

SENATE COMMITTEE ON EDUCATION AND CULTURAL RESOURCES

JANUARY 9, 1981

The Senate Committee on Education and Cultural Resources met for its first meeting of the 47th Legislative Session Friday, January 9, 1981, in Room 402 of the Capitol Building. Senator Bob Brown, Chairman, called the meeting to order at 1:05 p.m.

ROLL CALL

Committee members present were Senators Bob Brown, George McCallum, Chet Blaylock, Swede Hammond, Joseph Mazurek, Elmer Severson, Bill Thomas, and Jack Haffey. Senator Ed Smith, Vice Chairman, was absent.

Senator Brown reviewed some working rules for the committee noting that proxy votes will be utilized only in extreme circumstances. Introductions of the committee secretary, Jill Rohyans, and committee council researcher, Andrea Merrill, were made.

Senator Brown introduced Mr. Ed Argenbright, newly elected Superintendent of Public Instruction. Mr. Argenbright offered his assistance to the committee in any way and introduced some of his staff to the committee. They were his Deputy, Alve Thomas, Maynard Olson, his Assistant for Legislation, and Ed Eschler, Coordinator of Legislative Activities.

OLD BUSINESS

Senator Brown stated the committee had, at the end of the last session, agreed to be known as the Senate Committee on Education and Cultural Resources. There being no objections from the members of the committee that name change will continue to apply.

MINUTES

Senator McCallum moved to dispense with the reading of the minutes during the committee meetings for the duration of the session as copies are available in the committee room. The motion carried unanimously with Senator Ed Smith absent.

The following bills were heard by the committee: Senate Bill 67
Senate Bill 23.

SENATE BILL 67

Senator Jan Johnson, District 49, sponsor of the bill, stated the bill is "an act to allow trustees of a school district to direct the county treasurer to invest school district money in direct obligations of the United States government if such an investment would be advantageous to the district". Her further testimony is attached (attachment #1).

PROPONENTS

John Campbell, representing the Helena School District, stated the bill reinstates the authority the school districts had before the recodification of the Montana laws. By enabling school districts to invest in direct obligations of the United States government they can work with their county investment groups much more easily and to better benefit.

Harold Wenaas, Superintendent of Schools, Great Falls, stated the bill offers one more option over CDs and would save them 10 mills a year.

Owen Nelson, representing the Montana Education Association, stated his support for the bill as it would help cut property taxes.

Wayne Buchanen, representing the Montana School Boards Association, stated he supports the bill and concurs with the previous testimony.

OPPONENTS

Bob Reiquam, Vice President of the Montana Bankers Association, President, First National Bank of Miles City and a former school board member, stated he opposed the bill for four reasons. First, tax dollars should stay in the county where they are generated. If they don't, interest rates are raised for county businesses and personal borrowers. Second, seldom are government obligations at a higher interest rate than the level banks will bid when the tax advantage is eliminated. He said the fee for securing government obligations needs to be considered. Third, idle funds are being watched more closely by government entities and banks

cost of operation rise due to restrictive use of dollars. He noted banks financially sponsor many projects and activities for schools and this good will could be endangered. Fourth, he questioned the expertise of school districts in investment opportunities.

There being no further proponents or opponents Senator Johnson asked Gary Bow, Investments Officer, Missoula County to make her closing remarks. Mr. Bow stated as an example the Missoula County treasury had \$2.1 million in a demand deposit account. By putting together an investment program and ensuring a constant cash flow the county received \$250,000 interest in one year. He stated the bill helps to allocate funds and enables the schools to participate in the county investment program.

Following a short discussion by the members of the committee the hearing was closed.

SENATE BILL 23

Senator McCallum, District 12, sponsor of the bill, stated the bill is a rewrite of the same bill from last session and now benefits more people in the counties. He felt the bill was of great value to the small counties as the dollars that could be applied to the transportation and teachers retirement funds in one county alone would amount to 28 mills. He noted when the foundation program started in 1947 or 1949 the forest reserve funds were not quite such a large amount. Since then, costs and inflation have risen and private land ownership is small. Mineral County is 53% federal and state land. The federal law says 25% of the forest funds will be returned to the county of origin with 66 2/3% of that amount going to the county road fund and 33 1/3% to the school fund in that county. At present, that 1/3 is returned to the Office of Public Instruction and is deducted from the foundation amount. However, the county still must generate their share of the foundation program. Most of the districts in the counties with forest reserves have very low tax bases and Senator McCallum stated he felt in fairness the forest receipts should come back to those counties. He said without those funds some districts may have to vote 50 to 60 mills just to operate.

PROPOSERS

Don Waldron, Assistant Superintendent of the Libby Public Schools, presented a copy of the federal law (attachment #2) and a letter from the Libby schools (attachment #3).

Penny Underwood, Superintendent of Schools, Lincoln County, stated the 1/3 of the forest receipts which reverts for schools cannot be invested or used for schools, even the interest must go into the county general fund. Those monies are reported to the Office of Public Instruction and deducted by them. She reviewed the low tax base in most districts, i.e. the Troy school district is 86% government land, 2 other districts are 95% and 96% federal land. A mill in those districts generates less than \$200. She presented attachments #4 and #5 to the committee in support of those figures.

Jim Koke, Superintendent of Schools, Superior, stated they have a county wide taxable valuation of \$2200 a mill with a total of 94% of the land being owned by the government. The remaining 6% could be eaten into by a proposed transmission line and dam system. He noted Saltese generates only \$200 per mill.

Gene Ostwalt, Superintendent of Schools, Thompson Falls, representing the District #10 School Board and Sanders County Commissioners, asked for support for the bill stating 52% of Sanders County is federally owned.

Larry Huss, representing the Montana Taxpayers Association, stated the long standing interest of the MIA in this matter. He pointed out the low tax base and the large service needs of those counties impacted by federal land ownership. He stated the federal government felt a moral obligation to help with the problem and that various states apply the funds in various ways. The courts have always ruled the state determines the use of the funds and at this time the use fits the legal but not the moral terms of the law. He felt this bill fits both the legal and moral applications intended. He referred the committee to Title 16, USC, Section 500, King Co. vs Seattle Schools, 263 US 261.

Chad Smith, representing the Montana School Boards Association, stated he supported the previous testimony. He quoted the federal law (attachment #2) and said although the state has the discretion to use the funds, the intent of the federal government to help the local areas with their tax burden is clear. The very thin populations of very large areas are shouldering enormous tax burdens.

Mike Stephen, Executive Director of the Montana Association of Counties, stated his support of the bill. He said the counties compete with the schools for tax dollars to run the counties, and he felt this bill is an effort to relieve that situation.

Wilma Johnson, Teton County Superintendent, stated she had previously taught in Troy and saw the problems there as the dam was being built, the population and expenses grew, and there were no extra dollars.

Jim Foster, Superintendent of Schools, Plains, and representing the school trustees of Plains, stated there is no way to increase taxes there. The mills shut down two days before Christmas and no one knows if they will reopen. He said the Montana Association of School Administrators also support the bill.

Jess Long, representing the School Administrators of Montana, stated that group passed a resolution in support of this legislation at their convention.

Miles Garrison, representing the Eureka school board and the Stockmen and Cowbelles, urged support of the bill and brought greetings to the committee from the Christmas tree capital of the world.

Hallie Weydimeyer, representing Lincoln County School Board members and the Montana State Grange, (1700 members in 11 western counties) stated the Grange had passed a resolution to keep forest receipt dollars in the local counties.

Thelma Robertson, Toole County Superintendent of Schools and representing the State Association of School Superintendents, urged support of the bill.

Max Smith, representing 40 districts in Powell County and his own district, urged support of the bill. (attachment #6)

Tom Dow, Superintendent of Schools, Alberton, brought greetings from the mill levy capital of the world. He stated this has been done in Idaho and is working very well. He noted the Democratic party platform does agree to this type of legislation. He said his district generates the highest levies in the state. They have lost the railroad and there is a severe decline in forest products, but the school levies still passed. But, he warned, they can't do it anymore - the taxpayers are broke and tired of it. They are not asking for more money, just reallocation on the basis of the county of origin. He further urged total support of the bill and said Mr. Banks, Superintendent of Frenchtown schools and his Board of Trustees asked him to relay their support of the bill also.

Tom Marvin, Mineral County Commissioner, stated he fully supports the bill. The taxable valuation of the county is the basis for services to grow and they are currently at the maximum on both a county and school level. They lack the potential for growth and expansion. The county road fund services a tremendous number of roads and without those funds the county would be totally broke.

Penny Underwood presented attachment #7 to the committee.

Don Waldron, summing up, stated many people and districts in eastern Montana are supportive also. He noted we are dealing with a renewable resource which takes a long time to replace. He said voted levies go into the general fund and the voted levy procedure won't change so that protection still exists. He stated he felt that corrections have been made in the bill suggested by the House and Senate Committee members from last session.

Keith Anderson, Montana Taxpayers Association, urged support of the bill as per the attached #8.

Senator Hafferman, District 11, Lincoln County, stated he supports the bill as this or any future legislature should not be bound by past sessions. They should do what is fair. His county is 75% forest service land and he supports the bill and will vote for it.

OPPONENTS

Dave Lewis, Office of Budget and Program Planning, said he was appearing as a living fiscal note and stated the bill would require \$3 million a year to make up the loss if the bill passes.

Senator Blavlock, District 35, reviewed the history of the foundation program. He stated he was disturbed by the "fooling around" with the vital basis of the foundation program. He pointed out the payment is the same for each elementary child in the state; payments are equalized across all counties. He further stated that, basically, when you take out that 25% you have to make it up in the equalization fund. He felt we are all helping western Montana right now as it is. He said the bill changes the fundamental funding concept by making the rest of the counties subsidize those few. He felt it is taking \$3 million away from the rest of us to support them. He felt that if we make an exception for the forest reserve counties, we will establish a precedent for counties such as Rosebud, Sheridan, and Fallon to ask for exemptions based on Taylor Grazing fees, and oil and gas fees.

Representative Esther Bengston, District 59, stated her surprise at the support of the Montana School Boards Association. She said the bill fractionalizes the equalization principle and fears the eastern Montana counties will want to keep their coal and oil dollars if the bill passes. She stated her district in Shepherd levies 59 mills just for building purposes. She cautioned the committee to look at the long range effects of the bill.

Harold Wenaas, Superintendent of Schools and representing the Board of Trustees, Great Falls, expressed some sympathy for the affected counties but pointed out there will be a \$6 million loss for the biennium. He said they could complain about ill fortune also with the railroad and refinery shutting down and the base cutting back. He said the bill will cost them \$300,000 and results only in piecemealing the foundation program. He warned the oil and gas fees and even the Taylor Grazing fees could be next.

Gary Holmes, Superintendent of Schools, Box Elder, stated he was concerned about the increased taxation that would result in his district if the bill passed. He supported Senator Blaylock's opposition to the bill.

Senator McCallum closed by pointing out there will be a \$45 million reversion after this biennium which would adequately cover the \$3 million. He stated he wished all the oil and gas funds would go into the foundation program, but they go into the general fund and that does help relieve the tax burden of the counties. He further pointed out that some of the western Montana schools are having to cut back to the level of 25 years ago. 25 mills is 25 mills to everyone, he said, and there are poor counties on the east side of the state, too. He again pointed out they are putting forest receipt funds into the foundation program and that is being sent to all counties in the state. In turn, that amount is being deducted from what is returned to them by OPI. He felt the bill is legally and morally right and urged the committee's support.

There being no further proponents or opponents, the hearing was closed after some short discussion by the committee members.

There being no further business, the meeting adjourned to reconvene Wednesday, January 14, at 1:00 p.m.



Senator Bob Brown, Chairman

ROLL CALL

SENATE EDUCATION COMMITTEE

47th LEGISLATIVE SESSION - - 1981

Date 1/1/17

Each day attach to minutes.

SENATE EDUCATION COMMITTEE

January 9, 1981

Information Sheet
Senate Bills 23 and 67

SENATE BILL 67 - JOHNSON

This bill would allow trustees of a school district to direct the county treasurer to invest school district money in direct obligations of the U.S. government (Treasury bonds) if such an investment would be advantageous to the district. Currently, district money may only be invested in savings or time deposits in banks or savings and loan associations located within the county; only districts located in counties with no such bank or savings and loan association are allowed to invest in such government bonds at this time.

SENATE BILL 23 - McCALLUM

This bill amends sections 17-3-213 and 20-9-331, MCA, pertaining to the allocation of Federal Forest Reserve funds to the foundation program. Currently, 33 1/3% of the total sum of Forest Reserve funds allocated to each county is in turn deposited in the county share of the foundation program and disbursed across the state. Under the proposed bill, this money would remain in the county to be allocated to various county-wide school levies: the high school transportation fund, and the elementary and high school teacher retirement and social security fund.

SENATE ~~SELECT COMMITTEE~~ COMMITTEE

46 BILL 67, 25

VISITORS' REGISTER

DATE 1/9/81

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY

At a time when the cost of education is rising, and taxpayers are being called upon to make the tough choice between higher taxes and quality education for their children, I feel we must make every effort possible to expand the non-tax revenue sources for our schools. Any success we might have in this regard should serve to lighten the tax burden presently borne by local property taxpayers.

The bill you have before you today is a step in that direction. My bill proposes to enhance our school districts' ability to generate additional non-tax revenue through the interest earned on accumulated tax receipts over the course of the fiscal year.

As mill levy limits are reached and special levies are voted down, our schools must be given the flexibility to maximize their non-tax revenue potential. This bill does just that.

By granting local school districts the power to enhance their investment programs by allowing them to invest in direct obligation bonds of the U. S. Government, we conservatively estimate that the elementary school district in Missoula itself will generate between \$30,000 and \$40,000 in non-tax revenue as interest income.

This projection and, indeed, this bill are based on the actual experience of the investment program currently in operation for Missoula County government. In 1978, Missoula County earned \$630,000 through its investment program. In 1979, they earned over one million dollars. While a portion of the increase was attributed to higher interest rates on time deposits, over \$240,000 of the increase was still directly attributed to the County's investment in U. S. Treasury notes through repurchase agreements with local banks. The program is working well for County government and the same success could also be enjoyed by our local school districts.

The current State statute which this bill seeks to amend, already recognizes investments in direct obligation bonds as an investment alternative for school districts. However, it does so only in the event that no banks exist in the County where the school district is located. This provision is ludicrous, in that it is primarily in the larger counties, which undoubtedly have banks, that the school's investment pool is large enough to generate significant revenue through this type of investment.

At the risk of oversimplifying the issue, I would like to sum up my support for this bill by saying it represents a small, but significant, step, in helping the school districts to help themselves.

NAME: John R. Campbell DATE: 1/9/81

ADDRESS: 11 Gleason, MT

PHONE: 447-5773

REPRESENTING WHOM? Helen School Dist.

APPEARING ON WHICH PROPOSAL: S.B. 67

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: *None*

SB 67

NAME: BOB REIGUAM DATE: 1-9-81

ADDRESS: Miles City

PHONE: 232-1610

REPRESENTING WHOM? Morten Barker Assoc.

APPEARING ON WHICH PROPOSAL: *SR 67*

DO YOU: SUPPORT? AMEND? OPPOSE? X

COMMENTS: *None*

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Don Waldron DATE: 1/9/81

ADDRESS: 111 East Seneca Bldg.

PHONE: 293-6204 Ext 201

REPRESENTING WHCM? Libby Public School

APPEARING ON WHICH PROPOSAL: Snow Bell #23

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS:

I will present oral + written
testimony -

FEDERAL LAW: NATIONAL FOREST FUNDS

16 USCS-500

:500. PAYMENT AND EVALUATION OF RECEIPTS TO STATE FOR SCHOOLS AND ROADS: MONEYS RECEIVED: PROJECTIONS OF REVENUES AND ESTIMATED PAYMENTS

On and after May 23, 1908, twenty-five percentum of all moneys received during any fiscal year from each national forest shall be paid, at the end of such year, by the Secretary of the Treasury to the State in which such national forest is situated, to be expended as the State Legislature may prescribe for the benefit of the public schools and public roads of the county or counties in which such national forest is situated:*

PROVIDED, that when any national forest is in more than on State or county, the distributive share to each from the proceeds of such forest shall be proportional to its area therein. In sales of logs, ties, poles, posts, cordwood, pulpwood, and other forest products the amounts made available for schools and roads by this section shall be based upon the stumpage value of the timber. Beginning October 1, 1976, the term.....

* Emphasis added

PAYMENTS TO COUNTIES IN MONTANA FROM THE NATIONAL FOREST FUND
FISCAL YEAR 1980

<u>COUNTY</u>	<u>TOTAL NATIONAL FOREST FUND RECEIPTS</u>	<u>2/3 To Roads</u>	<u>1/3 To Schools</u>
BEAVERHEAD	126,800.67	84,533.78	42,266.89
BROADWATER	14,069.04	9,379.36	4,689.68
CARVON	32,317.11	21,544.74	10,772.37
CARTER	9,340.16	6,226.78	3,113.38
CASCADE	10,336.63	6,891.09	3,445.54
CHOUTEAU	1,864.78	1,243.19	621.59
DEER LODGE	25,285.19	16,856.80	8,428.39
FERGUS	5,405.82	3,603.88	1,801.94
FLATHEAD	1,669,791.27	1,113,194.18	556,597.09
GALLATIN	65,000.27	43,333.52	21,666.75
GLACIER	1,475.55	983.70	491.85
GOLDEN VALLEY	1,378.75	919.17	459.58
GRANITE	218,680.38	145,786.92	72,893.46
JEFFERSON	77,411.93	51,607.96	25,803.97
JUDITH BASIN	17,073.35	11,382.24	5,691.11
LAKE	144,746.86	96,497.91	48,248.95
LEWIS & CLARK	141,424.87	94,283.25	47,141.62
LINCOLN	2,459,422.61	1,639,615.08	819,807.53
MADISON	79,475.25	52,983.50	26,491.75
MEAGHER	27,078.39	18,052.26	9,026.13
MINERAL	384,667.97	256,445.32	128,222.65
MISSOULA	444,132.86	296,088.58	148,044.28
PARK	84,973.90	56,649.27	28,324.63
MONDERRA	6,218.29	4,145.53	2,072.76
POWDER RIVER	35,557.28	23,704.86	11,852.42
POWELL	347,399.03	231,599.36	115,799.67
RAVALLI	336,207.39	244,138.26	112,069.13
ROSEBUD	10,011.95	6,674.64	3,337.31
SANDERS	708,126.04	472,084.03	236,042.01
SILVER BOW	33,871.36	22,580.91	11,290.45
STILLWATER	19,466.61	12,977.74	6,488.87
SWEET GRASS	29,237.69	18,825.13	9,412.56
TETON	19,718.88	9,145.92	4,572.96
WHEATLAND	3,855.40	2,570.27	1,285.13
TOTAL COUNTIES 34	7,584,826.83	5,056,552.43	2,528,274.40

LIBBY PUBLIC SCHOOLS

111 EAST MONTANA BLVD.
LIBBY, MONTANA 59923

406-293-6204

December 24, 1980

Dear Legislator:

Enclosed you will find a copy of Senate Bill 23, "An Act Revising The Allocation of Federal Forest Reserve Money to School Districts". At the end of this Bill we have included our basic rationale for the introduction of the Bill.

Forest funds are derived from the sale of forest products including logs, ties, poles, and pulpwood. Presently 25% of the monies received each year is paid to the state in accordance with Federal Law 16-USCS-510. The State Laws 17-3-211, 17-3-212, and 17-5-213, give 66-2/3% of the money to the general road fund in the counties and 33-1/3% to the common school fund. What happens to all counties like Lincoln County is that the state subtracts the 33-1/3% from their foundation program entitlement.

Counties such as ours, where 73% of the land is owned by the Federal Government, do not receive any more tax relief than a county having only 1% ownership held by the Federal Government. Forest products are a renewable resource and should have a taxable return the same as any other crop land that is privately owned. Senate Bill 23 is asking that the state law be changed in order to give property tax relief to the counties where the forest lands are situated, as the Federal Law intended. The Federal Law states that this money is"to be expended as the State Legislature may prescribe for the benefit of the public schools and public roads of the county or counties in which such national forest is situated..."

The intent of this Bill is to use the money to reduce county-wide school levies, elementary and high school teacher retirement, social security, and high school transportation. It is not to be used in the district general fund. Our district voters will still be required to vote the special levies for our general fund.

We have support from state-wide groups such as County Superintendents, County Commissioners, School Boards Associations, and all the educational groups within the School Administrators of Montana.

Enclosed you will find a copy of Senate Bill 23, a list of counties and the money collected from their forest, and a copy of the Federal Law.

Please call or write if you have any questions or need any additional information.

DONALD R. WALDRON *DRW*
Assistant Superintendent
Libby Public Schools
Libby, Montana 59923
(406) 293-6204 Ext. 201

PENNY UNDERWOOD *PU*
Lincoln County Superintendent of Schools
418 Mineral Ave.
Libby, Montana 59923
(406) 293-7781, Ext. 250

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

PAYMENTS TO COUNTIES IN MONTANA FROM THE NATIONAL FOREST FUND
FISCAL YEAR 1980

<u>COUNTY</u>	<u>TOTAL NATIONAL FOREST FUND RECEIPTS</u>	<u>2/3 To Roads</u>	<u>1/3 To Schools</u>
BEAVERHEAD	126,800.67	84,533.78	42,266.89 2.35%
BROADWATER	14,069.04	9,379.36	4,689.68 .41%
CARVON	32,317.11	21,544.74	10,772.37 .45%
CARTER	9,340.16	6,226.78	3,113.38 .33%
CASCADE	10,336.63	6,891.09	3,445.54 .031
CHOUTEAU	1,864.78	1,243.19	621.59 .021
DEER LODGE	25,285.19	16,856.80	8,428.39 .49%
FERGUS	5,405.82	3,603.88	1,801.94 .07%
FLATHEAD	1,669,791.27	1,113,194.18	556,597.09 6.93%
GALLATIN	65,000.27	43,333.52	21,666.75 .36%
GLACIER	1,475.55	983.70	491.85 .011
GOLDEN VALLEY	1,378.75	919.17	459.58 .098
GRANITE	218,680.38	145,786.92	72,893.46 11.97%
JEFFERSON	77,411.93	51,607.96	25,803.97 2.71%
JUDITH BASIN	17,073.35	11,382.24	5,691.11 .33%
LAKE	144,746.86	96,497.91	48,248.95 1.70%
MISS & CLARK	141,424.87	94,283.25	47,141.62 .79%
LINCOLN	2,459,422.61	1,639,615.08	819,807.53 27.44%
MADISON	79,475.25	52,983.50	26,491.75 1.46%
MEAGHER	27,078.39	18,052.26	9,026.13 1.43%
MINERAL	384,667.97	256,445.32	128,222.65 26.23%
MISSOULA	444,132.86	296,088.58	148,044.28 1.14%
PARK	84,973.90	56,649.27	28,324.63 1.48%
MONDERRA	6,218.29	4,145.53	2,072.76 .09%
POWDER RIVER	35,557.28	23,704.86	11,852.42 .23%
POWELL	347,399.03	231,599.36	115,799.67 4.12%
RAVALLI	336,207.39	244,138.26	112,069.13 4.45%
ROSEBUD	10,011.95	6,674.64	3,337.31 .033
SANDERS	708,124.04	472,084.03	236,642.01 12.11%
SILVER BOW	33,871.36	22,580.91	11,290.45 .20%
STILLWATER	19,466.61	12,977.74	6,488.87 .43%
SWEET GRASS	28,237.69	18,825.13	9,412.56 1.40%
TETON	13,718.88	9,145.92	4,572.96 .24%
WHEATLAND	3,855.40	2,570.27	1,285.13 .25%
TOTAL COUNTIES 34	7,584,826.83	5,056,552.43	2,528,274.40

LINCOLN COUNTY TAX LEVIES 1930-31

COUNTY FUNDS		ASSESSMENTS:	
General	3,054	County Relief.....	20.35
Pearl	9,291	Seasonal.....	10.20
Fair	1,500	Troy T.V.....	10.00
Airport	.634	Lake Crook T.V.	.00
District Court	5,000	Troy High School.....	51.970
Weld	.465	Lobby High School.....	38.240
Library	3,000	Lincoln Co. High School.....	33.520
County Planning	.726		
St. Catharines	1,000		
Extension Service	1,168	SCHOOL DISTRICT LEVIES (Including High School)	
	25.838	No. 1 Troy.....	155.110
		No. 2 Kaocanusa.....	81.110
		No. 4 Libby.....	103.220
		No. 4A Manicou.....	103.220
		No. 4B Warland.....	100.470
		No. 13 Eureka.....	77.090
		No. 13A Iowa Flats & Glantako.....	73.400
		No. 14 Fortinu.....	70.510
		No. 15 Canival.....	65.020
		No. 23 Sylvanito.....	97.930
		No. 24 Yaak.....	79.640
		No. 53 Trugo.....	72.070
		TOTAL LEVIES:	
		All include County, State, School and one of the school district levies plus any other applicable	
		5.650	
STATE WIDE SCHOOL LEVIES:			
University Millage	25.000	No. 1 Troy Out.....	255.219
Community School Portion	2.000	No. 1F Troy (Fire).....	260.570
High School Portion	No. 11 Troy In.....	323.758
		No. 2 Kaocanusa or Roxford.....	194.656
		No. 4 Libby Out.....	222.279
		No. 4-1 Libby In.....	279.606
		No. 4A Manicou.....	203.378
		No. 4B Warland.....	200.648
		No. 4B Warland (Hosp. Bond).....	211.745
		No. 4F Libby Out (Fire).....	200.330
		No. 13 Eureka (No Bond).....	129.299
		No. 13 Eureka (With Bond).....	190.616
		No. 13A Iowa Flats & Glan Loko.....	166.929
		No. 14 Fortinu.....	102.005
		No. 15 Canival.....	185.190
		No. 15F Currit (Fire).....	170.480
		No. 15MF McCormick (Fire).....	194.679
		No. 23 Sylvanito.....	193.123
		No. 24 Yaak.....	179.010
		No. 24B Yaak (Hosp. Bond).....	191.135
		No. 53 Trugo.....	183.555

To figure the mills the Forest Funds could be saving, take :

1/3 to county schools + taxable valuation county

equals the county mills saved.

COUNTY WIDE SCHOOL LEVIES:

In Lincoln County the 1930-31 figures would show a savings of:

$$1,120,736.98 - 29,383.585 = 38.14 \text{ mills}$$

COUNTY WIDE SCHOOL LEVIES:
All include County, State, School and
one of the school district levies
plus any other applicable

5.650

COUNTRY WIDE SCHOOL LEVIES:			
General School	25.000	No. 2 Kaocanusa or Roxford.....	194.656
High School	15.000	No. 4 Libby Out.....	222.279
High School Transportation	3.360	No. 4-1 Libby In.....	279.606
Item. Teach. Ret. & Soc. Sec.	10.370	No. 4A Manicou.....	203.378
H.S. Teach. Ret. & Soc. Sec.	6.960	No. 4B Warland.....	200.648
	6.960	No. 4B Warland (Hosp. Bond).....	211.745
	6.960	No. 4F Libby Out (Fire).....	200.330
	6.960	No. 13 Eureka (No Bond).....	129.299
	6.960	No. 13 Eureka (With Bond).....	190.616
	6.960	No. 13A Iowa Flats & Glan Loko.....	166.929
	6.960	No. 14 Fortinu.....	102.005
	6.960	No. 15 Canival.....	185.190
	6.960	No. 15F Currit (Fire).....	170.480
	6.960	No. 15MF McCormick (Fire).....	194.679
	6.960	No. 23 Sylvanito.....	193.123
	6.960	No. 24 Yaak.....	179.010
	6.960	No. 24B Yaak (Hosp. Bond).....	191.135
	6.960	No. 53 Trugo.....	183.555

Suggested new law would reduce circled levies.
Balance would be retained in reserves for
future low years

JIM KOKE

DATE: 1-9-81

ADDRESS: Box 400 SUPERIOR MONT.

PHONE: 825-4851

REPRESENTING WHOM? School Dist. No. 3

APPEARING ON WHICH PROPOSAL: SB 23

X YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

ME: Gene A. Ostwald DATE: 1-11-81

ADDRESS: Bx 129 Thompson Falls

PHONE: 807-3561

REPRESENTING WHOM? Sch. Dist. # 2 Sanders Co. Commission $\frac{\$}{\$} \neq 10$

APPEARING ON WHICH PROPOSAL: S.B. 23

DO YOU: SUPPORT? X AMEND? _____ OPPOSE? _____

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Larry Huss DATE: 1-9-81

DATE: 1-9-81

ADDRESS: Bx 5141, 111 Last Chance Gulch Helena

PHONE: 442-8070

REPRESENTING WHOM? MONTAX

APPEARING ON WHICH PROPOSAL: SB 23

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

AM 3: 1:45 P.M. 8/20/14 DATE: 1-9-31

ADDRESS: 30 X 404 14 ELM ST

PHONE: 402-298-6

REPRESENTING WHOM? John C. Gaskin

APPEARING ON WHICH PROPOSAL: SB 23

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? _____

COMMENTS:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Mike Stephen DATE: 9 Jan 81

ADDRESS: 31502 11th Ave. Hobson

PHONE: 442-5209

REPRESENTING WHOM? Mr. President of Convention

APPEARING ON WHICH PROPOSAL: SB 23

DO YOU: SUPPORT? X AMEND? _____ OPPOSE? _____

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Wilda Jenson DATE: Jan. 9, 1981

ADDRESS: Box 292 Choteau, Mont. 59422

PHONE: 466-5310

REPRESENTING WHOM? County Superintendent

APPEARING ON WHICH PROPOSAL: SB 23

DO YOU: SUPPORT? X AMEND? _____ OPPOSE? _____

COMMENTS: I taught in the Foy schools for 3 years at a crucial time in their growth prior to building of the dam. I am very familiar with the problems of the east side of the mountains in Lewis County where we have limited forest money for the schools.

NAME: Jim Foster DATE: 1-10-81

ADDRESS: Box 935

PHONE: 826-3666

REPRESENTING WHOM? Montana Association of School Administrators
Plains Public Schools

APPEARING ON WHICH PROPOSAL: SB 23

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

George W. Long

DATE: 1/9/81

DRESS: 501 W. Gardner

ONE: 442 - 2510

PRESENTING WHOM? State Admin. of Montana

BEARING ON WHICH PROPOSAL: SB 23

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: The bill changes Montana law
in a way contrary to the intent of the amendment.
The 1980 amendment intended to support
SR 22.

DO NOT LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Niles Garrison DATE: 1-9-81

ADDRESS: RR#1 Box 86

PHONE: 889-3829

- REPRESENTING WHOM? Lewis Co. High School
Erica

■ APPEARING ON WHICH PROPOSAL: SB 23

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Nellie Weyderteyer DATE: 1-9-81

ADDRESS: Box 77 Fairview Mt 59918

PHONE: 882-4653

REPRESENTING WHOM? Montana State Grange
Lincoln Co. High School
Taxpayer

APPEARING ON WHICH PROPOSAL: S.B.23

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: Montana State Grange
at their state convention last
year adopted a resolution
to support legislation on
this order.

I am Educ. Chairman for
Montana State Grange
and a delegate to Montana State
School Board Assoc representing
Lincoln County.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Velma Robertson DATE: January 8, 1981

ADDRESS: Sherry, Montana

PHONE: 450-3112

REPRESENTING WHOM? County Dept. of School Association

APPEARING ON WHICH PROPOSAL: SB 33

DO YOU: SUPPORT? X AMEND? _____ OPPOSE? _____

COMMENTS: _____

I am representing Montana County
Dept. Association in concerning Senator
Bill 33.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Mark Smith DATE: June 14, 1981

ADDRESS: P O Box 345 Ekalaka Montana 59128

PHONE: 492-7780

REPRESENTING WHOM? Dist. 27 & small schools, Powell County

APPEARING ON WHICH PROPOSAL: _____

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? _____

COMMENTS: No & against contents of pro-
posals - interested in funding for the
desertion program detail land
money distribution

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

6
TO ALL MEMBERS OF THE EDUCATION COMMITTEE OF THE 1981 LEGISLATURE:

Funding for the rural schools is a serious problem. Due to decreasing enrollments and increasing inflation, especially in the area of utilities, drastic changes in funding of the Foundation Program will have to be made for schools to maintain programs at the present level. The drop in enrollment does not mean that we are able to change the facilities that are required. The cost of heating the building remains practically the same. That cost will always be there even with a drop in enrollment.

There is no stable base to determine proper funding. Taxable valuations differ drastically in just a 9 mile radius. You go from agricultural land with a valuation of \$1,977.60 representing one mill to a district with a lot of state and federally controlled lands where one mill will only raise approximately \$590.02. It is not fair that a district be penalized in the area of taxable valuations just because of the state and federally owned lands. A new method of distributing monies from state and federal lands through each individual district should be considered.

The Foundation Program provides a certain per cent in the funding. But each year the figures must be supplemented by special levy elections all over the State, which in many cases do not adequately cover all the needs of each district.

Dated this 5th day of January, 1981.

Robert F. Johnston

Robert F. Johnston, County Superintendent of Schools -- Powell County

District No. 11 -- Swando, Montana

Barbara Dillree Barbara Dillree

Ross Briebe Ross Briebe

David Bertelsen David Bertelsen

District No. 20 - Garrison, Montana

Marlin Gilman Marlin Gilman

William Murphy William Murphy

Don B. Wimberly, Jr. Don B. Wimberly, Jr.

District No. 29 - Avon, Montana

James Senecal James Senecal

James Quigley James Quigley

Gary Malsam Gary Malsam

These following signatures are signed and witnessed to the above signatures.

Elmer Weaver Elmer Weaver

Gerald Bignell Gerald Bignell

Jay Stitt Jay Stitt

District No. 27 - Elliston, Montana

Ron Cato Ron Cato

Tom Reed Tom Reed

Max Smith Max Smith

District No. 33 - Gold Creek, Montana

Judy Hogan Judy Hogan

Dolores Hollenbeck Dolores Hollenbeck

Joe Wohlers Joe Wohlers

District 27 - Elliston is facing severe problems for the 1981-82 school year. The 1980-81 budget was \$71,934.00. This is based on a year end enrollment and ANB (average number belonging) of 57 students. \$36,000.00 of this budget is teacher's salaries alone.

The projected budget for 1981-82 will be based on a current enrollment of 35 students. Our ANB may reach 37 or 38 because of the 7 PIR days that are included as days attended. This budget figure would then be \$36,607.00. This is only \$607.00 more than teacher's salaries this year. Estimated enrollment next year will be 35. We have 3 teachers. The sacrifices that will have to be made are as follows:

- No raises for teachers - salaries will be frozen
- 2 teacher aides will not return to their jobs
- Janitors salary will be cut by 1/3
- School Clerk's salary will be cut by 2/3
- School Lunch Program will cancelled
- School Cook will be dismissed
- School lunch supervisor/bookkeeper job will be ended.
- There will be no money for supplies. Any supplies needed for next year somehow will have to come from money we now have for this year.
- No money for books - any purchases for the next year will come from this year's budget.
- No money for remodeling, new equipment, improvements, clerical supplies or replacement and parts for proper upkeep of the school building.

If only 2 teachers are employed and we have 35 students this results in over-load and too much responsibility for a teacher to do a good job. One mill would bring approximately \$590.92. The most the community could stand would be 10 mills maximum which would bring approximately \$5,500.00.

We have a good school. We teach first through eighth grade and provide quality education. We meet all the standards set forth on the state and federal levels. We provide special services for those that qualify. We do not provide 'frills' but a good basic background in education and we maintain the school for one year on a very small amount. We are not asking for extra dollars -- we are asking for a base amount to be established so that all rural schools can be more secure. It is very difficult to establish budgets and do all the necessary financial work when you work with unknown figures, never knowing what the Foundation Program will bring.

If we had only 10 - 20 or so students, several rooms or 2 or 3, the building, all the school just still be maintained, heated and other utilities provided.

NAME: Tom Marvin DATE: 1/9/81

ADDRESS: Box 246, ALBERTON, MT

PHONE: 722 4937

REPRESENTING WHOM? Mirival County

APPEARING ON WHICH PROPOSAL: 23

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

BOARD OF COUNTY COMMISSIONERS

LINCOLN COUNTY

DISTRICT NO. 1, LIBBY
JIM R. MOREY

DISTRICT NO. 2, TROY
R. W. LINDSEY

DISTRICT NO. 3, EUREKA
BILL GOULD

CLERK OF THE BOARD AND COUNTY RECORDER, ELEANOR L. VAUGHN

January 7, 1981

The Honorable Bob Brown
State Senator
State Capitol
Helena, Montana 59601

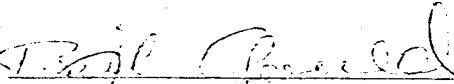
Dear Senator Brown:

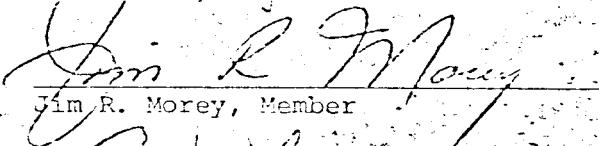
We wish to express our strong support for SB 23 being introduced by Senator George McCallum. We feel this bill will bring Montana's distribution of forest reserve money into agreement with the intent of the Federal Law and correct a long-standing injustice done to School Districts in 34 Counties entitled to forest reserve money.

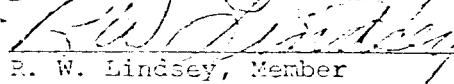
Prior commitments prevent us from testifying at the Senate Education Committee Hearing on January 9, 1981, but we would be happy to discuss this bill with you and other legislators or answer any questions you may have.

Sincerely yours,

The Board of Lincoln County Commissioners


Bill Gould, Chairman


Jim R. Morey, Member


R. W. Lindsey, Member

BS/vih

NAME: S. Keith Anderson DATE: 1/19/81

ADDRESS: 1825 Golden Ave

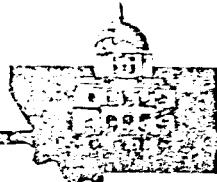
PHONE: 442-2130

REPRESENTING WHOM? Montana Taxpayers Assn.

APPEARING ON WHICH PROPOSAL: S.B. 23

DO YOU: SUPPORT? AMEND? OPPOSE?

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.



MONTANA TAXPAYERS ASSOCIATION

P. O. BOX 4909

1106 N. NINTH AVE

HELENA, MONTANA 59601

4 6 442-2130

January 9, 1981

Re: Senate Bill 23

By: S. Keith Anderson, President 
Montana Taxpayers Association

Senate Bill 23 would allocate federal forest reserve money received by certain Montana counties to reduce countywide high school transportation mill levies and countywide teachers retirement mill levy obligations. This would give proportionate property tax relief to each property owner in the county therefore utilizing federal forest funds for financing public school purposes within the receiving counties.

The obvious intent of the reimbursement is to offset the lack of tax base and adverse economic impact of having federal lands in the counties. Such adverse impact could be offset by Senate Bill 23 as it would give the people living in the county tax relief.

It should be pointed out that public school taxes are only one part of the tax burden and a great many impacted counties suffer from high county purpose levies besides assuming public school levies. Tax reduction through this bill would be a significant factor in the overall taxing picture of a given county.

Under present law forest funds might as well be sent directly to the earmarked public school fund in Helena for all the good the forest money does the receiving counties. An analysis of the general fund revenues worksheet as prepared by the county superintendents shows that forest funds are treated in the same manner as cash reappropriated and act to reduce the state's share of state equalization funding for the county. For example in Sanders County the county superintendent has indicated \$287,772 in forest funds as county revenue. This amount therefore saves the state \$287,772 in equalization funds to that county. As an end result the county receives absolutely no tax benefit from that amount but rather the benefit is spread throughout the State of Montana including those counties that have absolutely no forest lands.

This bill would, in our opinion, follow the intent of the law in reimbursing those counties having a depleted property tax base because of varying amounts of federal lands. Senate Bill 23 is a logical approach to accomplishing the intent of the act providing for these funds in the first place.

NAME: Senator William F. Hafner ^{STATE:} _____

ADDRESS: Rte 3 Box 1274 Libby mt

PHONE: 442 4814 - 293-4825

REPRESENTING WHOM? Lincoln County

APPEARING ON WHICH PROPOSAL: S. B. 23

DO YOU: SUPPORT? AMEND? _____ OPPOSE? _____

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Dave Lewis DATE: 1-10-81

ADDRESS: Office of Budget & Program Planning

PHONE: _____

REPRESENTING WHOM? OBPP

APPEARING ON WHICH PROPOSAL: SB 23

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? X

COMMENTS: Because I intend to discuss the fiscal impact on the state foundation programs

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Rep. Esther G. Bington DATE: Jan 9, 1981

ADDRESS: Stephens Mtn.

PHONE: 442-4633 - 373-5742

REPRESENTING WHOM? H.D. 59

APPEARING ON WHICH PROPOSAL: 58-23

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? _____

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Harold Wernos DATE: 1-9-81

DATE: 1-9-81

ADDRESS: 601-52 m² H. & S. K. Tels, Int. 59405

PHONE: 454-3837

REPRESENTING WHOM? H. Falls Public Schools.

APPEARING ON WHICH PROPOSAL: A. B. 23

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: James Hill DATE: 1-9-81

ADDRESS: 122 Elder St

PHONE: 552-1955

REPRESENTING WHOM? By Elder Patti Scholz

APPEARING ON WHICH PROPOSAL: 23

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: *None*

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Jeff DePree DATE: 1/9/81

ADDRESS: Box 335, Alberon, MT. 59820

PHONE: 722-3381 or 722-4985

REPRESENTING WHOM? H. School Dist. #2, Colinton, mt.

APPEARING ON WHICH PROPOSAL: SB 23

DO YOU: SUPPORT? X AMEND? _____ OPPOSE? _____

COMMENTS:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

JOHN MUSTER, COMMISSIONER

NORMAN E. PESLER, COMMISSIONER

ROY M. DELONG, COMMISSIONER

DIXIE VAUGHT
CLERK & RECORDER

JUNE M. THAYER
TREASURER

PATRICIA N. ELDRIDGE
ASSESSOR

ARNOLD D. SCOTT
SUPT. OF SCHOOLS

LAWRENCE J. McCARTHY
SURVEYOR



Thompson Falls, Montana 59873

CAROL THOMAS
CLERK DISTRICT COURT

CLAUDE I. BURLINGAME
ATTORNEY

HARVEY E. SHULTZ
SHERIFF

DIANE K. FRANKE
ADMINISTRATOR

C. E. ROSDAHL
CORONER

January 8, 1981

Senator George McCallum
The Senate
Helena, Montana 59601

Dear George:

We, the Sanders County Commissioners, do strongly support Senate Bill 23 which contains legislation providing that each county school system receive that amount of Forest Service Receipts money which is generated within its boundaries.

We thank you for your consideration in this matter.

Sincerely,

J. M. Muster
John Muster, Chairman
Board of County Commissioners

JM:pah