherman	x	x							
Tillamook	x	x			x	x		x	x
Umatilla	x	x				x	x		x
Union	x	x				x	x	x	
Wallowa		x	x						x
Wasco	x	x			x	x		x	x
Washington		x			x	x	x	x	x
Wheeler		x			x	x	x	x	x
Yamhill	x	x			x	x	x	x	x

1. Has brought about considerable consolidation of districts.
2. Has equalized taxes.
3. Has raised taxes.
4. Has lowered taxes.
5. Has brought about greater educational opportunity.
6. Has brought about greater uniformity of educational opportunities.
7. Has increased special services among the schools.
8. Has brought about more efficient administration of schools.
9. Has developed better budgeting procedures.

the first two years (1948-1949 and 1949-1950). The most frequently mentioned effect was that school taxes were equalized. Only three county superintendents failed to list equalization, and one of those (Linn county) did not mark any effect.

The foregoing tables of tax ranges, variation coefficients, and percentage of Rural School taxes levied by the Rural School Boards show that the Rural School District Law accomplished only in part what the proponents of the law had hoped for. The wide variations in tax rates have not been eliminated but the tax-less districts have. All districts were required to assume at least a minimum share of public school support. The term equalization as used by the proponents of the Rural School District Law indicated that they favored complete equalization of taxes. This did not occur except in one county and was being approached in several others, especially in those counties where the Rural School District comprises the entire county and there are relatively few districts.

While varying degrees of equalization of taxes occurred within the various counties, a wide variation of tax rates continued to be present among the counties. Since tax rates in different counties are not comparable, due to different assessment practices, the state tax

commission determines annually what ratio the assessed value is to the true value. Tables XII and XIII list the Rural School District uniform tax rates for both elementary and high school purposes, and what the rates would have been on the basis of the true property values. The uniform tax rate of county Rural School Districts varied from four mills in Sherman county to twenty-five mills in Jefferson county based on true property values during 1948-1949. The mean was 14.1 mills. In 1949-1950 the mean was 16.1 and the uniform rates based on true property values varied from 6.7 mills in Washington county to 26.6 mills in Clatsop county. In four counties, Columbia, Jackson, Marion, and Washington, the uniform tax rate decreased the second year (1949-1950) under the Rural School District organization while it increased in the other counties. The greatest noticeable change occurred in those counties in which the vote to exceed the six percent limitation failed in one of the two years. In Curry county the rate increased from 12.5 mills in 1948-1949 to 23.6 mills in 1949-1950; in Sherman county the increase was from 4.0 mills to 11.1 mills; and in Washington county the decrease was from 21.1 mills to 6.7 mills based on true property values.

Since it was not the intent of the Rural School

TABLE XII

## UNIFORM TAX RATES OF RURAL SCHOOL DISTRICTS 1948-1949

	1	2	3	4	5
Baker			17.6	10.4	.59
Benton			24.2	11.8	.49
Clackmas	14.0	6.4	20.4	11.8	.58
Clatsop	26.7	20.0	46.7	22.4	.48
Columbia	23.8	18.2	42.0	20.2	.48
Coos			30.5	18.3	.60
Curry			21.9	12.5	.57
Deschutes	27.5	23.1	50.6	20.2	.40
Douglas			24.4	14.1	.58
Gilliam			12.03	7.3	.61
Grant			20.43	11.0	.54
Harney	9.2	8.8	18.0	11.7	.65
Jackson			41.5	24.1	.58
Jefferson	19.14	16.55	35.69	25.0	.70
Lake			14.36	8.8	.61
Lane	22.8	12.7	35.5	17.1	.48
Linn	18.1	13.1	31.2	14.6	.47
Malheur	13.41	9.0	22.41	12.2	.54
Marion	27.1	17.6	44.7	18.3	.41
Morrow			22.0	9.0	.41
Multnomah	19.5	7.1	26.6	15.4	.58
Polk	12.0	10.2	22.2	8.2	.37
Sherman			6.3	4.0	.63
Tillamook			36.2	17.0	.47
Umatilla	9.5	7.2	16.7	10.2	.61
Union			18.4	9.9	.54
Wallowa			17.2	8.6	.50
Wasco			15.65	8.1	.52
Washington	26.0	19.8	45.8	21.1	.46
Wheeler			27.22	15.0	.55
Yamhill	15.9	13.2	39.1	19.1	.49

Mean 14.1

1. Uniform Rural School District elementary school tax rate.
2. Uniform Rural School District high school tax rate.
3. Combined tax rate for elementary and high school
4. Combined tax rate based on true property value.
5. County assessment ratio.

TABLE XIII

## UNIFORM TAX RATES OF RURAL SCHOOL DISTRICTS 1949-1950

	1	2	3	4	5
Baker			20.8	12.2	.58
Benton			31.1	15.2	.49
Clackamas	16.2	6.4	22.6	13.3	.59
Clatsop	33.0	22.0	55.0	26.6	.48
Columbia	25.1	9.3	34.4	16.5	.48
Coos			37.6	22.6	.60
Curry			41.5	23.6	.57
Deschutes	36.8	26.4	63.2	25.2	.40
Douglas			32.6	19.2	.59
Gilliam			13.76	8.4	.61
Grant			24.32	13.1	.54
Harney	11.7	7.7	19.4	13.4	.69
Jackson			38.4	22.2	.58
Jefferson	23.44	11.02	34.46	18.2	.53
Lake			17.06	10.4	.61
Lane	30.5	16.8	47.3	23.6	.50
Linn	25.2	14.3	39.5	18.5	.47
Malheur	20.1	11.8	31.9	17.2	.54
Marion	26.3	14.5	40.8	17.9	.44
Morrow			31.7	20.9	.66
Multnomah	27.4	10.8	38.2	22.9	.60
Polk	12.2	10.3	22.5	8.3	.37
Sherman			17.6	11.1	.63
Tillamook			39.2	18.1	.46
Umatilla	12.05	7.89	19.94	12.2	.61
Union			21.5	11.6	.54
Wallowa			19.1	9.6	.50
Wasco			18.95	9.9	.52
Washington	10.6	4.2	14.8	6.7	.45
Wheeler			32.38	17.8	.55
Yamhill	21.0	18.5	39.5	19.7	.50

Mean 16.1

1. Uniform Rural School District elementary school tax rate.
2. Uniform Rural School District high school tax rate.
3. Combined tax rate for elementary and high school.
4. Combined tax rate based on true property value.
5. County assessment ratio.

District Law to erase differences in tax rates between counties, the differences that exist represent differences in policies of Rural School Boards and differences in property value per school child. The 7.3 mill levy (1948-1949) of the Gilliam county Rural School Board provided ninety-five percent of the property tax funds of local schools, while in Jackson county 24.1 mills were necessary to furnish 91.1 percent of the tax fund required by local districts. In Lake county during the first year (1948-1949) 8.8 mills provided ninety-nine percent of the funds derived from school property taxes, while in Polk county the uniform tax rate of 8.2 mills based on true property values furnished only 53.4 percent of the local districts' funds derived from property taxes. Similar situations were present during 1949-1950.

#### Consolidation of School Districts

Oregon's multiple school district system has long been criticized by legislators, state officers, interim committees studying schools and taxes, and other groups interested in an efficient system of schools. The system has been characterized as wasteful and expensive. The only purposeful attempt to correct the condition was the passage of a law by the 1939 legislature, setting up committees in each county to encourage and

direct consolidation of schools. In most of the counties the consolidation committees were inactive, and but little planned consolidation occurred. However, each year a number of voluntary consolidations took place so that the number of school districts in Oregon has been gradually reduced. In 1934, there were 2334 school districts of all types in Oregon of which 1928 were third class districts. By 1948, when the Rural School District Law went into effect, the number of districts of all types had decreased to 1363 of which 1016 were districts of the third class.

Proponents of the Rural School District Law, including the Oregon State Grange and the Oregon League of Women Voters, campaigned for the law on the basis that one of the important outcomes of its adoption would be desirable consolidation of school districts. These groups pointed out that in the past desirable consolidation was either not considered or voted down because of great tax rate differences existing between districts. A district with high property valuation and low tax rate would hesitate to join with a neighboring district of low valuation and a higher tax rate. These advocates contended that if all districts had a uniform tax rate, then this hindrance would be removed, and desirable consolidation would be fostered.

While consolidations continued during the first

two years under the Rural School District Law, the evidence indicates that there was no great wave of consolidations after the law became effective as had been predicted. Table XIV lists the number of first, second, and third class districts in Oregon for each of five years from 1945 to 1950. These years include the three preceding the Rural School District Law and the two under it. During this period the number of first class districts increased from forty-five to sixty; second class from 139 to 189; and the number of third class districts decreased from 1309 to 815. During the first two years (1948-1949 and 1949-1950) under the Rural School District Law, the number of first class districts increased eight; second class districts fourteen; and third class districts were reduced by 201. The table shows that the rate of consolidation of third class districts was somewhat less during the first two years under the Rural School District Law than that of the preceding three years. A survey of the consolidations as listed in the Oregon School Directory indicates that in all counties except Baker and Lane, the majority of consolidations were between second and third class districts. To what extent these consolidations were affected by Rural School Board policies, or by the inability to qualify

TABLE XIV  
CHANGE IN NUMBER OF SCHOOL DISTRICTS

	1	2	3
First Class			
1945-46	45	0	0.0%
1946-47	46	+1	+2.2
1947-48	52	+6	+13.0
1948-49	57	+8	+15.3
1949-50	60	+3	+5.3
Second Class			
1945-46	139	+10	+7.8%
1946-47	172	+33	+23.7
1947-48	175	+3	+1.7
1948-49	189	+14	+8.0
1949-50	189	0	0.0
Third Class			
1945-46	1309	-136	-9.4%
1946-47	1204	-105	-8.0
1947-48	1016	-188	-15.6
1948-49	888	-128	-12.5
1949-50	815	-73	-8.2

1. Number of school districts.
2. Change over preceding year.
3. Percentage change over preceding year.

for Basic School Support is difficult to determine. No report on the inspection of third class districts by the state department of education was available. However, that the inability to meet state standards was responsible for a considerable number of consolidations is shown by the following report (38th Biennial report) of State Superintendent of Public Instruction, Rex Putnam, to the 1949 legislature (44, p. 17):

Of the 367 schools visited, 63 or 17 per cent were declared non-standard. Seventeen percent of the schools were operating under such deplorable conditions that the boys' and girls' health and education were being sacrificed. These schools were asked to correct these conditions or show how the conditions were to be corrected before September 15, 1948, allotment of the Basic School Fund was made.

Of the 63 non-standard schools, 34 had consolidated by that time and five were transporting.

In the thirty-ninth biennial report (45, p. 18) for the 1949 and 1950 school years, the Superintendent of Public Instruction, Rex Putnam, reported concerning the consolidation of schools:

. . . Most of these schools have submitted plans for improvements or have pending plans for district reorganization that would result in consolidation and the abandonment of many very unsatisfactory school plants. It is estimated that approximately 10.3 percent of the elementary schools that have been visited and rated as conditionally standard or non-standard, have already consolidated with those of other school districts.

In regard to high schools the report (45, p. 21) states:

during the biennium, five small high schools--Adams, Carlton, Lafayette, Hubbard, and Pedee-- with from 10 to 104 students, have been suspended and are now transporting to other schools, or have consolidated with other districts.

In two counties, Baker and Lane, the evidence indicates that considerable consolidation occurred because local districts wished to remove themselves from the Rural School District in order to enjoy a lower tax rate. In these two counties practically all of the consolidations were with first class districts.

The extreme situation developed in Baker county where the number of local districts in the Rural School District was reduced from forty-three to twenty-five or a net loss of eighteen districts. All of these districts consolidated with the only first class district in the county, the city of Baker. During these two year, the valuation of the Baker school district increased from 7.1 million to 12.3 million dollars, while the Rural School District decreased in valuation from 15.5 million to 10.8 million dollars. This shift in property value made it possible for the Baker school district to reduce the tax rate from 24.6 mills to 18.4 mills, while the Rural School District tax rate increased slightly, from 17.6 to 20.8 mills.

Fifteen county superintendents (Table XI) checked the consolidation of schools as one of the outcomes of

the Rural School District Law. Four of these qualified their statements by saying that it was difficult to say how much consolidation was due to the Rural School District Law or due to the inability of a local district to meet school standards. Six of fifteen counties had a decrease of three or less districts over the two-year period so it is difficult to understand how the law had had any great effect on consolidation in those counties.

The data presented indicates that during the first two years the Rural School District Law had a decided effect on the consolidation of small districts in only two counties, Baker and Lane. The data also shows that the statewide rate of consolidation was slightly reduced during these two years. A widespread wave of consolidations to get out of the Rural School District could eventually eliminate the Rural School District in a county, or could leave a few poorer rural districts banded together, while the richer ones could again enjoy lower tax rates.

#### Position of the County School Superintendent

One outstanding outcome of the Rural School District Law is the elevating effect on the position of the county school superintendent. This office, because of its political nature and low salary set by legislative action,

has not always attracted candidates who could exercise educational leadership. Salaries of many county superintendents have been about on par with average classroom teachers while in some counties the salary has been lower than the legal minimum for teachers.

In eight counties, Curry, Gilliam, Grant, Jefferson, Morrow, Sherman, Wallowa, and Wheeler, the county school superintendent has been replaced by the Rural School District superintendent. The change was brought about by the 1947 legislature (20, p. 1079) because these counties have no first class districts or comparable union high school districts so that the entire county is in the Rural School District. In these eight counties the Rural School District superintendent is selected by the Rural School Board on the same basis as a superintendent of a first class district or a county unit system. The position is thus removed from political influence and the salary is set by the Rural School Board rather than by the legislature. The elevating effect is directly reflected in the increase of salaries paid the superintendents in these eight counties, and the establishment of qualifications for the superintendency in at least one county. However, the salaries of the Rural School District superintendents were still on a lower level than those of the county unit superintendents. Table XV lists the salaries of the

superintendents of county units and Table XVI the salaries of superintendents of Rural School Districts for a three year period. Table XVII lists the salaries of county school superintendents and their allowances from the Rural School Board in their respective counties. The tables show that the most significant changes in salary occurred in those counties in which all territory is in the Rural School District. Prior to the adoption of the Rural School District Law, the salaries in these eight counties were the lowest paid in the state. During the first year the Rural School Boards in these counties established new salaries in keeping with salary rises in schools in general. Since the salaries of county school superintendents are fixed by legislative action, their salaries remained static.

During the 1949 legislature, the salaries of county school superintendents were adjusted upward so that the mean salary was a little higher than the mean salary paid to Rural School District superintendents during the previous year. In the meantime, the salaries of the Rural School District superintendents were again increased so that their mean annual salary was \$715 greater than the mean salary of county school superintendents.

The 1949 legislature also amended section 8 (21,

TABLE XV

## SALARIES OF SUPERINTENDENTS OF COUNTY UNIT SYSTEMS

	1947	1948	1949
Crook	_____	\$7200	\$7400
Josephine	_____	_____	6500
Lincoln	_____	5650	7000
Hood River	_____	6000	6000
Klamath	_____	6000	7200
		Mean 6212	6840

TABLE XVI

## SALARIES OF SUPERINTENDENTS OF RURAL SCHOOL DISTRICTS

	1947	1948	1949
Curry	\$2150	\$2800	\$3000
Gilliam	2000	2400	3500
Grant	2700	4200	4200
Jefferson	2400	5000	5500
Morrow	2400	5000	5600
Sherman	2400	3900	4200
Wallowa	2100	2400	3600
Wheeler	1200*	2400	4500
	Mean 2313	3525	4262

\*Part time--considered as half time in calculating the mean.

TABLE XVII

SALARIES OF COUNTY SCHOOL SUPERINTENDENTS AND THEIR  
COMPENSATION FROM RURAL SCHOOL BOARDS

	1947	1948	1949	R.S.B. Compensation
Baker	\$2400	\$2400	\$3000	\$ 600
Benton	2400	2400	3000	---
Clackamas	3100	3100	3600	600
Clatsop	2800	2800	3600	600
Columbia	3120	3120	3600	---
Coos	3312	3312	3840	---
Deschutes	3000	3000	3600	250
Douglas	3300	3300	4000	1000
Harney	2700	2700	3250	---
Jackson	3000	3000	3300	1200
Lake	2800	2800	3600	---
Lane	3600	3600	3900	900
Linn	3000	3000	3700	---
Malheur	2100	2100	3000	600
Marion	3600	3600	3600	1400
Multnomah	5400	5400	5400	1000
Polk	2700	2700	2700	---
Tillamook	2880	2880	3600	275
Umatilla	3000	3000	3800	2000
Union	2400	2400	3000	300
Wasco	3000	3000	3600	---
Washington	2700	2700	3300	1440
Yamhill	3000	3000	3547	750
Mean	3013	3013	3547	

p. 871) of the Rural School District Law to read:

The rural school board is authorized to appoint, fix the compensation, bond, and duties of its secretary. When the county superintendent is appointed to serve as secretary, any compensation paid by the board shall be in addition to the county superintendent's salary prescribed by law and the county superintendent is authorized to accept such compensation.

As a direct result of this legislation, fifteen county superintendents were allowed extra compensation ranging from \$250 to \$2000 annually as shown in Table XVII. In the other eight counties, the matter had been considered and the indications were that their salaries would be increased by the Rural School Boards.

#### Cooperative Planning

The Rural School District Law offers an unusual opportunity for cooperative school planning between the Rural School Board, local school boards, interested organizations, and citizens. During the first year (1948-1949), members of the Rural School Board in twelve counties visited some or all of the local schools to determine the physical condition of school plants. During 1949-1950 schools were visited in thirteen counties, and there was an increasing tendency to hold conferences with local boards and other groups in order to work out a satisfactory policy. Twenty-two counties held such cooperative conferences.

While no general survey was made concerning the outcome and success of the meetings, comments on the questionnaires and Rural School Board literature included with the questionnaires gave some indication of their success. The Marion county superintendent reported that since the Rural School Board met with individual boards and assisted in the preparation of the budget, there were no misunderstandings and all of the budgets were approved so that hearings were not necessary. In neighboring Polk county where no conferences were held, the superintendent reported that the Rural School District Law had taken away from the people the opportunity to finance their own schools. The Multnomah county superintendent commented, the law "caused increased interest in schools and caused school boards to become aroused as to what other districts are doing." The Wheeler county superintendent reported that the Rural School District Law "Brought about a better understanding of educational problems throughout the county."

Undoubtedly the outstanding effort to bring about cooperative planning occurred in Morrow county. The Rural School District superintendent reported that the Rural School District Law "brought about a better understanding of mutual problems affecting schools and

created an atmosphere for a study and better understanding of the program of the schools."

After the first year's experience, the Rural School Board in Morrow county prepared a procedure which was followed during the 1949-1950 school year to bring about cooperative study and planning of the budget. This was mimeographed and sent to all local boards. A copy was enclosed with the returned questionnaire. Because of the unusual nature of the carefully worked out plan, the entire procedure is included as an example of what can occur under proper educational leadership.

#### PROCEDURE

The Rural School Board is in its second year of making policies for the Rural School District which comprises all the school districts of Morrow County. It has been responsible for the execution of the policies particularly as they apply to school finances.

Based upon its thinking and its experience the previous year, it set up a definite procedure for the formulation and study of school budgets. Such a procedure, it felt, was basic to good sound school administration and was shared by local boards who cooperated to the fullest extent. The final budget then comes as the result of a definite procedure and the cooperative thinking and planning of some 60 school board members.

The procedure was as follows:

1. Rural Board discussed budgeting at the September monthly meeting and agreed that:
  - (1) First tentative budget should be in the hands of the Rural Board by November 29th.
  - (2) That the revised budgets should be back

ADVANCE BOND

- in the hands of the Rural Board at the meeting set for December 20th.
- (3) That this would be a dinner meeting and that it would be a joint meeting of the boards of the five town schools and that each school would present the budget in the presence of all board members.
2. A meeting was held of the school administrators of the County for a preliminary study of budgeting procedure.
    - (1) The administrator to assume the leadership for the development of an adequate budget.
    - (2) That the revised budgets to be presented at the December 20th meeting be duplicated in enough copies to have one available for each of the board members present.
    - (3) That the budgets be interpretive and that the interpretation show on the budgets.
  3. Budget information and blanks with a letter were sent out to each of the clerks for preparing the tentative budget. (November 8, 1948).
  4. Local Boards prepared preliminary budgets which were in the hands of Rural Boards by November 29.
  5. The tentative budgets were discussed by the Rural Board at a meeting November 29.
    - (1) Study of the comparative expenditures for schools, comparative study of expenditures with the previous year, study of the costs for the major budget items.
    - (2) Budgets were returned with informal suggestions, more or less general and included:
      - a. Letters to all the boards.
      - b. Budgetary information (State Dept.).
      - c. Chart showing comparison for town schools.
      - d. Chart showing enrollment, census, teachers' salaries (1948-1949).
      - e. Chart showing comparison for one-room schools and suspended districts and the over-all budget costs.

6. The Morrow County Unit OEA salary committee of ten members met December 3 and adopted a salary schedule for the teachers of the county to be submitted to local boards and to the Rural Board.
7. The regular budgets were presented at the December 20th meeting.
  - (1) The policy of the Rural Board was outlined by the chairman, Mr. Nys.
  - (2) A general discussion of budgets as a whole was held and specific attention was given to items in the budget.
  - (3) Considerable discussion as to some aspects of unity both in budgeting and adequacy in specific items in the budgets on a comparable basis was brought out.
8. The Rural Board met December 23 for further study and evaluation of budgets. The Board in examination either
  - (1) Accepted as whole or with recommendations  
or
  - (2) Rejected, calling for further joint study and resubmission of the budget.
9. Rural Board met January 6 for special work with District boards and for a study and evaluation of Suspended Districts and Hardman, a one-room school.
10. Revised final budgets were returned to the Rural District office by February 1, 1949, which was the final date for filing budgets. These were studied and accepted with a few minor changes of which the districts were informed by letter.
11. Budget receipts were revised upward \$7,450.00 upon notification that HB 381 had been passed increasing the amount for transportation from 1¢ per pupil mile to 2¢ per pupil mile.
12. All District budgets were compiled into one Rural District Budget and notice of election to vote upon that County wide budget, April 18, 1949, published in Heppner Gazette Times March 24, to be repeated March 31.

Closely related to conferences between Rural School Board and local district boards, is the matter of complete understanding and satisfaction with the Rural School Board policy. When the Rural School Board makes changes in the budget of the local district, section 14 (20, p. 1133) of the Rural School District Law provides that local districts may request and be entitled to a public hearing. Such hearings were held in all counties during the first year except Umatilla. In Umatilla, a general conference eliminated the necessity of hearings as all local boards were fully informed of policy before the budgets were submitted. During the second year, three Rural School Boards, Clackamas, Lake, and Morrow found it unnecessary to hold public hearings. Eight counties, Curry, Grant, Jackson, Jefferson, Lane, Multnomah, Union, and Washington found it necessary to hold ten or more hearings, and in Coos and Lane counties twenty-one and twenty districts respectively requested hearings. Table XVIII lists the number of hearings held during the first two years.

Undoubtedly, better understanding and satisfaction could be achieved by cooperative planning between the Rural School Board and local school boards, and the number of hearings could be reduced.

TABLE XVIII  
NUMBER OF RURAL SCHOOL DISTRICT HEARINGS

	1948-1949	1949-1950
Baker	8	6
Benton	14	5
Clackamas	3	0
Clatsop	7	2
Columbia		5
Coos	17	21
Curry	4	4
Deschutes	1	1
Douglas	2	2
Gilliam	3	3
Grant	3	10*
Harney	3	1
Jackson	6	15
Jefferson	12	10
Lake	1	0
Lane	14	20
Linn	11	5
Malheur	5	6
Marion	1	2
Morrow	1	0
Multnomah	10	13
Polk	2	2
Sherman	2	2
Tillamook	6	4
Umatilla	0	2
Union	9	10
Wallowa	**	**
Wasco	3	3
Washington	6	10
Wheeler	1	1
Yamhill	3	1

\*Two day session.

\*\*One day for elementary and one day for high school--  
number of districts involved was not reported.

School Property Taxes

The Rural School District Law has been criticized in many areas of the state as having been responsible for the tremendous property tax increase that occurred during 1948-1949, the first year under the law. Coincident with the law going into effect came the greatest overall increase in local property taxation that the Oregon taxpayer had ever experienced. The total increase (Table XIX) was 13.1 million dollars for schools alone. This was in addition to 1.2 million dollar increase of state aid from the Basic School Fund. In 1943-1944 the total property tax burden for schools was 13.3 million dollars. The 13.1 million dollars increase represented a 42.3% increase over the previous year. However, the total increase in school revenue from all sources was 28.6% which was considerable less than the 39.4% increase of school costs of 1947-1948 over 1946-1947, the year before the Rural School District Law became effective. While property taxes for public schools increased only 5.4 million dollars or 21.5% in 1947-1948, the total funds available were augmented by an increase of 8.67 million dollars of state aid because of the approval the voters gave to the Basic School Support Bill. This resulted in a total increase of 39.4% of all school revenue for 1947-1948. Because of the increase in state

TABLE XIX  
INCREASES IN SCHOOL PROPERTY TAXES (71, P. 10)

	1*	2**	3***
1943-44	13.294	-----	-----
1944-45	17.255	3.961	29.8%
1945-46	19.009	1.754	10.1
1946-47	25.424	6.415	33.7
1947-48	30.906	5.482	21.5
1948-49	43.996	13.090	42.3
1949-50	52.020	8.933	20.3

TABLE XX  
INCREASE IN SCHOOL TAXES FROM ALL SOURCES (71, P. 10)

	1*	2**	3***
1943-44	20.336	-----	-----
1944-45	24.352	4.016	19.7%
1945-46	29.179	4.827	19.8
1946-47	35.935	6.756	23.1
1947-48	50.041	14.106	39.4
1948-49	64.351	14.310	28.6
1949-50	73.915	9.564	14.8

1.\* Tax levies in Million of Dollars.

2.\*\* Increase over previous year in Millions of Dollars.

3.\*\*\* Percent increase.

aid in 1947-1948 the increase in property taxation was much relieved. During 1949-1950, the second year, total school revenue increased 14.8% under the law. Table XX shows that school revenue increased at a greater rate the year before the Rural School District Law became effective than the two years under the law.

Coupled with the great increase in school costs came Oregon's greatest increase in total indebtedness of school districts. During the war years of 1942 to 1946 both warrant and bonded indebtedness (48, p. 89) had gradually been reduced to 5.37 million dollars on July 1, 1946. From 1946 to 1948 the total indebtedness (49, p. 61) increased 8.02 million dollars or 149%. The increase was greater than the total indebtedness in either 1944 or 1946. An increasing trend toward serial levies for improvements was also noticeable in many districts which was directly reflected in the total property tax load.

Coming in a post-war, inflationary period, the rises were due to a number of factors. Some of the data which county superintendents sent out to local districts was included with the returned questionnaires and here one finds at least a partial answer. A bulletin of April 1948 sent out by the Jackson county school superintendent to local districts says:

It is interesting to note that of the

present budgets handed to the Rural School Board for the school year 1948-1949, there is not a single one that does not exceed the levy base formerly assigned to the district. In other words, if the new Rural School Law had not come into existence all districts in the county would have had to vote this year to exceed the 6% limitation.

The school superintendent of Yamhill county in his bulletin to local boards, dated April 1, 1948 says:

Some of the patrons of the district may register some complaint about having to vote \$274,057.41 above the 6% limitation but we want you to know that we have carefully run over the figures for the same items of the current year and we find that the same districts last year voted to exceed the 6% limitation by \$280,198.00 which is almost \$6000 more money than is being asked for by the Rural School Board.

In an article concerning the effects of the Rural School District Law entitled "Did It Do It?" appearing in the January 1949 Oregon Education Journal, the county superintendent of Marion county wrote (4, p.11):

It is unfortunate that the Rural School District Law came into effect during the same year that all costs skyrocketed, and especially taxes, which are at the very top. The general public has concluded that the Rural School District Law is responsible for this great increase of taxes and general cost of education. This is definitely not true. There are many factors involved.

The article then pointed out that 81,000 people came to Oregon during the preceding year and that the state was experiencing an increased birth rate. In the one year 1948-1949 the number of teachers required in public

schools of Marion county increased from 538 to 633 or an increase of eighteen percent over 1947-1948. Other causes included the fact that some districts ended the year with cash deficits and districts were increasing their efforts to meet state standards.

An analysis of the increase of school costs in Washington county was sent to local boards by the county superintendent's office in December 1948. The analysis showed that all major items in the budget had increased. The largest increases occurred in instruction (teaching) and in capital outlays, 26.1% and 17.5% respectively. In explaining the increases, the superintendent says:

It is unfortunate that the general public has concluded that the Rural School District Law is responsible for the increase. This is not true. The answer lies in a combination of factors. Namely, increased costs for every item in a school budget, more liberal budgeting practices under a county-wide system of taxation, increased efforts to bring schools up to the standards necessary to continue participation in the Basic School Support Fund Law, and the rapid increase in school enrollment.

The increases in instruction were explained by the addition of thirty new teachers in the county representing an increase of \$85,000, and an average salary increase of \$200 for 396 teachers which amounted to \$79,200. The increases in capital outlays were attributed to the purchase of nine new busses amounting to \$45,000; grants for new classrooms, \$30,000; and \$38,973 for alterations

and new equipment.

The increases in property taxes in these four counties (13, p. 2) during the first year under the law were as follows: Jackson, 45.9%; Yamhill, 41.1%; Marion, 62.5%; and Washington, 61.1%. These were among the highest in the state.

The fact that the Rural School Boards did not equalize or furnish all tax funds needed by local districts, but that the increased funds were voted by the local taxpayers indicates that the law could not be blamed for the increase in the overall total. However, because of the equalizing features of the law, it was recognized that many districts would experience tax increases, particularly in those districts which had not levied taxes for their elementary school. Since these districts were primarily third class and suspended districts of low valuation, it was expected that more districts would have tax increases than would have reductions. Of the 1247 districts (6, p. 2) comprising Rural School Districts 1010, or eighty-one percent, had increased tax rates during the first (1948-1949) year under the law. On the other hand, nineteen percent had their taxes lowered as a result of the Rural School District Law. The districts which had not levied property taxes in previous years would have been forced to levy taxes

regardless of the Rural School District Law, because the 1947 legislature stipulated that local districts must tax themselves at the rate of seven mills on true property valuation in order to participate in Basic School Support Fund.

The only new taxes levied by Rural School Boards were for the operating expenses of Rural School Boards. Table XXI lists the amounts levied by each such board. In eight counties the operating expenses include the salary of the Rural School District superintendent. Little relationship exists between the amount of the operating expense and the number of local districts comprising the Rural School District. The great differences represent variations in the approach to reviewing and auditing budgets of local districts. The increases of 1949-1950 over 1948-1949 were primarily due to extra compensation paid county school superintendents by Rural School Boards. In Douglas and Multnomah counties, where the increases were the greatest, the Rural School Board engaged a full time secretary in addition to the county school superintendent. The total operating expenditures including salaries of Rural School District superintendents were only .189 percent of the total taxes paid for school purposes in Oregon during the 1948-1949 school year. In 1949-1950 the Rural School

TABLE XXI

## LEVIES FOR OPERATING EXPENSES OF RURAL SCHOOL BOARDS

	1948-49	1949-50
Baker	\$ 1,700	\$ 1,700
Benton	2,500	2,475
Clackamas	1,560	1,560
Clatsop	1,200	1,200
Columbia	2,300	1,650
Coos	4,707	4,850
Curry	6,590*	6,924*
Deschutes	1,025	1,075
Douglas	1,500	8,550
Gilliam	5,705*	6,675*
Grant	11,554*	9,501*
Harney	2,500	2,050
Jackson	1,105	2,040
Jefferson	13,852*	12,675*
Lake	1,250	1,200
Lane	2,650	3,425
Linn	1,950	1,810
Malheur	2,730	2,880
Marion	4,000	5,100
Morrow	10,000*	11,150*
Multnomah	2,100	7,560
Polk	3,700	**
Sherman	8,000*	13,375*
Tillamook	1,500	745
Umatilla	2,500	3,265
Union	2,000	2,000
Wallowa	6,182*	7,395*
Wasco	1,000	1,100
Washington	4,575	4,530
Wheeler	6,875*	7,275*
Yamhill	2,800	2,400
Total	121,610	138,135

\*Budget includes salary of Rural School District Superintendent.

\*\*Balance left over from previous year.

Boards' operating expenses were .187 percent of Oregon's school taxes.

The data presented indicates that factors other than the Rural School District Law were more significant in causing the great increase in school property taxation that occurred in 1948-1949.

#### Related Effects

In addition to those effects of the Rural School District Law which lend themselves to objective measurement, certain other outcomes have become apparent. These are particularly noticeable to people in contact with rural schools. Since county school superintendents are in constant contact with these schools, they were requested to check the effects of the Rural School District Law in their respective counties. Table XI is a summary of their opinions. Nineteen superintendents gave the Rural School District Law credit for having increased auxiliary services such as visual education, transportation, lunch programs, and health services. In Multnomah and Washington counties visual aids centers were established in the county superintendents' offices by the Rural School Boards. Nineteen superintendents reported the law had brought about greater educational opportunities, and twenty-five mentioned greater

uniformity of educational opportunities had been accomplished. Twenty superintendents said the law had resulted in more efficient administration, and twenty-five reported better budgeting procedures, two with the comment "decidedly so".

The following comments on effects of the Rural School District Law were written in:

Coos county-- "Has caused criticism as people are restricted."

Marion county-- "Certainly supplies and library books are more in evidence."

Polk county-- "Has developed more expensive procedure."

Tillamook county-- "Has improved small or inefficiently managed districts."

Union county-- "Takes too much responsibility away from individual boards."

Wallowa county-- "Has resulted in a general dissatisfaction among most rural schools about the high taxes they must pay."

Yamhill county-- "Has caused districts to employ more efficient clerks."

## CHAPTER V

## SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Summary

The purpose of this study was to investigate the effects of the Rural School District Law on the financing of Oregon's schools during the years 1947 through 1949. The period was selected to include the year immediately preceding the date at which the law became effective, and the first two years under the Rural School District Law.

The media of research used were two questionnaires to county school superintendents and a general questionnaire to all Rural School Board members. These were distributed by the state department of education. Numerous official publications were used as references including those of state officials, legislative interim committees, county assessors, and interested groups such as the Oregon State Grange, Oregon Farmers Union, Oregon League of Women Voters, Oregon Education Association, and Oregon Business and Tax Research, Inc..

The Rural School District Law grew out of the great inequities that existed in Oregon's multiple district system, and out of the opposition of the Oregon State

Grange to the reorganization of all school districts into county unit systems. The problem of wealth differences and extremes of tax rates existing in the many districts was recognized by school officials, state superintendents of public instruction, two governors of Oregon, and state legislators. An interim committee known as the educational commission was authorized by the 1933 legislature to study the organization and finance of Oregon schools and to report its findings and recommendations to the 1935 legislature. This commission developed a basic plan for county and state equalization, but no action was taken on the report. A special committee of the Oregon State Grange drew up and introduced a county equalization measure in the 1935 legislature. The measure failed to pass. County equalization bills were also introduced and defeated in the 1937 and 1939 legislatures. No equalization measures were introduced in 1941.

The first Rural School District Bill was introduced and defeated in the 1943 legislature. The bill was again introduced in 1945, and the legislature referred it to the people at the general election of November 1946.

While the Oregon State Grange was active in attempting to secure county equalization of school taxes from 1935 on, the Grange bitterly opposed the referred measure.

The bill was also opposed by the Oregon Farmers Union. Campaigning for the measure were the Oregon League of Women Voters and the Oregon Business and Tax Research, Inc.. The Oregon Education Association failed to take a stand on what it considered to be highly controversial legislation.

An unofficial analysis by the Oregon Education Association revealed that the majority voting in favor of the bill in first class districts where the law would not apply exceeded the state-wide majority. The state-wide majority was also exceeded by the voters of the city of Portland where the law would not be applicable.

Before the law could go into effect, it was amended by the 1947 legislature, removing some of the undesirable features. The main changes made were (a) allowing local districts to augment the Rural School District allowance with tax levies in the local districts; (b) eliminating union high schools comparable to first class districts from the jurisdiction of the law; (c) setting dates when certain duties of Rural School Boards must be completed; and (d) setting the effective date of the law as January 1, 1948.

The Rural School Board members, elected at the annual school meeting the third Monday in June 1947, were faced immediately with the puzzling question of

developing an effective equalizing program. Because the duties of the board were defined in such general terms, many approaches were used. In general such problems as allowances for teachers' salaries, auxiliary agencies, and capital outlays proved to be most perplexing. Great variations were noted as to the extent that different items in the local school district's budget were included in the uniform county levy.

During the first year (1948-1949) under the new law a number of unforeseen problems arose. A rather serious problem was related to the low tax base which Rural School Districts had inherited from the component districts. Because of the low tax bases and inflationary trends, every Rural School Board (in order to exceed the six percent limitation) had to submit its budget to the voters. In three counties the vote was one of disapproval so that the local districts received a prorated amount and had to levy additional taxes in their respective districts.

Joint districts, where the vote to exceed the six percent limitation passed in one county and failed in the other, found themselves in a position of being unable to secure an equitable distribution of the tax load. These conditions were somewhat corrected by the 1949 legislature which allowed the Rural School Board

to resubmit its budget to the voters if defeated the first time. It also placed the entire joint district in the Rural School District of the county in which the schoolhouse is located. The dates at which certain duties of the Rural School Board must be accomplished were set about six weeks later, giving local districts more time to prepare their budgets.

Many Rural School Boards approached the equalization problem during the second year (1949-1950) in much the same way as the first. In three counties, Benton, Columbia, and Washington, an objective plan of allowances to local districts based on total daily membership (T.D.M.) of pupils was followed. The plans were similar to that developed in Clackamas county during 1948-1949.

A study of tax rates of the common school districts indicated that as a result of the Rural School District Law, the range of tax rates was greatly reduced during the first year, and tended to become more dispersed during the second year. The mean of the tax rate range dropped from 49.32 mills in 1947-1948 to 20.98 mills in 1948-1949 and increased to 27.28 mills in 1949-1950. A very noticeable increase occurred in Washington county where during the 1949-1950 school year the vote to exceed the six percent limitation failed and because of the low tax

base, the equalization features of the law were almost lost. Tax rates in this county varied from a low of 4.2 mills to a high of 118.6 mills, which was the greatest range in all counties during the three year period. Four counties had a greater tax range during the second year under the law than the year preceeding its becoming effective.

The coefficient of variation of tax rates multiplied by 100 was calculated for each county as an index of the equalization that had resulted. During the 1947-1948 year the mean of the variation coefficient was 80.6%. This was reduced to 21.9% during 1948-1949, indicating that the dispersion of tax rates was greatly reduced by Rural School Boards. During 1949-1950 the mean increased to 26.0%. The greatest equalizing tendency occurred in the eight counties in which all school districts are in the Rural School District.

On a percentage basis the proportion of local school levies provided by the Rural School Board varied from 39.5% in Sherman county, where the budget was defeated, to 99.-% in Lake county during the 1948-1949 school year. During 1949-1950 the range was from fifteen percent in Washington county to 100% in Gilliam county. In general a higher proportion of the total levies was provided by the Rural School Boards of those counties in which there are few local districts and in

those counties where all districts are in the Rural School District. These percentages included all local tax levies. Since debt service cannot be included in the Rural School District levy, the legal extent of equalization was somewhat greater in most of the counties.

The law accomplished only in part what the advocates had predicted. Extremes in tax rates were not eliminated, but all districts were required to carry a share of the property tax load. The equalization feature of the law is undoubtedly the strongest point of the law.

While tax inequities between local districts within a county have been greatly reduced, great differences exist between counties both in assessed value per child and in the willingness to equalize the total tax load.

In campaigning for the Rural School District Law, advocates predicted that an important effect would be desirable consolidation of school districts. However, the statewide rate of consolidations of third class districts during the two years under the law was somewhat less than that of the preceding three-year period. In two counties, Baker and Lane, a majority of the consolidations were with first class districts so that local districts could be removed from the Rural School District and enjoy a lower tax rate.

The Rural School District Law has had an elevating effect on the office of the county school superintendent.

In the eight counties where all school districts are in the Rural School District, the county superintendent has been replaced by the Rural School District superintendent, appointed by the Rural School Board. The Rural School Board also determines the district superintendent's salary. The position is thus removed from the former political domination of election by the people and a salary set by legislative action. The greatest elevating effect was noticed in the above mentioned eight counties where salaries of county school superintendents had been the lowest in the state. The 1949 legislature also provided that the county school superintendent could receive extra compensation from the Rural School Board by acting as its secretary. In fifteen counties the county superintendent received this extra compensation in 1949-1950 ranging from \$250 in Deschutes county to \$2000 in Umatilla county.

An outstanding opportunity for cooperative planning is available as a result of the Rural School District Law. During the first two years a number of Rural School Boards visited local schools. The 1949-1950 school year was marked by an increasing tendency to hold conferences with local boards and local school administrators. Cooperative planning of the budget has probably been developed to the highest degree in Morrow county where

county-wide meetings for budget study were held. Included in the meetings were local district board members, administrators, and salary committee of ten members representing the Morrow county unit of the Oregon Education Association.

The Rural School District Law was widely criticized in various areas of the state as having increased the overall tax load for schools during its first two years. Coincident with the first year's operation of the Rural School Boards came the greatest property tax increase for schools in the history of Oregon. To what extent these increases were due to the equalizing features of the law or to increased costs is difficult to ascertain. That many districts would experience tax increases was recognized by the proponents of the law, but its purpose was to bring them to some common level. The only analysis of school costs available was from Washington county where all items in the budget were slightly increased over the previous year. Two items, instruction (teaching) and capital outlays increased 26.1% and 17.5% respectively. There is no data available to indicate that the great increase in property taxes could be attributed to the Rural School District Law. However the increases in districts that had had low tax rates are direct outcomes of the equalizing features of the law.

Other outcomes, according to county school superintendents, included increased auxiliary services, greater educational opportunities, more efficient administration, and better budgeting procedures.

### Conclusions

1. The Rural School District Law as approved by the voters in 1946 and amended by the 1947 legislature had a number of serious limitations.
2. Some of the shortcomings of the law were corrected by the 1949 legislature.
3. No general plan of county equalization applicable in all counties was developed during the first two years the law was in operation.
4. The equalization of school property taxes on a county basis is the feature of the law which appears to be the strongest.
5. The equalization of school property taxes approached one hundred percent in those counties where all school districts are in the Rural School District.
6. A minimum amount of equalization occurred in those counties in which the Rural School District is composed of many local districts.
7. Consolidation of schools as had been predicted by the advocates of the law has not occurred.

8. Unabated consolidation of local districts to remove themselves from the Rural School District could eventually eliminate the Rural School District from a county.

9. Greater utilization of the opportunities of cooperative planning between Rural School Boards and local boards would eliminate much of the dissatisfaction with the law.

10. The greatest elevating effect on the position of the county school superintendent occurred in the eight counties in which all local districts are in the Rural School District.

11. The great increases in school costs during 1948-1949 and 1949-1950 would have occurred had the Rural School District Law not been in effect.

12. When the vote to exceed the six percent limitation fails, the equalizing features of the law are greatly reduced.

13. The Rural School District Law has not erased the possibility of wide tax rate differences within a county.

14. The Rural School District Law has brought about a renewed interest in rural schools.

15. The success of the Rural School District Law within a county is largely dependent upon the personnel of the board.

### Recommendations

The recommendations to be made are on the assumption that the equalization of school property taxes within the county is desirable and that such equalization will continue until all Oregon school districts are re-organized into adequate districts offering a twelve year educational program.

1. It is recommended that the equalizing features of the law be placed on an objective basis rather than the vague subjective basis as at present. The objective unit to be used could be determined by legislative action and could fluctuate with changing economic conditions. In this way, the extent of equalization would be uniform in all counties, would function in the same manner regardless of who is on the Rural School Board, and would eliminate the necessity of elections for the Rural School Board to exceed the six percent limitation. The original county equalization bills drawn up by the educational commission and the Oregon State Grange had considerable merit by setting the equalization on the basis of the number of defined classroom units.

2. It is recommended that local districts be allowed to continue to levy taxes in addition to the equalization allowance. If provisions for local

interest and initiative are removed, then the most adequate type of organization is the county unit system.

3. It is recommended that the Rural School Board assume the duties and functions of the non-high school board. The Rural School Board could also assume the duties of the county district boundary board as proposed in the original Rural School District Law. The elimination of two boards with some overlapping functions would simplify the county organization to a considerable extent.

4. It is recommended that the objective equalizing features be extended to all school districts.

5. It is recommended that all county school superintendents be appointed by the Rural School Board.

#### Suggested Studies

This study of the effects of the Rural School District Law would be enhanced by studies in the following areas which are closely related to the operation of the law:

1. A study of the effects of the Rural School District Law's companion measure, the Basic School Support Law on the financing of Oregon's schools.

2. A study of the effects of the inspection of Oregon schools by the state department of education in compliance with the Basic School Support Law.

3. A study of the effects of pressure groups on

school legislation in Oregon.

4. A study of the equalization of the distribution of the Rural School District budget to the various local districts.

## ADDENDUM

The Holy Report

Although the scope of this study was purported to include only the first two years under the Rural School District Law, a highly significant study of public elementary and secondary education in Oregon was authorized by House Joint Resolution 27 of the 1949 legislature and reported to the 1951 legislature. Dr. T. C. Holy, director of the Bureau of Educational Research of Ohio State University, was chief consultant of the committee authorized to make the study. The findings of the committee are commonly referred to as the "Holy Report" which was completed during 1950, the third year under the Rural School District Law. Since the entire fields of public elementary and secondary education were investigated, certain phases of the study refer to the Rural School District Law.

The report (22, p. 6) points out that the bills developed by the educational commission authorized by the 1933 legislature were closely followed in the present Rural School District Law and also in the present Basic School Support Law, both of which were approved by the voters of Oregon on November 5, 1946.

In explaining the Rural School District organization,

the report (22, p. 86) indicates that the Rural School Board is primarily a budget controlling and an equalizing board. The report says: "The equalization feature is undoubtedly the greatest strength of the rural school district." Differences in Rural School Board policy has "stimulated the improvement of education and has furnished considerable stimulation and leadership" in some counties, while in others the "board has accepted the least adequate provision in the county as the standard and has tended to bring all school districts down to the lowest level."

The report (22, p. 86) reviews a case of wealthier districts refusing to equalize the entire tax levy during the third year as follows:

For example, in the case of Marion County, the rural school board submitted a budget in the amount of \$1,119,233, of which \$1,004,000 was outside of the 6 percent limitation, in March 1950. On a recount it was defeated by a vote of 1,539 for and 1,543 against. It was submitted again on June 30, 1950, when it was defeated by a vote of 2,075 for and 2,948 against. An analysis of the vote by districts showed that about three-fourths of the districts voted against it at the first election, and slightly more voted against it at the second election. A further analysis showed that in some districts the vote for the budget was practically unanimous, and in others the vote was equally strong against. Furthermore, that fact seemed to be related to the wealth of the district; i.e., wealthy districts tended to oppose and poor ones to support. Because of similar situations,

wealthy districts are endeavoring to join first class districts to free themselves from the equalization authority of the rural school board.

The confusion resulting from being in as many as three school districts, the Rural School District, a local elementary district, and the non-high school or small union high school district is discussed (22, p. 87).

Since the Holy report recommends a complete reorganization of the multiple district system into districts able to offer an adequate twelve year program, the Rural School District is involved in the reorganization as follows (22, p. 96):

While the rural school district has made a distinct contribution in a number of counties, particularly through its equalization provision, and is a step toward equalization of opportunity within the county, it is not believed to be either a sound or an essential element in a satisfactory school district organization plan for the state. If such a plan is developed and carried out, then equalization, the chief strength of the rural school district, can be achieved in part through the local school district and in part through the Basic School Support Fund. Consequently, provision should be made for the discontinuance of the rural school district as the reorganization program is carried forward. It is probable that in certain counties, with the disappearance of the rural school district, a true county-wide school district should be developed. In others, the county should be divided into several districts.

## BIBLIOGRAPHY

1. Baker county tax-less S. D's. Your Taxes, a bulletin from Oregon business and tax research, inc. 11:3. Dec., 1945.
2. Barrick, S. J. Implications and effects of the constitutional six percent limitation. Prepared for the Oregon tax study commission. Salem, Ore. Mar., 1946. 71p.
3. Benton county tax-less school districts. Your Taxes, a bulletin from Oregon business and tax research, inc. 11:2. July, 1945.
4. Booth, Agnes. Did it do it? Oregon Education Journal 23:11-21. Jan., 1949.
5. Buisman, Ben. Oregon Grange Bulletin, p. 15. Feb. 20, 1949.
6. Bumped, but adopted. Your Taxes, a bulletin from Oregon business and tax research, inc. 14:1-2. June, 1948.
7. Committee report on controversial H. B. 80. Oregon Education Journal 20:11-12. May, 1946.
8. Garrett, Henry E. Statistics in psychology and education. 3rd edition. New York, Longmans, Green and Co., 1948 487p.
9. H. B. 80 in Douglas county. Your Taxes, a bulletin from Oregon business and tax research, inc. 12:1-3. May, 1946.
10. H. B. 80 in Umatilla county. Your Taxes, a bulletin from Oregon business and tax research, inc. 12:1-4. Sept., 1946.
11. H. B. 80 in Washington county. Your Taxes, a bulletin from Oregon business and tax research, inc. 12:1-3. Feb., 1946.
12. Humphrey, Louise. French bill applied to Wasco county. Your Taxes, a bulletin from Oregon business and tax research, inc. 11:1-3. Jan., 1946.

13. \_\_\_\_\_ Property levy hits new high. Your Taxes, a bulletin from Oregon business and tax research, inc. 14:1-3. Nov., 1948.
14. Jones, Ronald E. Oregon Farmer Union, p. 1. Nov. 15, 1946.
15. \_\_\_\_\_ Oregon Farmer Union, p. 6. Apr. 15, 1947.
16. Morrow county tax-less S. D's. Your Taxes, a bulletin from Oregon business and tax research, inc. 11:3. Oct., 1945.
17. Oregon. Educational commission. Report of the educational commission. Portland, 1935. 48p.
18. \_\_\_\_\_ Governor's message to thirty-eighth legislative assembly. Salem, 1935. 16p.
19. \_\_\_\_\_ Laws enacted and joint resolutions, concurrent resolutions, and memorials adopted by the forty-third regular session of the legislative assembly. Salem, 1945. 1022p.
20. \_\_\_\_\_ Laws enacted and joint resolutions, concurrent resolutions, and memorials adopted by the forty-fourth regular session of the legislative assembly. Salem, 1947. 1341p.
21. \_\_\_\_\_ Laws enacted and joint resolutions, concurrent resolutions, and memorials adopted by the forty-fifth regular session of the legislative assembly. Salem, 1949. 1199p.
22. \_\_\_\_\_ Legislative advisory committee. A study of public elementary and secondary education in Oregon. Salem, 1950. 443p.
23. \_\_\_\_\_ Legislative assembly. Interim commission on state and local revenues. Report of the commission. Salem, 1939. 47p.
24. \_\_\_\_\_ Legislative assembly. Journals of the senate and house of the thirty-seventh legislative assembly. Salem, 1933. 668p.
25. \_\_\_\_\_ Legislative assembly. Journals of the senate and house of the thirty-eighth legislative assembly. Salem, 1935. 685p.

26. \_\_\_\_\_ Legislative assembly. Journals of the senate and house of the thirty-ninth legislative assembly. Salem, 1937. 575p.
27. \_\_\_\_\_ Legislative assembly. Journals of the senate and house of the fortieth legislative assembly. Salem, 1939. 809p.
28. \_\_\_\_\_ Legislative assembly. Journals of the senate and house of the forty-first legislative assembly. Salem, 1941. 815p.
29. \_\_\_\_\_ Legislative assembly. Journals of the senate and house of the forty-second legislative assembly. Salem, 1943. 549p.
30. \_\_\_\_\_ Legislative assembly. Journals of the senate and house of the forty-third legislative assembly. Salem, 1945. 603p.
31. \_\_\_\_\_ Legislative assembly. Journals of the senate and house of the forty-fourth legislative assembly. Salem, 1947. 772p.
32. \_\_\_\_\_ Legislative assembly. Journals of the senate and house of the forty-fifth legislative assembly. Salem, 1949. 903p.
33. \_\_\_\_\_ Public instruction, supt. of. Elementary school standards. Salem, 1947. 19p.
34. \_\_\_\_\_ Public instruction, supt. of. Oregon School Directory. Salem 1948-1949. 107p.
35. \_\_\_\_\_ Public instruction, supt. of. Oregon School Directory. Salem, 1949-1950. 116p.
36. \_\_\_\_\_ Public instruction, supt. of. Oregon School Directory. Salem, 1950-1951. 167p.
37. \_\_\_\_\_ Public instruction, supt. of. Report, thirtieth biennial to the thirty-seventh legislative assembly. Salem, 1933. 96p.
38. \_\_\_\_\_ Public instruction, supt. of. Report, thirty-first biennial to the thirty-eighth legislative assembly. Salem, 1935. 119p.
39. \_\_\_\_\_ Public instruction, supt. of. Report,

- thirty-second biennial to the thirty-ninth legislative assembly. Salem, 1937. 101p.
40. \_\_\_\_\_ Public instruction, supt. of. Report, thirty-third biennial to the fortieth legislative assembly. Salem, 1939. 125p.
41. \_\_\_\_\_ Public instruction, supt. of. Report, thirty-fourth biennial to the forty-first legislative assembly. Salem, 1941. 127p.
42. \_\_\_\_\_ Public instruction, supt. of. Report, thirty-sixth biennial to the forty-third legislative assembly. Salem, 1945. 48p.
43. \_\_\_\_\_ Public instruction, supt. of. Report, thirty-seventh biennial to the forty-fourth legislative assembly. Salem, 1947. 56p.
44. \_\_\_\_\_ Public instruction, Supt. of. Report, thirty-eighth biennial to the forty-fifth legislative assembly. Salem, 1949. 63p.
45. \_\_\_\_\_ Public instruction, Supt. of. Report, thirty-ninth biennial to the forty-sixth legislative assembly. Salem, 1951. 70p.
46. \_\_\_\_\_ Secretary of State. Oregon Blue Book. Salem, 1947-1948. 365p.
47. \_\_\_\_\_ Tax study commission. Report of the Oregon tax study commission. Salem, 1946. 34p.
48. \_\_\_\_\_ Treasury dept. Report, biennial of the state treasurer to the forty-fourth legislative assembly. Salem, 1947. 168p.
49. \_\_\_\_\_ Treasury dept. Report, biennial of the state treasurer to the forty-fifth legislative assembly. Salem, 1949. 144p.
50. Oregon Education Journal. 20:12-13. Mar., 1946.
51. Oregon Grange Bulletin. p. 1. Sept. 5, 1946.
52. \_\_\_\_\_ p. 4. May 5, 1948.
53. Oregon League of Women Voters. Memo H. B. 80. Portland, 1946. 14p.

54. Oregon State Grange. Proceedings of sixtieth annual session. Portland, 1933. 139p.
55. \_\_\_\_\_ Proceedings of sixty-first annual session. Portland, 1934. 160p.
56. \_\_\_\_\_ Proceedings of sixty-second annual session. Portland, 1935. 182p.
57. \_\_\_\_\_ Proceedings of sixty-third annual session. Portland, 1936. 201p.
58. \_\_\_\_\_ Proceedings of sixty-fourth annual session. Portland, 1937. 191p.
59. \_\_\_\_\_ Proceedings of sixty-fifth annual session. Portland, 1938. 234p.
60. \_\_\_\_\_ Proceedings of sixty-sixth annual session. Portland, 1939. 240p.
61. \_\_\_\_\_ Proceedings of sixty-seventh annual session. Portland, 1940. 210p.
62. \_\_\_\_\_ Proceedings of sixty-eighth annual session. Portland, 1941. 216p.
63. \_\_\_\_\_ Proceedings of sixty-ninth annual session. Portland, 1942. 198p.
64. \_\_\_\_\_ Proceedings of 72nd and 73rd annual session. Portland, 1946. 253p.
65. \_\_\_\_\_ Proceedings of seventy-fourth annual session. Portland, 1947. 237p.
66. \_\_\_\_\_ Proceedings of seventy-fifth annual session. Portland, 1948. 197p.
67. Parr, Frank W. Another step forward. Oregon Education Journal 19:2. Apr., 1945.
68. Pro and Con arguments on H. B. 80. Your Taxes, a bulletin from Oregon business and tax research, inc. 12:4. Mar., 1946.
69. Referred by the legislature. Your Taxes, a bulletin from Oregon business and tax research, inc. 12:3. Oct., 1946.

70. Sherman county tax-less property. Your Taxes, a bulletin from Oregon business and tax research, inc. 11:3-4. Aug., 1945.
71. Tax levies--public schools--Oregon. Oregon Voter. Dec. 10, 1949. p.10.
72. Thomas, Lyle. Oregon Farmer Union. p. 1. Sept. 15, 1946.
73. \_\_\_\_\_ Oregon Farmer Union. p. 6. Apr. 15, 1947.
74. U. S. Education, Office of. Biennial survey of education in United States, 1946-1948. Chapt.2, statistics of state school systems. Washington, D. C., 1950. 117p.

APPENDIX

## APPENDIX

## Chapter 345, Oregon Laws, 1945

Be It Enacted by the People of the State of Oregon:

Section 1. This act shall be known as the rural school district law.

Section 2. There hereby is created in each county of the state not operating under chapter 7, title 111, O.C.L.A., commonly known as the county school law, a district to be known as the rural school district and a governing body thereof to be known as the rural school board. Said rural district shall embrace any and all school districts or school units and any and all parts of school districts or school units within the county, including elementary school districts, the nonhigh school district, high school and union high school districts and county and district high schools, excepting only school districts of the first class.

Section 3. It shall be the duty of the district boundary board at a meeting to be held not less than 20 days prior to the first election of members of the rural school board, as herein provided, to divide the rural school district into five zones as nearly equal in population as may be practicable and measured along elementary school district boundary lines. The rural school board shall have authority to readjust the boundaries of such zones once every three years. Only one member of said board shall be elected from any one of such zones.

Section 4. The nomination of any candidate to serve as a member of the rural school board shall be made by petition filed with the county school superintendent not less than 15 days prior to the date of the election, signed by not less than 25 voters residing in the zone in which such candidate is a resident and who are legally qualified to vote for school district officers in their respective elementary school districts. Each such nominee shall file an acceptance of nomination with the county school superintendent not less than 10 days prior to the date of such election, otherwise such nomination shall be void; provided that a candidate so nominated

must be a qualified voter on a school district tax levy. Voters in the election of members of rural school boards shall have the qualifications set forth in section 111-910, O.C.L.A. Members of rural school boards shall be subject to recall as provided by law in respect to members of boards of directors of school districts of the first class.

Section 5. The election of members of the rural school board shall be held at the time of the annual school meeting each year and in those zones only from which members of such board are to be elected. The rural school board shall arrange for such election and designate a polling place for the purpose in each elementary school district within each such zone, which polling place shall be the school building if there be one within the district. The chairman of the board of directors of each such elementary school district shall act as judge and the other members of the board as clerks of said election and shall count the ballots cast and prepare a tally sheet. Immediately said chairman shall seal the ballots and tally sheet and within five days after the election shall mail or deliver to the county school superintendent. Forthwith the rural school board shall canvass the ballots and declare the results of the election.

Section 6. At the annual school meeting next following the effective date of this act there shall be elected five members of the rural school board, one by the voters in each of the five zones of the rural school district for terms of from one to five years but without specification of the term for which any such member is to be elected. This election shall be conducted under arrangements made by the county school superintendent in the manner provided in section 5 of this act, except that the district boundary board shall canvass the ballots, determine the candidate in each zone receiving the largest number of votes and declare the results of the election. At the first meeting of the rural school board, which shall be called by the county school superintendent within 10 days after the first election, the five elected members of said board shall determine by lot who shall have the five-year term, the four-year term, the three-year term, the two-year term and the one-year term.

Section 7. At the expiration of the term of office of any member of the rural school board, a successor from the same zone shall be elected by the legal voters thereof for the term of five years. Any vacancy on the board from any zone shall be filled by the remaining

members of the board from among the qualified residents of that zone, the appointee to serve until the next annual school meeting when a successor from that zone shall be elected to serve for the remainder of the unexpired term.

Section 8. Each rural school board shall meet within 10 days after each annual election and organize or re-organize by electing one of its members chairman and one vice chairman, each of whom shall serve for one year or until a successor is elected and qualified. The county school superintendent shall be the secretary of the rural school board but shall not have a vote in any matter coming before said board. The board may, from time to time, make such rules and regulations not inconsistent with this act as it may deem necessary to enforce its provisions.

Section 9. Regular meetings of the rural school board of each rural school district shall be held in rooms provided by the county court. The county court also shall supply the rural school board with such professional or clerical assistance and with such equipment and supplies as said board may require in the performance of its duties. Members of the rural school board shall receive no compensation for their services, but shall be reimbursed for all traveling and other expenses necessarily incurred in performing their duties as members of said board. All such costs and expenses shall be paid, on claims duly presented and approved, from the general fund of the county.

Section 10. On organization of the rural school board of any county, as herein provided, said board shall take over all powers and duties of the district boundary board of such county. All powers and duties of the district boundary board, as provided by law, hereby are transferred to, vested in and imposed on the rural school board.

Section 11. Any school district of the first class may consolidate with and become part of the rural school district of the county. For that purpose both the board of directors of the school district of the first class and the rural school board shall adopt resolutions favoring such consolidations. The question of such consolidation then shall be submitted to the legal voters of each of said districts at the next annual school meeting. If a majority of the votes cast on the proposition in each district shall favor such consolidation the

same shall become effective as of July first next following and thereafter all the territory embraced in said school district of the first class shall be part of said rural school district for all purposes of this act.

Section 12. All powers and duties to levy taxes, heretofore by law vested in and imposed on any school district or school unit embraced within the rural school district of any county, or heretofore vested in and imposed on the board of directors or other governing body of any such school district or school unit, hereby are transferred to, vested in and imposed on the rural school board of such county; provided, however, that each such school district or school unit or the board of directors or governing body thereof, shall retain and exercise the power to levy a tax each year for payment of principal and interest of the bonded indebtedness or the indebtedness evidenced by negotiable interest bearing warrants of said school district or school unit and also to levy a tax for payment of capital expenditures specifically authorized by the legal voters of such district or unit as outside the limitation of section 11, article XI, Oregon Constitution.

Section 13. Immediately following a public meeting as provided by law on the budget for each fiscal year of any school district or school unit within the rural school district, and in any event not later than June 30 of such year, the responsible officer of the district or unit shall deliver or transmit said budget to the rural school board. No tax levy based on such budget shall be made by the school district or school unit or by the board of directors or governing body thereof, other than the tax levy outside the aforesaid constitution limitation for the particular purposes specified in section 12 of this act.

Section 14. The rural school board shall examine and audit the budgets of the several school districts or school units embraced within the rural school district and shall have power to approve or reject, increase or reduce any item or amount in any such budget. The board of directors or other governing body of every school district or school unit shall be entitled to a hearing by the rural school board on the budget submitted by it and the rural school board shall set times and places for such hearings which shall be open to the public.

Section 15. Forthwith after such hearings and after

Careful consideration of all the aforesaid budgets, the rural school board shall determine the final amount in which the budget of each school district or school unit shall be included in the tax levy to be made by it. The rural school board of each county hereby is empowered to levy and shall levy for each fiscal year a tax in the amount equal to the total of the budgets, so determined and approved, of the several school districts or school units within the rural school district of the county; provided, however, that such tax levy shall not exceed the amount of the highest combined levy of the component school districts of such rural school district in any one of the three years immediately preceding for purposes other than the payment of bonded indebtedness or interest thereon plus six per cent thereof and shall apply at uniform rate to all taxable property within said rural school district. And further provided, that in the case of a union high school district which includes a district of the first class, which district of the first class is not a part of the rural school district, that portion of the union high school levy otherwise to be extended as a tax on property outside the first class district shall be levied by the rural school district board as part of the rural school district levy.

The rural school district board shall also have the authority to call a special school election in the rural school district should it find it necessary to exceed the limitations imposed by section 11, article XI of the Oregon Constitution. Said election shall be called and held in each district or unit in the manner prescribed by section 6 of this act for the election of the rural school board members and also in substantial compliance with the provisions of section 110-1109 and 110-1112, O.C.L.A., insofar as applicable.

Section 16. The rural school board, on or before August 1 of each fiscal year, shall certify to the county assessor and to the county treasurer the total amount of the tax levy so made by it and also shall certify to the county treasurer the amount in which the budget of each school district or school unit within the rural school district is included in such tax levy. The county assessor shall subtract from the total amount of such tax levy the total amount, if any, certified to him by the county school superintendent, as otherwise provided by law, for apportionment from the state school support fund for the current fiscal year to all school districts or school units within the rural school district and

shall extend on the assessment and tax roll the remainder only as the property tax levy of the rural school board, applicable at uniform rate to all taxable property within the rural school district of the county.

Section 17. All moneys received by the county treasurer as proceeds of the property tax levy of the rural school board, so extended for any fiscal year, shall be credited by said treasurer to the several school districts or school units within the rural school district in the proportion that the amount of the budget of each such district or unit included in the tax levy made by said board bears to the total amount of such levy. Similarly, all moneys received by the county treasurer from apportionment of the state school support fund for such fiscal year for the use of the several school districts or school units within said rural school district, shall be distributed and credited on the same basis to such school districts or school units.

Section 18. If any section, sentence, clause or word of this act shall be held to be unconstitutional, the invalidity of such section, sentence, clause or word shall not affect the validity of any other portion of this act, it being the intent of this legislative assembly to enact the remainder of this act, notwithstanding such part so declared unconstitutional should or may be so declared.

Section 19. This act shall be and hereby is referred to the people of the state of Oregon for their approval or rejection at the next special or regular general election to be held throughout the state of Oregon. The secretary of state shall be and hereby is authorized and directed to set aside two pages in the official pamphlet containing measures referred to the people to be voted on at the next special or regular general election, in which an argument in support of this act may be printed. A joint committee consisting of one senator, to be appointed by the president of the senate, and two representatives, to be appointed by the speaker of the house, shall prepare such argument and file the same with the secretary of state.

## Chapter 591, Oregon Laws, 1947

Chapter 345, O. L., 1945, as amended by the 1947 Legislature.

Section 1. That section 2, chapter 345, Oregon Laws 1945, be and the same hereby is amended so as to read as follows:

Section 2. There hereby is created in each county of the state not operating under chapter 7, title 111, O.C.L.A., commonly known as the county school law, a district be known as the rural school district and a governing body thereof to be known as the rural school board. Said rural district shall embrace all territory within the county, excepting only school districts of the first class which are not a part of a nonhigh school district and, for high school purposes only, any union high school district in which the sum of the number of children of school age as shown by the last school census in the component districts is equal to the census required by law to become a district of the first class. Upon first becoming a district of the first class or a union high school district with a census equal to that of a district of the first class such district shall be removed from the rural school district unless by vote it elects to remain a part thereof.

Section 2. That section 3, chapter 345, Oregon Laws 1945, be and the same hereby is amended so as to read as follows:

Sec. 3. It shall be the duty of the district boundary board at a meeting to be held not less than 60 days prior to the first election of members of the rural school board, as herein provided, to divide the rural school district into five zones as nearly equal in population as may be practicable and measured along elementary school district boundary lines. The district boundary board shall have authority to readjust the boundaries of such zones once each year and shall readjust the boundaries of the zones immediately upon any change of the territory comprising the rural school district. Only one member of said board shall be elected from any one of such zones.

Section 3. That section 4, chapter 345, Oregon Laws 1945, be and the same hereby is amended so as to read as follows:

Sec. 4. The nomination of any candidate to serve as a member of the rural school board shall be made by petition filed with the county school superintendent not less than 30 days prior to the date of the election, signed by not less than 25 voters residing in the zone in which such candidate is a resident and who are legally qualified to vote for school district officers in their respective elementary school districts. Each such nominee shall file an acceptance of nomination with the county school superintendent not less than 15 days prior to the date of such election, otherwise such nomination shall be void; provided, that a candidate so nominated must be a qualified voter on a school district tax levy. Voters in the election of members of rural school boards shall have the qualifications set forth in section 111-910, O.C.L.A. Members of rural school boards shall be subject to recall by the legal school voters in the rural school district zones from which they were elected in the manner provided by law in respect to members of boards of directors of school districts of the first class.

Section 4. That section 5, chapter 345, Oregon Laws 1945, be and the same hereby is amended so as to read as follows:

Sec. 5. The election of members of the rural school board shall be held at the time of the annual school meeting each year and in those zones only from which members of such board are to be elected. The rural school board shall arrange for such election and designate a polling place for the purpose in each elementary school district within each zone, which polling place shall be the school building if there be one within the district. The chairman of the board of directors of each such elementary school district shall act as judge and the other members of the board as clerks of said election and shall count the ballots cast and prepare a tally sheet. Immediately said chairman shall seal the ballots and tally sheet and within five days after the election shall mail or deliver to the county school superintendent. Forthwith the rural school board shall canvass the ballots and declare the results of the election.

Section 5. That section 6, chapter 345, Oregon Laws 1945, be and the same hereby is amended so as to read as follows:

Sec. 6. At the annual school meeting next following the effective date of this act there shall be elected five members of the rural school board, one by the qualified voters in each of the five zones of the rural school district, for terms of from one to three years but without specification of the term for which any such member is to be elected. This election shall be conducted under arrangements made by the county school superintendent in the manner provided in section 5 of this act, except that the district boundary board shall canvass the ballots, determine the candidate in each zone receiving the largest number of votes and declare the results of the election. At the first meeting of the rural school board, which shall be called by the county school superintendent within 10 days after the first election, the five elected members of said board shall determine by lot who shall have the two three-year terms, the two two-year terms and the one one-year term.

Section 6. That section 7, chapter 345, Oregon Laws 1945, be and the same hereby is amended so as to read as follows:

Sec. 7. At the expiration of the term of office of any member of the rural school board, a successor from the same zone shall be elected by the legal voters thereof for the term of three years. Any vacancy on the board from any zone shall be filled by the remaining members of the board from among the qualified residents of that zone, the appointee to serve until the next annual school meeting when a successor from that zone shall be elected to serve for the remainder of the unexpired term. Newly elected or appointed members of the rural school board shall take office at the meeting of the rural school board next following such election or appointment.

Section 7. That section 9, chapter 345, Oregon Laws 1945, be and the same hereby is amended so as to read as follows:

Sec. 9. Regular meetings of the rural school board of each rural school district shall be held on meeting dates to be determined for the year at the meeting of the board next following each annual election, and in rooms provided by the county court. For the fiscal year 1947-48 the county court also shall supply the rural school board with such professional or clerical assistance

and with such equipment and supplies as said board may require in the performance of its duties. Members of the rural school board shall receive no compensation for their services, but shall be reimbursed for all traveling and other expenses necessarily incurred in performing their duties as members of said board. For the fiscal year 1947-48 all such costs and expenses shall be paid, on claims duly presented and approved, from the general fund of the county.

Section 8. That section 11, chapter 345, Oregon Laws 1945, be and the same hereby is amended so as to read as follows:

Sec. 11. Any school district of the first class or union high school district excluded by section 2 of this act may consolidate with and become part of the rural school district of the county. For that purpose both the board of directors of such school district or districts and the rural school board shall adopt resolutions favoring such consolidations. The question of such consolidation then shall be submitted to the legal voters of each of said districts at a date fixed by the boundary board which is mutually agreeable to the boards of districts involved. Notices for a school election in each district to vote upon the question of consolidation shall be posted as provided by law for consolidation purposes. If a majority of the votes cast on the proposition in each district shall favor such consolidation the same shall become effective immediately and thereafter all the territory embraced in said school district or districts as defined in section 2 shall be part of said rural school district for all purposes of this act.

Section 9. That section 12, chapter 345, Oregon Laws 1945, be and the same hereby is amended so as to read as follows:

Sec. 12. From and after January 1, 1948, all powers and duties to levy taxes, heretofore by law vested in and imposed on any school district or school unit embraced within the rural school district of any county, or heretofore vested in and imposed on the board of directors or other governing body of any such school district or school unit, hereby are transferred to, vested in and imposed on the rural school board of such county; provided, however, that each such school district or school unit or the board of directors or governing body thereof, shall retain and exercise the power to levy a tax each year for payment of principal and interest of the bonded indebtedness or the indebted-

ness evidenced by negotiable interest bearing warrants of said school district or school unit and also to levy a tax for payment of capital expenditures and current expenditures not provided for in the budget of the district by the rural school board but which have been specifically authorized by the legal voters of such district or unit as outside the limitation of section 11, article XI, Oregon constitution.

Section 10. That section 13, chapter 345, Oregon Laws 1945, be and the same hereby is amended so as to read as follows:

Sec. 13. Immediately following a public meeting as provided by law on the budget for each fiscal year of any school district or school unit within the rural school district, and in any event not later than February 1 of such year, the responsible officer of the district or unit shall deliver or transmit said budget to the rural school board. No tax levy based on such budget shall be made by the school district or school unit or by the board of directors or governing body thereof, other than the tax levy outside the aforesaid constitution limitation for the particular purposes specified in section 12 of this act. The rural school board is authorized to prepare a budget for its own expenses in connection with carrying out the provisions of this act or other expenses required by law and also to prepare a budget for a school district which fails to submit a budget to the rural school board by February 1.

Section 11. That section 14, chapter 345, Oregon Laws 1945, be and the same hereby is amended so as to read as follows:

Sec. 14. The rural school board shall examine and audit or cause to have examined and audited the budgets of the several school districts, joint school districts in which the schoolhouse is located in the county or school units embraced within the rural school district and shall have power to approve or reject, increase or reduce any item or amount in any such budget, provided that the rural school board shall not reduce the total of budgeted expenditures of a district below the maximum program established in section 12 of the law providing for the distribution of the basic school support fund. It is further provided, that where necessary the rural

school board shall determine from the budgets submitted the amounts to be levied for elementary and high school purposes and shall make separate levies for the same. On or before March 15 the board of directors or other governing body of every school district, joint school district in which the schoolhouse is located in the county or school unit shall be notified in writing of any contemplated changes in its budget and on request it shall be entitled to a hearing by the rural school board on the budget submitted by it and the rural school board shall set times and places for such hearings which shall be open to the public.

Section 12. That section 15, chapter 345, Oregon Laws 1945, be and the same hereby is amended so as to read as follows:

Sec. 15. Forthwith after such hearings and after careful consideration of all the aforesaid budgets, the rural school board shall determine the final amount in which the budget of each school district or school unit shall be included in the tax levy or levies to be made by it and shall notify each such school district or school unit of its action on or before April 1 of the then current year; provided that the levy for joint districts shall be prorated between the respective counties affected on the basis of the latest assessed valuation of said joint district in each county raised to true cash value. The rural school board of each county hereby is empowered to levy and shall levy for each fiscal year a tax in the amount equal to the total of the levies, so determined and approved, of the several school districts or school units within the rural school district of the county to which shall be added the budget prepared for the rural school boards' expenditures for travel and in providing the board with professional and clerical assistance and with such equipment and supplies as the rural school board may require for the performance of its duties; provided, however, that such tax levy shall apply at uniform rate or rates for elementary and high school purposes to all taxable property within said rural school district for such purposes.

The rural school district board shall call a special school election in the rural school district whenever the sum of the levies as determined in section 14 of this act exceeds the limitations imposed by section 11, article XI of the Oregon constitution and may call such an election whenever said board deems it advisable. Said election shall be called and held on the third

Monday in April in each district or unit in the manner prescribed by section 6 of this act for the election of the rural school board members and also in substantial compliance with the provisions of sections 110-1109 and 110-1112, O.C.L.A., insofar as applicable. In case a proposed levy in excess of constitutional limitation is not approved by the legal voters of the rural school district the rural school board shall levy the maximum permitted by law. After deducting the estimated expenses provided in the budget of the rural school board said board shall apportion the remainder of the levy extended in the proportion that the original levy as determined and included by the rural school board for each district is of the total of all such levies in the rural school district.

Section 13. That section 16, chapter 345, Oregon Laws 1945, be and the same hereby is amended so as to read as follows:

Sec. 16. The rural school board, on or before August 1 of each fiscal year, shall certify to the county assessor and to the county treasurer the total amount of the tax levy so made by it and also shall certify to the county treasurer the amount in which the budget of each school district or school unit within the rural school district is included in such tax levy. The county assessor shall extend said tax levy or levies on the assessment and tax roll as the property tax levy or levies of the rural school board, applicable at uniform rate or rates to all taxable property within the rural school district of the county.

Section 14. That section 17, chapter 345, Oregon Laws 1945, be and the same hereby is amended so as to read as follows:

Sec. 17. All moneys received by the county treasurer as proceeds of the property tax levy or levies of the rural school board, so extended for any fiscal year, shall be apportioned in accordance with the provisions of section 15 of this act.

Section 15. That section 10, chapter 345, Oregon Laws 1945, be and the same hereby is repealed.

Section 16. It hereby is adjudged and declared that existing conditions are such that this act is necessary

for the immediate preservation of the public peace, health and safety; and, an emergency hereby is declared to exist, and this act shall take effect and be in full force and effect from and after its passage.

## Chapter 573, Oregon Laws, 1947

Section 1. On and after July 1, 1948, the elective office of county school superintendent shall be abolished in those counties in which the rural school law is in full effect and the rural school district includes all school districts in the county on said date. It shall be the duty of the rural school board in such counties to employ a district superintendent of schools who also shall serve as the board's executive officer and secretary. The board shall fix the term and compensation of the district superintendent of schools and shall provide office room for him in rooms provided for it by the county court. All necessary traveling expenses of the district school superintendent shall be allowed by the rural school board. The district superintendent of schools shall perform all duties and functions prescribed by law for the office of county school superintendent and hereafter shall be the custodian of all records heretofore preserved by the county school superintendent and of all reports which are required by law to be forwarded to the office of the county school superintendent. The district school superintendent shall take an oath of office and shall, before entering upon the discharge of his duties, give to the rural school board an official bond executed by himself as principal, in such sum as the board may direct, conditioned that he will faithfully and honestly perform all the duties required of him by this act.

Section 2. No person shall be eligible for appointment as district superintendent of schools who is not trained and experienced in the organization, supervision and financial management of a school system and who has not within 10 years prior to such appointment served not less than 27 months in the public schools of Oregon as teacher, supervisor, principal, city superintendent or county superintendent of schools. He must hold a teaching certificate based upon graduation from a normal school, college or university or hold a life certificate entitling him to teach in the public elementary or high schools of the state of Oregon.

Section 3. The county school superintendent serving when such office is abolished as hereinbefore provided shall, at no decrease in salary, be retained either as district superintendent of schools or as supervisor of schools, at the option of the rural school board, until

the expiration of the term of office for which he was elected.

Section 4. The rural school board hereby is authorized and directed to employ, and fix the compensation of, such school supervisors, assistant supervisors and office personnel as it may deem necessary for the supervision of schools in the district and for carrying out the provisions of the rural school district law, chapter 345, Oregon Laws 1945.

## Chapter 14, Oregon Laws, 1949

Chapter 345, O. L., 1945, as Amended by Chapter 591, O.L.,  
1947

Section 1. That section 16, chapter 345, Oregon Laws 1945, as amended by section 13 chapter 591, Oregon Laws 1947, be and the same hereby is amended so as to read as follows:

Sec. 16. The rural school board, not later than the fifteenth day of July of each fiscal year, shall certify to the county assessor and to the county treasurer the total amount of the tax levy so made by it and also shall certify to the county treasurer the amount in which the budget of each school district or school unit within the rural school district is included in such tax levy. The county assessor shall extend said tax levy or levies on the assessment and tax roll as the property tax levy or levies of the rural school board, applicable at uniform rate or rates to all taxable property within the rural school district of the county.

## Chapter 543, Oregon Laws, 1949

Chapter 345, O. L., 1945, as Amended by Chapter 591, O. L., 1947, and Chapter 543, O. L., 1949

Section 1. That section 2, chapter 345, Oregon Laws 1945, as amended by section 1, chapter 591, Oregon Laws 1947, be and the same hereby is amended so as to read as follows:

Sec. 2. There hereby is created in each county of the state not operating under chapter 7, title 111, O. C. L. A., commonly known as the county school law, a district to be known as the rural school district and a governing body thereof to be known as the rural school board. Said rural school district shall embrace all territory within the county and, without regard to county lines, all territory in a joint school district shall be included in the rural school district of the county in which the joint district's school is located. Excepted from inclusion in the rural school district are school districts of the first class which are not a part of a non-high school district and, for high school purposes only, any union high school district in which the sum of the number of children of school age as shown by the last school census in the component districts is equal to the census required by law to become a district of the first class. Upon first reaching a census equal to that of a district of the first class or a union high school district with a census equal to that of a district of the first class such district shall remain in the rural school district unless by vote at a special election in the district, called by its board within 90 days following the determination of the census, it elects to be removed therefrom. Districts which consolidate with or elect to become an exempted district shall be removed from the rural school district at the end of the fiscal year in which the consolidation or election becomes effective.

Section 2. That section 9, chapter 345, Oregon Laws 1945, as amended by section 7, chapter 591, Oregon Laws 1947, be and the same hereby is amended so as to read as follows:

Sec. 9. Regular meetings of the rural school board of each rural school district shall be held on meeting dates to be determined for the year at the meeting of the board next following each annual election, and in rooms provided by the county court. Members of the rural school board shall receive no compensation for their services, but shall be reimbursed for all traveling and other expenses necessarily incurred in performing their duties as members of said board.

Section 3. That section 12, chapter 345, Oregon Laws 1945, as amended by section 9, chapter 591, Oregon Laws 1947, be and the same hereby is amended so as to read as follows:

Sec. 12. From and after January 1, 1948, all powers and duties to levy taxes, heretofore by law vested in and imposed on any school district or school unit embraced within the rural school district of any county, or theretofore vested in and imposed on the board of directors or other governing body of any such school district or school unit, hereby are transferred to, vested in and imposed on the rural school board of such county; provided, however, that each such school district or school unit or the board of directors or governing body thereof, shall retain and exercise the power to levy tax each year for payment of principal and interest of the bonded indebtedness or the indebtedness evidenced by negotiable interest bearing warrants of said school district or school unit and also to levy a tax for payment of capital expenditures and current expenditures not provided for in the budget of the district by the rural school board and including also any supplementary budget items which have been specifically authorized by the legal voters of such district or unit as outside the limitation of section 11, article XI, Oregon constitution.

Section 4. That section 13, chapter 345, Oregon Laws 1945, as amended by section 10, chapter 591, Oregon Laws 1947, be and the same hereby is amended so as to read as follows:

Sec. 13. Immediately following a public meeting as provided by law on the budget for each fiscal year of any school district or school unit within the rural school district, and in any event not later than March 15 of such year, the responsible officer of the district

or unit shall deliver or transmit said budget to the rural school board. No tax levy based on such budget shall be made by the school district or school unit or by the board of directors or governing body thereof, other than the tax levy outside the aforesaid constitution limitation for the particular purposes specified in section 12 of this act. The rural school board is authorized to prepare a budget for its own expenses in connection with carrying out the provisions of this act or other expenses required by law and also to prepare a budget for a school district which fails to submit a budget to the rural school board by March 15. The rural school board may also include in its budget an emergency aid fund for use, at the discretion of said board, in aiding local school districts with emergency expenses unforeseen at the time of making the budget in such districts. Said emergency aid fund shall not exceed 5% of the combined budget of all districts included in the rural school districts.

Section 5. That section 14, chapter 345, Oregon Laws 1945, as amended by section 11, chapter 591, Oregon Laws 1947, be and the same hereby is amended so as to read as follows:

Sec. 14. The rural school board shall examine and audit or cause to have examined and audited the budgets of the several school districts, joint school districts in which the schoolhouse is located in the county or school units embraced within the rural school district and shall have power to approve or reject, increase or reduce any item or amount in any such budget, provided that the rural school board shall not reduce the total of budgeted expenditures of a district below the maximum program established in section 12 of the law provided for the distribution of the basic school support fund. It is further provided, that where necessary the rural school board shall determine from the budgets submitted the amounts to be levied for elementary and high school purposes and shall make separate levies for the same. On or before April 10 the board of directors or other governing body of every school district, joint school district in which the schoolhouse is located in the county or county unit shall be notified in writing of any contemplated changes in its budget and on request it shall be entitled to a hearing by the rural school board on the budget submitted by it and the rural school board shall set times and places for such hearings which shall be open to the public.

Section 6. That section 15, chapter 345, Oregon Laws 1945, as amended by section 12, chapter 591, Oregon Laws 1947, be and the same hereby is amended so as to read as follows:

Sec. 15. Forthwith after such hearings and after careful consideration of all the aforesaid budgets, the rural school board shall determine the final amount in which the budget of each school district or school unit shall be included in the tax levy or levies to be made by it and shall notify each such school district or school unit of its action on or before April 20 of the then current year. The rural school board of each county hereby is empowered to levy and shall levy for each fiscal year a tax in the amount equal to the total of the levies, so determined and approved, of the several school districts or school units within the rural school boards' expenditures for travel, emergency aid to districts, and providing the board with professional and clerical assistance and with such equipment and supplies as the rural school board may require for the performance of its duties; provided, however, that such tax levy shall apply at uniform rate or rates for elementary and high school purposes to all taxable property within said rural school district for such purposes.

The rural school district board shall call a special school election in the rural school district whenever the sum of the levies as determined in section 14 of this act exceeds the limitations imposed by section 11, article XI of the Oregon constitution and may call a second election whenever said board deems it advisable. The first election shall be called and held on or before the third Monday in May in each district or unit in the manner prescribed by section 6 of this act for the election of the rural school board members and also in substantial compliance with the provisions of section 110-1109 and 110-1112, O.C.L.A., in so far as applicable. The second election, if the rural board deems it advisable and necessary, may be called after proper notice on a date fixed by the board. In case a proposed levy in excess of constitutional limitation is not approved by the legal voters of the rural school district the rural school board shall levy the maximum permitted by law. After deducting the estimated expenses provided in the budget of the rural school board said board shall apportion the remainder of the levy extended in the proportion that the original levy as determined and included by the rural school board for each district is of the total of all such levies in the rural school

district.

Section 7. That section 16, chapter 345, Oregon Laws 1945, as amended by section 13, chapter 591, Oregon Laws 1947, be and the same hereby is amended so as to read as follows:

Sec. 16. The rural school board, on or before July 15 of each fiscal year, shall certify to the county assessor and to the county treasurer the total amount of the tax levy so made by it and also shall certify to the county treasurer the amount in which the budget of each school district or school unit within the rural school district is included in such tax levy. The county assessor shall extend said tax levy or levies on the assessment and tax roll as the property tax levy or levies of the rural school board, applicable at uniform rate or rates to all taxable property within the rural school district of the county including joint districts in adjacent counties that are included in said rural district as provided in section 2.

Section 8. That section 8, chapter 345, Oregon Laws 1945, be and the same hereby is amended so as to read as follows:

Sec. 8. Each rural school board shall meet within 10 days after each annual election and organize or re-organize by electing one of its members chairman and one vice-chairman, each of whom shall serve for one year or until a successor is elected and qualified. The rural school board is authorized to appoint, fix the compensation and duties of its secretary. When any compensation paid by the board shall be in addition to the county school superintendent's salary prescribed by law the county superintendent is authorized to accept such compensation. The secretary of the board shall not have a vote in any matter coming before said board. The board may, from time to time, make such rules and regulations not inconsistent with this act as it may deem necessary to enforce its provisions.

Section 9. That section 6, chapter 345, Oregon Laws 1945, as amended by section 5, chapter 591, Oregon Laws 1947, be and the same hereby is repealed.