

MINUTES OF THE JOINT MEETING OF THE EDUCATION COMMITTEE AND
THE HOUSE APPROPRIATIONS COMMITTEE
February 4, 1981

The Joint Committees convened at 7 p.m. on February 4, 1981 in the House Chambers. Present were Chairman Eudaily, Representatives Andreason, Hanson, Kennerly, Lory, Vincent, Donaldson, Yardley and Anderson for the Education Committee and Chairman Lund, Representatives Bardanouve, Conroy, Donaldson, Ernst, Hurwitz, Lory, Moore, Shontz, Thoft and Waldron for the Appropriations Committee.

Joint hearing was called to hear testimony and discussion on House Bills No. 610 and 611.

CHAIRMAN LUND of the Appropriation Committee welcomed the people present and after the roll calls were taken, turned the meeting over to Chairman Eudaily of the Education Committee to conduct a hearing on House Bill #610 which is in the Education Committee.

HOUSE BILL NO. 610

REPRESENTATIVE ROBERT ANDERSON, District #16, chief sponsor, circulated a handout from Mr. Eschler. A copy of this is EXHIBIT #1 and part of the minutes. A copy of his testimony is EXHIBIT 2 and part of the minutes.

SENATOR BOB BROWN, District #10, was the next proponent speaker. He said in 1949, 81% of the cost of education in Montana came from the Foundation program and only 7.5% was dependent on voted levies. Today about 1/3 is dependent on voted levies as less than 60% comes from the foundation program. He said anytime one district spends \$4,100 per child and another can only afford \$1,500, there isn't equalization of education. He felt the state needed to carry a larger share of the burden of education to lessen the dependency on locally voted levies. He felt this was a timely and wise piece of legislation.

ED ARGENBRIGHT, Superintendent of Schools, spoke next as a proponent. He said the bill deserves support as it recognizes the need for greater state commitment to maintain needed education. He said too long the tax burden has been shifted to the local property taxpayer and further from the concept of equalization. He said half the mill levies were defeated at least once in past years and if we lose this percentage of the general fund, the schools will be facing a disastrous situation. He said he knows the pressures the schools are facing and that the capping mechanism will move the voted levies to the point where they were in 1977 when 25% of the general fund budget was voted. He said he will support the bill with the capping provision as long as the budget is funded by the state at the proposed levels. He said if the determined state fund levels are removed he will oppose the caps.

REPRESENTATIVE GENE DONALDSON, District #29, said he rose in support of both bills as they are very much one, and one must pass with the other. He spoke relative to the caps which he said are unique and new. He said they wanted the caps to have some accountability to local districts and to give some type of assurance that tax savings would result.

DAVID SEXTON, Montana Education Association, spoke next in support, saying he represents some 800 public school teachers. He said unfortunately the once permissive levy has become mandatory as schools are caught in the inflation crunch. He said transportation costs and cost of paper products are skyrocketing while enrollments are declining up to 1-1/2% a year with no savings in operations and less state foundation money as it is based on the number of pupils attending. So he said Montana has been moving from equalization rapidly. He felt the problem could be remedied by the courts if not through legislation. He said a major step could be made by substantially increasing the foundation program schedules similar to those projected by this bill - 25.8% and 12.1%. This should allow voted levies to return to the 25% level of the total general fund budget. He felt a cap was not really necessary but he was not opposed to a cap provided that every school district could maintain its program by adjusting its budget for increases. He had concern for the second year. He suggested the committee might make some adjustment in the second year by increasing state support then from 12% to 15%.

OWEN NELSON, M.E.A., spoke next in support of the bills. He had two handouts for the committee - one on projections of H.B.#610 on Billings, Great Falls, Missoula and Helena (EXHIBIT 3) and one on "Montana Public School General Fund Budgets" (EXHIBIT 4). He said their concern is with the second year. He suggested holding to the 25% the second year also or remove the cap the second year so the state would not have to fund the second year but the funding would still be up.

ROBERT LAUMEYER, Boulder Public Schools, said he strongly supports the bill. He said there is a tremendous disparity of tax bases in the State of Montana. He said what has happened is the taxpayer in the districts with low taxable valuation have ended up paying the higher tax rates while still paying less per child for educating that child. He felt they could live with the provisions of this bill and the taxpayer deserves this break.

JESSE LONG, Executive Secretary of the School Administrators of Montana, said they support the bills but they do have some mixed feelings among their members. He commended the committee for providing healthy increases in the schedules. He displayed a flip chart on which were indicated the different school district fluctuations. He felt that many schools will begin to bottom-out on their enrollments. He said they do have concern of equitably applying the caps - suggested the possibility of making use of the three-year rolling levies.

TONY TOGNETTI, Stevensville Schools, said they support H.B.#610 with the increases in the foundation program. He said he would like to suggest some type of amendments that would remove the cap. He said they have an expanding population - expecting 1714 students this year, 2280 next year and 2500 the next year. But this does not take care of the problem as they lose 6% off the top since it is an unusual increase and they take the emergency budget; also the construction costs for new classrooms. He suggested removing the caps for schools that have specific problems. Mr. Tognetti left a paper entitled, "Areas Affected Due to an Inadequate Foundation Program" which is EXHIBIT 5 and part of the minutes. This deals with the Stevensville Schools. Attached to this exhibit is a paper showing their rate of growth, their teacher pay scale and pay of other school workers.

CHRIS MADDOX, Superintendent of Cut Bank Schools, spoke in support of House Bills 610 and 611. He said their school district believes in local control and use few federal dollars - a few for the lunch program and a little bit in the vocational funds. He said they were having problems raising the needed money to meet their bills. This past year 47.1% was local money, so they are all in favor of increasing the foundation program. What he felt was needed was some escape valve for schools with declining enrollment. He said they have a 10% loss in the high schools although he felt they would be leveling off after this year. Alternatives he suggested were: No cap at all, make the cap effective the second year; the rolling three-year average; or give the 12% the first year and the higher percentage the second year.

JOY STEVLINGSON, Montana Parent-Teacher Association, said they believe in providing the highest quality education. She said they support the bill and urge a do pass recommendation from the committee.

DAN MARINKOVICH, Anaconda School District #10, spoke in support and a copy of his testimony is EXHIBIT #6 and part of the minutes.

WAYNE BUCHANAN, Montana School Boards, spoke in support of the bills. He said he thought the committee could see there are some serious problems with the proposed cap. He felt the problems in the second year are going to be widespread with the cap. He said he was opposed to any form of cap - allow local control to dictate what they are going to spend on education. However, he said, the first year with this kind of increase, it is obvious that some sort of cap will be necessary. He said exceptions for schools that have a declining enrollment situation should be made. He suggested that the best way to offset the problems in the second year is to increase the amount the second year to offset the effect of the cap.

SHAUNA THOMAS, Montana Federation of Teachers, said they support the substantial increase but can't support what the cap would do.

WILLIAM C. MILLIGAN, Butte School District 1, spoke in opposition with a desire to amend. A copy of his testimony is EXHIBIT #7 and part of the minutes.

REP. ANDERSON closed by saying forty people cosigned on the bill. There is a variety of different kinds of exemptions. We have proposed a bill without special education funding; looked at different exemptions for schools - they would go to the limit as far as the caps go. Property tax exemption dealing with declining enrollment. He said there is clear disparity judging from what one school spends per student and what another spends. There is disparity on the amount voted. He felt the cap definitely will have some effect and he felt generally speaking there is agreement the effect is in the right direction as only one school has stated they are going over the proposed caps. He said there is some expertise in the audience that will be heavily leaned on to help answer questions: Kurt Nichols, Legislative Fiscal Analyst, Steve Colbert and Bob Stockton of the Office of Public Instruction. He thanked those who worked so hard on the bill from the time of its inception; thanked the people present for their consideration and hoped that something could be found that everybody could live with.

CHAIRMAN EUDAILY asked for questions from the committee.

CHAIRMAN LUND asked Mr. Maddox about the mill levies in his district. Mr. Maddox said they had dropped 22 mills largely due to oil and gas activity.

REPRESENTATIVE BARDANOUVE asked how many school districts will be capped. Mr. Anderson said in the first year, 158 school districts. Rep. Bardanouve asked if the cap would mean a reduction in levies. Mr. Colberg said in terms of dollars a reduction in levies. Rep. Bardanouve asked how difficult it would be to have an extraordinary levy. Rep. Anderson replied it would be necessary to pass your regular voted levy first and you could only have one extraordinary levy. He said the intent is to make it difficult and that it be used only for an overriding need.

REPRESENTATIVE BARDANOUVE asked Mr. McKeown of Colstrip if the coal tax was not paying a good chunk of their bonds and keeping their mill levy low. Mr. McKeown said they have a problem with getting money from the coal tax because of their low mill levy.


Representative Conroy questioned the stated criteria of one of the witnesses that better education is linked to dollars spent. The response was that an indication of equal education is equal spending.

Representative Bardanouve admitted to being a worry wart but he wondered what kind of figures they would be faced with in two years. Rep. Donaldson said counting in the inflationary factor somewhere around 100 million. He said the question is do we want it on property or the general fund. He said this should bring the state contribution back up so the split is again 25-75.

Representative Bardanouve said he would sure like to see some models so they could know what they were talking about before enacting this into law.

Meeting adjourned at 9:15 p.m.

CHAIRMAN ART LUND
House Appropriations Committee


CHAIRMAN RALPH S. EUDAILY
House Education Committee

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Not testifying but present were:

Tom McKeown, Colstrip, School District 19

Claudette Johnson, Montana Division of the American Association of University Women, her written testimony is EXHIBIT 8 of the minutes.

Bob Boley, Colstrip Public Schools

Ryan Taylor, Forsyth Public Schools

Bill Willavize, Florence-Carlton Schools

OPINIONS & IMPRESSIONS

HELENA INDEPENDENT RECORD OCT. 10, 1980

Why School Levies?

Schools are becoming villains in the eyes of property owners. Each year since 1949, Helena voters have been asked to approve special levies to help pay school costs. Every year the levies have been approved, at the expense of the property owners.

The average voter sees a special levy as yet a greater commitment of his tax dollar to education. Levies now are failing in cities where they traditionally have passed with no trouble, such as Kalispell, Missoula and Bozeman.

At first look school districts appear to be doing a poor job of handling our money. But are the schools to blame?

Schools must meet the demands of the state Board of Public Education, which sets minimum standards for accreditation. Certain courses are required to help students learn about today's complex world.

Since 1949 the Legislature has funded school budgets through the Public School Foundation Program. That money is expected to pay teachers to uphold accreditation standards, and to pay for utilities, textbooks and classroom supplies.

None of the foundation money comes from property taxes. Among the sources are oil and gas lease money, lease money from school lands, income taxes and the coal severance tax, which is paid by people outside Montana.

The Legislature has been cheap with its money, however. The foundation program has become progressively less effective in meeting the inflationary costs of quality education.

In 1949, the foundation program paid 81.2 percent of the money needed to operate Montana's public schools. Special levies that year contributed only 7.5 percent of the schools' budgets.

In 1979, however, the foundation program paid only 57.6

percent of the Montana schools' total operating budget. To make up the difference in Helena, District No. 1 voters this year approved levies to finance a whopping 32 percent of the high school budget and about 30.22 percent of the elementary budget.

When money appropriated through the foundation program does not meet total school costs, a school district

then can pass a nonvoted permissive levy to help fund the budget. The permissive levy is equal to one-fourth of the foundation funds and is the last guaranteed source of money.

Any further deficit must be satisfied by the voted levy, to which voters are beginning to balk in droves. If a special voted levy fails, school districts might not have enough money to maintain accreditation standards.

Ironically, the very government entity that administers the program — the Board of Public Education — will withdraw its funding if the accreditation is not met. This means the state will take away its money because it simply did not give enough in the first place.

The upcoming Legislature must wake up to this anomaly. State law 20-9-303 describes the foundation program as "the minimum operating expenditures ... that are sufficient to provide for the educational program of a school."

That statement seems a clear mandate for the Legislature to meet the basic educational needs of our schools. And if the accreditation at any school is threatened, the Legislature and the Board of Education have failed to meet the challenge of quality education in Montana.

Voters have good reason to resent special levies that heap a financial burden on them. But they should look to the real problem — the lack of state money — and demand results.

COMPOSITION OF SCHOOL GENERAL FUND BUDGETS

TABLE I

Year	Found. Prog.	Permissive	Voted Levies	Total General Fund
1973-74	97,468,000	24,329,000	31,153,000	152,950,000
1974-75	108,623,000	27,117,000	41,317,000	177,118,000
1975-76	125,814,000	31,393,000	49,153,000	206,360,000
1976-77	140,630,000	35,110,000	53,652,000	229,392,000
1977-78	150,885,000	37,656,000	60,798,000	249,339,000
1978-79	161,854,000	40,407,000	66,021,000	268,282,000
1979-80	165,673,000	41,353,000	80,387,000	287,413,000
1980-81	172,276,000	43,043,000	97,675,000	312,995,000

TABLE II

Year	Ave. % From Found. Prog.	Ave. % From Permissive	Ave. % From Voted Levies	Amount From Voted Levies
1949-50	81.2%	11.3%	7.5%	\$ 1,900,000
1959-60	71.3%	18.8%	9.9%	5,000,000
1969-70	69.2%	17.2%	13.6%	15,990,000
1972-73	63.3%	15.8%	20.9%	30,200,000
1973-74	63.7%	15.9%	20.4%	31,153,000
1974-75	61.3%	15.3%	23.3%	41,317,000
1975-76	61.0%	15.2%	23.8%	49,153,000
1976-77	61.3%	15.3%	23.4%	53,652,000
1977-78	60.5%	15.1%	24.4%	60,798,000
1978-79	60.3%	15.1%	24.6%	60,021,000
1979-80	57.6%	14.4%	28.0%	80,387,000
1980-81	55.0%	13.7%	33.5%	97,675,000

TABLE III USE OF PERMISSIVE AND VOTED LEVIES IN MONTANA SCHOOL DISTRICTS

No. of Dist.		Operating on Voted Levy		Operating at Full Permiss.	Operating Below Full Permiss.
		No.	%		
1977-78					
High School	165	157	95.2%	7	1
Elementary	405	290	71.6%	91	24
1978-79					
High School	165	153	93%	11	1
Elementary	405	271	70%	100	19

THE PAST SEVERAL YEARS... MORE AND MORE SCHOOL DISTRICTS HAVE BEEN ASSUMING A GREATER AND GREATER PROPERTY TAX BURDEN IN A VALIANT EFFORT TO FUND THEIR SCHOOLS.

THAT IS NOT TO SAY THAT DISTRICTS PASS VOTED LEVIES WITH GREAT ENTHUSIASM.

LAST YEAR 540 OF 554 SCHOOL DISTRICTS... ACROSS THE STATE (ALMOST 98%) VOTED THEMSELVES MORE IN PROPERTY TAXES SO THAT THEIR LOCAL SCHOOLS COULD MAINTAIN AN EDUCATIONAL PROGRAM, WHICH IN ALMOST ALL CASES WAS MANDATED BY EITHER STATE LAW OR OBEYS THE "BASIC EDUCATIONAL PROGRAM," I.E., THE "ACCREDITATION STANDARDS" AS PRESCRIBED BY THE STATE BOARD OF PUBLIC EDUCATION.

MEMBERS OF THE COMMITTEE....

IN RECENT YEARS FUNDING FOR PUBLIC EDUCATION HAS TAKEN A DRAMATIC SHIFT (HANDOUT & OVERHEAD).

A SHIFT AWAY FROM THE FUNDAMENTAL FUNDING FORMULA ESTABLISHED IN 1949.

THE "FOUNDATION PROGRAM" IN 1949 PLACED THE EMPHASIS FOR PUBLIC EDUCATIONAL FUNDING WITH THE STATE.

THE PHILOSOPHY OF THE FOUNDATION PROGRAM IN 1949 AND I HOPE TODAY... HAS NOT CHANGED... THAT PHILOSOPHY IS THAT EACH MONTANA CHILD BE PROVIDED WITH AN "EQUAL EDUCATIONAL OPPORTUNITY!"

TODAY... FELLOW MONTANANS... THIS IDEAL... MAY BE JUST THAT! AN IDEAL... A DREAM?

THOSE OF US WHO RECEIVED OUR PUBLIC EDUCATION DURING THE 1950'S AND 1960'S EXPERIENCED EDUCATIVE EQUALITY MUCH GREATER THAN TODAY!

TODAY... WE HAVE DISTRICTS IN THIS STATE... BECAUSE OF THEIR LOCAL WEALTH THAT CAN SPEND OVER \$4,000 PER STUDENT.

BUT A GREAT DISPARITY EXISTS BECAUSE SOME LOCALITIES ARE POOR... AND THERE WE SPEND AS LITTLE AS \$1,500 PER STUDENT.

I AM WELL AWARE THAT MONEY ALONE DOES NOT ACCOUNT FOR A SOUND EDUCATIONAL PROGRAM... BUT I ALSO KNOW... THAT IN TODAY'S WORLD YOU OFTEN GET JUST WHAT YOU PAY FOR.

THE REAL PROBLEM IS... THE CHILD IS THE ONE PAYING THE PRICE OF INEQUALITY OF OPPORTUNITY.

HB 610 AND 611 IS A PLAN TO REEMPHASIZE THE PHILOSOPHY AND INTENT OF THE "FOUNDATION PROGRAM" AND TO GRADUALLY REVERSE THE TREND OF THESE PAST SEVERAL YEARS.

HB 610'S PLAN IS TO WORK BACK TO THE YEAR 1977.

(A) OVERHEAD --- THE (PROPOSAL) PLAN

25.8% - 12.1%

(B) "THE CAPS" - 90% - 25%

REGULAR VOTED LEVY

(C) "EXTRAORDINARY LEVY"

PROPOSERS: BOB BROWN

ED ARGENBRIGHT

GENE DONALDSON

PROJECTIONS ON HB 610

	1981-1982			1982-1983		
	% Chg. in ANB	% of GFB Voted	Max % Chg. in GFB	% Chg. in ANB	% of GFB Voted	Max. % Chg. in GFB
Billings Elem H.S.	+0.03%	29.6%	+12.8%	+0.02%	25.2%	+5.8%
	-6.6%	29.0%	+7.9%	-2.4%	25.2%	+3.8%
Great Falls Elem H.S.	-7.0%	32.7%	+6.5%	-7.0%	29.6%	+0.04%
	-6.0%	25.0%	+10.4%	-6.0%	25.0%	+5.4%
Helena Elem H.S.	-1.3%	26.2%	+12.9%	-1.3%	25.0%	+8.8%
	-4.0%	27.9%	+10.3%	-4.0%	25.0%	+3.4%
Missoula Elem H.S.	-2.1%	28.4%	+11.5%	-2.1%	25.0%	+4.7%
	-3.8%	36.1%	+7.7%	-1.3%	31.5%	+3.2%

6x.3

MONTANA PUBLIC SCHOOL GENERAL FUND BUDGETS

(Special Education Funding Excluded)

1 2 3 4 5 6 7 8 9 10 11 12 13

Increase in Budget Schedule Elem. H.S.	General Fund Without-a-Vote		Voted Levy	General Fund Budget Total	% of GFB			ANB (Previous Year)	GFB Per ANB	CPI (W) (Dec.)	Teacher Salaries	
	Foundation Program	Permissive			Foundation Program	Permis- sive	Voted Levy				Montana Average	National Rank
1974-75	\$ 97,866,000 +14.0%	\$24,428,000 +13.9%	\$41,317,000 +19.0%	\$163,611,000 +15.2%	59.8%	14.9%	25.3%	177,028	\$ 924 +17.0%	155.4 + 7.0%	\$10230 +9.0%	28
1975-76	111,548,000 +11.2%	27,826,000 +11.3%	49,153,000 + 9.2%	188,527,000 +10.7%	59.2%	14.8%	26.1%	174,451	1,081 +12.3%	166.3 + 4.8%	11150 +8.1%	29
1976-77	124,068,000 + 5.9%	30,969,000 + 5.9%	53,652,000 +13.3%	208,689,000 + 7.8%	59.5%	14.8%	25.7%	171,944	1,214 + 9.0%	174.3 + 6.8%	12053 +5.1%	27
1977-78	131,422,000 + 5.9%	32,791,000 + 5.9%	60,790,000 + 8.6%	225,003,000 + 6.6%	58.4%	14.6%	27.0%	170,117	1,323 + 8.2%	186.1 + 9.0%	12668 +7.8%	30
78-79	139,160,300 + 4.8%	34,733,600 + 4.8%	66,021,000 +21.8%	239,914,900 + 9.5%	58.0%	14.5%	27.5%	167,664	1,431 +12.4%	202.9 +13.4%	13651 +7.5%	29
1979-80	145,821,700 + 6.5%	36,390,200 + 6.7%	80,387,000 +21.5%	262,598,800 +11.1%	55.5%	13.9%	30.6%	163,276	1,608 +14.7%	230.0 +12.4%	14680 +9.0%	27
1980-81	155,362,400	38,814,500	97,675,300	291,852,200	53.2%	13.3%	33.5%	158,196	1,845	258.7	16000 (Est.)	
Projected (HB 610)	+22.6%	+22.7%	-10.0%	+11.7%				-2.5%	+14.6%			
1981-82	190,534,520 + 9.9%	47,633,630 + 9.9%	87,907,770 - 1.0%	326,075,920 + 7.0%	58.4%	14.6%	27.0%	154,241	2,114 + 9.2%			
1982-83	209,317,200	52,329,300	87,215,500	348,862,100	60.0%	15.0%	25.0%	151,156	2,308			

Areas Affected Due To An Inadequate Foundation Program.

1. Overcrowded classrooms - Kindergarten 35 per session (22max)
2nd & 3rd grades exceed limit by 3 per class, 29 second graders, 31 third graders per class.
2. Jr. High Building principal has no secretary.
3. No daytime custodian for elementary buildings (500 + students) When children get sick, messes are made, etc. teachers must leave class to clean the mess.
4. Jr. High library is open only during 2 of the seven periods per day as there is no librarian or aide for this building. The high school librarian leaves her building to supervise Jr. High library and assist the aide in the elementary library. High School library suffers as a result.
5. Supplies are being cut back to the point where some teachers are doing without on certain items. Vo-Ed. courses suffer greatly.
6. Extremely difficult to keep book series up*dated with mandated changes every 5 years (Soc. Studies \$9000.)
7. High School classes are non-frill (meat & potatoes only) with upper math, Science and some other college bound curriculum as well as lower classes such as business law missing.
8. Inadequate faculty salaries (see attached sheet) making it hard to maintain staff. We have less than 50% tenured personnel for class "A" school while Hamilton has 92% yielding greater continuity of programs.
9. Inadequate non-certified staff salaries causing continous turnover in this area. Retraining takes considerable time from other staff members leaving their areas neglected.
10. Furnace problems - replacing burner \$8000.00
11. One Elementary and one high school custodian are on 30 hour week in building with remaining 10 hours as bus drivers so they can have 40 hour week.
12. Maintenance (upkeep) of buildings are starting to show deterioration (especially Jr. High 1904 building) due to inadequate funds for this area.
13. Materials must be shared by several classrooms, ex. one record player between 3 elementary classrooms.
14. High School counselor ratio was termed 400% excessive on accreditation report. Must hire elem. counselor or lose High School funding for Jr. High \$91,148. loss to elem. budget.
15. 10 of 74 classes exceed 30 students limit in High School which is increase of 3 over previous year.

Growth has brought us more funds but it also brings problems with it. Beside those enumerated, other problems caused by growth are:

1. Buildings are almost completely filled after extensive building program.
2. Inadequate Gym space for P.E. Each elementary student receives only 1 hr 15 minutes per week of P.E. in extremely crowded classes on half a gym floor.
3. Cannot build on current campus as state codes will not allow it due to inadequate amount of land left for student recreation. We used up part of the land our track was on leaving us as the only class "A" school in the state without a track.
4. Increasing taxes on property owners due to building program (our debt service went from 45.20 mills to 57.47 mills) may cause people to vote down necessary mill levy.

On behalf of the Anaconda School District, we would like to go on record in favor of House Bill 610 and 611 ~~and any other bill that would~~ *increasing the Foundation Program Substantially*

From 1975 the Anaconda School District has lost 28% of their student body. In 1974-75 there were 3478 students attending, now we have 2508. There is a strong possibility that the enrollments could drop in the next 2 years to 1600.

LAST YEAR ANACONDA VOTED APPROXIMATELY 40% EVEN THOUGH OUR BUDGET INCREASED

The effects of House Bill 610 and 611 on Anaconda would *only 1%* be as follows:

~~LAST YEAR ANACONDA~~

ELEMENTARY

HIGH SCHOOL

1981-82 +4 1/2%
1982-83 -34%

+5.3%
-27%

As such we would like to recommend some amendments for your consideration:

Either:

1. Freeze the ANB for 81-82 at 1979-80 school year figures and for 82-83 at 1980-81 school year figures for those schools with declining enrollments. Those with increasing enrollments would be able to use their new ANB calculations; or
2. Use a revolving average of the past three years for ANB calculation for the next year for those schools with a declining enrollment. Those with an increasing enrollment would use the new ANB calculation.

~~LAST YEAR ANACONDA VOTED APPROXIMATELY 40% EVEN THOUGH OUR BUDGET INCREASED~~

DAN MARINKOVICH

Ex-1

Butte Public Schools
OFFICE OF THE SUPERINTENDENT

NE 792-8315

BUTTE, MONTANA 59701

February 4, 1981

Mr. Art Lund, Chairman
Appropriations Committee
State Capitol
Helena, Montana 59601

Re: House Bill 610

Dear Representative Lund and Committee Members:

It is with reluctance that School District No. 1 must be an opponent to this bill. It does offer to the district a reduction in the dollar amounts that the local district taxpayer would be asked to raise, but it limits and severely restricts maintenance of program needs.

School District No. 1 has had a cost containment program in existence for the last ten years. Ten years ago the district had 25 buildings housing students in pre-school through post-secondary. Today the district maintains 17 buildings housing students in pre-school through post-secondary. As recently as 1973 the district was voting 25% of its elementary general fund budget and 13% of its high school general fund budget. For the current budget year the district voted 49% of its elementary general fund budget and 34% of its high school general fund budget.

During the past three years School District No. 1's total combined elementary and high school general fund budgets have increased 6.4% from FY 79 to FY 80, and 9.3 % from FY 80 to FY 81.

House Bill 610 would only allow School District No. 1 a 3.8% increase for FY 81 to FY 82 and 3.0% increase for FY 82 to FY 83. In order to stay within these percentages programs would have to be eliminated unless the escape mechanisms of extra-ordinary levy would be used. I have attached two exhibits which explain School District No. 1's problem of rising costs, enrollment decline and loss of tax base.

Sincerely,

William C. Milligan

William C. Milligan
Superintendent

WCM/es
attachments

	1980-81	1981-82	1982-83
Elementary		25.8-90% Cap.	12.1-90% Cap.
Total Regular Budget	\$10,418,875	\$10,760,803	\$10,967,971
Foundation Program	5,290,572	6,145,780	6,814,450
Regular Voted	5,026,736 } x.90	4,615,023	4,153,521
Special Ed. Voted	101,067		
ANB 7-8	1,088	987 } 6 % decrease	974 } 1 % decrease
K-6	3,868	3,673 }	3,636 }
No of Mills Voted	100.5 Mills	103 Mills	81 Mills
Value of a Mill	51,008	47,703	51,000
Voting	49% of Budget	43 % of Budget	38% of Budget

	1980-81	1981-82	1982-83
High		5 % inc.	5.4% inc.
Total Regular Budget	\$ 4,874,956	\$ 5,118,837	\$ 5,392,956
Foundation Program	3,137,633	3,554,930	3,985,440
Regular Voted	1,693,936 } x.90	1,563,907	1,407,516
Special Ed. Voted	43,387		
ANB 9	613	572	495
ANB 10-12	1,738	1,593	1,671
Value of a Mill	54,305	48,000	51,000
Voting	37% of Budget	31% of Budget	26% of Budget

Elementary

Value of a Mill	25.8%-90 cap.	12.1%-90 cap.	12%
	44,703.00	51,000.00	
Total Budget	11,297,328.00	12,031,503.00 (2.6%)	11,727,651.00
Foundation Prog.	5,290,572.00	6,145,780.00	5,472,275.00
Spec. Ed	878,953.00	1,063,533.00	966,848.00
Spec. Ed Voted	101,067.00	81,864.00	90,960.00
Regular Voted	5,026,736.00	4,071,656.00	5,197,568.00
ANB 7-8	1,088.00	974.00	987.00
K-6	3,868.00	3,636.00	3,673.00
No. of Mills	100.5	79.8	94
Total Regular Budget	10,418,875.00	10,967,971.00 (2.0%)	10,760,803.00

High

Value of a Mill	48,000.00	54,000.00	47,703.00
Total Budget	5,405,863.00	6,035,069.00 (5.4%)	5,702,518.00
Foundation Prog.	3,137,633.00	3,985,440.00	3,165,230.00
Spec. Ed	530,907.00	583,998.00	583,998.00
Spec. Ed. Voted	43,387.00	35,143.00	30,048.00
Regular Voted	1,693,936.00	1,372,088.00	1,914,242.00
ANB 9	613.00	495.00	572.00
10-12	1,738.00	1,671.00	1,593.00
No of Mills	31.9	26.1	42.8
Total Regular Budget	4,874,956.00	5,392,956.00 (5.5%)	5,118,837.00

Ex 8

Chairmen and Members of the
Appropriations and Education
Committees:

I am Claudette Johnson of
Helena, Montana representing
the Montana Division of the
American Association of University
Women.

The American Association of
University Women began 100
years ago and was formed
entirely out of concern for
educational opportunities. The
Montana Division has always
supported the proposition that
all children of our state are
entitled to an equal, basic

(2)

education whether they live in
county which has the
resources to easily raise
the necessary funds or not.

We supported the establish-
ment of the Foundation Program
and advocate increased level
of funding which is provided
in this proposed legislation.

We recognize that this
increase, while substantial
dollars, makes only modest
gains above inflation and
will not totally relieve the
local property tax burden.
This proposal seems to be a
good compromise.

(3)

Without this needed increase and with intensified citizen concern for relief from local property taxes, our children, Montana's richest resource, will be most adversely affected. To have informed, contributing citizens in the 21st Century, we must provide all of Montana's students with a quality education today.

Therefore, the Montana Division of the American Association of University Women urge your support for HB 610 and HB 611.

SOURCES OF REVENUE
FOR SCHOOL DISTRICT GENERAL FUND BUDGET SUPPORT

TOTAL GENERAL FUND BUDGET	DISTRICT	District Voted Levy
MAXIMUM GENERAL FUND BUDGET WITHOUT A VOTE	STATE	State Permissive Share
	DISTRICT	District Permissive Share 9 mills maximum-elementary 6 mills maximum-high school
FOUNDATION PROGRAM	STATE	Deficiency - Statewide levy on property
<i>1949 legislative intent was that the foundation program should be able to fund "basic education" and that if the voters want to go on for more than that they may.</i>	STATE	State Equalization Aid (Earmarked revenue, legislative appropriation, interest and income, and surplus from counties)
	COUNTY	Mandatory County Levy 25 mills-elementary 15 mills-high school (Surplus deposited in state equalization aid account)

ANB = Head count of students and drives the budget.