

HOUSE EDUCATION COMMITTEE MINUTES

February 2, 1983

The meeting was called to order by Chairman Fritz Daily in the Social Rehabilitation Services Auditorium, at 12:00 p.m., with all members present.

Chairman Daily opened the meeting to a hearing on House Bills: 422, 544, 204, and 590.

HOUSE BILL 422

REPRESENTATIVE RAY PECK, District 8, Havre, opened by saying ladies and gentlemen and members of the committee, this bill was requested by the Business Management and Clerks Association of the State of Montana. It is based on the possibility that someone may challenge the special levy if the law is not changed. It is a simple matter to make that change. Rather than specifying specific times for the preliminary budget considerations, we are saying that it should be at any time from February 1 through the fourth Monday in June, at the discretion of the Board of Trustees. If you are going to vote a special levy at the time of the school trustees election in April, you ought to have to develop a preliminary budget prior to that. The current law is really putting it after that date, and the business managers and clerks think there could be a possible legal challenge if they are not authorized to develop the preliminary budget prior to the vote on it.

PROPOSERS

ROBERT L. LAUMEYER, Superintendent, Boulder Public Schools, District 7, said this would allow the public greater input when the real budget work is being done. It would make honest workmen out of what many of us are doing. There is no way we can run a special levy without having a pre-preliminary budget. It does save money.

JOHN C. CAMPBELL, Montana School Business Officials Association, said most school districts have to preliminarily adopt their budgets in the months of February and March, in order to adopt special levy amounts. We are not breaking the law, we are still having the preliminary budget meetings on the fourth Monday in June. Rather than having this meeting, why not do it when the action is happening, in the months of February and March, when the boards are establishing the budgets in order to establish their voted levy. This bill does not delete the involvement of the public, it takes the requirement from the county superintendent and puts it on the Board of Trustees to give at least a two-week notice before they have that preliminary budget meeting. This bill does not delete the requirement to have a final budget adoption on the fourth Monday in June.

HOUSE EDUCATION COMMITTEE MINUTES
February 2, 1983, page 2

WAYNE BUCHANAN, Montana School Board Association, said we have been aware of this problem for some time, and have hesitated to recommend changes. Whenever we try to change regular hearings from the date set by law, we run into the difficulty of the people suggesting we are trying to hide something. School districts have not been breaking the law, but it does limit the kind of input the public can give. Levies have already been set in accord with the budget. This change would make it easier for the public to put real input into these budgets.

Rep. Peck closed.

There were no questions from committee.

HOUSE BILL 544

REPRESENTATIVE RAY PECK, District 8, Havre, said we have a number of proposals. Mine is a 12 and 12. There is a 9 and 9, a 6 and 6, a 4 and 3, a 2 and 4, and a 0 and 0. Mine would cost approximately 78 million dollars, the 6 and 6, 47 million dollars, the 4 and 3, 35 million dollars, and the 0 and 0 somewhere in the vicinity of 8 or 9 million dollars. Since the publicity on this legislation has gone on, I have had a number of contacts from school people. High school enrollment is still declining. Elementary enrollment is stabilizing, possibly coming back slightly. These people have suggested that the committee consider the idea of having the secondary schedules increased more than the elementary. I don't have a response to the question, where are you going to get the money? I challenge any man in the state government or in the state legislature to have a response that would be definitive at this point in time. I don't think anybody knows where we are going to get a specific amount to fund any level. Through the session, there will be laws passed making some changes that hopefully will make some money available. I am serious about the 12 and 12. I think it is the responsibility of the State of Montana to provide for education. When we talk about free, appropriate, quality education, those are key words and they are the responsibility of all of us, primarily members of the legislature, but also the responsibility of all citizens. If we do not do so, we are not meeting our responsibility constitutionally and otherwise. To not do so will make a tremendous increase on the local taxpayer at the local level. Right now we are running close to the 30 percent of the funds on the local levies for public schools. I am sure you realize that you can't cut budgets 30 percent in this day and age by those special levies. To not do so will threaten the basic vital function that we call education. I don't think there is any man that will stand and say that this is not vital to the nation and to this state. To not do so will increase the tension among various school groups

HOUSE EDUCATION COMMITTEE MINUTES
February 2, 1983, page 3

at all levels of education. We know that the colleges have funding problems, we know that the post secondary vocational centers have these concerns, we know that elementary, secondary, and special education have these concerns. If we do not fund the public schools adequately, those groups are just going to be in a contest with each other to secure the money they need. I believe that to not do so would be contrary to the will of the people of Montana. Having served 32 years in the public school system, I have never been in a system where a levy was voted down. I think that the people of Montana support education. I don't think you can expect the property taxpayers to continue the burden they have had. This was clearly delineated last legislative session with the increases given. To not do so would be a clear failure to meet our constitutional responsibilities. The foundation program was started in 1949, There are a number of developmental programs that have gone through since that time. The foundation program is a sound approach to education problems only as long as it is funded from the state level properly. Contribution must be made to keep that system sound. I think 12 and 12 is the appropriate figure, however I am a practical man, and I know in a general way what the financial situation of this legislature is. I am not going to say to you that we are going to be able to fund this program at 12 and 12. We should fund it at 12 and 12 because our responsibility is at 12 and 12, and I hope we can do so. I have a lot of respect for the people in the House of Representatives. They are vitally concerned on both sides of the aisle about the educational future of the next 10 years for the children of Montana. I know we will do the best we can with this problem.

HOUSE BILL 204

REPRESENTATIVE GENE DONALDSON, District 29, Helena, said House Bill 204 calls for a 9 and 9 increase. It is vitally important for school districts to know early in the year what funding they can expect from the state government. Historically, the legislature has left funding to the last. The 9 and 9 proposal I have set forth only nets about 6 and 6. On the average, across the State of Montana, one third of the total set funds of school districts are funded by voted levies, and since the foundation program we are talking about today only covers about two thirds of the cost, the 9 and 9 nets out to about 6 and 6. Anything less than the 9 and 9 means increases at the local levels. The school foundation program is fundamental and must be funded properly. I urge the committee to deal with this issue quickly, so the local schools will know where they stand.

HOUSE BILL 590

HOUSE EDUCATION COMMITTEE MINUTES
February 2, 1983, page 4

REPRESENTATIVE TED NEUMAN, District 33, Vaughn, presented the committee with copies of his opening address. (see exhibit 1)

PROPOSERS to House Bills: 544, 204, or 590.

ED ARGENBRIGHT, Superintendent of Public Instruction, said my purpose is to dramatize the importance of the funding program and the need for a strong state commitment. It is important that the foundation program be funded, that it be funded at the 9 and 9 level, and that we handle the program early on in the session. Historically, the idea has been that the people back home will vote extra levies. I don't believe we can depend on this concept again in 1980. The economy is something we have to be concerned with. I urge quick action, and I believe the 9 and 9 proposal is a reasonable, prudent bill.

WILLIAM MILLIGAN, Superintendent, Butte Public Schools, presented the committee with a prepared statement. (see exhibit 2)

DARLENE MEDDOCK, Montana School Board Association, said education has to be a priority if we are to alleviate some of our unemployment and social ills. Great Falls continues to experience a declining enrollment. The loss of 300 students and the rising costs of utilities alone, puts School District 1 in jeopardy of cutting educational programs. I would ask the committee to check the cost of one person on welfare, one person at Deer Lodge, and see the actual cost of an uneducated individual to the state.

OWEN NELSON, Montana Education Association, presented the committee with copies of his testimony. (see exhibit 3)

REPRESENTATIVE KEN NORDTVEDT, District 77, Bozeman, said after some analysis, I believe the best way to go would be to support something like a 5 and 5 percent increase in schedules, or whatever we honestly conclude by the end of the session is the projected inflation rate for this biennium. I believe we are honor bound to maintain the real purchasing power value of our state aid. We got burned by the school districts around the State of Montana last session. We voted rather generous increases in the foundation program, 18 and 15, on the assumption that this would be passed on to the local property taxpayers in their local levies, to reduce the excessive burden they were experiencing to support their schools. We had a small, but too modest success. The numbers I am going to give you now, are corrected for inflation. That 18 and 15 converted to real purchasing power increases of 15 percent per student. If that had been transferred on to the taxpayer by the school districts holding their cost per student in inflation adjusted dollars, we could have reduced voted levies 30 percent over those two years in real dollars.

We did reduce the trend of increased property tax burdens, but rather modestly. About 6 percent in real dollars statewide, after adjusting for inflation, about 4 percent per student, statewide. The bulk of the money went to increased costs. The schools in Montana increased their costs in real dollars 9 percent in those two years. I feel they did not carry out the intent of the legislature. I think we poured great money into the school districts with the intent of reducing the taxpayer burden. Instead, the bulk of it went to increased school costs. I would recommend increasing the foundation level. I believe that if we can scrape together more total dollars for education, it should be committed to reducing the mandatory levies at the local level and that way we can guarantee that the money would go to relieve the taxpayers. Our schools have to face declining enrollment and cut costs, by cutting classes and streamlining operations. We don't put the effort into education that we do into the rest of our appropriations process. It is a shared responsibility between the state and the local school districts, and it is a difficult responsibility to control.

ROBERT LAUMEYER, Superintendent, Boulder Public Schools, presented the committee with a prepared statement of his testimony. (see exhibit 4)

DICK SIROKMAN, Superintendent, District 18, Valier, and President of the North Central Administrators, said we feel that an increase of 12 percent each year in the foundation program is a just and realistic figure. In the past two years, the foundation increases have resulted in decreased mill levies, decreased taxpayer unrest, and increased trust in public schools. To revert from this increased state aid and ask local property owners to bear the burden of education, as seen in the 1970's, would undo all of the intended objectives of the 1981 legislature. Local authorities have no control over 15 to 20 percent increases in utilities, 25 to 40 percent increases in insurance, 10 to 15 percent increases in supplies, and the increased costs of transportation, social security, and many other items dictated by outside interests. Minimum increases in the foundation program will definitely help, however looking at the entire picture, increases in any property taxes will fall as an additional burden to ranchers, farmers, and property owners in this state who pay the majority of the property taxes. The 12 and 12 foundation program increase will enhance the efforts of this legislative session, and tell the general public that we do support our children. A 6 percent increase assures utility companies, school supply outlets, and insurance companies that they will receive their increases, the other 6 percent assures the property taxpayers that their children will continue to be educated without an added burden to them.

HOUSE EDUCATION COMMITTEE MINUTES
February 2, 1983, page 6

DAN MARINKOVICH, School District 10, Anaconda, submitted written testimony. (see exhibit 5)

JESS LONG, School Administrators of Montana, submitted copies of his testimony concerning House Bills 204 and 544. (see exhibits 6 and 7)

KEN NORDQUIST, North Central District Director, Loy School, Great Falls, submitted a prepared statement. (see exhibit 8)

GARY STEUERWALD, Office of Public Instruction, presented copies of his testimony to committee members. (see exhibit 9)

WAYNE BUCHANAN, Montana School Board Association, said in the last legislative session, you gave us a large increase. In return for that increase, you asked for certain things. It is very difficult for the schools of this state to respond in a two year period to these increases. It is almost impossible to turn around programs that have been established, in two years, to replace the text books, equipment, and other things schools need. We are making progress. 10 school districts have consolidated. The number of full-time teachers decreased 500 from 1979 to 1982. Local levies have declined in real dollars 6% over the biennium. These figures demonstrate that schools are, as rapidly as possible, adjusting to the conditions that have been imposed. We are attempting to use the money you have given us wisely. It is necessary that you continue the level of support you have started. If you set the real increase in the schedules at or near the inflationary levels of 5 to 6%, you are asking us to take a cut in dollars going to schools and an increase in the local property taxes.

HAROLD WENASS, Great Falls School District Superintendent, said when Rep. Nordtvedt was speaking, he indicated that school districts had been irresponsible by 15% in the last biennium in increases over the cost of inflation. We are blamed for the motor vehicle tax which was not handled on an accrual basis. Most city and county school districts handled this on a cash basis. This means money is there now in the bank, or will be given as a rebate to taxpayers. If this is the case, there is at least 10 million dollars in the counties for school districts. That money could be used to lower the levies. If you just isolate two years and determine how this issue is going to be handled on that basis, the real cost of the schools is inflated and should be decreased by an estimate of about 3% above the 6%.

Rep. Peck closed by saying schools are suffering from the cost of living. The things they are buying are of high cost. Teaching

supplies, especially the specialized equipment for special education, can probably be figured at 10 to 15 percent minimum, and up to 100 percent and more. The school districts are also a recipient of the negotiated agreements that are contained in all of their labor contracts. When you talk about the cost of living as an indicator of the costs of education, I think you are basing it on a false premise.

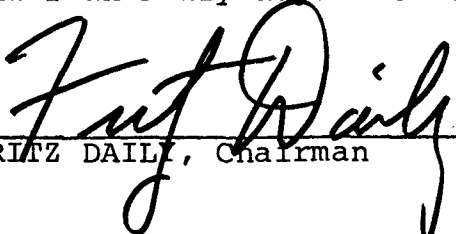
Rep. Donaldson closed.

Rep. Neuman closed by saying the committee might want to take into consideration the problem that exists in the Butte and Anaconda areas. I think that problem is unique from the other funding we were talking about. They have a very real problem, which may need to be addressed specifically. The cost of natural gas has been pointed to many times as a leader in the increase in costs of school budgets. Natural gas is used in about 60 percent of the schools in Montana, the others are heated by fuel oil or other sources, and I don't think those costs have increased as fast as natural gas, but have in fact dropped. I do believe in education, the funds just are not available to support large increases in the funding programs this biennium.

Questions from committee. Rep. Hannah asked Mr. Long if he could give him an idea of the long list of bills he referred to which are eroding the revenue base for education in the House of Representatives and in the Senate, and how they are eroding that base. The response was these erode the general fund. It is not a direct thing, the general fund is decreased by these amounts of money, and in essence, it makes it more difficult for decisions to be made that education gets a greater percentage of funding than the foundation program. Mr. Long mentioned House Bills 418, and 413.

Rep. Kadas asked Mr. Nelson if he knew what percentage of school budgets go to energy, heat, and transportation. There was a consensus between the superintendents present that between 8 and 12 percent of the total budget is utilities.

Chairman Daily adjourned the meeting at 1:40 p.m.


FRITZ DAILY, Chairman


Cheryl Fredrickson, secretary

ADDITIONAL INFORMATION ATTACHED

VISITOR'S REGISTER

HOUSE

Education

COMMITTEE

BILL

HB # 422

DATE _____

Feb.

SPONSOR

Beck

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE Education

COMMITTEE

BILL HB 544DATE Feb. 2, 1983SPONSOR Peck

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
Don MAR: - Kord	Anaconda	Sch. Dist #10	X	
Bill Milligan	Butte	Sch Dist #1	X	
Robert L. Laumye	Boulder	Sch. Dist. 1 + 7	X	
FRED BULL	Butte	Co Supt	X	
H.S. Froelich	Butte	Vo-Tech Direct	X	
Jesse W. Long	Helena	SAM	X	
Jim Campbell	Helena	MASBO	X	
Dick Sirokman	Valien	Dist #18	X	
W. Egan	Shelby	Dist #14	X	
John H. Heston	Choteau	Dist #1	X	
Harold Wiman	Gr Falls	Dist #11	X	
Jim Boyman	Gr. Falls	Dist #1 + MAESP	X	
BARCLAY MEDDOCK	GREAT FALLS	MSBA	X	
Harry D. Enright	Belgrade	School Dist 44	X	
Alan Ryan	Sunburst	School Dist 2	X	
Ken Nordquist	Great Falls	MAESP + School Dist #1	X	
Mike Shand	Conrad	Spec Ed	X	
Phil Whaley	Conrad	Dist #10	X	
Wayne Buchanan	Helena	MSBA	X	
Joe Burkhardt	Helena	MT Assoc. Sch. Psychol.	X	
Jay L. Stenhouse	Stevens	School Dist 68E	X	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

Larry Lynn Minors Boulder, Wt M.F.T.

WHEN TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE _____

COMMITTEE

BILL HB 544

DATE _____

SPONSOR _____

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE COMMITTEE

BILL H.B. 544

DATE _____

SPONSOR

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE Education

COMMITTEE

BILL 204

DATE Feb. 2, 1983

SPONSOR Donaldson

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.



State of Montana

Exhibit 2

HOUSE OF REPRESENTATIVES

State Capitol
Helena, MT 59620
Phone: 449-4800

Ted Neuman
District #33
Vaughn, MT 59487
406-965-3325

Committees:
Taxation,
Natural Resources,
Local Government,
Water

February 2, 1983

Mr. Chairman and Members of the Committee:

House Bill 590 increases the foundation schedule 4% in 1984 and 3% in 1985.

House Bill 590 is a bill to allow a modest increase in the foundation program to more accurately reflect the reality of the times.

High inflation rates of the last biennium have given way to a modest 3.9% national inflation rate over the last year. Surpluses in the state general fund brought about by several years of high employment and high inflation have given way to times of scarce jobs and scarce funds. We can no longer afford substantial increases in any area of state funding, rather a time of caution and critical evaluation must be our focal point for this biennium.

Additional dollars put in the foundation program this biennium are not new dollars from an expanding economy but rather dollars taken from social programs, energy assistance, highways and local governments.

A general tax hike to fund education or any other program during this session is not, in my opinion, a very realistic possibility. Some selective taxes may rise but an overall rise in personal income taxes is out of the question.

House Bill 590 will require an additional expenditure of \$31 million in general fund over the next two years. Even that amount of money will require some budget cuts or tax shifts.

It will take an additional \$3.7 million of general fund just to maintain present level funding. If one would average the ANB schedule for a school with an ANB for elementary of 301, or greater, students for '82-'83 against '84-'85 average schedules and include

The Big Sky Country

the provisions of HB 590, this increase is something over a 12% increase in foundation support for the coming biennium. If we look at the growth of other agencies of state government as proposed by the executive and LFA, an overall growth rate of about 5-6% was calculated. If you compare that to the 12% growth rate I indicated earlier, the foundation program comes out substantially ahead of other areas of appropriation.

There is no question that many school districts are in a financial squeeze. Some schools still face declining enrollments but on the whole the school populations are stabilizing and the rate of decline is slowing. In fact, elementary populations are projected to begin a slow growth in school year 1984 and by 1986 overall enrollments will begin to rise. We must be careful in building such a high base that when enrollments start to rise we do not adversely limit the ability of other functions of state government to grow. That possibility exists because of new spending limitations imposed on growth of state government by the last legislature and the fact that only a small surplus remains in the state's coffers.

Fear arises that local property taxes, under this proposal, would rise substantially. I point out to you that the Burlington Northern settlement and the availability of funds from the vehicle reimbursement will allow many districts some revenue to help hold down local levies.

The assumption of local tax levy increases also fails to take into account that some reductions or slower growth in school budgets can be accomplished.

In my own operation, I said two years ago that I could not reduce expenditures and produce as much but I did and produced more. I consider myself typical of many small businesses and businessmen. Schools are also a business, in business to educate, and thus must also reflect the hard economic times.

I thank the members of the committee.

TED NEUMAN
Representative
District 33

Butte Public Schools

Office of the Superintendent

February 2, 1983

Butte, Montana 59701

none 782-8315

Mr. Fritz Daily, Chairman
House Education Committee
State Capitol
Helena, Montana 59601

Re: House Bill 544

Dear Representative Daily and Committee Members

Two years ago in testimony to the House Appropriations Committee I outlined for the committee School District No. 1's cost containment program. Briefly this was:

Twelve years ago we had 25 buildings housing students in pre-school through post-secondary. Today we have 16 buildings. The district has had a corresponding reduction in staff of approximately 30 per cent.

Twelve years ago the district was voting 25% of its elementary budget and 13% of its high school budget. The year 1980-81 saw the district voting 49 percent of its elementary budget and 34% of its high school budget. This current year we voted 38 percent of our elementary budget and 28 percent of our high school budget.

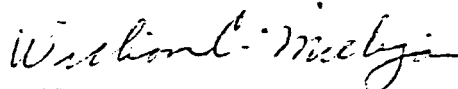
In addition the district has had to increase its direct support of special education by voting special levies. Also the district has voted special levies for post-secondary education. Our negotiated agreements with our employees have ranged from 3% increase in wages to a high of 9% four years ago. The district has been able to reduce property taxes both years of the past biennium.

School District No. 1 as well as most school districts in the state has done its share and has cooperated fully with the intent of the legislature in controlling local property taxes. We have tightened our belt.

I have attached to this letter a chart which shows two projections. One, the increase in Foundation dollars to our district for various percentage changes in schedules. Two, the impact on the voted levy for these same changes. The chart only goes to 9% and at 9% the district would still have to vote approximately \$138,000 (2-3 mills) additional. At 10.5 percent the district would break even.

Thank you.

Sincerely,



William C. Milligan
Superintendent

WCM/es
attachment (1)

Result of various changes in Foundation Schedule

<u>GENERAL FUND</u>	1982 ANB	Max. F.P.	1983 Projected ANB	Result of various changes in Foundation Schedule						
				9%	7%	6%	5%	4%	3%	0%
A. Elementary (K-8)	4438	\$6,472,934	4311 (-2.86%)	+\$395,000	\$266,000	\$201,000	\$137,000	\$72,000	\$7,000	-\$185,000
B. Secondary	2161	3,934,220	2085 (-3.5%)	+ 217,000	138,000	99,000	60,000	20,000	-19,000	- 137,000

Change in Voted Levy as a result of various changes in Schedule with 4.5% inflationary adjustments in budget.

VOTED LEVIES	1982-83	adjustments in budget.							
		9%	7%	6%	5%	4%	3%	0%	
A. Elementary	\$4,749,472	+\$110,008	+\$239,008	+\$304,008	+\$368,008	+\$433,008	+\$498,008	+\$690,008	
B. Secondary	1,520,675	+ 28,470	+ 107,470	+ 146,470	+ 185,470	+ 225,470	+ 244,470	+ 382,470	
	\$6,270,147	+\$138,478	+\$346,478	+\$450,478	+\$553,478	+658,478	+\$742,478	+\$1,072,478	

(Special Education Funding Excluded)

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Increase in Budget Schedules	General Fund Without-a-Vote			General Fund Budget Total	% of GFB			ANB (Previous Year)	GFB Per ANB	CPI (W) (Dec.)	Teacher Salaries	
		Foundation Program	Permissive	Voted Levy		Foundation Program	Permissive	Voted Levy				Montana Average	National Rank
	Elem. H.S.												
1974-75	7.4% 6.8%	\$ 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 -1.5%	\$ 924 +17.0%	155.4 + 7.0%	\$10230 +9.0%	28
1975-76	15.9% 12.5%	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 -1.4%	1,081 +12.3%	166.3 + 4.8%	11150 +8.1%	29
1976-77	12.7%	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 -1.1%	1,214 + 9.0%	174.3 + 6.8%	12053 +5.1%	27
1977-78	6.9% 7.0%	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 -1.4%	1,323 + 8.2%	186.1 + 9.0%	12668 +7.8%	30
1978-79	7.0% 6.9%	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 -2.6%	1,431 +12.4%	202.9 +13.4%	13651 +7.5%	29
1979-80	8.0%	145,821,700 + 6.6%	36,390,200 + 6.7%	80,387,000 +22.0%	262,598,800 +11.3%	55.5%	13.9%	30.6%	163,276 -3.1%	1,608 +14.9%	230.0 +12.5%	14680 +8.8%	27
1980-81	10.0%	155,389,000 +15.0%	38,821,500 +14.9%	98,084,000 + 4.9%	292,294,500 +11.6%	53.2%	13.3%	33.5%	159,185 -2.5%	1,848 +14.4%	258.7 + 8.7%	15967 +11.3%	29
1981-82	18.0%	178,633,000 +13.6%	44,610,000 +13.6%	102,938,000 + 4.2%	326,181,000 +10.7%	54.8%	13.7%	31.5%	154,256 -1.4%	2,115 +12.2%	281.1 + 4.2%	17770 +9.5%	28
1982-83	15.0%	202,986,000	50,696,000	107,289,000	360,971,000	56.2%	14.0%	29.7%	152,107	2,373	293.0*	19463*	
1983-84	0.0%	- 2.0% 199,022,000	- 2.0% 49,755,000	+33.4% 143,803,500	+ 8.8% 392,580,500	50.7%	12.7%	36.6%	-1.1% 150,414	+10.0% 2,610			
1984-85	0.0%	- 2.4% 198,211,200	- 2.4% 49,552,800	+27.2% 182,966,400	+ 9.7% 430,730,400	46.0%	11.5%	42.5%	- 0.3% 150,028	+10.0% 2,871			
1983-84	9.0%	+ 7.2% 217,637,700	+ 7.2% 54,409,400	+11.8% 120,533,400	+ 8.8% 392,580,500	55.4%	13.9%	30.7%	- 1.1% 150,414	+10.0% 2,610			
1984-85	9.0%	+ 8.7% 236,616,300	+ 8.7% 59,154,100	+12.0% 134,960,000	+ 9.7% 430,730,000	54.9%	13.8%	31.3%	- 0.3% 150,028	+10.0% 2,871			
1983-84	12.0%	+10.2% 223,627,800	+10.2% 55,906,900	+ 5.4% 113,045,800	+ 8.8% 392,580,500	57.0%	14.2%	28.8%	- 1.1% 150,414	+10.0% 2,610			
1984-85	12.0%	+11.7% 249,820,300	+11.7% 62,455,100	+ 4.8% 118,455,000	+ 9.7% 430,730,400	58.0%	14.5%	27.5%	- 0.3% 150,028	+10.0% 2,871			
EA 12/82													
* Estimated													

GENERAL INFORMATION

The information in Columns 1-10 refers to Montana K through 12 public schools. The figures do not include special education funding which is an add-on to general fund budgets. The information is complete for school years 1974-75 through 1982-83.

Column 1 - The schedules determine the amount, without a vote, that may be budgeted for each pupil. The increases in budgeting authority, as determined by the legislature, has been equal for elementary and secondary districts except in 1974-75, 1975-76, 1977-78, and 1978-79.

Columns 2 and 3 - The \$ amounts for the foundation program and permissive portions of the budget are given with the percent increases from year to year. These two parts of the budget taken together are referred to as the total general fund budget without-a-vote. The foundation program is funded primarily with a statewide (county) 40-mill levy, earmarked revenue, and legislative appropriation. The permissive dollars are obtained from 15-mill levies in school districts where needed, earmarked revenue and legislative appropriation.

Column 4 - Voted levy amounts are funds approved by voters to supplement the general fund without-a-vote portions of the budget. Levies are set in school districts to raise these dollars.

Column 5 - The total general fund budget amounts are totals of the foundation program, permissive, and voted amounts.

Columns 6, 7, 8 - The three parts of the total general fund budget have been converted to percents of the total general fund.

Column 9 - The average number belonging (ANB) is listed with the percent decrease for each year. These enrollment figures are used to determine the general fund budget without-a-vote. The previous year's ANB figure is multiplied by the budget schedule amount per ANB.

Column 10 - The total general fund budget figures in Column 5 are divided by the ANB figures in Column 9 to obtain the average number of \$ budgeted for each pupil.

Column 11 - The Consumer Price Index, U.S. city average, for all items for wage earners and clerical workers (CPI-W) is listed for December of each year. The percent increase from December of each year to December of the following year is given.

Column 12 and 13 - The average salary of Montana classroom teachers is listed for each year with the percent increase over the previous year. Column 13 lists the rank of Montana classroom teacher average salaries with the 50 states.

ANALYSIS

Trends

Through 1980-81 the increase in the foundation program (Column 2) and the permissive (Column 3) has not kept pace with the increase in the total general fund budget (Column 5). As a result the voted levy (Column 4) increased more rapidly than the total general fund budget.

This increase in the voted levy amount is reflected in the percent that the voted levy is of the total general fund budget (Column 8). During the period 1974-75 to 1980-81, the voted levy portion increased from 25.3% to 33.5%.

Of great significance is the fact that the 18% and 15% increases in budget schedules (Column 1) for 1981-82 and 1982-83 turned this trend around. The voted levy (Column 4) increased only 4.9% and 4.2% as the total general fund (Column 5) increased 11.6% and 10.7%. This was due to the foundation program (Column 2) and the permissive increasing 15% and 13.6%. The resulting portion of the general fund budget that was voted (Column 8) for 1981-82 was 31.5% -- 2 percentage points lower than the previous year. For 1982-83 the figure decreased 1.8 percentage points to 29.7%. This demonstrates that adequate state funding does produce property tax relief.

It is of interest to note that the decrease in enrollment (Column 9) is continuing but at a reduced rate. The decrease was 1.4% for 1982-83 as compared to 2.5% for 1981-82. The projected decrease for the next two years are 1.1% and 0.3%.

The true picture of the cost of educating Montana youngsters is shown in Column 10. By dividing the total general fund amount by the number of pupils (Column 5 divided by Column 9), the average operating cost of educating a youngster is obtained. The average cost for 1982-83 was \$2,373. This is undoubtedly the very best investment that Montanans make. It doesn't even compare to the high cost of keeping a person in prison or paying welfare for persons not properly educated to earn a living.

The operating cost per ANB increased 12.2% last year as compared to 14.4% and 14.9% the previous two years. Undoubtedly the increases are due primarily to inflationary costs which affect everything. But these increases in per pupil costs are also due to decreasing enrollment. At first glance it may seem that fewer youngsters would bring about lower costs--that the cost is directly related to the number of pupils. The actual lowering of costs due to decreased enrollment is considerably delayed. Overall, when fewer youngsters are being educated, the cost per pupil is greater. And until the point is reached when fewer classes, teachers, administrators, or buildings can be utilized, the total cost will not decrease.

The Joint Subcommittee on Education has completed its study and is recommending two pieces of legislation. The Committee's major concern was with the state's obligation to ensure equitable financing of Montana public schools and equality of educational opportunity for Montana public school children.

LC 29 is an act to eliminate the permissive portion of the general fund budget, increase the foundation program portion and combine the former 15-mill permissive district mill levy with the 40-mill county levy for a single 55-mill county levy. This will raise approximately 8 to 9 million additional dollars annually to equalize the foundation program.

LC 69 is an act to create a guaranteed tax base program to promote more equitable financing of the voted area of school general fund budgets. This could provide some 32 million or more of state assistance to poorer school districts in financing the voted portion of their budgets.

Both of these proposed bills to improve equitable financing and equality of educational opportunity deserve our full support.

THE FUTURE - OUR TASK

To even consider lessening our financial support for Montana public schools would be most foolhardy. Although some would attempt to use education as the whipping boy in a depressed economy, most will clearly recognize that a properly educated citizenry is our best assurance of future prosperity. Also at this time continued tax relief for property owners should be of the highest priority. Future budget schedule increases must continue the trend experienced in 1981-82 and 1982-83. Decreasing the voted portion of the general fund budget from 33.5% to 29.7% in two years was accomplished by 18 and 15 percent increases in the budget schedules. It is clear that increases for the next biennium and future years must continue at a significant level. The experience record shows that past increases in the 7 to 10% range have only fostered further deterioration.

Let's hope that with the assistance of cooling inflation, our recommended 12% schedule increases for each year of the next biennium will continue to fulfill our obligation to Montana youngsters and at the same time allow for further tax relief.

WITNESS STATEMENT

Name Robert L. Laumeyer Committee On Educ.
 Address Boulder Mt. Date Feb. 2, 1983
 Representing Sch. Dist. 147 Support yes
 Bill No. (HB 422), HB 204 and Oppose _____
H.B. 544 Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: H.B. 204 and H.B. 544

1. In order to run schools for the years 1983-84 and 1984-85 more money is needed. The
2. Principal question is does it come from the local property tax payer or will the money
3. ~~the money~~ be raised by taxation. I prefer a state wide tax as being fairer to all
4. student, and all taxpayers in the State.

H.B. 422 Good bill. This would allow the public greater input when the real budget work is being done.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

Boulder Public Schools

ROBERT L. LAUSSEYER, Superintendent

Boulder, Montana 59632

JEFFERSON HIGH SCHOOL
Don Foster, Principal
Phone 228-3317

BOULDER ELEMENTARY SCHOOL
Barbara Kennedy, Principal
Phone 228-3318

Clock of Jefferson High and
Boulder Elementary School
Stella Upgren
228-3748

January 17, 1983

Dear Legislator:

I am concerned with what a zero increase in the Foundation Program would do to local taxes, for this reason I took our 1982-83 budgets and estimated our 1982-83 attendance. I then proceeded to work out an estimated 1983-84 general fund budget for both Boulder Elementary and Jefferson High School. We are a fairly typical second class district in terms of size. Because of a comparatively low tax base, especially in our grade school, our expenditures per student is below state averages. The percent of the general fund that we raise by voted levy is well below the state average, but the mills we pay to raise the voted amount is a little over the state average.

The percent of our budgets that we raised by voted levies has been reduced over the last two budget years due to very good increases in state funding. For the 1982-83 budget year, Boulder Elementary raised \$60,100 by voted levy or 13.2% of their general fund budget. Jefferson High School raised \$154,500 by special levy or 24.8% of their general fund budget by special levy.

For the school year 1981-82 Boulder Elementary had an ANB of 191 kindergarten through grade six and an ANB of 64 in grades seven and eight. We were allowed to raise \$394,726 without a vote, we voted \$60,100 for a general fund budget of \$454,827.

This year by our first quarter attendance, I estimate our ANB will be 197 Kindergarten through grade six and 54 ANB grades seven and eight. If the Foundation Program is not changed we would only be allowed \$383,261 without a voted levy or a loss of 2.9%. Even if our budget were to remain the same this would require a 5 1/2 mill increase in our elementary district, as its taxable value is \$2,069,642 so one mill raises \$2,069.00.

In projecting our 1983-84 budget I had one advantage in that we are on the second year of a two year salary schedule. My elementary general fund budget will be increased to about \$490,000, a 7.7% increase over last years budget. With a zero increase in the Foundation Program this would leave \$106,740 to be raised by special levy or 51.6 mills. We would show a voted levy increase from 29.0 mills to 51.6 mills or a 77.9% increase in our voted levy. Our general fund budget would be funded by 21.8% voted amount instead of the 13.2% voted amount of this years budget. A 9% increase on the Foundation Program schedule would require a mill levy increase to about 34.9 mills largely because of our 2.9% loss because of a few seventh and eighth grade students. A 9% increase on the 87% of the non-voted part of the budget is a 7.8% increase on the total budget. Because of our decreased enrollment it would require a 11% increase on the Foundation Program to keep our mill levy the same with a 7.7% general fund budget increase, or the right to place all transportation costs on the transportation budget.

Jefferson High School last year had an ANB of 229. we raised \$153,500 special levy on a tax base of \$7,373,701. The total high school budget was \$622,200, thus a mill levy of about 20.95 mills raised about 24.8% of the general fund budget. My projection for the 1983-84 school year is an ANB of 225, this would result in 1.75% less without vote funding. My high school budget for next year is projected at \$678,735, an increase of 9%. Part of this increase in the general fund is brought about by the attorney general's opinion that no education travel can be budgeted for in the transportation budget but must be in the general budget.

If the new legislation proposal to allow travel expenses to be placed in the transportation budget is passed my high school general fund budget increase would be less. Using the 9% increase and 1.75% decrease in funding, if we had a zero increase in the Foundation Program, our high school voted amount would be \$219,200, an approximate 29.73 mills. This would be a voted mill levy increase of 41.9% and would make the general fund financed by 32.3% voted levy instead of the 24.8% on the 1982.83 budget.

Legislators
January 17, 1983
- 3 -

A 9% Foundation Program increase with legislation that all transportation costs be funded by the transportation budget would allow both my grade school and high school to keep about the same mill levy as a year ago. A zero increase in funding would raise the special levy from a total of about 50 mills to a total of over 80 mills, and we would be farther away from the concept of equal education.

I strongly encourage you on behalf of the property taxpayer and the students who live in low tax base districts to increase the Foundation Program by at least 9% this year and next, to do less will bring a renewed burden on the property taxpayer and promote greater controversy between wealthier and poor school districts.

Sincerely,

Robert L. Laumeyer
Superintendent

RLL/js
cc:



ANACONDA PUBLIC SCHOOLS

P. O. Box 1281 / Anaconda, Montana 59711
(406) 563-6361

DANIEL W. MARINKOVICH,
SUPERINTENDENT

February 2, 1983

Chairman Daily and Honorable Members of the House Education Committee. My name is Dan Marinkovich, Superintendent of the Anaconda Schools representing the Board of Trustees of School District No. 10, Anaconda, and I am speaking as a proponent of H.B. 544 and any other bill which would substantially increase the foundation program.

I would like to take this opportunity to tell you what H.B. 544 would do to the Anaconda Public Schools.

In 1981 I appeared before the Finance and Claims Committee recommending a rolling average of the previous three years A.N.B. for schools with declining enrollments. Also, that an interim committee be set up to study the financing of schools and come with a recommendation to this Legislature. The rolling average was not passed, but the committee was formed and met. I have heard that the rolling average was not discussed but that the GTB was.

The following is some information as to the effect on School District No. 10 of the different bills proposed to fund the Foundation Program. Last year, the 1982-83 school year, the elementary school district received \$2,163,688.00 from the Foundation Program, the high school received \$1,444,374.47.



ANACONDA PUBLIC SCHOOLS

P. O. Box 1281 / Anaconda, Montana 59711
(406) 563-6361

DANIEL W. MARINKOVICH,
SUPERINTENDENT

Page Two

Our A.N.B. for 1983-83 was 1139 for grades K-6 and 367 for grades 7 and 8, or a total of 1506 for the elementary and 815.57 for the high school. A rough estimate for the 1983-84 school year is 1087 for K-6 and 342.5 for grades 7 and 8, a total of 1429.5 on the elementary and 732 for the high school.

The taxable valuation for the 1982-83 school year in Deer Lodge County is as follows: Elementary District No. 10 - \$12,605,812 and High School District No. 10 - \$13,218,780. The projection for 1983-84 is a 2.5 million dollar reduction on each. Elementary District No. 10 - \$10,105,812 and High School District No. 10 - \$10,718,780.

The amount of money we received per mill in 1982-83 is as follows: Elementary District No. 10 - \$12,605.81 and High School District No. 10 - \$13,218.78. The projection for 1983-84 for Elementary District No. 10 - \$10,105.81 and High School District No. 10 - \$10,718.78.

The taxable valuation and mill value will drop because of the Anaconda Company's dismantling of buildings will remove them from the tax rolls and thus placing high tax burdens on the individual taxpayer.

The following would be the results if the Foundation Program were funded as proposed:



ANACONDA PUBLIC SCHOOLS

P. O. Box 1281 / Anaconda, Montana 59711

(406) 563-6361

DANIEL W. MARINKOVICH,
SUPERINTENDENT

Page Three

	<u>Elementary</u>	<u>High School</u>	<u>Difference</u>
1982-83 Foundation Monies	2,163,688.00	1,444,374.47	
0% Increase	<u>1,959,821.75</u>	<u>1,296,372.00</u>	
	- 203,866.25	- 148,002.47	= -351,868.72
Resulting in an Increase of	+16.17 mills	+11.20 mills	= +27.37 mills
	locally	locally	locally
1982-83 Foundation Monies	2,163,688.00	1,444,374.47	
5% Increase	<u>2,057,812.84</u>	<u>1,339,662.48</u>	
	- 105,875.16	- 104,711.99	= -210,587.15
Resulting in an Increase of	+8.40 mills	+7.92 mills	= +16.32 mills
	locally	locally	locally
1982-83 Foundation Monies	2,163,688.00	1,444,374.47	
7% Increase	<u>2,097,009.28</u>	<u>1,387,118.04</u>	
	- 66,678.72	- 57,256.43	= -123,935.15
Resulting in an Increase of	+5.29 mills	+4.33 mills	= +9.62 mills
	locally	locally	locally
1982-83 Foundation Monies	2,163,688.00	1,444,374.47	
9% Increase	<u>2,135,433.55</u>	<u>1,413,045.48</u>	
	- 28,254.45	- 31,328.99	= -59,583.44
Resulting in an Increase of	+2.24 mills	+2.37 mills	= +4.61 mills
1982,83 Foundation Monies	2,163,688.00	1,444,374.47	
12% Increase	<u>2,195,000.36</u>	<u>1,451,936.64</u>	
	+ 31,312.36	+ 7,562.17	= +38,874.53
Resulting in a Decrease of	-2.48 mills	-.57 mills	= -3.05 mills
	locally	locally	locally

The above millage is based on 1982 mill value and not next years which will be lower.



ANACONDA PUBLIC SCHOOLS

P. O. Box 1281 / Anaconda, Montana 59711
(406) 563-6361

DANIEL W. MARINKOVICH,
SUPERINTENDENT

Page Four

If the budget were frozen at last years rate, the above would happen. Yet, you have to take into account that utilities will rise at least 23%, freight 10%, papers and textbooks 10%, wages ?, inflation ?, etc. At the present time School District No. 10 is the biggest employer in Deer Lodge County. If the above were to occur it would probably force the District into further curtailments and thus increasing the unemployment in the County besides adding to the adverse economic plight of the area.

The Anaconda Public Schools have bitten the bullet. The Board of Trustees have made tough decisions. From 1980 to 1983 the budget at Anaconda has only increased a little over 9% while absorbing an additional 20% of the Special Education budget when the Legislature removed indirect costs from State Special Education Funding. We have closed three (3) buildings, laid off 35 teachers, 3 administrators, 7 engineers and 6 janitresses.

The lay-offs in Butte will put 288 additional Anaconda people out of work.

Last year our voted levy was 30% of our budgets. The taxpayers of Anaconda-Deer Lodge County can not afford this high voted levy. If it remains this high or increases and the voted levy is rejected,



ANACONDA PUBLIC SCHOOLS

P. O. Box 1281 / Anaconda, Montana 59711
(406) 563-6361

DANIEL W. MARINKOVICH,
SUPERINTENDENT

Page Five

it will be the children who will suffer with an education inferior to that which other children of Montana will receive. Thus, the State will not be providing equal educational opportunity for all of Montana's children, as called for by the State's Constitution.

We respectfully request your support for the guaranteed tax base, should the guaranteed tax base not be adopted, then we would hope that you will support the Foundation Program Bills that would bring in the greatest amount. I know that the revenue situation at the State is in tough shape, multiply that by ten fold and you are looking at the situation Anaconda Schools face. We are going to have to have some help someplace if we are going to be able to offer the same quality programs next year that we were able to offer this past year.

In conclusion, I recommend not only for Anaconda, but for all districts with a declining enrollment that you pass the guaranteed tax base or amend whatever Foundation Program you pass and include the rolling average for the previous 3 years. Otherwise, instead of helping the local taxpayer in reducing his local tax load, you are increasing it. If you wish to continue a program of quality and equitable educational opportunity for all students in Montana as



ANACONDA PUBLIC SCHOOLS

P. O. Box 1281 / Anaconda, Montana 59711
(406) 563-6361

DANIEL W. MARINKOVICH,
SUPERINTENDENT

Page Six

directed by the Montana Constitution you will pass the guaranteed tax base or a rolling average amendment to HB 544.

I would like to thank you for your support in the past and hope that we will merit your support this time.

Thank you.

DANIEL W. MARINKOVICH
Superintendent
Anaconda Public Schools

**S
A
M**
School Administrators of Montana

501 North Sanders
Helena, MT 59601
(406) 442-2510

February 2, 1983

TO: Chairman Fritz Daily
House Education & Cultural Resources Committee

FROM: Jesse W. Long, Executive Secretary
School Administrators of Montana

RE: House Bill 204 "An Act to increase the maximum General Fund Budget Schedules for Elementary Schools and High Schools."

The School Administrators of Montana are in support of H.B. 204.

During the 47th Legislative session, the funding of the Foundation Program schedules allowed school districts to reduce voted levies. The percent of budget voted has dropped significantly from over 33% to 28% across the state.

Although the 18% and 15% increases in the past biennium seem to be extremely large most districts did not receive the total benefit because of declining enrollments. It must be kept in mind that 9% and 9% may look large in a time of tight budget, many school districts will still fall behind because enrollments will continue to decline during the biennium.

Often the question is asked of school administrators, "Where will the money come from to fund the Foundation Program?" It would seem that it is necessary for the Legislature to take a hard look at the many raids now being made on the school equalization fund, earmarked revenues, and the general fund budget by cities, counties, highways, oil, gas and coal interests. Listed here are a number of the bills that are eroding the revenue base for education; House Bills 418, 413, 17, 26, 29, 31, 33, 50, 65, 109, 160, 261, 264, 297, 310, 316, 333, 372, 419, 443, 470, 536, 549, 561 and Senate Bills 159, 231, 8, 42, 95, 96, 172, 187, 243, 263, 307.

The School Administrators of Montana would ask a "Do Pass" on H.B. 204.

Thank you.

S
A
M

School Administrators of Montana

501 North Sanders
Helena, MT 59601
(406) 442-2510

February 2, 1983

TO: Chairman Fritz Daily
House Education & Cultural Resources Committee

FROM: Jesse W. Long, Executive Secretary
School Administrators of Montana

RE: House Bill 544 "An Act to increase the maximum General Fund Budget
Schedules for Elementary Schools and High Schools."

The School Administrators of Montana are in support of H.B. 544.

If schools are to meet the challenges of the current high technology society, we can not afford to fall behind in funding the excellent public school programs in Montana.

A 12% and 12% funding would keep education's head above water without throwing the load back on the property taxpayer at the district level.

WITNESS STATEMENT

Name Ken Rodzinski Committee On Educ.
Address 501 57th St. No. ⁵⁹⁴⁰⁵ Great Falls Date 2/2/83
Representing MAESP + Great Falls Support ✓
Bill No. H.B. 544 Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1.

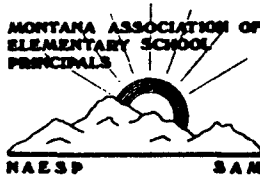
Statement attached

2.

3.

4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.



Ken Nordquist
North Central District Director

Loy School
501 57th St. No.
Great Falls, MT 59405
February 2, 1983

The Honorable Fritz Daily, Chairman
House Education Committee
State Capitol
Helena, MT 59601

Dear Representative Daily:

I am an elementary school principal from Great Falls and a member of the Board of Directors of the Montana Association of Elementary School Principals and am writing in support of H.B. 544 which calls for a 12% increase in the School Foundation Program. Many school districts are experiencing a decline in enrollment. That means less ANB which has a net effect of reducing whatever percentage increase the Legislature decides upon.

Our district has lost nearly 3% of our enrollment compared to the previous year. I am principal of a school with about 560 students. A 3% reduction of students would mean less than one student drop from each of my 23 classrooms and on that basis alone could not reduce teaching staff. We would, however, lose almost \$18,000 of ANB funding. A 12% increase in the Foundation Program schedules would give us a net increase of about 8.8% in state monies. Then, when you consider that the Foundation Program amounts to roughly one-half of our total elementary budget, we are down to a "real" increase of less than 5%.

I urge a 'do pass' recommendation from this committee for H.B.544.

Thank you for your kind attention.

Sincerely yours,

Ken Nordquist, Principal-Loy School

The North Central Area Administrators in pursuing a conservative 83-84 budget, feel that an increase of 12% in the foundation program is a just and realistic figure.

In the past two years, the foundation increases have resulted in decreased mill levies, decreased taxpayer unrest and increased trust in public school systems.

To revert from this increased state aid and ask local property owners to bear the burden of education as seen in the 70's would undo all the intended objectives of the 1981 legislators.

Local authorities have no control over 15-20% increases in utilities, 25-40% increases in insurance, 10-15% in supplies and the astronomical costs of retrofit items in a budget, not to mention transportation, social security and many other items dictated by outside interests.

Minimum increases in the foundation program will definately help, however in looking at the entire picture, increases in any property taxes will fall as an additional burden to ranchers, farmers and real property holders in this state who pay the majority of property taxes.

A 12% foundation program increase will enhance the efforts of this legislative session in saying to the general public that support of our children, grandchildren, nieces and nephews will always be foremost in this state.



OFFICE OF PUBLIC INSTRUCTION

STATE CAPITOL
HELENA, MONTANA 59620
(406) 449-3095

Ed Argenbright
Superintendent

February 1, 1983

House Education Committee
Fritz Daly, Chairman
SRS Auditorium
Helena, MT 59620

Dear Chairman Daly:

FOUNDATION PROGRAM

The Office of Public Instruction is recommending a 9 percent increase for FY 84 and a 9 percent increase for FY 85. While the current level of inflation in the U.S. is at or near 5%, the items which are used to calculate the CPI are not significant factors in the operation of schools. For example, the CPI uses such things as food costs, housing, and automobiles as part of their basis for calculating the percentage of increase. Schools, in their general fund, do not purchase much in the way of food items, housing or automobiles. What schools do pay for are natural gas for heating buildings, electricity for lighting classrooms, teaching supplies for children, and salaries. Utilities, both gas and electricity, have increased over 10 percent; teaching supplies have increased from 10-100 percent in costs; salaries are, in many districts, tied to negotiated contracts which can range from 3 to 18 percent. These factors combine to establish an inflationary factor substantially above that currently reflected in the CPI. OPI is recommending a 9-9 percent increase because, in our estimation, 9 percent is necessary in order to maintain the trend started by the 47th legislature, namely reduction in property taxes. The FY 83 biennial appropriation reduced property taxes. OPI does not feel the 9 percent increase will further decrease property taxes. We feel it should hold them at their current levels.

In summary, OPI is recommending a 9 percent increase in the foundation program for FY 84 and a 9 percent increase for FY 85. Our cost projection takes into consideration taxable valuation and enrollment. In the past, our projection of costs has been within a fraction of 1 percent. In FY 84 the cost is estimated to be \$20.13 million and in FY 85 \$42.02 million. The total cost of the state's share of the foundation program will be \$247.56 million in FY 84 and \$269.45 million in FY 85. This is a \$62.12 million increase for the biennium.

Foundation Program

Harry Epstein
Belgrade

H.S. 336-1983-84

330-1982-83

839012
w. SpEd.

6% would allow increase

of 5.75% in budget

20% utility increase \$10,310.00 1.23%

Staff salaries 39,592.00 4.72%

Salary increase of @ 6.9%

negotiated last year

and one new position

required

Other cost % of total budget 8.23%

require about 9% to break even on voted
levy

{ Motor vehicle tax not properly implemented @ 21 mills
12% reduction in commercial rates
Head tax on cattle halved
Inventory tax reduced

altogether causes a 5.2% depreciation
in value of mill

Many districts which did not have a lot building
taking place as we did in Belgrade has
seen the value of the mill slip by 25%

6% = 4% on budget

9 = 6 or 6%

} If enrollment falls it
will be even more
exaggerated

Total budget (State 21 to 22%)

WITNESS STATEMENT

Name DARLENE MUDDOCK Committee On Education
Address 945 Beechcroft Road Date 2-2-83
Representing School Dist. #1 Support X
Bill No. 544 Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. Education has to be a priority if we are to alternate some of our unemployment & social ills.
2. GREAT FALLS continues to experience a declining enrollment. Projected 300 Secondary students this spring.
3. Loss of AHS of 300 + rising costs for utilities alone, puts School Dist. #1 in jeopardy of cutting educational programs.
4. While some of our citizens live on the cost of 1 person in welfare, 1 person in marriage & see the great cost of an uneducated individual in this state.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

WITNESS STATEMENT

Name Robert L. Laumeyer

Committee On Educ.

Address Boulder Mt.

Date Feb. 2, 1983

Representing _____

Support H.B. 544 and H.B. 204

Bill No. H.B. 544 and H.B. 204

Oppose _____

Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1.

2.

3.

4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

WITNESS STATEMENT

Name Dick Sirokman Committee On _____
Address Valier Date 2
Representing Dist #18 + N.C. Admin Support X
Bill No. 544 Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1.

2.

3.

4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

WITNESS STATEMENT

Name Dan MARINKOVICH

Committee On Education

Address Anaconda

Date 1-2-83

Representing Sch. Dist. #10

Support X

Bill No. 544, 204

Oppose _____

Amend X

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. Effect on District
2. State Requirement
3. Taxable Valuation
4. Action by District

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

STANDING COMMITTEE REPORT

February 4, 83

19

SPEAKER:

MR.

EDUCATION AND CULTURAL RESOURCES

We, your committee on

HOUSE

422

having had under consideration Bill No.

first

white

reading copy (^{color})

"AN ACT TO ALLOW THE TRUSTEES OF A SCHOOL DISTRICT TO MEET AT ANY TIME FROM FEBRUARY 1 THROUGH THE FOURTH MONDAY IN JUNE TO ADOPT A PRELIMINARY BUDGET FOR THE ENSUING SCHOOL FISCAL YEAR; TO REQUIRE THAT THE TRUSTEES PUBLISH A NOTICE OF THE MEETING AT LEAST 2 WEEKS IN ADVANCE IN A NEWSPAPER OF GENERAL CIRCULATION IN THE DISTRICT; TO ELIMINATE THE REQUIREMENT THAT THE COUNTY SUPERINTENDENT PUBLISH A NOTICE OF THE PRELIMINARY BUDGET MEETING; AMENDING SECTION 20-9-113, MCA; REPEALING SECTION 20-9-112, MCA."

HOUSE

422

Respectfully report as follows: That Bill No.

~~DO PASS~~

STANDING COMMITTEE REPORT

1 of 5

March 11, 19 93

MR. **SPEAKER:**

We, your committee on **EDUCATION AND CULTURAL RESOURCES**

having had under consideration **HOUSE** Bill No. **544**

first reading copy (white)
color

A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE THE MAXIMUM GENERAL FUND BUDGET SCHEDULES FOR ELEMENTARY SCHOOLS AND HIGH SCHOOLS; AMENDING SECTIONS 20-9-316 THROUGH 20-9-319, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Respectfully report as follows: That **HOUSE** Bill No. **544**

be amended as follows:

1. Page 1, line 14.
Strike: "\$20,060"
Insert: "\$18,627"

2. Page 1, line 16.
Strike: "\$20,060"
Insert: "\$18,627"

3. Page 1, line 17.
Strike: "\$838.30"
Insert: "\$778.50"

4. Page 1, line 20.
Strike: "\$27,605"
Insert: "\$25,634"

~~XXXXXX~~
DO PASS

HOUSE BILL 544

March 11,

19 63

5. Page 1, line 21.

Strike: "\$838.30"

Insert: "\$778.50"

6. Page 1, line 24.

Strike: "\$44,074"

Insert: "\$40,926"

7. Page 1, line 25.

Strike: "\$525"

Insert: "\$487.50"

8. Page 2, line 7.

Strike: "\$1,948"

Insert: "\$1,809"

Strike: "\$1.89"

Insert: "\$1.76"

9. Page 2, line 11.

Strike: "\$1,634"

Insert: "\$1,703"

10. Page 2, line 12.

Strike: "\$1.73"

Insert: "\$1.61"

11. Page 2, line 15.

Strike: "\$1,488"

Insert: "\$1,382"

12. Page 3, line 1.

Strike: "\$114,321"

Insert: "\$106,155"

13. Page 3, line 3.

Strike: "\$4,763"

Insert: "\$4,423"

14. Page 3, line 4.

Strike: "\$25.98"

Insert: "\$24.12"

15. Page 3, line 7.

Strike: "\$4,348"

Insert: "\$4,037"

HOUSE BILL 544

March 11, 1903

16. Page 3, line 8.

Strike: "\$25.98"

Insert: "\$24.12"

17. Page 3, line 11.

Strike: "\$2,789"

Insert: "\$2,590"

18. Page 3, line 12.

Strike: "\$4.35"

Insert: "\$4.04"

19. Page 3, line 15.

Strike: "\$2,354"

Insert: "\$2,196"

20. Page 3, line 16.

Strike: "\$2.38"

Insert: "\$2.22"

21. Page 3, line 19.

Strike: "\$2,115"

Insert: "\$1,964"

22. Page 3, line 20.

Strike: "44"

Insert: "41"

23. Page 3, line 23.

Strike: "\$1,984"

Insert: "\$1,842"

24. Page 4, line 11.

Strike: "\$22,468"

Insert: "\$19,372"

25. Page 4, line 14.

Strike: "\$22,468"

Insert: "\$19,372"

26. Page 4, line 15.

Strike: "\$939"

Insert: "809.60"

27. Page 4, line 18.

Strike: "\$30,918"

Insert: "\$26,659"

HOUSE BILL 544

March 11, 1983

28. Page 4, line 19.

Strike: "\$939"

Insert: "\$809.60"

29. Page 4, line 22.

Strike: "\$49,363"

Insert: "\$42,563"

30. Page 4, line 23.

Strike: "\$588"

Insert: "\$507.00"

31. Page 5, line 5.

Strike: "\$2,182"

Insert: "\$1,881"

Strike: "\$2.12"

Insert: "\$1.83"

32. Page 5, line 9.

Strike: "\$2,054"

Insert: "\$1,771"

33. Page 5, line 10.

Strike: "\$1.94"

Insert: "\$1.67"

34. Page 5, line 13.

Strike: "\$1,667"

Insert: "\$1,437"

35. Page 5, line 25.

Strike: "\$128,040"

Insert: "\$110,401"

36. Page 6, line 2.

Strike: "\$5,335"

Insert: "\$4,600"

37. Page 6, line 3.

Strike: "\$29.10"

Insert: "\$25.09"

38. Page 6, line 6.

Strike: "\$4,869"

Insert: "\$4,199"

HOUSE BILL 544

March 11, 1983

39. Page 6, line 7.

Strike: "\$29.10"

Insert: "\$25.09"

40. Page 6, line 10.

Strike: "\$3,124"

Insert: "\$2,693"

41. Page 6, line 11.

Strike: "\$4.87"

Insert: "\$4.20"

42. Page 6, line 14.

Strike: "\$2,637"

Insert: "\$2,274"

43. Page 6, line 15.

Strike: "\$2.67"

Insert: "\$2.31"

44. Page 6, line 18.

Strike: "\$2,369"

Insert: "\$2,043"

45. Page 6, line 19.

Strike: "49"

Insert: "42"

46. Page 6, line 22.

Strike: "\$2,222"

Insert: "\$1,916"

AND AS AMENDED
DO PASS

		Date: No. HB 196	Date: No.	Date: No.	Date: No.	Date: No.	Date: No.
DONALDSON	P	NO					
EUDAILY	P	YES					
HAMMOND	P	YES					
HANNAH	P	NO					
KADAS	P	YES					
KEENAN	P	YES					
KITSELMAN	P	NO					
LORY	P	YES					
MILLER	P	NO					
NILSON	P	YES					
NISBET	P	NO					
PECK	P	YES					
SANDS	P	NO					
SCHYE	P	YES					
YARDLEY	P	YES					
KENNERLY	P	YES					
DAILY	P	NO					