

100 Percent Phony:

Why the "65 percent solution" is a political gimmick that will do nothing to improve student performance in Oregon

by Michael Leachman

Initiative petition 24 ("IP 24") for the 2008 General Election, requires that Oregon school districts spend at least 65 percent of their operational expenditures on those costs that proponents have decided are most important to student learning. Pundit George Will dubbed a nearly identical formula the "65 percent solution," but the formula is a solution for nothing. Despite its proponents' assertions, the measure is merely a political ruse with no value for improving student outcomes.

- An analysis of Oregon school districts conducted for OCPP by the Rural Schools and Community Trust found that Oregon school districts that spend more of their operating budgets on "instruction," as defined by IP 24, are not producing better outcomes for their students.
- Oregon schools spend just 1.4 percent of their operating budgets on central – or district-level – administration. Only 10 states spend a smaller share of their school operating budgets on district-level administration.
- School spending on support services can be critical to student educational achievement. For example, students benefit when teachers are well-trained. Counselors help prevent drop-outs, and nurses help reduce days lost to illness. Students learn more efficiently when their school building has lights, heat, plumbing in good repair, and clean bathrooms. Because IP 24 does not include support services in the definition of instruction, it dismisses the importance of these services and could encourage cuts to these critical services.
- The 65 percent rule takes away the autonomy of individual schools that have legitimate reasons to direct resources differently than the formula prescribes.
- Schools can meet the rule's requirements without improving student performance at all, or meet the requirements even as student performance declines.
- If the State were to impose or encourage new non-instructional spending, such as the installation of security cameras or metal detectors to improve safety, districts somehow would have to raise an additional \$2 for each dollar spent to meet the new safety obligations, tripling the total cost of the new mandate.

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The 2007 Oregon Legislative Assembly, and possibly Oregon voters in November 2008, may vote on a school spending formula that purports to improve Oregon’s K-12 education system.¹ Pundit George Will dubbed a nearly identical formula the “65 percent solution,” but the formula is a solution for nothing.²

The measure uses an arbitrary formula to direct how Oregon school districts may spend their funds. Initiative petition 24 (“IP 24”) for the 2008 General Election, sponsored by State Senator Bruce Starr (R-Hillsboro), State Representative Gene Whisnant (R-Sunriver), and attorney Keith Parker of Beaverton, requires that Oregon school districts spend at least 65 percent of their operational expenditures on those costs that Starr, Whisnant, and Parker and their national backers have decided are most important to student learning.³ Republican leaders in the Oregon House of Representatives have voiced their support for the initiative and may pursue the policy in the 2007 legislative session.⁴ Some Republican candidates have included literature about the issue in materials provided to voters this fall.⁵

Oregon IP 24 is part of a national campaign to undermine support for public schools, to pit unions representing different workers in public education against one another, and to promote the interests of private companies providing education-related services. In other words, as an internal campaign document obtained by the *Austin American-Statesman* shows, the 65 percent formula is a gimmick being pushed for thinly veiled political reasons.⁶

The national campaign is led by a group called First Class Education, whose goal is to implement the 65 percent formula in all 50 states. The primary funder of First Class Education is Patrick Byrne, the President and Chairman of Overstock, Inc., an internet firm which makes profits off the inefficiencies of private companies that have overstocked certain items.⁷ Byrne also promotes school vouchers that would use public funds to support children attending private and religious schools.⁸

IP 24 creates the impression that spending for student services does not help students learn. Many of those services are not what Oregonians would consider unnecessary administration. Not only are they critical for student learning, but they would be squeezed by the artificial limit in IP 24.

The 65 percent formula would not improve student performance. To the extent that districts comply with it, the formula could produce harmful, unintended consequences. Despite its proponents’ assertions, the measure is merely a political ruse with no value for improving student outcomes.

IP 24: Oregon’s version of the 65 percent formula

IP 24 requires that each school district spend at least 65 percent of its “operational expenditures” on “classroom instruction expenditures.”

The measure defines “operational expenditures” to include all spending by the district except for:

- a) Spending for capital construction
- b) Debt or bond payments
- c) Facility rent or lease payments

It defines “classroom instruction expenditures” as including, but not limited to, the following:

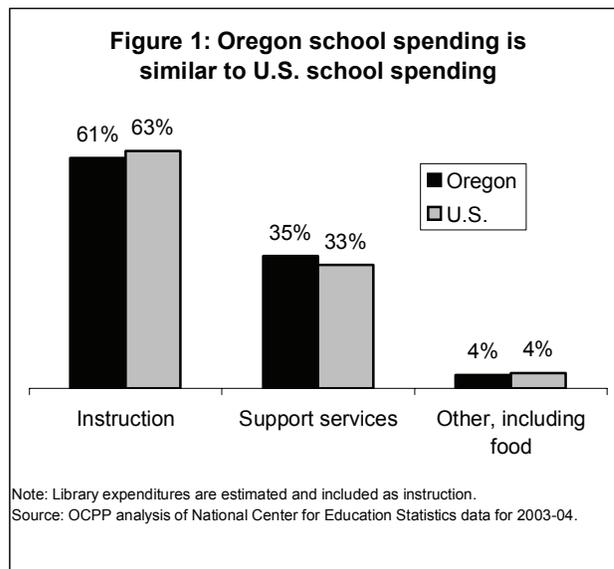
- a) Teacher and instructional staff salaries and benefits
- b) Textbooks and other instructional materials
- c) Classroom computers
- d) General instructional supplies
- e) Libraries and librarians

It further defines “instruction” to include:

- a) Activities that are directly related to that the interaction between students and teachers or instructional staff
- b) Special education
- c) English as a Second Language instruction
- d) Tutors
- e) Class activities including field trips, physical education, music, the arts, multidisciplinary learning
- f) Extracurricular activities and after-school activities including sports, drama, and band

This formula would force school districts to abide by an arbitrary and at times bizarre reward structure. For instance, the formula would reward districts that purchase new football helmets or take more overnight trips but punish districts that spend to improve the nutritional quality of school lunches or that add a bus route to improve attendance. The measure applauds when schools hire a wrestling coach or an arts teacher, but frowns when schools hire a nurse, a security guard, or a guidance counselor. Classroom supplies are good, while training teachers to be more effective at reading instruction is bad under IP 24.

Spending in Oregon school districts is similar to spending in school districts across the country.



Spending in Oregon school districts is similar to spending in school districts across the country. In 2003-04, Oregon schools spent about 61 percent of their operating budgets on instruction, at least as defined under the definitions used in IP 24. Nationally, schools spent about 63 percent on instruction under these definitions, slightly more than Oregon (Figure 1).⁹ Oregon spending on support services is slightly higher than it is nationally, while spending on food services in Oregon is about the same as it is nationally.

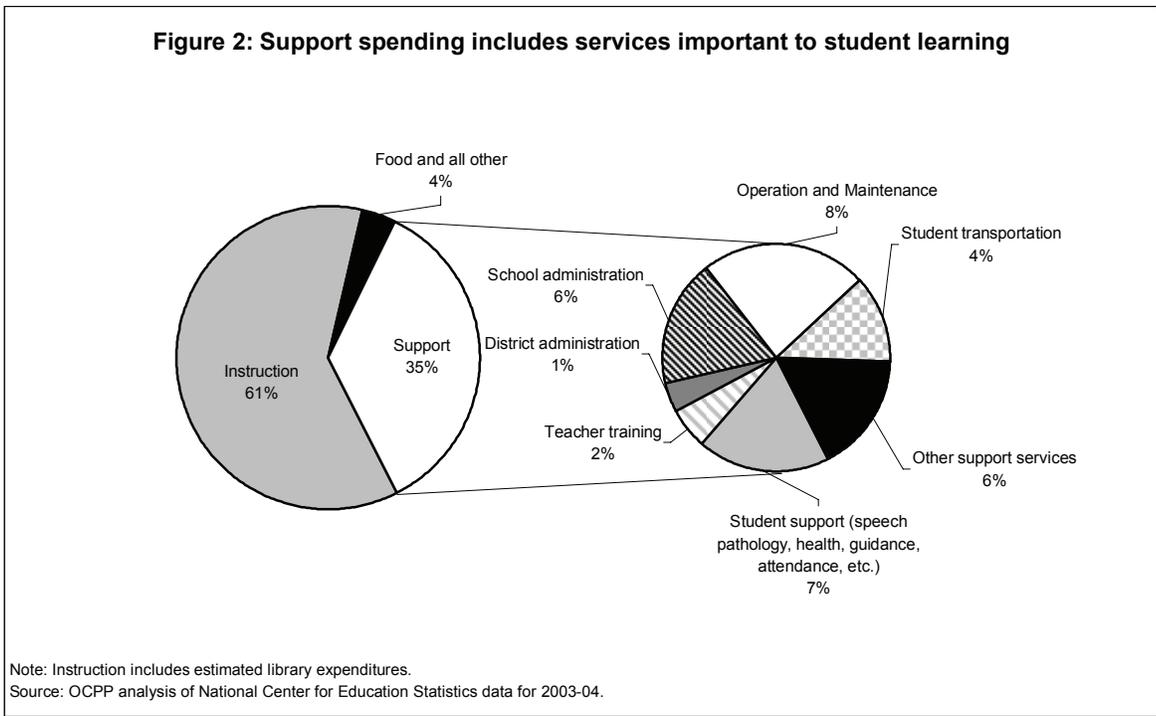
Support services are important to student learning

School spending on support services can be critical to student educational achievement, but because IP 24 does not include support services in the definition of instruction, it dismisses the importance of these services.

Students learn more efficiently when their school building has lights, heat, plumbing in good repair, and clean bathrooms.¹⁰ These sorts of “operation and maintenance” expenditures account for eight percent of all school spending in Oregon (Figure 2).

Students also do better when they can get to school. Buses, fuel, bus maintenance, and bus drivers are crucial in making it possible for students to get to school. Such transportation costs account for four percent of all Oregon school operating expenditures.

Students also benefit when teachers are well-trained (another two percent of all operating expenses) and when teachers are supported by an effective principal and administrative staff (another six percent). School districts provide speech pathology, audiology, health care, attendance oversight, guidance counseling, and psychological services (another seven percent). These services make schools more effective. For example, counselors help prevent drop-outs, and nurses help reduce days lost to illness ¹¹



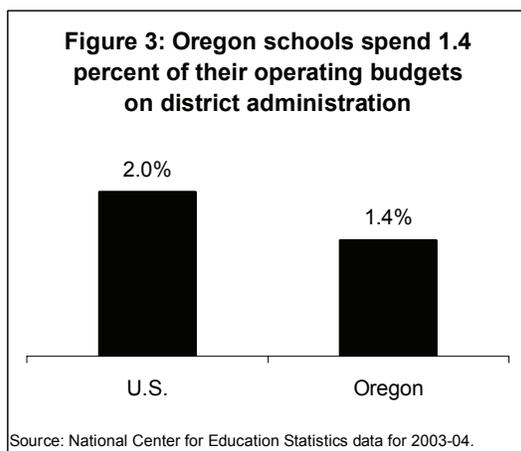
All of these support services that directly enable student achievement are put at risk by the measure. To the extent the measure would push schools to reduce these essential services, student learning could suffer.

Similarly, because the measure dismisses the value of providing meals to some children during the school day, it could encourage cuts in meal services to the detriment of student performance. It should be no surprise to anyone that students learn more effectively when they are not hungry. School breakfast and lunch programs have been repeatedly linked to higher student achievement.¹²

Spending on administration is low, in spite of what Oregonians think

Proponents of the 65 percent gimmick are taking advantage of a public that is either not knowledgeable or is misinformed about how much Oregon school districts spend on administration. In a 2005 poll, most Oregonians did not know what share of the average Oregon school district's budget is spent on central administration. The average estimate among those who thought they knew was 34 percent.¹³ It's no wonder that Oregonians wrongly believe "wasteful spending" by central administrations is a major obstacle to improving student outcomes. In a 2004 poll by the Chalkboard Project, Oregonians ranked "central administration waste and inefficiency" as one of the top five "obstacles" to "the success of the schools."¹⁴

Only 10 states spend a smaller share of their school operating budgets on district-level administration than Oregon.



Oregon schools actually spend just 1.4 percent of their operating budgets on central – or district-level – administration.¹⁵ The operations of the superintendent's office and the school board at the district level comprise the expenses in this category. Only 10 states spend a smaller share of their school operating budgets on district-level administration. Schools across the U.S. spend 2.0 percent of their operating budgets on district-level administration (Figure 3).

While Oregon is well below the national average on central or district-level administration and only 10 states spend less, Oregon schools spend slightly more than the average state on school-level administration, such as principals and school secretaries. This is likely due to the relatively small size of Oregon districts and schools compared to schools nationwide.¹⁶ Oregon schools averaged 93 fewer students than schools nationwide in 2003-04, and Oregon districts averaged 617 fewer students than districts nationwide.¹⁷ A principal's salary typically absorbs a larger share of the budget of a small school than a large school.

While Oregon's school-level administration is slightly above the national average, our total spending on administration is not particularly high. Oregon schools spend just 7.8 percent of their operating budgets on school- and district-level administration.¹⁸ This percentage ranks Oregon in the middle of the pack nationally, at 28th highest among the states and the District of Columbia. Nationally, schools spend 7.7 percent of operating budgets on administration. Oregon's total spending on administration is similar to the nation as a whole even though Oregon's smaller-than-average schools and districts have a harder time finding cost efficiencies to keep administration low.

Robbing Peter to pay Paul would not improve test scores

An analysis of Oregon school districts conducted for OCPP by the Rural Schools and Community Trust found that Oregon school districts that spend more of their operating budgets on "instruction," as defined by IP 24, are not producing better outcomes for their students.¹⁹ The analysis, using 2003-04 data, found no significant relationship between Oregon spending on "instruction" and a higher share of students scoring proficient on state assessments in math and English/language arts (Table 1).

Table 1: Regression analysis of percent of students meeting or exceeding standards for state assessments in math and English/language arts, 2003-04

Independent Variable	β	p
Percent receiving free and reduced price lunches	-.325	.000
Percent adults with college degree	.339	.000
Percent minority students	-.177	.010
Instructional expenditures (including library expenditures) as percent of total operating expenditures	.091	.123

Note 1: β indicates the change (expressed in standard deviation units) in the dependent variable that is associated with a change of one standard deviation in the independent variable. Hence, the further the number is from zero, the stronger the relationship. Negative numbers reflect inverse relationships. The "p" value indicates the statistical significance of the variable's relationship to the percent of students exceeding standards. A value of .010 means that the chances are only one in 100 that there is no relationship. Researchers consider values higher than .1 to represent insignificant relationships.

Note 2: Data for "percent adults with college degree" comes from 2000 Census. All other variables are for 2003-04 school year.

Source: OCPP presentation of findings produced by Jerry Johnson, Rural Schools and Community Trust, June 12, 2006.

An analysis of Oregon school districts conducted for OCPP by the Rural Schools and Community Trust found that Oregon school districts that spend more of their operating budgets on "instruction," as defined by IP 24, are not producing better outcomes for their students.

The analysis found no significant relationship even though it controlled for other variables that affect the share of students performing well on tests, such as student poverty rates, district racial make-up, and the education levels of adults in the community. In other words, independent of these other factors, Oregon school districts do not produce more proficient students by spending more of their budgets on "instruction" and less on other services.

CAUTION!

The studies discussed here that show that increasing the *share of spending* going to instruction fails to improve student proficiency do *NOT* mean that strategically increasing spending *in general* makes no difference in student performance.

To paraphrase Johns Hopkins University education researcher Robert Slavin, increased dollars do not magically transform themselves into greater learning, but money does make a difference if invested in programs and efforts known to be effective.²⁰ Increased spending on reduced class size is a good example.

An earlier study by a team of researchers at the University of Oregon using data from 2002 also found no relationship between the share of district spending that goes to "instruction" and student test performance in the 3rd, 5th, and 8th grades (Table 2). The researchers found a modest correlation between the share of instruction spending and student performance in the 10th grade. The study's definition of instruction was similar to the definition in IP 24, but did not include library spending.²¹

An earlier study by a team of researchers at the University of Oregon using data from 2002 also found no relationship between the share of district spending that goes to “instruction” and student test performance in the 3rd, 5th, and 8th grades

Table 2: Coefficients for regression of percent of students in district exceeding benchmarks in reading, math, science, and writing

Independent variable	3 rd grade	5 th grade	8 th grade	10 th grade
% \$ to “instruction”	0.851	0.503	-0.050	1.230 [^]
At risk scale (see below)	-0.113*	0.001	0.014	0.022
Total spending	0.005*	0.012***	0.001	-0.0001
Enrollment	0.0004*	0.001***	0.001**	0.0007***
Student/teacher ratio	1.005	0.564	-1.948	-1.517
Attendance rate	0.631	2.548 [^]	4.247**	3.927**

***p<.001, **p<.01, *p<.05, ^p<.10
 Note: “At risk scale” is the sum of percent minority, English as a Second Language, and free and reduced price lunch students in district. The 3rd graders are tested only for reading and math.
 Source: OCPP presentation of findings from Hierarchical Linear Modeling regression in Securing Adequate Funding for Education Taskforce (SAFET), *Oregon K-12 Financing*, October 2003, p. 56. Coefficients may be read as in Ordinary Least Squares regressions, with each coefficient indicating what change is expected in the percent of students exceeding benchmarks with a one unit change in the independent variable when other variables are held constant.

At the national level, a 34-state study by Standard & Poor’s also found no correlation between the share of district spending going to “instruction” and student proficiency rates on state reading and math tests.²² The study found a wide range of student proficiency rates among districts both above and below the 65 percent threshold. Standard & Poor’s concluded that:

... higher instructional spending allocations were not consistently linked to higher achievement levels in any of the states evaluated. Moreover, ... for every instructional spending allocation above or below the 65% threshold, there is a wide range in districts’ reading and math proficiency rates. Thus, the data do not suggest that mandating a minimum instructional spending allocation applied uniformly across all districts will necessarily increase academic performance.

Like the University of Oregon study, Standard & Poor’s used a definition of instruction similar to the one used in IP 24, but did not include library expenditures.

Other reasons why the 65 percent formula is bad public policy

To the extent school districts would pay any attention to the 65 percent formula at all, it would have unintended consequences.

The initiative creates unnecessary ethical dilemmas for school district officials

If a school district is providing services that its administrators and school board members believe are appropriate – for example a gang prevention program or a school health clinic – there may be great temptation for the district to change how it characterizes spending on these programs to meet the initiative’s demands without cutting the effective programs. This will make it harder to understand what is going on in our schools.

The initiative also creates a temptation to flout the law. School districts may decide that rather than change spending to meet arbitrary goals, they will simply choose not to obey the new rules. The initiative includes no penalties for districts who do not meet the arbitrary requirements. Moreover, IP 24 provides that the state Superintendent of Public Instruction may grant a waiver from the 65 percent requirement to any district requesting one, and may renew the waiver each year.

School districts would be right to ignore the arbitrary 65 percent formula, and superintendents would be right to waive the requirement for school districts offering reasonable explanations for their spending priorities. Oregonians expect school districts to make spending choices that most efficiently improve schools. Meeting the requirements of an arbitrary formula may not always be in the best interest of student learning. School districts should not be put in a position of choosing between their students and the letter of a poorly conceived law.

The “one-size-fits-all” approach takes away local control

The 65 percent rule takes away the autonomy of individual schools that may need to direct resources differently than the formula prescribes for legitimate reasons.

Schools typically allocate their funds according to the circumstances they face. Rural districts may need to spend more on transportation because their students must travel longer distances. Schools in poor neighborhoods may need to provide breakfast to a greater percentage of their students, so those students have the nutrition they need to learn effectively.

The 65 percent formula ignores these differences and imposes a one-size-fits-all approach, as if the rule’s proponents know better than local school officials, parents, and community members how to allocate school funds most efficiently.

Under IP 24, student performance is irrelevant

The 65 percent formula does not measure a school’s progress at improving the education of its students. Schools can meet the rule’s requirements without improving student performance at all, or meet the requirements even as student performance gets worse.

IP 24 could lead to unnecessary spending

Consider a district that was spending 65% on instruction as defined by IP 24, but wished to add an additional counselor. Every dollar spent on this “non-instructional” cost would have to be balanced by spending two more dollars on “instructional” costs to keep the 65/35 ratio constant. Unanticipated expenditures, such as equipment repair after a flood, would also have to be balanced by spending twice as many dollars on “instruction,” whether needed or not.

Similarly, if the State were to impose or encourage new non-instructional spending, such as the installation of security cameras or metal detectors to improve safety, districts somehow would have to raise an additional \$2 for each dollar spent to meet the new safety obligations, tripling the total cost of the new mandate. Even if the State fully funded the non-instructional additional costs, districts would still have to raise an additional \$2 in new revenue for instructional purposes to keep their spending ratio intact.

The 65 percent rule takes away the autonomy of individual schools that may need to direct resources differently than the formula prescribes for legitimate reasons.

The full range of education advocates pan the IP 24 formula

AFT-Oregon

"This proposal creates a completely arbitrary hoop to jump through that has nothing to do with reality. If you've got an older school building, tough luck. If you're from a sparsely populated rural district with longer bus routes, too bad. It will keep kids from getting services they need. It means fewer security guards, janitors, psychologists and nurses. We can do better than gimmicks."²³

Cascade Policy Institute

"[M]andating such a change won't necessarily lead to better educational outcomes. More likely, it could simply add pressure to raise overall spending with the increases going into higher teacher salaries. While that would benefit teachers, it's hard to see how it would benefit kids."²⁴

Oregon Education Association

"I can't imagine a conversation about a state mandate over local districts that wouldn't end up becoming a debate about whether or not districts should control their own fate."²⁵

Oregon Education Coalition

"Do I think this is worth a ballot measure to do something that the bureaucracy can easily game? No. . . . Schools have flexibility in how they categorize the money they spend. So this would just require schools to spend time and money creating the illusion we are telling them to create."²⁶

Oregon School Boards Association

"The idea of taking this arbitrary number, and trying to apply it to 198 school districts, ranging in size from three students to 45,000 is absurd. At a small, rural school where there is a deputy clerk, that might be a larger portion of the budget than all non-teaching staff in a regular district."²⁷

Oregon School Employees Association

"It's a great sound bite: 65 percent to direct classroom activity. But it's ignoring this whole other segment of what it takes to make the classroom work."²⁸

Gimmicks like the 65 percent formula only waste valuable time, energy and resources, and distract from finding true solutions for the challenges at hand.

Conclusion

The IP 24 65 percent formula is a gimmick that will not improve Oregon's public schools. At best, it merely serves the interests of political operatives who want to undermine support for public schools, pit unions representing public school employees against each other, and promote the interests of private companies providing education-related services.²⁹

Spending for Oregon's school districts should be evaluated on how well the districts educate students, not on whether they meet an arbitrary, one-size-fits-all budgetary spending rule.

The success of Oregon schools is crucial to the Oregon's future economic growth and quality of life. Oregon's political, business, and civic leaders should do the hard work of resolving the funding challenges that Oregon's schools face with an eye toward improving the schools and the lives of the students that attend them. Gimmicks like the 65 percent formula only waste valuable time, energy and resources, and distract from finding true solutions for the challenges at hand.

Endnotes:

¹ Proponents have filed initiative petition 24 (IP 24) for the November 2008 general election. An Associated Press story in September 2006 noted that House Speaker Karen Minnis, Majority Leader Wayne Scott, and House Education Committee Chair Linda Flores, all endorse the measure. See Cain, Brad and Julia Silverman, "GOP Leaders Advocate New Spending Rules for Oregon Schools," printed in the *Register Guard* and *Statesman-Journal* September 15, 2003.

² Will, George F. "One Man's Way to Better Schools," *Washington Post*, April 10, 2005, p. B07.

³ IP 24 is nearly identical to an initiative petition filed for the November 2006 election, IP 131. The campaign for IP 131 did not succeed in collecting enough signatures to qualify for the November 2006 ballot. IP 24, filed for November 2008, is identical to IP 131 except that it adds that the Superintendent of Public Instruction shall consider all of the facts and circumstances in determining whether to grant a district a waiver from the requirements of the 65 percent formula, requires the Superintendent of Public Instruction to develop model plans to help districts meet the requirements of the formula, and emphasizes that the rules established in the law do not require the consolidation or elimination of any school or school district.

⁴ Cain, Brad and Julia Silverman, "GOP Leaders Advocate New Spending Rules for Oregon Schools," *Register Guard*, September 15, 2003.

⁵ Candidates Robin Brown, Shirley Parsons, Dominic Biggi, Terry Rilling, and Joan Draper have distributed the materials; others may have as well.

⁶ A First Class Education memo obtained by the *Austin American-Statesman* pointed to the "political benefits" for public education opponents of campaigns calling for the 65 percent rule. The memo claimed that the 65 percent rule will split education unions by pitting administrators against teachers and will make voters more disposed to support school vouchers and charter schools. See Embry, Jason. "65% Order Fits First Class Education's Agenda: Little Known Group Has Run Commercials Backing Rule," *Austin American-Statesman*, August 30, 2005. See also First Class Education's web site, that includes a link entitled, "A Penny Saved: Terrific examples of savings!" The first example of savings listed is that Michigan schools purportedly saved money by outsourcing various education-related services to private companies.

⁷ According to a New York Times article included on First Class Education's web site, Byrne has pledged \$1 million to First Class Education and is the group's "prime financial backer." The article is: Finder, Alan, "Here's an Idea: Put 65% of the Money into Classrooms," *The New York Times*, January 4, 2006. Available through First Class Education web site at: http://www.firstclasseducation.org/whats_new_2.asp#a2.

⁸ Byrne is a board member of the Milton & Rose D. Friedman Foundation, which promotes vouchers. In a December 30, 2005 interview on Fox's *Your World with Neil Cavuto*, he said, "I am involved in the school-voucher movement," and called for vouchers saying, "What makes us think the government has some special edge in producing or distributing education." Byrne also appeared on CNBC's *Kudlow & Co.* on July 1, 2005, promoting vouchers. A transcript of the appearance can be found at <http://www.friedmanfoundation.org/news/2005-07-05.html>. Information on the Milton & Rose D. Friedman Foundation can be found at <http://www.friedmanfoundation.org/index.html>.

⁹ Includes library operating expenditures as "instruction," as required under initiative petition 24. Data available from the Oregon Department of Education for the 2004-05 school year suggests that the share of Oregon school spending on instruction, as defined by IP 24, was nearly identical to spending in 2003-04. No data are yet available for school spending nationally in 2004-05 or later school years.

¹⁰ See, for example, Andrews J. and R. Neuroth, "Environmentally Related Health Hazards in the Schools." Paper presented at the Annual meeting of the Association of School Business Officials, 1988. See also Evans, G. and S. Cohen, "Environmental Stress." In D. Stokols and I. Altman (eds.) *Handbook of Environmental Psychology*, 1987. New York: Wiley, pp. 571-610. And see Evans, G., et al. "The Role of the Physical Environment in the Health and Well-being of Children." In H. Schroeder (ed.), *New Directions in Health Psychology Assessment*, 1991. New York: Hemisphere, pp. 127-157.

¹¹ See for example Allen, Tina Gay, "The Impact of Elementary School Nurses on Student Attendance," *The Journal of School Nursing*, 2003; Vol. 19, No. 4, pp. 225-231, and Prout, S.M., and Prout, T., "A meta-analysis of school-based studies of counseling and psychotherapy: An update," *Journal of School Psychology*, 1998, 36(2), pp. 121-136. Having more school nurses also reduces errors in administering medication in schools. See McCarthy, Ann Marie, Michael W. Kelly, & David Reed. "Medication Administration Practices of School Nurses," *Journal of School Health*, 2000; Vol. 70, No. 9, pp. 371-376.

¹² For example, see the studies cited in the section on nutrition in Barton, Paul, *Parsing the Achievement Gap*. Educational Testing Service, 2003, at http://ets.org/Media/Education_Topics/pdf/parsing.pdf. Also see Figlio, David and Josh Winicki. *Food For Thought: The Effects Of School Accountability Plans On School Nutrition*. National Bureau of Economic Research, 2002, at <http://bear.cba.ufl.edu/figlio/w9319.pdf>.

¹³ Davis, Hibbitts, and Midghall, Inc. Citizens for Oregon's Future Statewide Budgeting Awareness & Knowledge Levels Survey, May 5-9, 2005. Available at http://www.fororegon.org/survey_0505/pollresults_0505.pdf.

- ¹⁴ Davis, Hibbits and Midghall, Inc. "Public Attitudes Toward K-12 Education in Oregon: Highlights." Survey conducted for the Chalkboard Project, April 17-25, 2004. Available at http://www.chalkboardproject.org/learn_more/Statewide%20Survey%20Highlights.pdf. Precise question used in the survey, which refers to "the success of the schools" emailed to author by Sue Hildick, Chalkboard Project, on October 24, 2006.
- ¹⁵ Data emailed to author from Frank Johnson, National Center for Education Statistics, October 23, 2006. Data are for the 2003-04 school year.
- ¹⁶ See "Oregon Department of Education: Kindergarten through 12th Grade Cost Survey," Secretary of State Audit Report, Report #2002-45, Revised Issued December 13, 2002.
- ¹⁷ National Center for Education Statistics, "Public Elementary and Secondary Students, Staff, Schools, and School Districts: School Year 2003-04," February 2006.
- ¹⁸ OCPP analysis of National Center for Education Statistics data for the 2003-04 school year.
- ¹⁹ The analysis was conducted by Jerry Johnson of the Rural Schools and Community Trust and based on the language in IP 24.
- ²⁰ Slavin, R. 1994. "After the Victory: Making Funding Equity Make A Difference," *Theory Into Practice*, Spring, cited in Schweke, William, Education and Economic Development, Economic Policy Institute, July 2004.
- ²¹ According to co-author Jean Stockard, researchers used the definition of "instruction" used by the Oregon Department of Education. This is a standard definition also used by the National Center for Education Statistics. The only major difference with the definition used in IP 24 appears to be that the initiative petition includes library expenditures as "instruction" while the ODE and NCES definitions do not. In 2003-04, library operating expenditures accounted for 1.7 percent of all operating expenditures statewide.
- ²² School Matters, a service of Standard & Poor's, *The Issues and Implications of the "65 Percent Solution,"* Fall 2005. See also Standard & Poor's *The Issues and Implications of the "65 Percent Solution" – Addendum,* Winter 2006. Available at www.schoolmatters.com.
- ²³ Mark Schwebke, President, AFT-Oregon, email to author, October 3, 2006.
- ²⁴ Buckstein, Steve, "The 65 Percent Solution," Quick Point! Cascade Policy Institute, November 8, 2005, available at <http://www.cascadepolicy.org/?p=61>.
- ²⁵ Chip Terhune in Silverman, Julia, "Oregon Latest Target in Classroom Spending Minimum Measure," Associated Press, November 5, 2005. Accessed on kgw.com on June 9, 2006.
- ²⁶ Rob Kremer in Ibid.
- ²⁷ Comment of John Marshall, in Silverman, Julia, "Oregon Latest Target in Classroom Spending Minimum Measure," Associated Press, November 5, 2005. Accessed on kgw.com on June 9, 2006.
- ²⁸ Ed Edwards in Culverwell, Wendy, "Is Oregon education ready for 65 percent solution?" Portland Business Journal, October 14, 2005 available at <http://portland.bizjournals.com/portland/stories/2005/10/17/story8.html>
- ²⁹ See footnote 6.

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