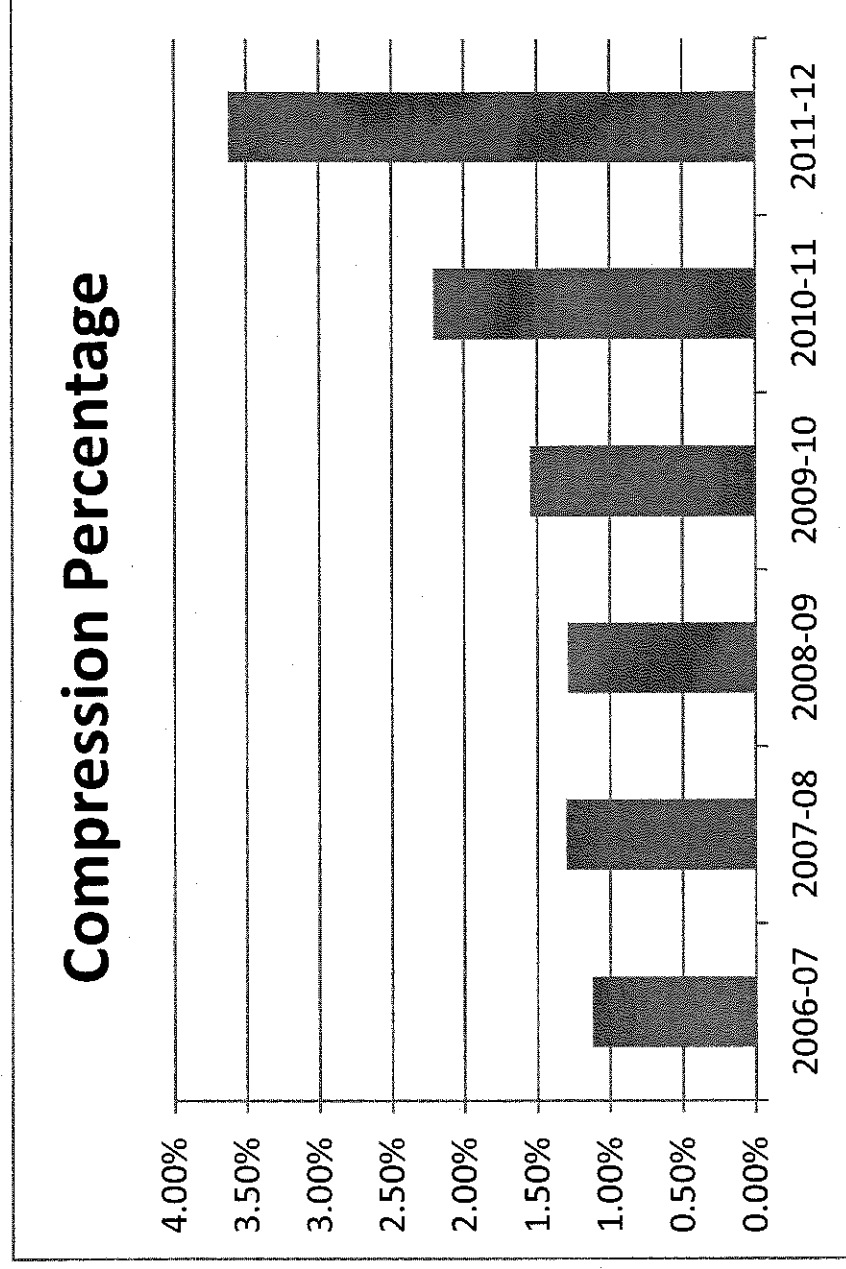


Compression as a Share of Total School District Taxes Extended

	Taxes Extended	Compression	Compression Percentage
2006-07	1,573,353,798	17,685,536	1.12%
2007-08	1,751,353,917	22,853,168	1.30%
2008-09	1,830,163,172	23,617,898	1.29%
2009-10	1,937,669,719	29,996,591	1.55%
2010-11	1,978,347,567	43,779,402	2.21%
2011-12	2,057,166,955	74,519,586	3.62%



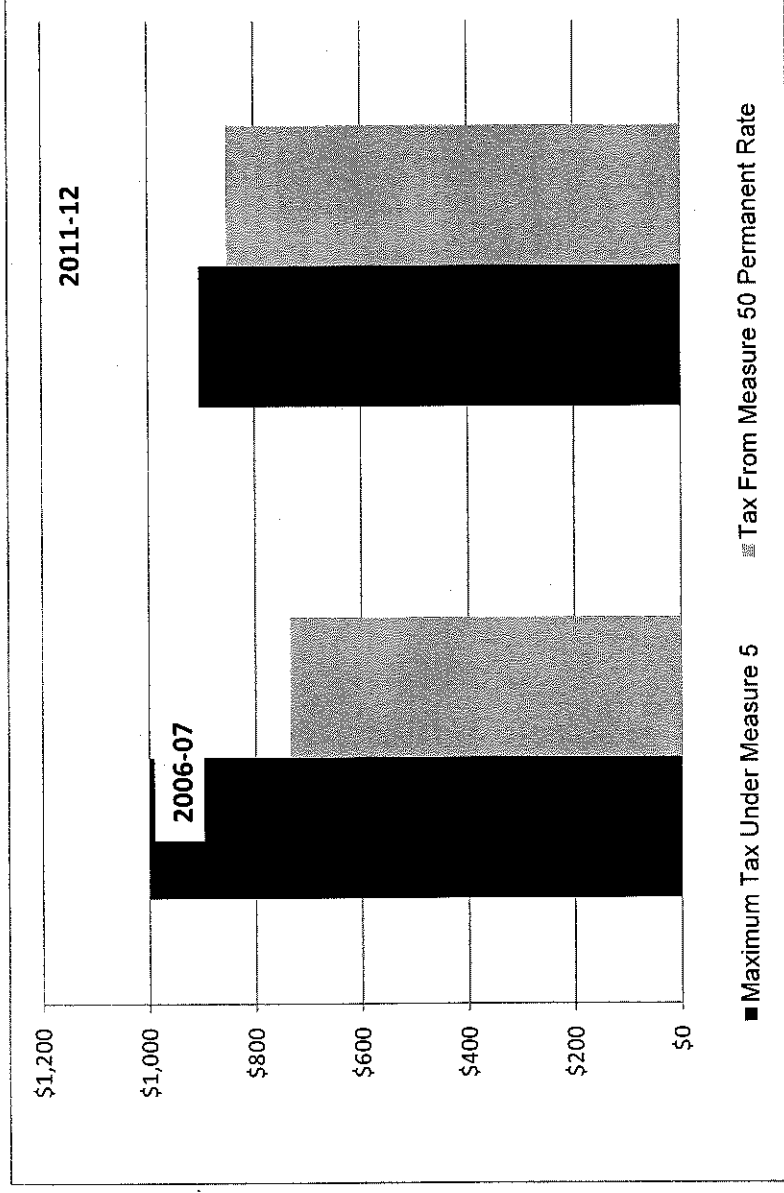
Source: Oregon Department of Revenue Property Tax Supplement

Impact of Falling Market Values on School Property Taxes

Scenario 1: Market Values Decline 2% per Year

	2006-07	2011-12
Real Market Value (RMV)	\$200,000	\$180,784
Assessed Value (AV)	\$140,000	\$162,298
Permanent Tax Rate for Education (\$ per \$1,000 of AV)	\$5.25	\$5.25
Tax Extended from Measure 50 Permanent Rate	\$735	\$852
Effective Permanent Tax Rate on RMV(\$ per \$1,000 of RMV)	\$3.68	\$4.71
Measure 5 Limit for Schools (\$5 per \$1,000 of RMV)	\$1,000	\$904
Compression of Taxes from Measure 50 Permanent Rate	\$0	\$0
Tax Imposed After Compression	\$735	\$852
Local Option Tax Potential--The Measure 5 "Gap"	\$265	\$52

	Local Option Tax		Local Option Tax Compression	
	2006-07	2011-12	2006-07	2011-12
Local Option Rate	\$0.50	\$0.50	\$0	\$29
	\$0.75	\$0.75	\$0	\$70
	\$1.00	\$1.00	\$0	\$110
	\$1.25	\$1.25	\$0	\$151
	\$1.50	\$1.50	\$0	\$192
	\$1.75	\$1.75	\$0	\$232
	\$2.00	\$2.00	\$15	\$273
	\$2.25	\$2.25	\$50	\$313
	\$2.50	\$2.50	\$85	\$354



Impact of Falling Market Values on School Property Taxes

Scenario 2: Market Values Decline 5% per Year

	2006-07	2011-12
Real Market Value (RMV)	\$200,000	\$154,756
Assessed Value (AV)	\$140,000	\$154,756
Permanent Tax Rate for Education (\$ per \$1,000 of AV)	\$5.25	\$5.25
Tax Extended from Measure 50 Permanent Rate	\$735	\$812
Effective Permanent Tax Rate on RMV(\$ per \$1,000 of RMV)	\$3.68	\$5.25
Measure 5 Limit for Schools (\$5 per \$1,000 of RMV)	\$1,000	\$774
Compression of Taxes from Measure 50 Permanent Rate	\$0	\$39
Tax Imposed After Compression	\$735	\$774
Local Option Tax Potential--The Measure 5 "Gap"	\$265	\$0

	Local Option Tax		Local Option Tax Compression
	2006-07	2011-12	
Local Option Rate	\$0.50	\$0	\$116
	\$0.75	\$0	\$155
	\$1.00	\$0	\$193
	\$1.25	\$0	\$232
	\$1.50	\$0	\$271
	\$1.75	\$0	\$310
	\$2.00	\$0	\$348
	\$2.25	\$0	\$387
	\$2.50	\$0	\$426

