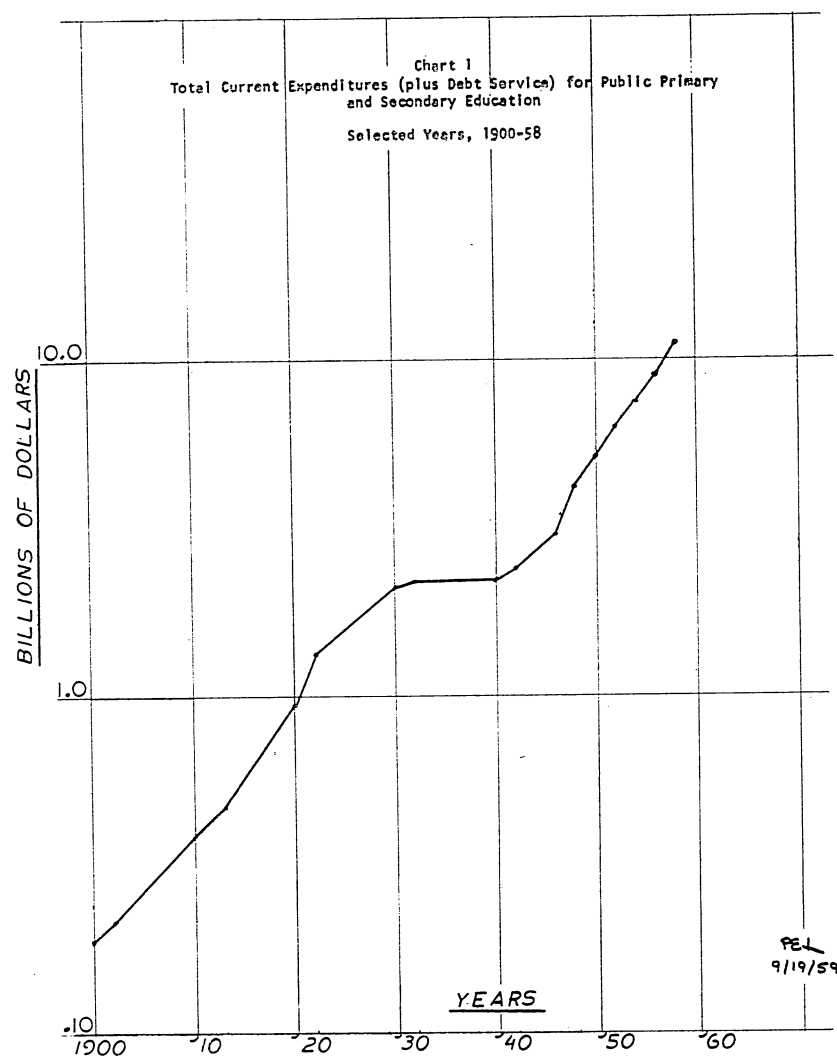




FACTORS AFFECTING EXPENDITURE LEVEL

While, no doubt, a large variety of factors can be expected to determine expenditure levels, the following are likely to be of particular significance:

1. Number of pupils in average daily attendance (ADA).
2. Sociological characteristics of population:
 - (a) Age structure, e.g., primary versus secondary school population.
 - (b) Geographical distribution, e.g., urbanization of school population.
3. Economic characteristics:
 - (a) Price level of goods and services bought by schools.
 - (b) Income level, i.e., ability to afford services.