

EDUCATION COMMITTEE

April 6, 1977

A special meeting of interested legislators was called to order at 7:20 p.m., in the Governor's Reception Room. Those invited were as shown on the attached sheet. Roll was not taken.

Chairperson Dussault said the purpose of the meeting was to discuss the 7% and 6% raises to the Foundation Program schedules that the House sent to the Senate in H.B. 365. She would like the people to respond to these schedules and let the legislators know if they feel they are inadequate, and if so, what they feel would be adequate. There are very few legislators that would agree that if the schedules are increased, the local levies will go down. This, historically, has not happened. Witnesses must convince the Legislature to impose the statewide deficiency levy.

Bob Stockton said that his office is able to substantiate the figures he has submitted as much as and in the same way the cost of living figures are reached and substantiated.

Dan Marinkovich, Superintendent of Anaconda Schools, speaking on behalf of his board of trustees, read and discussed the attached statement.

Penny Bullock, chairman of the Helena School Board and also speaking for MSBA, said in the past few years the school board has tried to keep the mill levy down, but elementary has increased 5.3 mills and high school has increased 4.9 mills in the last 6 years. An 8% increase has been projected for next year. Through our budget process, we have cut from 19% increase to a 12% increase and feel it is about as low as it can go. She distributed the attached sheets, and said that high quality education is the primary responsibility of the school boards. The least equitable type of tax is the property tax, but a statewide tax is an improvement on it, even though it is still on property.

Carl McCallum, Superintendent of Schools in Philipsburg, said their schools are in a very depressed area due to bureaucratic actions. Both the timber and mining industries have dwindled to nothing because of government studies. People are moving away and the schools are losing ANB and taxable value at the same time. We need more than 10% because 10% of our budget doesn't amount to much. In the last 3 years the schedules have been raised 78% but the truth is that most of that money went into special education programs, about 45% of it, and the schools did not get as much for regular programs as it seems. We lost 41 elementary and 16 high school ANB over the last year. Last year our budget was grossly underbudgeted because the superintendent was ill and inexperienced people made out the budget. Last year it rose 21% in elementary and 17% in high school, and the raises came from: administration - 10%; instruction - teachers 9%, others 6%; plant operation - 15%; maintenance - 22%; food service 30%; student services - 30%; parent charges - 20%; and capital outlay - 12%. The voted levy in 1972 was \$18,442 for high school. This year it was \$77,259. Because

the loss in enrollment, our maximum general fund is shrinking. This is 30% of the total elementary and 21% of the total high school budget.

Dr. Harold Wenaas, Superintendent of Schools in Great Falls, talked about problems in maintenance, insurance, etc. Everything a school buys is more expensive. We have a roof problem, \$120,000 to fix, of which \$80,000 was in the bond issue that failed yesterday in Great Falls. We also have labor problems in Great Falls. We estimated 8.3% increase in expenditures for this year. This is not out of line. In Great Falls there are 17,200 children to educate, so our budget, large though it looks, is not fat. In terms of percentages, the other people (aside from teachers) are the ones that got raises of around 11%. Teachers have not gotten that much. We need to come up with 30% more than what is in HB 365 in order to balance our budget. One of the greatest increases is in transportation costs.

Jim Watkins, Superintendent at Libby, said last year they had a 20 mill increase in their school levies. This year we told everyone to hold the line. The only item increased was salaries, which had been negotiated. High school budget increased 7-3/4% and elementary only 5%. We are losing enrollment at the elementary level because the dam is complete. At 7% increase, the schedules are alright, with 5% our mill levies will have to increase. We estimate that 25% of our budget is voted levy. We receive 874 money, about \$110,000 a year, so our increase on taxpayers is that they have to make up the difference when this federal money is dropped. Also, about 75% of our land is federal forest land so our taxable valuation is low.

The witnesses were asked about the variable spending ceiling.

Mrs. Bullock said she does not like it, that the voters are the best ceiling on spending.

Mr. Watkins said he is against a lid on anything because there are times when increases must be made. He said that it would not hurt them at this time, however.

Mrs. Bullock said Helena has to add 1 principal to be in compliance with accreditation standards, and that is where the increase is.

Alve Thomas said the answer to the question of how many administrators a district must have is in the standards, which are set by the Board of Public Education. Each district must have a superintendent, each school with 500 high school students must have a principal; 600 students in elementary schools. If a school does not meet the requirement, it can be put on probation and lose accreditation, but in the 11 years he has been in the SPI office, only 2 have lost accreditation and both had very few students. There are 116 high schools in Montana and all belong to

the Northwest Accreditation Association and their standards are similar to Montana standards.

Mr. Watkins said that if we had a 7% increase in our district the voters would have to make up the difference, and if the levy was voted down the programs would have to be cut and so would staff.

Dr. Wenaas said that regarding the concept that increases by the Legislature lowers local voted levies is historically not borne out; he does not believe that local boards raise just for more money. Whether they go to the voters is dependent on whether the need is there and whether people will vote for it. He does not believe it is true that districts will vote higher levies if the state makes higher schedules. The average elementary student cost in Great Falls is estimated at \$1100 and \$1300 for high school students.

Maynard Olson said that in Helena it costs \$800-900 for elementary, \$1100 for jr. high, and \$1300 for high schools. There are 7600 students in Helena, and the total budget is \$10,058,330 which includes special education.

Mr. Watkins said the cost in Libby is \$890 for elementary, \$1038 for high school. Their total budget is \$3,250,000.

Rep. Jack Gunderson said he still has not heard testimony that has convinced him that school costs have increased more than 7%. All the figures do not show exactly where these great increases are.

Dr. Wenaas said that it is a great problem to guess what utility costs are going to be when making up the budget--he has not guessed right for the last 2 years.

Rep. Gunderson said up to 1975 teachers salaries were 45% of the total budget, but between 75-76 it dropped to 36% of total costs. If teachers are getting all the money, he wondered why this percentage is going down.

Rep. Moore said that the general fund has increased from \$43.5 million for 1974-75 to \$289 million for the coming year. He wondered why it is so much more when the enrollments are dropping.

Mr. McCallum said a lot of the increases come from mandated programs such as special ed and Title IX. He said the state has only paid about half of the cost of basic education mandated by the 1972 Constitution.

Mr. Marinkovich said there has been a drop in Anaconda. Two years ago was 55 mills, this year 103 mills but a drop in ANB each year. The drops are so scattered that costs cannot be cut. The only real cut would be if a school could be closed. Anaconda is in a depressed area, however, the school district is the second biggest employer in Deer Lodge County.

Mr. Stockton said special education allowable cost becomes maximum budget without a vote and of that 80% is foundation program and 20% is permissive levy. Under the permissive levy laws, schools would not need to exceed 9 mills for elementary and 6 for high schools to support the permissive amount. Therefore, in most school districts 100% is paid for special education. In a few rich districts they might pay a part of the 9 and 6 permissive mill levies.

Dr. Wenaas said he feels special ed budgets should be isolated from regular school budgets.

Chairperson Dussault asked the witnesses what percentage of their budgets the local voted mill levies are and what increase they would require to keep them at the same level.

Mr. Marinkovich said out of a \$5 million budget, their special levy was \$1,936,000 last year. They need 10 mills and it would be doubtful if the same education could be provided. He recommended a 12% increase each year but then said he knew that was impossible.

Mrs. Bullock said the elementary levy is 20% and the high school is 26%. A 9% raise is the very minimum for Helena, and it would be the largest increase for the last 6 years. She believes no less than 10% would be required to keep Helena static.

Mr. McCallum said their voted levy for the last 5 years was around 12% until last year and then it was 20%; this year it is 30%. He said he cannot answer the question because they do not have a stable ANB, but he guessed that it would be 12% in normal times. This year 22% would put them on an even keel.

Dr. Wenaas said 8.3% is what Great Falls has budgeted, which is fine as long as the ANB doesn't change. The state increase would be 11% to get the 8% necessary for the budget in Great Falls.

Mr. Watkins said they have 21% voted levy, 20% high school, 8.6 elementary, which means a 10 mill levy increase in their elementary budget due to 123-student decrease. The difference between 6.8% in that would mean a 10 mill increase and 10% which would mean it would be about 4% in our case.

Mr. Stockton said an interesting item is that instruction costs went down slightly but everything else went up slightly.

Rep. Gunderson said the big problem the legislature and the schools face is that we have declining enrollment and declining economy also. He said maybe changing accreditation standards would lower costs. Mr. Olson said he does not think the standards are the problem. Their intent is to raise standards of education for the children. The added staff in Helena is what we feel will improve the instructional program. There are other costs we must meet also, but we have worked our budget down to 11.2% increase, which is as low as we can go.

Rep. Courtney asked how many ANB would have to be reduced to see a decrease in costs. Dr. Wenaas said the only thing that can be done is to cut teaching staff, and there would not be much reduction there until you could close a school, which people do not like. It is very hard to say how declining ANB decreases costs.

Senator Blaylock said if we are going to meet the needs that have been outlined, special levies will have to be put on. He asked what a fair deficiency levy would be. Dr. Wenaas said the statewide levy is what he wants because it is fair.

The Chairperson said if schedules are increased 6% we would need an additional \$14 million over what is in that budget (the Governor's) so that even at 6% we must come up with \$14 million. The 7% and 6% raises means \$17 million more; the 9% raise means \$28.5 million over and above the Governor's budget.

Mr. Marinkovich said the legislators must do what is right for the children of Montana. Mr. McCallum said the statewide levy is to tax the people same as the local levy, but as least his area would be better off. Mr. Olson said he is in favor of the statewide deficiency levy.

Senator Smith asked if this would include \$12^{million} surplus? Chairperson Dussault said that the surplus would cover errors. She said she is in favor of the statewide deficiency levy and that the state should have the surplus.

The meeting adjourned at 9:45 p.m.



The Big Sky Country

MONTANA STATE HOUSE OF REPRESENTATIVES

REP. ANN MARY DUSSAULT
DISTRICT NO. 95
RT. 2 MULLAN ROAD
MISSOULA, MONTANA 59801

COMMITTEES:
EDUCATION, CHAIRPERSON
JUDICIARY
SUBCOMMITTEE ON
MONTANA WATER

April 4, 1977

TO: House Majority and Minority Leadership
Senate Leadership
House Education Committee
Senate Education Committee
Chairman - House Appropriations Committee
Chairman - Senate Finance and Claims Committee
Joint Appropriations Subcommittee on Education

FROM: Ann Mary Dussault, Chairperson, House Education Committee *1/14*

RE: Foundation Program Schedules

On Wednesday, April 6, at 7 p.m., in the Governor's Reception Room, there will be a meeting with various persons interested in the School Foundation Schedules. The following groups will be represented:

Montana Education Association (MEA)
Montana Federation of Teachers (AFT)
Montana School Boards Association
Montana School Administrators

In addition, I have requested the attendance of school administrators who represent a cross-section of large and small school districts.

The purpose of the meeting is twofold:

- (1) to allow these persons to respond to the Foundation Schedules as passed by the House; and
- (2) to allow these persons to defend and document the need for further increases in those schedules.

I hope that you will be able to attend.

Wednesday, April 6, 1977, 7 p.m.
Governor's Reception Room

ANACONDA PUBLIC SCHOOLS

ANACONDA, MONTANA 59711

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OFFICE OF THE
SUPERINTENDENT

April 6, 1977

Ms. Ann Mary Dussalt,
Chairperson of the Education Committee

School District No. 10, Anaconda, is asking the legislature to increase the Foundation Program from the 7% the first year and 6% the 2nd year of the biennium for the following reasons:

1. It is of prime importance that the district be allowed to budget at least 12% a year each year of the biennium in order to conduct a program that the students in the district need.
2. The Foundation Program be funded 100%. *Permissive levies*
3. The cost of living, and here I am referring to the operation of a school district not of a person, is rising better than 10% a year.
4. 67% of our budget came from the local taxpayer last year. This must be decreased. The reason was lack of state funding.
5. We must be able to budget for our needs without depending on special levies.
6. In the State of Washington they found that special levies to run the districts were illegal because it did away with equal educational opportunities. This surely will be a case in Montana in the future and if successful would hurt the district.
7. The percentage of the total General Fund Budget that the State has been providing has steadily declined and the local taxpayer has had to come up with the difference. If this continues it could result in a taxpayer's revolt.
8. Last year the schedule provided us \$576.16 from the Foundation Program plus \$144.04 permissive levy or a maximum of \$720.20 per child in elementary but it actually cost us \$1,529.87 per child.
9. Last year the schedule provided us \$767.52 from the Foundation Program and \$191.88 permissive levy for a maximum of \$959.40 per child on the high school levy but it actually cost us \$1,791.41 per child.

10. Enrollments are as follows:

	<u>1975-76</u>	<u>1976-77</u>	<u>Loss</u>
Elementary	1427	1389	38
Beaver Dam - isolated	178	175	4
Jr. High	605	546	59
Sr. High	<u>1118</u>	<u>1053</u>	<u>65</u>
TOTAL	3329	3,163	166

11. Under the Foundation Program last year in the Elementary we received \$1,755,296.82. Using the enrollments in #10 above and the 7% increase in the Foundation Program as reported in the paper, we would receive \$1,785,423.97 for the elementary. This would be an increase of only \$30,127.15. This would not even allow us to pick up the increments on the salary schedule using last year's salary schedule because we need \$30,797.00 and this is without any teachers advancing horizontally on the schedule. (a near impossibility).

12. Under the Foundation Program last year in the high school we received \$1,072,609.20. Using the enrollments in #10 above and the 7% increase in the Foundation Program as reported in the paper, we would receive \$1,080,967.68 for the high school. This would be an increase of only \$8,358.48. This would not even allow us to pick up the increments on the salary schedule using last years salary schedule because we need \$18,231.00 and this is without any teachers advancing horizontally on the schedule.

13. Last year we had to vote 33 mills for \$710,708.35 for the high school budget.

14. On the elementary budget we had to vote 38.7 mills for \$804,800.46 plus 16.87 mills for \$350,000.00 for completion of the purchase of Anaconda Central. The Board of Trustees by putting the purchase of Anaconda Central on a levy basis instead of a bond issue saved the taxpayers of the district \$300,000.00.

15. I am including a preliminary budget for the 1977-78 school year which will show you our plight, and I am sure the plight of other districts.

I would like to take this budget and explain to you how the increase in the different items have occurred. Wherever salaries occur in the budget, they were increased 6% because according to the Bureau of Labor Statistics, March 18, 1977 issue of the CPI it indicated the CPI had risen 6% from February 1976 to February 1977.

PRELIMINARY BUDGET 1977-78

Administration

130 - Supplies

150 - Other Expenses

The reason for the increase here is due from past experience we find that mediation, fact finding and arbitration procedures with the different unions in our district have increased. Also we have to provided the auditing of the books which has not been done for the past 2 years by the State Board of Examiners because of their overload.

Also because special levies are not being passed, it has been necessary for the school district to run their levies more than one time and costs approximately \$5,000.00 each time to run an election.

Instruction

232 - Teaching Supplies

Instructional supplies will cost us 10% to 15% more next year and it is predicted the same will follow the year after.

In last year's budget we had to curtail these items and rely upon stock on hand because we were purchasing Anaconda Central and that supply is now exhausted.

241 - Textbooks

Textbooks will rise 10% to 15% with the same predicted for the following year. Besides this it is contemplated from a curriculum study in the district that there will be a new district wide adoption of language arts and reading, grades k through 12.

Library Supplies

342 - Books and Periodicals

350 - Other Expenses

The above have been increased 15% because this is what the publishers tell us has happened and will increase next year.

Supportive Services

418 - Mileage

450 - Other Expenses

This has been increased to show the increase that has resulted from the teacher contract whereby staff members are reimbursed 15¢ a mile for in-district travel between schools.

Operation of Plant

650 - Other Supplies and Expenses

They have been increased 12% because this is what out suppliers tell us that it will cost us.

681 - Heat for Buildings

682 - Utilities

These are figures that the Montana Power has estimated it will cost us and this does not show the temporary increase that the Montana Power has requested from the Public Service Commission which would make this figure greater.

Maintenance of Plant

734 - Replacements and Parts

780 - Contracted Services

This has been increased because of increase in wages that have been granted to electricians, plumbers, and carpenters of the downtown shops in our district which will be passed on to us and also we have a boiler in the elementary school and a hot water tank in the gymnasium that needs work done on them or possibly will have to be replaced.

School Food Services

800

The cost of food has increased plus the installation of freezers and new stoves.

Student Body Auxillary Service

900

This increase is reflected by the district attempting to equalize opportunity under Title 9 for all students regardless of sex and for new programs for girls which are contemplated. Also the increase in cost for travel, lodging, meals, equipment such as band instruments, orchestra instruments, pianos, theatrical supplies and athletic supplies.

Other Current Charges

1021 thru 1024

Reflects the 6% increase of salaries.

1057 - Insurance

The increase here is due to the increase to the district by the insurance companies for property, liability, health, dental, life and requested addition of major medical insurance. *+ R. D. + D*

1059 - Other Expenses

12% was used here commensurate with what other supplies and expenses have increased.

1072 - Interest on Warrants

The increase here is shown because of our past experience and low cash reserve forces the district to register warrants. Also because of the allowance of the protesting of taxes by the Anaconda Company.

Capital Outlay

1161 - Sites

The increase here is due to architect fees and survey fees to straighten out what property belongs to the district.

1162 - Buildings

This reduction is due to the final payment for the purchase of Anaconda Central.

1163 - Remodeling and Improvements

The increase here is because of the lack of proper maintenance in the district previously. The high school roof has deteriorated to the point where it will cost \$86,000.00 to repair the roof.

1164 - New Equipment

1165 - Other

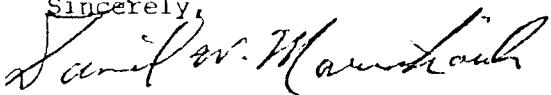
This increase is reflected in the need for additional business equipment and the vocational budget reimbursement being so low and needs so great for vocational equipment we have included in this item.

The total of the two budgets, as can be seen, results in an increase of over 15 mills based on the high school mill~~s~~ bringing in \$21,467.62 ~~each~~ and 1 elementary mill brings in \$20,539.32

I am also including for your purusal some comparative cost per student material for the national and for Montana so you can see that School District No. 10 is not alone but all of the districts are in dire need of an adequate Foundation Program Schedule to provide for the needs of the children.

School District No. 10 is respectfully soliciting your support for an increase in the schedule.

Sincefely,



Daniel W. Marinkovich,
Superintendent
School District No. 10
Anaconda, Montana

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News

United States
Department
of Labor



Bureau of Labor Statistics

Washington, D.C. 20212

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USDL-77-248
TRANSMISSION OF MATERIAL IN THIS RELEASE
IS EMBARGOED UNTIL 10:00 A.M. (EST)
Friday, March 18, 1977

THE CONSUMER PRICE INDEX—FEBRUARY 1977

The Consumer Price Index rose 1.0 percent in February before seasonal adjustment to 177.1 (1967=100), the Bureau of Labor Statistics of the U.S. Department of Labor reported today. The February CPI was 6.0 percent higher than in February 1976.

Seasonally adjusted changes

On a seasonally adjusted basis, the CPI also rose 1.0 percent in February. This compares with an increase of 0.8 percent in January and an average monthly increase of 0.3 percent for the last 4 months of 1976. The February rise was the largest since September 1974. About half the February rise stemmed from higher prices for food,

Table A. Percent changes in CPI and components, selected periods

Month	Changes from preceding month								Changes in all items	
	Commodities				Services				Compound annual rate from 3 mos. ago	From 12 mos. ago
	All items	Food	less food	Services	Seas.	Seas.	Seas.	Seas.		
	Seas.	Seas.	Seas.	Seas.	Unadj.	adj.	Unadj.	adj.	Unadj.	Unadj.
Feb. 1976	0.2	0.1	-0.4	-0.9	0.3	0.3	0.7	0.7	6.9	6.3
Mar. ....	.2	.2	-.7	-.6	.4	.3	.6	.7	3.9	6.1
Apr. ....	.4	-.4	.3	.5	.6	.3	.3	.5	3.1	6.1
May ....	.6	.7	.4	.8	.8	.6	.4	.6	5.4	6.2
June ....	.5	.4	.5	.2	.6	.4	.6	.6	6.1	5.9
July ....	.6	.5	.7	.1	.4	.4	.7	.7	6.3	5.4
Aug. ....	.5	.5	-.2	.2	.6	.6	.6	.6	5.5	5.6
Sept. ....	.4	.3	-.4	.1	.6	.3	.8	.5	5.3	5.5
Oct. ....	.4	.3	0	.2	.4	.4	.5	.4	4.8	5.3
Nov. ....	.3	.3	-.3	-.3	.4	.4	.5	.4	4.0	5.0
Dec. ....	.3	.4	.3	.1	.2	.6	.4	.4	6.2	6.8
Jan. 1977	.6	.8	.9	.9	0	.7	.9	.9	6.1	5.2
Feb.	1.0	1.0	2.3	2.0	.6	.7	.6	.6	9.1	8.0

NOTE: For an important announcement concerning a delay in completion of the comprehensive program to revise the CPI, see page 5.

COMPARATIVE COSTS PER STUDENT AND COMPARATIVE COSTS
EXPRESSED AS A PERCENTAGE OF TOTAL CURRENT COSTS

Size 4: 2,501 to 5,000

	1976/77		1975/76	
	PER PUPIL	%	PER PUPIL	%
ADMINISTRATION				
Professional Salaries	53.60	4.17	50.58	3.96
Sec. and Clerical Salaries	24.75	1.92	22.56	1.77
All Other Expenditures	13.82	1.07	13.96	1.09
	15.02	1.17	14.06	1.10
INSTRUCTION	870.84	67.68	884.46	69.32
Classroom Teachers	675.33	52.49	677.39	53.09
Other Professionals	86.03	6.69	95.81	7.51
Sec. and Clerical Salaries	29.27	2.28	31.47	2.47
Textbooks	8.09	0.63	9.10	0.71
School Library Materials	5.73	0.45	6.00	0.47
Audio-Visual Materials	3.84	0.30	4.13	0.32
Teaching Supplies	27.40	2.13	26.32	2.06
Other Instructional Expenses	35.14	2.73	34.25	2.68
FOOD SERVICES	8.25	0.64	5.55	0.43
ATTENDANCE SERVICES	7.59	0.59	7.22	0.57
HEALTH SERVICES	9.49	0.74	11.72	0.92
Professional Salaries	7.64	0.59	10.00	0.78
PLANT OPERATION	131.86	10.25	129.63	10.16
Salaries	57.84	4.50	61.06	4.79
Heat for Buildings	24.13	1.88	22.57	1.77
Utilities Other Than Heat	30.22	2.35	28.26	2.21
PLANT MAINTENANCE	29.71	2.31	33.50	2.63
Salaries	10.35	0.80	11.28	0.88
FIXED CHARGES	116.29	9.04	103.69	8.13
Employee Benefits	94.42	7.34	80.60	6.32
ALL OTHER NET CURRENT EXPENSE	58.98	4.58	49.60	3.89
TOTAL NET CURRENT EXPENDITURE	1286.61	100.00	1275.90	100.00
TRANSPORTATION	67.95	5.28	63.26	4.96
Salaries and Wages	22.50	1.75	19.76	1.55
CURRENT CAPITAL OUTLAY	50.41	3.92	40.33	3.16
DEBT SERVICE	103.08	8.01	111.81	8.76
GRAND TOTAL EXPENDITURES	1508.05	117.21	1491.35	116.89

COMPARATIVE COSTS PER STUDENT AND COMPARATIVE COSTS
EXPRESSED AS A PERCENTAGE OF TOTAL CURRENT COSTS

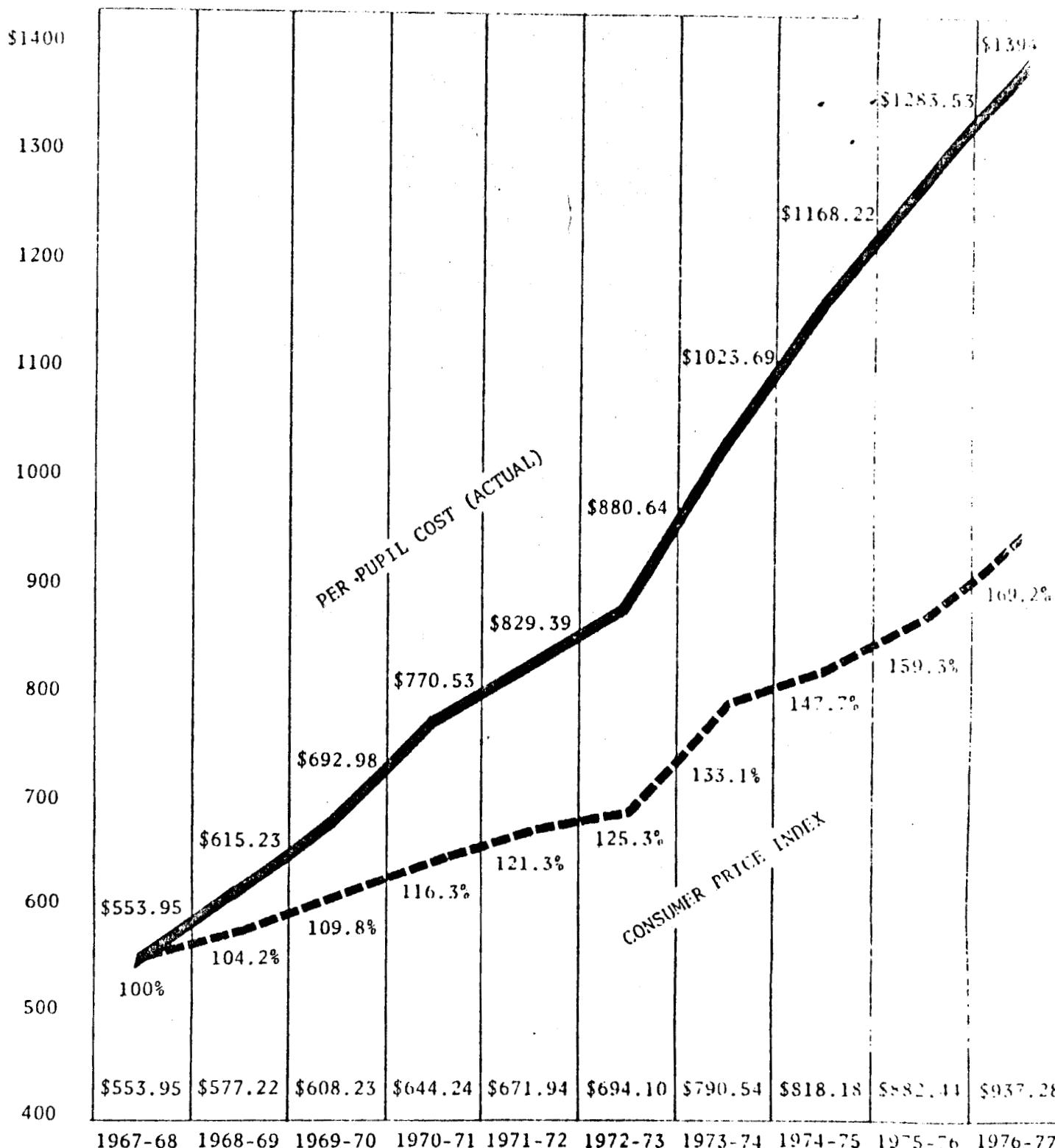
Montana

	1976/77 PER PUPIL	%	1975/76 PER PUPIL	%
ADMINISTRATION	38.26	2.89	32.87	2.49
Professional Salaries	17.22	1.30	15.40	1.17
Sec. and Clerical Salaries	11.57	0.87	10.38	0.79
All Other Expenditures	9.47	0.71	7.09	0.54
INSTRUCTION	962.55	72.62	948.59	71.94
Classroom Teachers	753.03	56.81	748.72	56.78
Other Professionals	89.83	6.78	65.72	4.98
Sec. and Clerical Salaries	26.98	2.04	25.14	1.91
Textbooks	15.12	1.14	15.49	1.17
School Library Materials	12.58	0.95	7.51	0.57
Audio-Visual Materials	4.66	0.35	3.63	0.28
Teaching Supplies	30.62	2.31	29.91	2.27
Other Instructional Expenses	29.74	2.24	52.48	3.98
FOOD SERVICES	1.99	0.15	3.32	0.25
ATTENDANCE SERVICES	2.65	0.20	0.90	0.07
HEALTH SERVICES	7.26	0.55	10.21	0.77
Professional Salaries	6.12	0.46	6.95	0.53
PLANT OPERATION	122.32	9.23	100.40	7.61
Salaries	72.24	5.45	60.67	4.60
Heat for Buildings	18.61	1.40	14.14	1.07
Utilities Other Than Heat	19.88	1.50	18.49	1.40
PLANT MAINTENANCE	57.65	4.35	41.93	3.18
Salaries	28.88	2.18	17.10	1.30
FIXED CHARGES	106.19	8.01	167.12	12.67
Employee Benefits	83.15	6.27	144.84	10.98
ALL OTHER NET CURRENT EXPENSE	26.58	2.01	13.32	1.01
TOTAL NET CURRENT EXPENDITURE	1325.44	100.00	1318.64	100.00
TRANSPORTATION	41.85	3.16	61.04	4.63
Salaries and Wages	11.07	0.84	6.74	0.51
CURRENT CAPITAL OUTLAY	43.13	3.25	52.79	4.00
DEBT SERVICE	66.97	5.05	111.07	8.42
GRAND TOTAL EXPENDITURES	1477.40	111.46	1543.54	117.06

AVERAGE COST PER STUDENT
1976-77

1. Alaska	3160.38	23. Nebraska	1315.07
2. New York	1990.55	24. Arizona	1305.58
3. Illinois	1835.56	25. Kansas	1292.46
4. Wyoming	1812.81	26. Missouri	1292.18
5. Massachusetts	1791.72	27. North Dakota	1292.12
6. New Jersey	1783.44	28. Nevada	1258.56
7. Oregon	1758.24	29. Ohio	1254.14
8. Maryland	1723.37	30. Florida	1225.95
9. Delaware	1716.65	31. Texas	1185.73
10. Wisconsin	1612.19	32. South Dakota	1133.81
11. Pennsylvania	1546.53	33. New Mexico	1130.11
12. Rhode Island	1511.00	34. Maine	1117.00
13. Washington	1508.37	35. New Hampshire	1115.26
14. Minnesota	1493.39	36. Utah	1102.01
15. Iowa	1477.69	37. Kentucky	1084.20
16. Connecticut	1455.87	38. Indiana	1079.65
17. Michigan	1408.29	39. North Carolina	1067.85
18. California	1400.56	40. West Virginia	1053.69
National Average 1394.54		41. Georgia	1025.60
19. Vermont	1355.93	42. Tennessee	1023.52
20. Colorado	1352.71	43. Louisiana	1015.77
21. Virginia	1343.61	44. Idaho	944.67
22. Montana	1325.44	45. Oklahoma	937.04

INCREASE IN PER PUPIL COST VERSUS
INCREASE IN CONSUMER PRICE INDEX 1967/68-1976/77



CONSUMER PRICE INDEX APPLIED TO 1967 PER PUPIL COST (\$553.95=100%)

THIS CHART ILLUSTRATES THAT PER PUPIL COSTS HAVE GROWN FASTER THAN THE CONSUMER PRICE INDEX. DOTTED LINE SHOWS CONSUMER PRICE INDEX AS PER CENT FROM 1967 BASE OF 100. FIGURE IMMEDIATELY ABOVE THE BOTTOM LINE OF THE CHART GIVES CONSUMER PRICE INDEX IN PER PUPIL

WORK SHEET
April 1, 1977

<u>ELEMENTARY</u>		<u>HIGH SCHOOL</u>	
<u>1976-77</u>	<u>1977-78</u>	<u>1976-77</u>	<u>1977-78</u>
37,500.00	39,750.00	34,200.00	36,252.00
21,090.00	22,355.40	18,765.00	19,890.90
14,210.00	16,210.00	10,290.00	12,290.00
9,076.00	15,000.00	8,124.00	15,000.00
<u>INSTRUCTION</u>		<u>INSTRUCTION</u>	
170,170.00	180,380.20	72,972.00	77,350.32
1,580,077.00	1,655,677.00	1,065,910.00	1,110,010.00
28,714.00	30,436.84	16,119.00	17,086.14
9,766.00	10,351.96	—	—
123,804.00	131,232.24	46,841.00	49,651.46
1,450.00	1,450.00	225.00	225.00
20,150.00	41,150.00	16,840.00	23,840.00
3,000.00	3,000.00	1,000.00	1,000.00
21,190.00	41,190.00	18,310.00	33,310.00
24,870.00	24,870.00	19,630.00	19,630.00
2,000.00	2,000.00	10,500.00	2,000.00
<u>LIBRARY SUPPLIES</u>		<u>LIBRARY SUPPLIES</u>	
20,215.00	21,427.90	24,635.50	26,113.63
11,000.00	12,650.00	10,000.00	11,500.00
6,860.00	7,683.20	5,140.00	5,756.80
<u>SUPPORTIVE SERVICES</u>		<u>SUPPORTIVE SERVICES</u>	
49,273.00	52,229.38	16,923.00	17,938.38
675.00	1,000.00	—	1,000.00
754.00	2,754.00	546.00	2,546.00
<u>TRANSPORTATION</u>		<u>TRANSPORTATION</u>	
10,500.00	10,500.00	555 Room & Board Sp. Ed.	—
<u>OPERATION OF PLANT</u>		<u>OPERATION OF PLANT</u>	
225,576.82	259,110.56	142,935.21	166,511.32
18,200.00	20,384.00	14,800.00	16,576.00
75,400.00	100,282.00	54,600.00	72,618.00
41,644.00	52,055.00	30,156.00	37,695.00
<u>MAINTENANCE OF PLANT</u>		<u>MAINTENANCE OF PLANT</u>	
10,000.00	10,600.00	10,000.00	10,600.00
17,900.00	23,000.00	16,590.00	20,000.00
20,380.00	25,000.00	15,620.00	20,000.00
34,000.00	38,080.00	21,000.00	23,520.00
<u>SCHOOL FOOD SERVICES</u>		<u>SCHOOL FOOD SERVICES</u>	
29,749.86	36,568.00	43,583.14	54,852.00
<u>STUDENT BODY AUXILIARY SERV.</u>		<u>STUDENT BODY AUXILIARY SERV.</u>	
10,293.00	10,910.58	2,740.00	2,904.40
10,386.00	11,009.06	2,928.00	3,103.68
508.00	7,873.93	—	—
704.00	718.08	187.00	190.74
140,561.60	210,222.60	80,492.20	115,822.70
1,218.00	1,364.16	882.00	987.84
1,250.00	1,325.00	3,750.00	3,975.00
<u>CAPITAL OUTLAY</u>		<u>CAPITAL OUTLAY</u>	
120.00	5,000.00	80.00	1,000.00
300,000.00	25,000.00	5,000.00	10,000.00
56,000.00	56,000.00	11,000.00	100,000.00
18,000.00	23,000.00	17,000.00	30,000.00
580.00	650.00	420.00	500.00
1,184,835.28	3,241,451.09	TOTALS	1,870,736.55
			2,137,247.31

DRAFT

HELENA SCHOOL DISTRICT
ANALYSIS OF PROPOSED GENERAL BUDGETS
(WITHOUT SPECIAL EDUCATION BUDGET)
FOR THE 1977-78 FISCAL YEAR

P Analysis of budgets by type of expenditure:

Type of Expenditure	Elementary Amt.	%	High School Amt.	%
Salaries of present personnel established by negotiated agreements	\$4,095,219	77.6%	\$3,086,138	71.2%
Salaries not established by negotiated agreement or new positions	161,670	3.1	139,967	3.2
Fringe Benefits for both categories	200,019	3.8	145,126	3.4
Total Salaries & Fringe Benefits	\$4,456,908	84.5%	\$3,371,231	77.8%
Fixed Costs-Utilities, insurance & rent	262,103	5.0	201,425	4.6
Variable Costs-instructional supplies, textbooks, library books, custodial supplies, maintenance materials, capital expenditures, and other expenses	557,123	10.5	764,063	17.6
Total General Fund Budget w/o Special Ed.	\$5,276,134	100.0%	\$4,336,719	100.0%

P I. Analysis of budgets by expenditure categories:

Item.	1976-77		1977-78		Increase	
	Amt.	%	Amt.	%	Amt.	%
Instruction	\$3,503,976	74.9%	\$3,974,970	75.3%	\$470,994	13.4%
Maint. & Oper.	623,063	13.3	665,697	12.6	42,634	6.8
Fixed Costs	226,330	4.8	262,103	5.0	35,773	15.8
Extra Curr.	85,348	1.8	88,808	1.7	3,460	4.1
Admin.	137,576	3.0	149,839	2.8	12,263	8.9
Supportive Serv.	103,107	2.2	134,717	2.6	31,610	30.7
Totals	\$4,679,400	100.0%	\$5,276,134	100.0	\$596,734	12.8
High School						
Instruction	\$2,604,547	67.6%	\$2,885,492	66.5%	\$280,945	10.8
Maint. & Oper.	492,535	12.8	602,285	13.9	109,750	22.3
Fixed	168,380	4.3	201,425	4.7	33,045	19.6
Extra Curr.	372,058	9.7	413,541	9.5	41,483	11.1
Admin.	138,468	3.6	145,345	3.4	6,877	5.0
Supportive	77,603	2.0	88,631	2.0	11,028	14.2
Totals	\$3,853,591	100.0%	\$4,336,719	100.0	\$483,128	12.5

P Composition of expenditure categories

- Instruction - Principals, teachers, librarians, teacher aides, and school secretaries salaries, instructional supplies, textbooks, library books, school equipment, and other instructional costs.
- Maintenance & Operation - All Operation of Plant and Maintenance items, except those in direct support of extra curricular or supportive services, and maintenance equipment and supervision costs.
- Fixed Costs-- Utilities, property insurance, and rent.
- Extra Curricular - All items in direct support of any extra curricular activity including the Athletic Director's office, teacher extra duty salaries, and a laundry man's salary.
- Administration - All items for the operation of the school district administration office business office, and the secondary vocational education office.

Bullock

HELENA ELEMENTARY AND HIGH SCHOOL DISTRICTS
COMPARISON OF BUDGET AMOUNTS (w/o Spec. Ed.)
ON AN ITEM BY ITEM BASIS
FROM THE 1976-77 BUDGET TO THE 1977-78 BUDGET

<u>Budget Item</u>	<u>Percentage Increase or (Decrease)</u>	<u>Budgeting Rational</u>
Prof. Adm. Salaries	7.4%	The \$13,518 budget increase established by negotiated agreement.
Secretary Adm. Salaries	11.2%	The \$6,586 budget increase is due to salaries established by a negotiated agreement and one new position.
Administrative Supplies	7.4%	\$763 increase to compensate for increased printing costs.
Other Adm. Costs	4.2%	\$1,840 increase to compensate for inflation and increased use of legal services.
Principals Salaries	10.9%	Budget amount established by negotiated agreement (6.0%) and to provide one new elementary principalship required by the accreditation standards of the State Board of Public Education (4.9%).
Teacher Salaries	11.6%	The \$555,372 increase in this item is due to an increased salary schedule by negotiated agreement, including increment, (10.9%) and new teaching positions required by accreditation standards to satisfy accreditation standards (0.7%).
Teacher Aide Salaries	36.7%	The \$18,630 increase is to provide for additional assistance for teacher negotiated released time, and to provide for better utilization of teacher time during school days. \$1,860 provides for hourly wage increases of present employees.
Inst. Sec. Salaries	10.8%	The budget item is increased to provide for negotiated salary schedule increases (8.3%) and the equivalent of one additional position (2.5%).
Instructional supplies	(1.9%)	Budget decrease is due to budget balancing for acceptable voted levy and by the purchase of supplies from 1976-77 budget.
Textbooks	(39.9%)	The \$38,549 budget reduction is due to a less costly textbook adoption next year and by the acquisition of textbooks for 1977-78 from the 1976-77 budget.

Other Inst. Expense	16.0%	The \$9,163 increase is due to an expanded course offering, and increased instructional film rentals.
Library Services	20.6%	The \$41,942 increase is due to: (1) increased salaries in accordance with the negotiated agreement (7.1%), a new librarian position to satisfy accreditation standards (6.5%), additional aid assistance (6.0%), and additional allowance for library books (1.0%).
Supportive Services	10.9%	The \$3,608 increase is to allow for additional nursing services.
Custodial Salaries	3.1%	The increase is to allow for negotiated salary schedule increases.
Custodial Supplies, Etc.	(0.5%)	Budget decrease is due to no budget increase of this item and purchases from this year's budget.
Heat	6.5%	The low increase of this budget item is due to a mild winter and over estimation of increase (100%) for the present year. Budget amt. is \$204,671.
Electricity	9.8%	The low increase of this budget item is due to over estimation of increase (35%) for the present year. Budget amount is \$101,265.
Water	148.0%	The City of Helena has informed the district that its rate increase before the PSC would increase our rates by 148%. Budget amt. is \$50,256.
Telephone	15%	The telephone company has requested increased tariffs averaging 15%. Budget amount is \$26,000.
Maintenance Salaries	13.5%	Budget increase is to provide for negotiated agreements (5.9%) and to maintain improvements created by City of Helena community development funds on school grounds (7.6%).
Maintenance Repair & Parts	7.7%	A \$13,809 increase of budget item for the acquisition of material and supplies for upkeep of 13 school buildings, equipment and vehicles.
Maintenance Contracted Services	12.4%	\$2,237 budget increase is to compensate City of Helena for garbage service charge increase.

School Food Serv. Supp.	(23.1%)	\$3,000 budget decrease made possible by efficient school lunch operation and increased participation.
Student Services (Extra Curricular)	9.0%	\$26,667 budget increase to allow for equitable student travel costs in music and vocational education. Also, a \$8,655 increase of the athletic budget.
Employee Insurances	34.2%	\$87,886 budget increase is due to increased premium on negotiated health plan.
Fire and Allied Insurance	34.6%	\$18,756 budget increase is due to increased premiums on fire insurance and constitutionally required (no sovereign immunity) liability insurance.
Rent	(26.5%)	This is a \$2,210 budget decrease due to less spaces being rented.
Site Improvement	105.6%	The \$14,785 budget increase is from \$14,000 presently budgeted.
Building Remodeling	0.1%	Building remodeling projects were reduced to maintain same level as present budget.
Equipment	20.9%	The \$9,659 increase is to purchase borrowed equipment (\$4,500) and to compensate for inflated prices.
Total General Fund Budget without Special Education	11.2%	The \$942,192 increase of a \$8,402,117 budget is used to pay negotiated salary increases of \$616,123 (\$509,372 for teacher salaries), \$87,886 for increased employee health insurance, \$71,028 for fixed costs (heat, light, water, telephone and insurance, and \$68,100 to satisfy State Board of Education accreditation standards. The remaining increase of \$99,055 is for variable costs that the trustees may directly control.

The state supported 1977-78 Special Education budget will provide an additional \$1,058,330 for the financing of the special education program which is a part of the general fund budgets for financial administration purposes. The 1977-78 general fund budgets will total \$10,402,639 including the \$1,058,330 for special education, leaving \$9,344,309 for all other school district programs.

The total general fund budgets of \$10,402,639 will be financed by an estimated foundation program of \$5,515,396, a permissive levy amount of \$1,378,848, a voted levy amount of \$2,450,065, and state special education financing of \$1,058,330. The foundation program and permissive levy (maximum-general-fund-budget-without-a-voted-levy) have been estimated on the basis of a 8% increase of the legislated schedules.