

MINUTES OF THE MEETING  
TAXATION COMMITTEE  
MONTANA STATE SENATE

January 21, 1983

The ninth meeting of the Taxation Committee was called to order at 9 a.m. by Chairman Pat M. Goodover in Room 325 of the Capitol Building.

ROLL CALL: All members were present except Senators Hager and Severson.

CONSIDERATION OF SENATE BILL 94: Senator Pat Regan, Senate District 31, is a member of the Joint Subcommittee on Education, which is the chief sponsor of SB 94. The bill is an outgrowth of a study done last summer. Every member of the joint subcommittee signed the bill. It is the most important bill to be passed for education. It provides for greater equalization for our education program and raises the mandatory mill levy from 40 mills to 55 mills. It makes the permissive mills mandatory. Senator Regan discussed the reasons why the subcommittee arrived at their conclusion. House Joint Resolution 34 mandated whether the school foundation program properly met mandative funding for public education. The program was initiated in 1949 to do three things:

- (1) provide state-funding support for school general fund budgets in order to relieve pressure on local property taxation;
- (2) provide equal educational opportunity for students, as indicated by equal funding per child according to size of school; and
- (3) apportion the fiscal burden of basic education costs fairly among the state's taxpayers.

We have not looked at the foundation's program seriously since 1972. Article X, section 1(3) of the Montana Constitution states, "[The legislature] shall fund and distribute in an equitable manner to the school districts the state's share of the cost of the basic elementary and secondary school system." The committee focused on three major concerns:

- (1) Whether the present school finance program meets the mandate for funding public education as stipulated in Article X, Section 1 of the 1972 Montana Constitution;

- (2) How to relieve the increasing burden of financing a large portion of school general fund budgets through local voted mill levies;
- (3) Whether the foundation program schedule amounts guaranteed districts are adequate to fund the basic educational program as established by the standards for school accreditation.

They found the opposite was true.

Senator Regan cited statistics indicating that a decreasing portion of revenue for the general fund budgets was being provided by the basic county equalization levies. The dollar support per child falls greatly. Anytime you depend on property for support of students, you are going to have unequal support. In an attempt to address this inequalization, we recommend that the 15 mills which are now permissive, be mandatory, increasing elementary mills for 25 to 34 and secondary mills from 15 to 21.

#### PROPONENTS

Senator Chet Blaylock, Senate District 35, stated that we are facing a financial crunch this session. The last legislature cut a lot of taxes in the 1981 session. They put to vote whether to cut taxes. It is costing \$60 million, \$16 million of which is coming out of the education foundation funding program. How are we going to fund the highway projects, he asked. Highways and education are looking at the same pots, and there is only so much money in each of those. We can't do all the things we want done with the money available. It is a tough decision. We have to have this bill, or there will be no increase in funds.

Representative Gene Donaldson, House District 29, also a member of the subcommittee, said the committee had two recommendations: one is Senate Bill 94, and the other is Senate Bill 76 (LC 69), which would create a guaranteed tax base program.

Representative Ralph Eudaily, House District 100, was also a member of the subcommittee. They have made an effort to expand the program, and he supports SB 94.

Representative Joe Hammond, House District 24, is a school teacher in Albion. Albion has the highest mill levy in the state and the lowest tax base. This bill means they can continue to exist and their schools put on an equal basis with other schools in the state.

Senator Dorothy Eck, Senate District 39, stated that equality of educational opportunity is guaranteed to each person in the state by the Montana Constitution. Each child should have an equal opportunity with every other child for quality education. We are aware, she said, of Supreme Court decisions

that say if a property tax base is used, it had to be equitable. An analysis done some years ago by Mike Billings, a former analyst for the Office of Public Instruction, showed that in the richest school district, each child was supported by a taxable base 1,000 times greater than in the poorest school district. Two years ago, updated figures showed that the richest district received an increase 7,000 times greater than the poorest district. This is not equality. The subcommittee assumed that the mandatory part of the levy would have to be doubled if they were going to have real equality. This bill, she said, will renew their intention that education be the responsibility of taxpayers across the state.

David Sexton, representing the Montana Education Association, testified in support of SB 94, and his written testimony is attached as Exhibit A.

Wayne Stanford, an educator at Lone Rock School northeast of Stevensville, and a school board trustee, submitted written testimony in support of SB 94, and it is attached as Exhibit B to these minutes.

John Deeney, from Billings, supported SB 94. There are three levels of equalization existing--Equalization I, II and III. It would be unequal if we stopped at Level I, the county equalization, so we go to Level II, the state equalization, to equalize. On Level III, permissive mills may be levied to meet the maximum budget. (See Exhibit C.) In the proposed foundation program, everyone would pay the same without a vote. Ninety percent equalization with 10% to float would be ideal. Education in Montana is the state's responsibility, and legislators should equalize the educational opportunity to a higher level.

John Paul, representing the Great Falls School Board, supported SB 94. It is critical to the education process in Montana. We ask your support and encourage you to give it the endorsement it needs.

John Malee, representing the Montana Federation of Teachers, also supported the bill (but offered no additional testimony).

Claudia Steen, second vice president of the Montana Parent Teachers Association, submitted written testimony, and it is attached as Exhibit D.

Gary Steuerwald, representing the Office of Public Instruction (OPI), requested that the committee support SB 94. They feel SB 94 equals the existing maximum general fund budget without a vote, and this was one of the primary changes of the interim subcommittee. SB 94 should bring in revenue estimating \$9.9 million per year which may be used to support the state foundation program. He noted that 73% of the state's schools holding 91% of the state's school children levied 55 mills.

OPPONENTS

Jack Adkins, Sidney Public Schools Superintendent, said that all is not as well as it may seem in eastern Montana. He quoted from a Billings Gazette article ("Well Is Dry" by Sue Saarnio)\*. He said that they have had increased taxation in the past two years due to the oil impact. Where were the legislators when they needed them, he asked, when they had 300 children for whom they had no room. Their taxable valuation is higher than most. Sidney's cost per student ranked 15th among 15 sch ols. Since oil boom, they have ranked only 14th among 15 because taxes have risen. They have quality schools and quality programs with no frills. They have given portion of taxes to equalization. The legislature mandates how permissive mills can be used. Under SB 94, smaller districts such as theirs would be penalized by offering quality education. SB 94 would create a 43.6% increase in taxes in one year in his area, giving them the highest cost per student in the state. He urged the committee to vote no on this bill and adopt something that will help everyone.

Senator Larry Tveit, Senate District 27, also opposed the bill. SB 94 addresses removing of local authority and flexibility of local school boards. He said we have arrived at a crossroads as to where the state should be heading. Will Initiative 95 help bail the state out? Let's lower taxes to help pay our bills, he suggested. He mentioned a report by Ian Davidson and the Governor of Montana which stated that Montana was the only state that did not have a sales tax. But, he said, Montana has the highest coal, oil, property, and incomes taxes. Montanans are overtaxed. The oil industry and royalty owners are being taxed to help bail out the state.

DALE SAILER, Superintendent of Schools in Bainville, also opposed the bill. In 1978, they were on the verge of consolidating, even before the oil impact hit. They promoted their community and increased school enrollment by 32 students. In 1970, their total county assessed mills were 161.29. They sent out \$139,725 for the county program on permissive mills for road maintenance and hospitals. In 1978, they had 224.68 mills assessed. In 1982, they levied 133.61 mills, of which \$800,000 in tax is retained in the district, sending out \$2,119,000. Seventy-two percent of the taxes are going out of the district. What is equal and what is fairness? Comparing 1970 to 1982, their local taxes, he said, rose 1,041%. Commitments to the state and county rose 1,516%, a 15 to 1 increase. When you talk about equality in percentages, we have sent out more than we have retained. How does the oil impact provide tax relief for those in oil areas? If you have 1,200 acres with a market value of \$6,992, a taxable value of \$2,097, and assessed mills of 161.29, you pay \$338.22 in property taxes (1970 figures). In 1982, with a market value of \$9,264, a taxable value of \$2,779, and assessed mills of 133.61, you are taxed \$371.30. They are paying more now with the oil than they were paying without it. Mr. Sailer suggested

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\*Exhibit E.

that a sales tax on tourism be legislated. He said if these mandatory mills are established, the farmers will be taxed into oblivion. If you do not have property tax base, nothing will go.

Mr. Sailer disputes the contention of the oil industry that they will leave any money for the county. The drilling sites are fine, but they have ruined the roads. They have in Richland County a \$150,000 indebtedness on classroom addition, and \$1 million building reserve fund to be paid in 5 years. With increased student enrollment, the cost per child is \$7,000. Their tax commitments have increased 1500% since 1970. See Exhibit F.

Joe Steinbeisser, a school board member in Sidney, Montana, said that the U.S. has one of the best governments in the world, but in SB 94, he sees a gradual trend toward socialism. It would take away his responsibilities as a school board member in Sidney, Montana. He opposes the bill for this reason.

Jim Mockler, representing the Montana Coal Council, opposed the bill also, saying that any time coal has an opportunity to develop in an area, they, the producers, are taxed on emotionalism. Across the street, as well as across the nation, we need local control. SB 94 is a step in the wrong direction; they need more flexibility of funding. They are building men working with new facilities with educational opportunity in big schools, but the economics of numbers will never be there. Montana's severance tax is twice as high as anyone's. Most of the tax burden will fall on these people (the coal producers). In 1982, production was down 20%. Education is the largest beneficiary of our royalty budget. In looking through the figures, our royalties will go up 5 times because of contract expirations. One company will pay \$5 million in royalties alone. The legislature should compensate them with low mill levies.

S. Keith Anderson, representing the Montana Taxpayers Association, submitted a written statement, and it is attached as Exhibit G.

F. H. "Buck" Boles, representing the Montana Chamber of Commerce, submitted a written statement and it is attached to these minutes as Exhibit H.

Richard Rossignol from Westby said that 70% of their taxes are generated through oil companies in Westby. Their taxable valuation is \$300,000. They are contributing \$1 million, \$300,000 of which is from wheat ranches. It costs \$1,035 extra for each rancher in Westby and \$1,380 in the Medicine Lake area. Last year, six schools did not even run mill levies. How can the taxes keep going up? We are made to look like big spenders. We are committed to 40 mills, but why give the extra 15 mills? Westby thinks Montana shouldn't share its coal severance tax with other states. "A mugger in New York will take your money and your wallet, but not your pants and shirt besides." He submitted OPI General Fund

Revenues Work Sheets for Sheridan County for 1982-83, which are attached as Exhibit I (4 pages).

Patrick R. Underwood, representing the Montana Farm Bureau, said his position has already been stated by other witnesses in opposition to the bill and submitted a written witness statement for the record. See Exhibit J.

Jo Brunner, representing Women Involved in Farm Economics, submitted written testimony which is attached as Exhibit K.

Don Allen, representing the Montana Petroleum Association, said the bill is a disincentive to oil production in Montana. The oil industry is charged with providing 87% of the state's \$10 million surplus. The western frontier may fizzle if those already carrying high levies need to take on any more levies.

Chris Mattox, a superintendent in Cut Bank, spoke for himself and submitted written testimony, which is attached as Exhibit L.

John Dollum, Superintendent of Schools in Garfield County, said that they have no railroad, no coal, no oil and no large metropolitan center. They do have 4 elementary school districts which are rich. The high school district would not change. Garfield County is a large county, and we expected \$5,200. In the high school, Art, Spanish, and football have been dropped because they are too expensive. In the elementary school in Jordan, we dropped a teacher and combined the 5th and 6th grades. We wrestle with how to get teachers to remote areas of our county. Where is the equality of funding? The original foundation program funded by the state offered a minimum program. We turn out quality students. Your change was to fund minimums, not maximums. If I can convince our people that we need something, we get it, he said.

James Kemmit, Superintendent of Schools in Wibaux County, said SB 94 will raise their taxes 20% and send thousands of dollars out of the county. They need vocational educational courses because of the high unemployment in their area. They pay statewide mill levy for district courts and equalization of teachers' retirement. Added together, they are unconscionable. Ten million dollars, when you consider all the money spent in Montana, is but a drop in the bucket.

Robert Richards, Superintendent of Schools in Plentywood, said the foundation has worked well. Since it was put in in 1950, they have run 40 mills plus 15 mills permissive plus additional to top rate their schools. Last year, they did not have to run, but because of increasing enrollment, they were treated well. Plentywood had its last school building, the high school, built in 1960. They are looking at a school district that has never failed a permissive mill levy. If SB 94 passes, they will not be able to pass a permissive mill levy.

Harold Tokerud, representing the Colstrip schools, stated they went from 100 students in 1970 to over 1,500 in 1982. The share to the state would have been \$4.3 million if SB 94 were in effect. A section of land has increased 500% in taxes. He submitted several pages of statistics, including the Colstrip schools' budgets, and they are attached as Exhibit M.

Senator Ed Smith, Senate District 1, said this has become an urban versus rural issue. Montana's 780,000 people must learn to work together. We have lowered the tax base by removing livestock from it. When vehicles were removed from the tax base, we dropped from \$140 million to \$120 million. We reduced the tax base from \$15 million to \$13 million. This bill is an attempt to tax someone else in the other counties. The oil tax base does not.

Representative Tom Asay, House District 50 (Rosebud County), said if SB 94 is equitable, what is the necessity? We would then need a monitored school budget. If we pass SB 94 and increase the mandated mill levy, any inequity is only extended further.

Tucker Hill, Richland County, quoted from a report submitted to the interim committee on education by Mary Frase Williams (Report on Education Finance Issues in Montana and Options for Further Study, on file with the Legislative Council library) and stated that that will equalize units that are inequal.

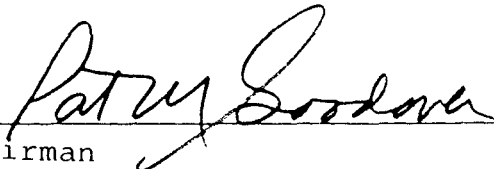
In closing, Senator Regan stated that in terms of oil questions, there are some reasons why oil activity is down in Montana:

- (1) Deep drilling is necessary in Montana.
- (2) There are small shallow pools, with declining returns.

Last session, the state provided \$11.3 million in tax relief to the oil people. The permissive amount is not permissive in most districts around the state. In 1981-82, 6 1/2% of the A and B counties had 38% of the state's taxable wealth. The 55-mill levy will bring greater equality.

Only 9% of the high school districts did not levy permissive levies. She referred to the chart at page D-9 in the sub-committee's report.\* She reiterated that SB 94 is really a question of equity. Senator Regan stated that Steve Colberg is available as a researcher to the committee.

The meeting adjourned at 10:10 a.m., with a later date to be set for conclusion of any testimony and questions from the taxation committee members.

  
Chairman

\*Exhibit N.

ROLL CALL

SENATE TAXATION

COMMITTEE

48th LEGISLATIVE SESSION -- 1983

Date 1/21/83

NAME	PRESENT	ABSENT	EXCUSED
SENATOR GOODOVER, CHAIRMAN	✓		
SENATOR McCALLUM, VICE CHAIRMAN	✓		
SENATOR BROWN	✓		
SENATOR CRIPPEN	✓		
SENATOR ELLIOTT	✓		
SENATOR GAGE	✓		
SENATOR TURNAGE	✓		
SENATOR SEVERSON		✓	
SENATOR HAGER		✓	
SENATOR ECK	✓		
SENATOR HALLIGAN	✓		
SENATOR LYNCH	✓		
SENATOR NORMAN	✓		
SENATOR TOWE	✓		
SENATOR MAZUREK	✓		



## SENATE TAXATION COMMITTEE

BILL SB 94

VISITORS' REGISTER

DATE 1/21/83

NAME	REPRESENTING	BILL #	(check one)	
			SUPPORT	OPPOSE
Jim Mockler	MT. Coal Council	SB 94		✓
Mike Zimmerman	MPCO	SB 94		✓
BILL KIRKPATRICK	CHAMPION	SB 94		✓
FA. BUCK BOLES	MONTANA CHAMBER	SB 94		✓
Joe Hammon	Alberton School Dist	SB 94	X	
John Campbell	Helena School Dist	SB 94	X	
Harry K. Berg	Gt. Falls Sch. Dist	SB 94	X	
Chris Mattox	Cut Bank	SB 94		✓
Gene J. Ingels	LD 29	SB 94	X	
John A. Brenner	Sevier Water Sealed #1	SB 94		✓
Vladimir Steer	Montana PTA	SB 94	X	
John O. Paul	Gt. Falls Sch. Dist	SB 94	X	
Don Allen	Mont. Petroleum Assoc.	SB 94		✓
BERNIE ANDERSON	SHELL OIL COMPANY	SB 94		✓
Wloyd Crippen	NEIB	SB 94		✓
Dennis SUEA	ARCO/ARCO	SB 94		✓
LEON A. COOK	DIST 75	SB 94	X	
Tom Aron	DIST 50	SB 94		✓
Wm. G. G. G.	DIST - Chester	SB 94		✓
Richard Harmon	"			
Jack Clark	DIST #1 Missoula	SB 94	X	
Carl Rickman	Mont. Petroleum Assoc.	SB 94		✓
JP Doo	School Dist #2	SB 94	X	
William A. Doo	School Dist #3	SB 94	X	

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY

DATE

JANUARY 21, 1983

COMMITTEE ON TAXATION

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
KARL SEEL	GALLATIN COUNTY			✓
Rep. Carl Zabrach				✓
Rep. John Jackson				✓
John N. Wallin	GARFIELD County			✓
Rep. Glenn Boush				✓
Don Allen	MT. PETERMAN Group	SB 94		✓
Jim Kuntz	Wilboux Schools	SB 94		✓
Richard Boese	Bishop-Mt. <sup>Northern</sup> Dawson Co.	SB 94		✓
Jack Adkins	Sidney MT, Richland	SB 94		✓
Delbert Saylor	Barnville MT Roosevelt	SB 94		✓
Terry Deuker	Terry MT	SB 94		✓
Joe D. Steinbeisser Jr.	Sidney, Mont	SB 94		✓
Mark Luersenz	Sidney, Mont	SB 94		✓
Richard Langford	Weston School	SB 94		✓
Robert Overhals	Gladywood Schools	SB 94		✓
TUCKER Hill	Richland County Pkws.	SB 94		✓
Robert Sivertsen	Self	SB 94		✓
John R. Morier	Sidney Mt. <sup>Pen School</sup> Dist 21	SB 94		✓
Oslo Newins	Richland County Dist. 28.	SB 94		✓
Robert Coon	Richland County Dist 11.	SB 94		✓
Rep. Marian Hanson	District # 57, Ashland	SB 94		✓
John Augustine	Conoco FNC	SB 94		✓
Weldon Sumner	Shell oil co.	SB 94		✓
John M. Manning	Shell O.I. Co.	SB 94		✓
LEON A. COOK	SCHOOL DIST 75			

(Please leave prepared statement with Secretary)

COMMITTEE ON TAXATION

## VISITORS' REGISTER

NAME (PLEASE PRINT)	REPRESENTING	BILL #	Check One	
			Support	Oppose
John Malone	Mont. Fed. Teachers	SB 94	✓	
Phil Waber	Lambert School District # 4886	SB 94		✓
PAT WOOD	Mont. Farm Bureau	SB 94		✓
BRENDA SCHYE	Self	94		
Gary Steyerwald	OPI	94	✓	
Chet Baylock	Smoot Dist # 35	94	✓	
Owen Nelson	MEA	SB 94	✓	
Shawn Stanford	Lone Rock	94	✓	
Wayne Stanford	Lone Rock & Stevensville Sch.	94	✓	
David Sexton	Montana Educ Assn	94	✓	
HAROLD TOKERUD	Colstrip Schools	94		✓
Alan Ryan	Sunburst, MT	94		✓
Dick Strickman	Valley Schools	94		✓
Hubert Thraen	Reg. Dist # 6	94		✓
Tom Crossen	OPI	94		
Ch. Pinner	W. L. F.	94		✓
Steve Colberg	OPI	94	✓	
Kathleen Eickley	Representative's Dist. 131-7th	SB 94	✓	
Mr. Davis	Representative's Dist. 131-7th			
Donald Wolskel	Culbertson School	SB 94		✓
Steve Brown	Self	52 26	✓	
Larry Treit	Northeast Montana Mineral Owners	SB 94		✓

NAME: S. Keith Anderson DATE: 1/4/83  
ADDRESS: Helena, MT.  
PHONE: 442-2130  
REPRESENTING WHOM? Montana Taxpayers Assoc.  
APPEARING ON WHICH PROPOSAL: S.B. 94  
DO YOU: SUPPORT? \_\_\_\_\_ AMEND? \_\_\_\_\_ OPPOSE? X  
COMMENTS: \_\_\_\_\_

WITNESS STATEMENT

Name Jack Perkins Date 1-21-82  
Address Box 3339 Sidney, MT. Support ? \_\_\_\_\_  
Phone: \_\_\_\_\_  
Representing 482-4081 Sidney School & Rich Co Oppose ? ✓  
Which Bill ? S.B. 94 Amend ? \_\_\_\_\_  
Comments: \_\_\_\_\_

WITNESS STATEMENT

Name Jim Mockler Date 1/21/83  
Address 2301 Colonial Dr Support ? \_\_\_\_\_  
Phone: 403-6223  
Representing Mont. Coal Council Oppose ? ✓  
Which Bill ? S.B. 94 Amend ? \_\_\_\_\_  
Comments: \_\_\_\_\_

WITNESS STATEMENT

Name Joe Steinheisser Jr. Date 1-21-82  
Address R#1 Box 3403 Sidney MT Support ? \_\_\_\_\_  
Phone: 482-2185  
Representing Sidney Oppose ? ✓  
Which Bill ? S.B. 94 Amend ? \_\_\_\_\_  
Comments: \_\_\_\_\_

WITNESS STATEMENT

Name Dale Sailer Date 1-21-83  
Address Box 104 Bannock, MT Support ? \_\_\_\_\_  
Phone: 767-2321  
Representing Sidney Dist # 64 Oppose ? ✓  
Which Bill ? S.B. 94 Amend ? \_\_\_\_\_  
Comments: \_\_\_\_\_

NAMES AND ADDRESSES OF WITNESSES COPIED ONTO ONE SHEET SINCE  
NO ADDITIONAL TESTIMONY OR COMMENTS WERE INCLUDED ON THESE SHEETS.

TESTIMONY of  
MONTANA EDUCATION ASSN,  
(DAVID SEXTON)

SENATE TAXATION COMMITTEE  
EXHIBIT A (1 of 2 pages)  
JANUARY 21, 1983  
SENATE BILL 94

January 20, 1983

~~The Honorable [Name] [Address]  
Montana State Senate  
[Address]  
[Address]~~

RE: SB 94 (Regan)

~~Re: [Name] [Address]~~

Senate Bill 94, proposed by the Joint Subcommittee on Education, is absolutely essential if we are to properly fund the schools and equalize basic school levies.

SB 94 provides for funding of 100% of the Foundation Program instead of the present 80% level. It does this by mandating the present 9 and 6 mill permissive levies statewide. Nearly all Montana districts already have to impose the full 15 mills. SB 94 simply extends these levies to all districts.

The effect of the bill will be to bring in an additional \$20 million over the biennium for school equalization which your own local school districts would share in. Because your home school districts already impose the maximum 15 mills, they will benefit by receiving more equalization aid from the state.

SB 94 is a key element in a bipartisan effort to find the necessary revenues for Foundation Schedule increases. It relieves some of the pressure on state general fund appropriations. It does not increase taxes for anyone except a very few, very wealthy districts. Moreover, the increase is a fair one because it simply says all property taxpayers in the state will pay the same tax rate of 15 mills for schools. There would be one millage statewide, so it eliminates a source of discrimination which could invite a lawsuit.

In summary, SB 94 will:

- Move towards true equalization
- Generate desperately needed revenues for the Foundation Program
- Help some of the crunch in the state budget
- Relieve some of the need for higher voted levies by increasing Foundation Program support

We urge your support and ask you to encourage your colleagues to support this vital bill.

Sincerely,

David Sexton  
Government Relations Director

Section  
in bill  
May 2, 1983  
200

# School General Fund Financing Elementary and High School

Current Law

SB 94

District as needed	Voted	Voted	District as needed
State District 15 mills if needed			State Equalization
State Equalization	Foundation Program	Foundation Program	County 55 mills
County 40 mills			

Name	Employed	School Board
Wayne Stanford	Lone Rock School	Stevensville School Board of Trustees

I Believe I can speak to S.B. 94 in two capacities; as an educator in a small rural district and as a School Board Trustee of a class A High School.

My interests are very biased from the start. I believe we owe each and every student in Montana the best education we can give them. It is a shame that in most cases it comes down to "How much will it cost?" Making the permissive 15 mill levy mandatory will help small districts and large districts alike. The additional money raised by S.B. 94 will help all of Montana's public school students.

The tax payers I represent in the two districts I am most concerned about at the present time are paying more than their fair share. The voted levies we have been forced to run in the past three years in Stevensville have been operational levies to pay for basic educational needs, not fancy new programs.

Two years ago Stevensville High School Levy was defeated after being run three times. All extra programs including: Speech and Debate, Athletics, Chorus Band could not be funded by the schools General Fund Budget.

Last year in Stevensville, the Stevensville teachers agreed to to refund  $4\frac{1}{2}\%$  of a  $9\%$  increase in salary to insure the passage of our mill levy. This was in a year that the foundation program increased by  $15\%$ . There are not fat places in the budget. Electricity, gas, fuel, telephone, and other necessary services have continued to rise at a faster rate than Montana's foundation program.

The Lone Rock School district is facing similar problems, not that enrollment has leveled off.

Montana's income tax system, our property tax system and the United States income tax system are based on an individuals ability to pay. In Montana most districts are paying more than their fair share, while some districts can afford to pay more, but cannot. The foundation program was originally designed to

Stevensville teachers  
are already the  
lowest paid  
teachers in all  
of Montana  
schools.



SENATE TAXATION COMMITTEE

EXHIBIT B

JANUARY 21, 1983

SENATE BILL 94

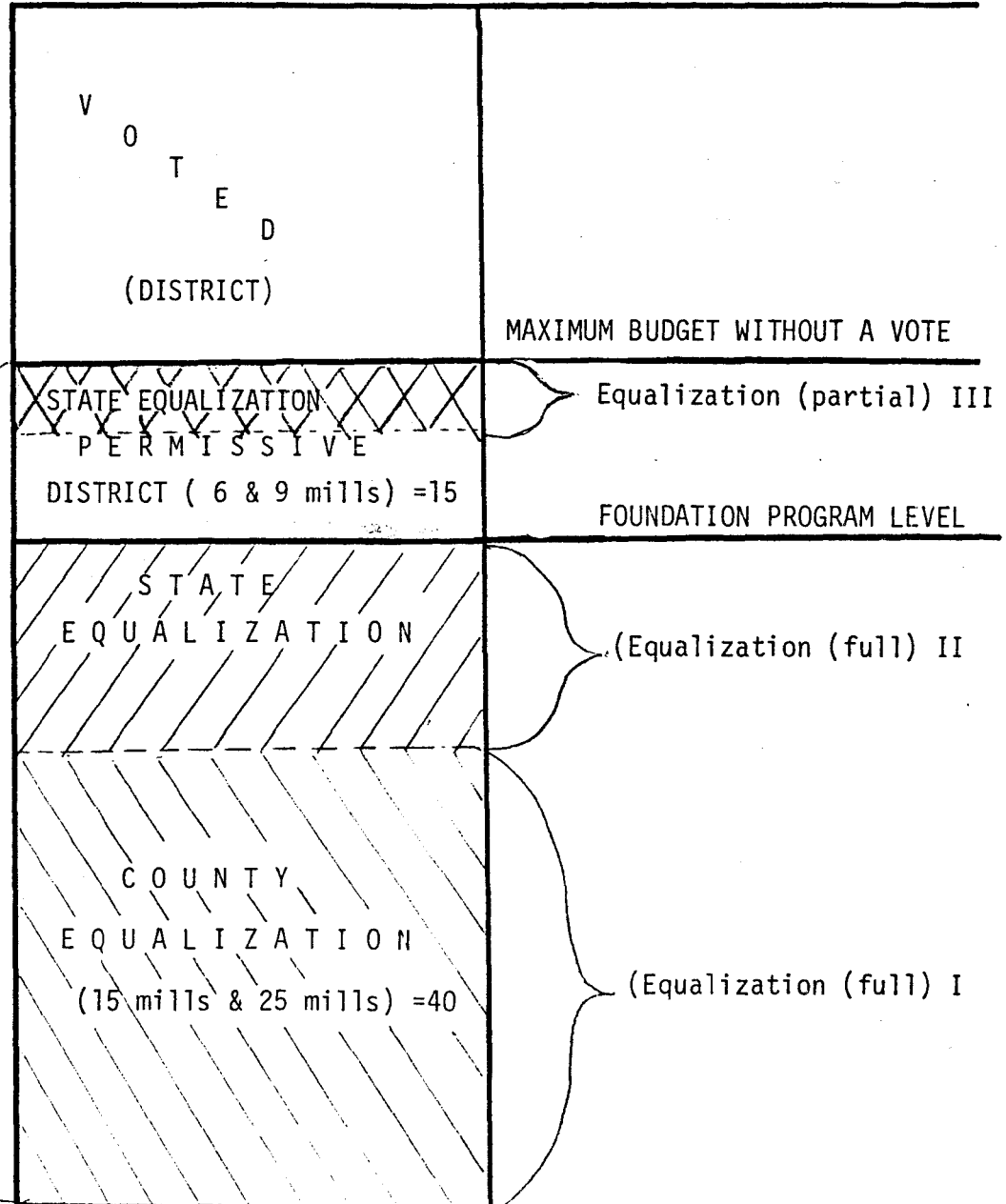
guarantee all of Montana's school children  
an equal, quality education. That  
can not be done if taxpayers in many districts  
can not afford an increasing tax burden.

Thank you for allowing me to take  
up some of your valuable time.

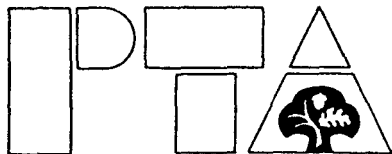
Exhibit C

Deeney  
SB 94  
1-21-83

GENERAL FUND TOTAL



PROPOSED  
FOUNDATION PROGRAM  
(55 mill mandatory)  
(full equalization)



MONTANA CONGRESS OF PARENTS AND TEACHERS

Senate Taxation Comm. Claudia Steen  
Exhibit D  
JANUARY 21, 1983  
SEN. BILL 94 January 21, 1983

Chairman Goodover, Members of the Taxation Committee,

My name is Claudia Steen and I am the second vice-president of the Montana Parent Teachers Association. I speak as a proponent to this bill. You have heard the testimony of several expert witnesses and rather than repeat their testimony and take more of your valuable time, I will simply state the PTA position.

The Parent Teacher Association of Montana strongly believes in promoting the best education available to Montana youth. This bill allowing for equated mill levies will allow all children across Montana, not just wealthy counties, equal education benefits.

The PTA strongly urges this committee to deliver a "Do Pass" recommendation on SB 94 out of this committee.

Thank-you!

# Well is dry

By SUE SAARNIO

Gazette Glendive Bureau

SIDNEY — Sidney driller Dave Gulbraa says the bottom has completely opened out of eastern Montana's drilling market.

And Friday's auction sale of much of Gulbraa's drilling equipment was just one more sign of the tough economic times in the business.

Gulbraa has been in the drilling business for 25 years in mineral and coal testing, seismic work and water-well drilling.

In fall 1980, he had his business paid off and could have retired comfortably.

But the oil business was booming in eastern Montana and further oil development in the region promised even greater profits.

So during fall 1980 and winter 1981, Gulbraa put everything he had into reinvesting in his drilling business. "Then everything fell apart," he said. "By February of '82 I had three rigs and no work."

At the height of the boom it wasn't uncommon for Gulbraa to take in \$40,000 a month from his business. The \$5,000-a-month bank payments — even at 20 percent interest — were no problem until the market started dropping off.

"I just reinvested too much so close to the end that I had too much to pay off," he explained.

On Friday, the drilling rigs he spent \$45,000 for two years ago sold for \$19,000. The auction block, drilling pipe, which he sold for \$15 a foot, went Friday for \$1.

"It just looks to me like nobody has any money," Gulbraa said. "They just aren't having any chances."

Gulbraa arranged to have Texas auctioneers Nelson International run the sale. He had hoped the national firm's slick color brochures and nationwide advertising would attract out-of-state "high rollers" to the sale.

The auctioneers registered more than prospective buyers — most of them from Montana, Wyoming and Texas.

"They were all high rollers, they just didn't roll high enough," Gulbraa said.

Many of those who attended Friday's drilling auction in Sidney's Moose Lodge are in the same boat as Gulbraa. They didn't come to buy, but only to see how well the auction would go.

"We know they are making guinea pigs out of us," Gulbraa said. "We just decided to break the ice with the auction. There's a lot of people who should be selling out that aren't because they want to see how mine goes."

The low prices left many of those businessmen at the auction feeling very "solemn," Gulbraa said.

It was obvious early in the bidding how badly the sale would go for the sellers. "When we sold the first rig and it went for \$32,000, we knew we were in trouble."

Gulbraa knows that selling out when the market is at its low point is not the best idea. "But when the bank says you have to do it, you don't have much choice."

Early in the week Gulbraa had been somewhat optimistic about prospects for the sale. "There's a good chance the price is as stable as it will be later on," he said. "I might as well get rid of the interest payments."

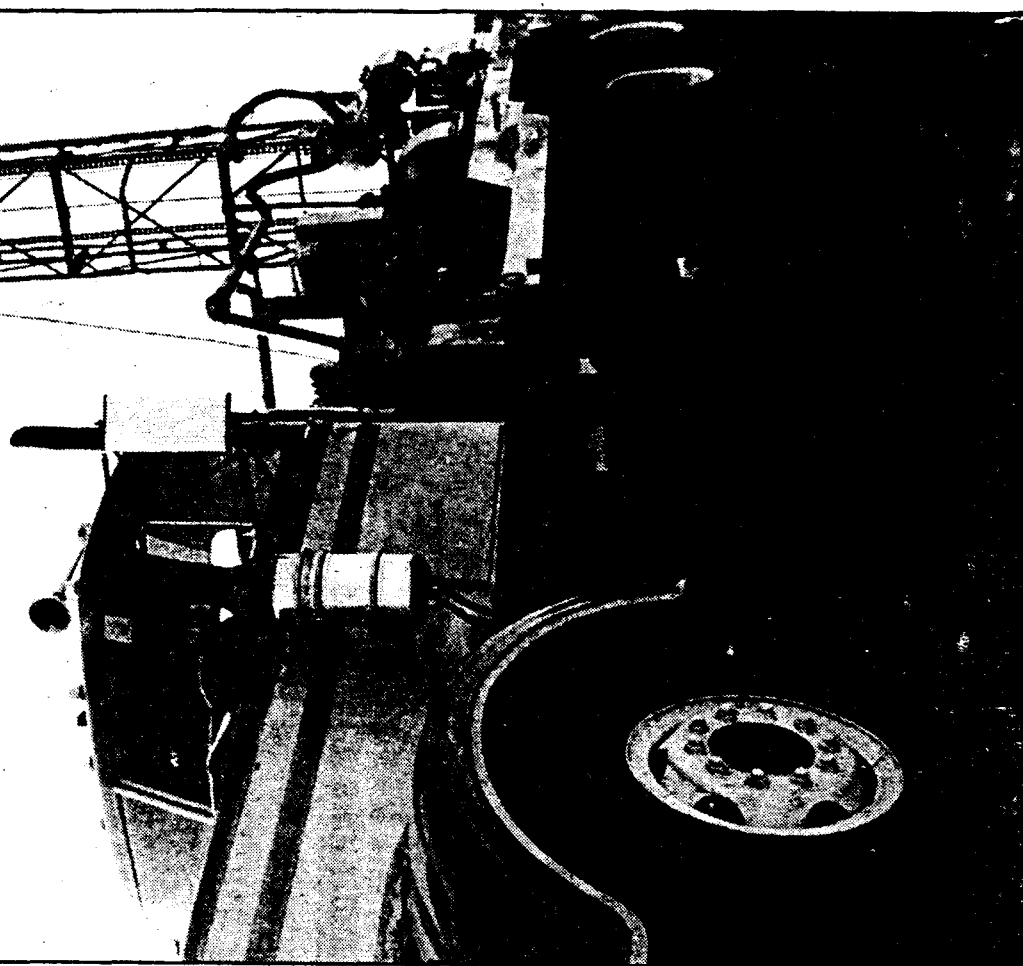
Gulbraa had hoped the sale would give him enough cash to pay off his bank loans and start over. But the prices he received for the drilling rigs, water trucks and other equipment won't come near covering his \$180,000 debt to the bank.

Gulbraa wasn't the only driller whose equipment sold low Friday. RNT Drilling of Buffalo, Wyo., Goodale Drilling of Wibaux, and Verplancke Drilling of Williston, N.D., also had equipment on the block. "None of the consignors did very well," Gulbraa said.

A Nashua businessman said Friday's auction was a real buyer's market. "If I had \$50,000 extra I would have spent it all," he said. "There wasn't anything that sold here that you couldn't triple your money on in three years."

Gulbraa said he had held out in the drilling business just about as long as he was able. "Nobody is more optimistic than a driller," he said.

Even though he is holding onto one rig in hopes of staying in business, Gulbraa is hesitant to say that he is optimistic now.



Gazette photos by Sue Saarnio

Sidney driller Dave Gulbraa sold his rigs Friday for substantially less than what he paid for them.

Exhibit E  
JANUARY 21,  
1983  
SB 94

Box 3339  
Sidney, MT  
482-4081

1-21-83  
SB94 (oppose)

BUDGET PER PUPIL ELEMENTARY -- Using 81-82 ent (ANB) latest MONTAX ANB figure

BUDGET PER PUPIL

City	81-82 ANB	75-76	76-77	80-81	81-82
Billings	(1) 10247	(2) \$1175	(3) \$1338	(6) \$1836	(8) \$2003
Bozeman	(6) 2634	(5) 1144	(5) 1286	(9) 1761	(9) 1989
Butte	(4) 4691	(1) 1302	(1) 1417	(1) 2275	(1) 2544
Great Falls	(2) 8382	(4) 1148	(4) 1327	(4) 1859	(2) 2092
Helena	(5) 4245	(12) 981	(11) 1127	(10) 1739	(10) 1956
Missoula	(3) 5594	(3) 1160	(6) 1279	(8) 1794	(7) 2014
Havre	(8) 1620	(8) 1068	(8) 1270	(5) 1836	(6) 2024
Kalispell	(7) 1986	(13) 981	(13) 1118	(11) 1707	(13) 1889
Anaconda	(9) 1616	(6) 1139	(2) 1401	(3) 1879	(3) 2091
Glendive	(10) 1341	(9) 1037	(10) 1161	(11) 1591	(11) 1922
Laurel	(15) 1048	(11) 996	(12) 1123	(15) 1524	(15) 1777
Lewistown	(14) 1082	(10) 1028	(9) 1185	(7) 1836	(5) 2061
Livingston	(13) 1132	(14) 956	(14) 1106	(12) 1690	(12) 1921
Miles City	(11) 1226	(7) 1139	(7) 1275	(2) 1945	(4) 2075
Sidney	(12) 1217	(15) 959	(15) 1063	(14) 1533	(14) 1850

Richland County Equalization Effort

82-83 Return \$1,620,172 without passage of SB94

1982-83 to return \$2,814,159 if SB94 becomes law

Sailer - SB94

Tax Valuation High School Year	General Fund		District Mills		Trans. Fund		District Mills		Retirement Fund		Debt Service Fund		District Mills		Building Reserve Fund		District Mills		Total of District Budgets		Total Levy District Budget	
	Budget	Levy	District	Mills	Budget	Fund	District	Mills	Budget	Fund	Budget	Fund	District	Mills	Budget	Fund	District	Mills	all Budgets	Budget	District Budget	Budget
1970																						
1,343,691	99,585	28,846	21.48	1.39	9,500	1,865	1.39	2,725	0	0	0	0	0	0	0	0	0	0	111,810	30,711		
1971																						
1,392,717	100,280	30,296	21.76	1.87	10,000	2,597	1.87	3,200	0	0	0	0	0	0	0	0	0	0	113,480	32,893		
1972																						
1,386,964	100,314	30,526	22.01	1.14	8,700	1,580	1.14	3,250	0	0	0	0	0	0	0	0	0	0	112,264	32,106		
1973																						
1,456,000	104,904	39,504	27.13	6.86	14,000	10,000	6.86	8,221	0	0	0	0	0	0	0	0	0	0	127,125	49,504		
1974																						
1,577,443	104,904	27,982	17.75	6.71	14,100	10,571	6.71	8,950	0	0	0	0	0	0	0	0	0	0	127,954	38,553		
1975																						
1,605,706	128,892	55,296	34.45	.48	13,750	775	.48	9,587	0	0	0	0	0	0	0	0	0	0	152,229	56,071		
1976																						
1,607,856	132,570	54,414	33.86	4.14	15,050	6,660	4.14	10,065	0	0	0	0	0	0	0	0	0	0	157,685	61,074		
1977																						
1,693,093	134,625	51,253	30.26	3.76	16,000	6,358	3.76	11,100	0	0	0	0	0	0	0	0	0	0	161,725	57,593		
1978																						
1,692,961	143,701	51,628	30.52	7.59	23,200	12,841	7.59	11,800	0	0	0	0	0	0	0	0	0	0	178,701	64,469		
1979																						
2,229,985	157,627	82,436	36.99	6.02	28,000	13,406	6.02	13,400	0	0	0	0	0	0	0	0	0	0	199,027	95,842		
1980																						
4,435,847	188,280	110,986	25.03	6.24	40,800	27,676	6.24	14,900	0	0	0	0	0	0	0	0	0	0	243,980	138,662		
1981																						
11,628,315	221,058	103,384	8.90	1.72	42,000	19,949	1.72	19,500	44,976	44,976	3.87	0	0	0	0	0	0	0	327,534	168,309		
1982																						
21,858,050	274,924	159,784	7.32	1.48	48,300	32,216	1.48	24,500	59,808	53,976	2.47	100,000	4.58	507,533	345,976							

\* Budgets increased substantially due to establishment of debt service fund and bui

H.S. Mills Levied	Tax Valuation General				Trans.				School Bus			Retirement Debt Service			District Mills			Building Fund Budget
	Elementary Year	Fund Budget	District Levy	District Mills	Fund Budget	District Levy	District Mills	Reserve Fund Budget	District Levy	District Mills	Fund Budget (M)	Fund Budget	Levy	District Mills	Fund Budget	Levy	District Mills	
22.87	1970	74,070	31,403	23.38	12,370	6,298	4.69	15,156	6,111	4.55	1,910 (1.42)	0	0	0	0	0	0	0
	1971										1,910 (1.72)	0	0	0	0	0	0	0
23.63	1972	74,154	26,924	19.34	10,300	3,543	2.55	14,415	6,114	4.39	2,400 (1.68)	0	0	0	0	0	0	0
23.15	1973	70,346	13,085	9.44	9,800	4,581	3.31	20,778	6,114	4.41	2,400 (1.67)	0	0	0	0	0	0	0
34.00	1974	90,540	35,479	24.36	9,390	4,214	2.89	14,677	6,396	4.39	2,440	0	0	0	0	0	0	0
24.46	1975	88,347	20,255	12.85	15,370	9,766	6.20	28,279	6,404	4.07	7,200	0	0	0	0	0	0	0
34.93	1976	114,631	65,527	40.83	14,176	944	.59	19,014	9,329	5.81	8,518	0	0	0	0	0	0	0
38.00	1977	134,360	66,629	41.46	15,518	5,870	3.65	11,135	9,197	5.72	9,515	0	0	0	0	0	0	0
34.02	1978	144,601	59,582	35.19	16,513	1,144	.67	9,196	9,196	5.43	10,900	0	0	0	0	0	0	0
38.11	1979	156,773	64,795	38.30	23,023	11,914	7.05	30,023	7,577	4.48	12,100	0	0	0	0	0	0	0
43.01	1980	173,703	76,217	34.20	28,000	14,145	6.35	23,334	14,429	6.47	14,250	0	0	0	0	0	0	0
31.27	1981	209,613	105,370	23.76	41,255	25,649	5.79	33,538	15,890	3.59	15,700	0	0	0	0	0	0	0
14.49 *	1982	255,857	113,163	9.76	41,300	11,619	1.00	47,496	18,139	1.56	21,000	83,753	83,753	7.21	0	0	0	0
15.85 *	21,858,050	344,263	195,252	8.94	48,500	25,681	1.18	67,548	17,420	.80	26,500	126,707	115,850	5.31	100,000	100,000	100,000	100,000

ing reserve fund.

\* Budgets increased substantially due

reserve	District Levy	District Mills	Total of District all Budgets.	Total Levy District Budget	Elem Mills Levied	Total of Local SD Mills levied	Market Value on Ind. plot of land 1200 acres	Taxable Value on Ind. plot of land 1200 acres	Total county assessed mills	Total property tax paid on 1200 acre plot of land
	0	0	103,956	46,178	34.38	57.25	6,992	2,097	161.29	\$ 338.22
	0	0	101,719	39,438	28.00	51.96	6,992	2,097	156.65	328.49
	0	0	103,774	26,559	18.84	42.31	6,992	2,097	150.50	315.59
	0	0	117,047	48,529	33.33	58.33	unknown	unknown	192.50	403.67
	0	0	139,646	36,845	23.12	47.85	6,992	(approx. 2,097)	159.39	334.24
	0	0	156,339	75,800	47.23	82.16	unknown	unknown	210.22	440.83
	0	0	170,528	81,696	50.83	88.83	6,992	(approx. 2,097)	219.66	460.62
	0	0	181,210	69,922	41.29	75.31	6,992	2,097	203.76	427.28
	0	0	222,096	84,286	49.83	87.94	9,264	2,779	224.68	624.38
	0	0	239,287	104,791	47.02	90.03	9,412	2,824	225.75	637.51
	0	0	300,106	146,909	33.14	64.41	9,412	2,824	190.30	537.40
	0	0	449,406	226,920	19.53	34.02	9,412	2,824	148.42	419.13
100,000	4.58		713,518	454,203	20.81	36.66	9,264	2,779	133.61	371.30

establishment of debt service fund and building reserve fund .



JANUARY 21, 1983

Senate Tax. Comm.  
Exhibit G  
JAN. 21, 1983  
SB 94 (oppose)

STATEMENT OF THE MONTANA TAXPAYERS ASSOCIATION

BY: S. KEITH ANDERSON, PRESIDENT

AN OPPOSITION TO SENATE BILL 94

TO: MEMBERS MONTANA SENATE TAXATION COMMITTEE

IN ORDER TO BRING SENATE BILL 94 INTO PROPER PERSPECTIVE, I FIND IT NECESSARY TO REVIEW SOME OF THE ASPECTS OF PUBLIC SCHOOL FINANCE AND THE REPORT OF THE JOINT SUBCOMMITTEE ON EDUCATION TO THE 48TH LEGISLATURE.

SINCE INCEPTION OF THE PUBLIC SCHOOL FOUNDATION PROGRAM ACT IN 1979, THE MONTANA LEGISLATURE HAS CONSTANTLY ADDRESSED THE ISSUE OF EQUALIZATION. THE PUBLIC SCHOOL FOUNDATION PROGRAM IS EQUALIZED THROUGH PERSONAL AND BUSINESS INCOME TAXES, THE COAL TAX, INCOME INTEREST FROM SCHOOL LANDS, U.S. OIL AND GAS REVENUE AND REVENUE FROM THE COAL TRUST INVESTMENT FUNDS. IN ADDITION, THE LEGISLATURE APPROPRIATES FROM THE STATE'S GENERAL FUND. THAT APPROPRIATION IS ALSO EQUALIZED--REACHING INTO ALL OF THE STATE'S GENERAL FUND REVENUE SOURCES.

IN ADDITION TO THESE SOURCES OF REVENUE, MONTANA HAS A HIGH DEGREE OF EQUALIZATION WITHIN THE PROPERTY TAX STRUCTURE. A 40 MILL PROPERTY TAX IS LEVIED IN EACH COUNTY OF THE STATE FOR FOUNDATION PROGRAM SUPPORT AND CURRENTLY 9 COUNTIES CONTRIBUTE \$17.8 MILLION IN REVENUE ABOVE FOUNDATION PROGRAM NEEDS TO THE STATE EQUALIZATION FUND. (SEE ATTACHED)

THE 1973 LEGISLATURE PUT INTO LAW CHAPTER 355 THAT EQUALIZED THE PERMISSIVE OR DISCRETIONARY AREA OF SCHOOL FINANCE. THE PERMISSIVE AREA OF SPENDING IS IN ADDITION TO THE FOUNDATION PROGRAM AND WAS ESTABLISHED AS A PERCENTAGE OF THE MAXIMUM BUDGETING SCHEDULES. SCHOOL BOARDS THEREFORE HAVE THE DISCRETION OF IMPOSING AN ADDITIONAL 20 PERCENT OF THE MAXIMUM SCHEDULES TO ESTABLISH THE GENERAL FUND. CHAPTER 355 ALSO PROVIDED A MILL LEVY LIMITATION OF 6 MILLS FOR HIGH SCHOOLS AND 9 MILLS FOR ELEMENTARY SCHOOLS IN THE PERMISSIVE AREA THEREFORE EQUALIZING THIS AREA OF SCHOOL FINANCE. THE

DOLLAR AMOUNT ABOVE THE 6 AND 9 MILLS IS REIMBURSED IN STATE EQUALIZATION FUNDS.

BY ADOPTING CHAPTER 344, THE MONTANA LEGISLATURE PRACTICALLY GUARANTEED THAT EVERY SCHOOL DISTRICT IN THE STATE WOULD BUDGET TO THE LIMIT IN THE PERMISSIVE AREA BECAUSE AFTER IMPOSING THE MAXIMUM 6 AND 9 MILLS ON THE DISTRICT, THE STATE WOULD REIMBURSE THE BALANCE IN THE PERMISSIVE AREA. IT WAS THEREFORE AN INCENTIVE TO BUDGET TO THE FULL PERMISSIVE IN ORDER TO OBTAIN STATE EQUALIZATION FUNDS. IT IS NOT SURPRISING THAT SCHOOL BOARDS UTILIZE THE FULL PERMISSIVE BECAUSE THE STATE HAS ESTABLISHED AN INCENTIVE TO DO SO BY PROVIDING STATE FUNDS TO THE MAXIMUM BUDGETING LEVEL.

THE MONTANA LEGISLATIVE COUNSEL STUDY TITLED "MONTANA SCHOOL FINANCE: A QUESTION OF EQUITY" IS THE BASIS FOR SENATE BILL 94. THE LEGISLATIVE COMMITTEE STUDIED MONTANA'S SCHOOL FUNDING SCHEME BUT FAILED TO ZERO IN ON THE TRUE EQUALIZATION ISSUE.

TIME AND TIME AGAIN WE HAVE HEARD EDUCATORS AND OTHERS DISCUSS THE POSSIBILITY OF A CONSTITUTIONAL CHALLENGE OF OUR FINANCING SYSTEM. THE BASIS ALWAYS GOES BACK TO THE SERRANO CASE IN CALIFORNIA OR THE RODRIQUEZ CASE IN TEXAS. THESE CASES ORIGINATED BECAUSE OF WIDE VARIATIONS IN LOCALLY LEVIED PROPERTY TAXES BETWEEN SCHOOL DISTRICTS. IT IS MY CONTENTION THAT THESE WIDE VARIATIONS DO NOT EXIST IN THE PERMISSIVE AREA THAT THIS BILL ADDRESSES, BUT DO EXIST TO GREAT EXTREMES IN ANOTHER AREA THAT WAS NOT PROPERLY ADDRESSED BY THE JOINT SUBCOMMITTEE ON EDUCATION. AND THIS IS DIRECTLY IN POINT IN REGARD TO THIS BILL.

SENATE BILL 94 WILL ZERO IN ON ESSENTIALLY 9 RURAL COUNTIES. THERE WILL BE VARYING FINANCIAL IMPACTS UPON SPECIFIC SCHOOL DISTRICTS IN 34 ADDITIONAL COUNTIES. (SEE ATTACHED)

THE 9 COUNTIES ARE THOSE COUNTIES THAT ARE ALREADY FINANCING THEIR FOUNDATION PROGRAMS WITH LESS THAN 40 MILLS AND AS A RESULT ARE CONTRIBUTING \$17.8 MILLION TO THE STATE EQUALIZATION FUND FOR FISCAL 1982-83. (SEE ATTACHED)

SENATE BILL 94 WOULD TAP THESE COUNTIES FOR AN ADDITIONAL \$8.3 MILLION BECAUSE SOME SCHOOL DISTRICTS ARE LEVYING LESS THAN 6 AND 9 MILLS IN THE PERMISSIVE AREA.

IT IS MY CONTENTION THAT THE MILL LEVY DIFFERENTIAL IS NOT SIGNIFICANT WHEN VIEWED FROM AN EQUALIZATION ASPECT AND PARTICULARLY WHEN TEACHERS RETIREMENT, LEVIES, ARE TAKEN INTO CONSIDERATION. THE MILL LEVY DIFFERENTIALS RANGE FROM .38 TO 5.15 MILLS IN THE HIGH SCHOOL PERMISSIVE AREAS AND FROM .16 TO 8.96 IN THE HIGH SCHOOL PERMISSIVE AREAS WITHIN THESE 9 COUNTIES. COMPARE THIS WITH TEACHERS RETIREMENT. AND YOU MIGHT WELL ASK, WHAT HAS TEACHERS RETIREMENT GOT TO DO WITH THE EQUALIZATION QUESTION. IT HAS EVERYTHING TO DO WITH EQUALIZATION BECAUSE TEACHERS AND PUBLIC EMPLOYEES RETIREMENT WOULD CERTAINLY BE CONSTRUED TO BE A BASIC SCHOOL COST, A BASIC COST OF EDUCATION, IF THE ISSUE WAS TO BE CONSIDERED BY THE COURTS. THE MILL LEVY DIFFERENTIAL OF TEACHERS RETIREMENT RANGES FROM 1.31 MILLS IN FALLON COUNTY TO 45.41 MILLS IN RAVALLI COUNTY. WHEN THESE LEVIES ARE ADDED TO THE FOUNDATION PROGRAM LEVY OF 40 MILLS, BASIC COUNTY WIDE SUPPORT FOR PUBLIC SCHOOLS RANGE FROM 41.31 MILLS TO 95.41 MILLS. THERE IS WHERE THE EQUALIZATION QUESTION IS. IT CERTAINLY ISN'T WITHIN THE PERMISSIVE AREA. IN VIEW OF THIS, THE EQUALIZATION OF PERMISSIVE LEVIES THEREFORE BECOMES A NON-ISSUE. (SEE ATTACHED)

WHY IS SENATE 94 ADDRESSING THE PERMISSIVE AREA RATHER THAN TEACHERS RETIREMENT? I THINK TEACHERS RETIREMENT WAS TOO HOT TO HANDLE FOR THE SUBCOMMITTEE AND IT WAS GLOSSED OVER. AND BESIDES THERE IS NO ADDITIONAL REVENUE TO BE GENERATED BY ADDRESSING THAT ISSUE. BY ADDRESSING THE PERMISSIVE AREA IT IS POSSIBLE TO GENERATE AN ADDITIONAL \$20 MILLION DOLLARS IN PROPERTY TAX REVENUE FOR THE NEXT BIENNIUM. AND IT WILL BE MORE AS THE VALUATION OF THESE COUNTIES INCREASE.

WHY ARE WE IN OPPOSITION TO SENATE BILL 94?

1. IT DOES NOT ADDRESS THE TRUE EQUALIZATION ISSUE FACING THE PUBLIC SCHOOLS OF MONTANA. IT IS RATHER A CREATED ISSUE---A NON-ISSUE.
2. THE PUBLIC SCHOOLS DO NOT NEED THIS ADDITIONAL REVENUE. WE ARE IN COMPLETE AGREEMENT WITH THE GOVERNOR'S BUDGET AND THE FUNDING RECOMMENDATIONS FOR THE PUBLIC

SCHOOLS FOR 1983-85 BIENNIUM.

3. PASSAGE OF SENATE BILL 94 WILL SIMPLY ADD \$20 MILLION TO THE STATE'S GENERAL FUND AND WILL SERVE TO FINANCE GENERAL GOVERNMENT. EVERY DOLLAR IN PROPERTY TAX REVENUE RAISED IS A DOLLAR THE LEGISLATURE DOESN'T HAVE TO APPROPRIATE TO THE PUBLIC SCHOOLS. I DON'T SEE WHY 9 RURAL COUNTIES SHOULD BE ASKED TO CONTRIBUTE \$8.3 MILLION TO SUPPORT GENERAL GOVERNMENT FOR 1983-85. IF YOU ARE GOING TO GO THIS ROUTE IN FINANCING STATE LEVEL OBLIGATIONS, IMPOSE A STATE WIDE PROPERTY TAX OF 3.8 MILLS AND NAIL EACH COUNTY PROPORTIONALLY.

4. THIS BILL WILL IMPOSE AN ADDITIONAL PROPERTY TAX BURDEN UPON THOSE IN AGRICULTURE, UPON RESIDENTIAL HOME OWNERS, AND THOSE DOING BUSINESS WITHIN THESE COUNTIES. *without receiving any benefit from the increased taxes.*

5. WE OPPOSE THIS LEGISLATION BECAUSE IT PUTS THE LOW POPULATION RURAL COUNTIES AT THE MERCY OF THE LARGE VOTING DELEGATIONS IN THE HIGHLY POPULATED COUNTIES THAT ULTIMATELY WILL BE THE RECIPIENT OF THIS REVENUE. IT ESSENTIALLY IS CLASS LEGISLATION PITTING URBAN AREA'S AGAINST RURAL COMMUNITIES.

EQUALIZATION IS NOT THE ISSUE. IF IT WAS, IT WOULD HAVE BEEN PROPERLY ADDRESSED BY THE JOINT SUBCOMMITTEE ON EDUCATION. INSTEAD IT IS A METHOD OF GENERATING UNNEEDED PROPERTY TAX REVENUE IN A PUNITIVE MANNER FROM RURAL COUNTIES THAT DO NOT HAVE THE VOTES TO PROTECT THEMSELVES.

THIS IS UNNEEDED LEGISLATION AND SHOULD BE DEFEATED.

-1982-83-

# Elementary Foundation Program Equalization

COUNTY	FOUNDATION PROGRAM	TOTAL EQUALIZATION	EQUALIZATION % LEVEL	EQUALIZATION TO STATE	STATE FUNDS
BEAVERHEAD	\$ 1,442,935	\$ 486,698	33.73%	\$	\$ 956,237
BIG HORN	2,139,255	3,168,533	100.00	1,029,278	
BLAINE	1,556,696	857,341	55.07		699,355
BROADWATER	633,065	183,912	29.05		449,153
CARBON	1,648,635	659,397	40.00		989,238
CARTER	359,771	165,515	46.01		194,256
CASCADE	12,190,626	2,071,643	16.99		10,118,983
CHOUTEAU	1,226,257	692,840	56.50		533,417
CUSTER	1,977,386	464,785	23.51		1,512,601
DANIELS	533,586	178,499	33.45		355,087
DAWSON	2,131,806	856,410	40.17		1,275,396
DEER LODGE	2,028,765	327,374	16.14		1,701,391
FALLON	679,862	3,017,859	100.00	2,337,997	
FERGUS	2,294,469	547,411	23.86		1,747,058
FLATHEAD	9,370,601	2,251,026	24.02		7,119,575
GALLATIN	6,163,674	1,345,581	21.83		4,818,093
GARFIELD	378,459	141,930	37.50		236,529
GLACIER	2,595,517	1,056,850	40.72		1,538,667
GOLDEN VALLEY	246,453	99,050	40.19		147,403
GRANITE	543,209	209,615	38.59		333,594
HILL	3,163,311	1,074,831	33.98		2,088,480
JEFFERSON	1,449,045	261,649	18.06		1,187,396
JUDITH BASIN	591,256	223,459	37.79		367,797
LAKE	3,822,516	635,155	16.62		3,187,361
LEWIS & CLARK	7,607,611	1,356,437	17.83		6,251,174
LIBERTY	490,218	626,869	100.00	136,651	
LINCOLN	3,444,868	1,673,776	48.59		1,771,092
MADISON	1,081,818	431,318	39.87		650,500
MCONE	534,483	276,685	51.77		257,798
MEAGHER	360,346	146,249	40.59		214,097
MINERAL	641,892	178,609	27.83		463,283
MISSOULA	11,778,056	3,025,604	25.69		8,752,452
MUSSELSHELL	811,935	732,511	90.22		79,424
PARK	2,297,962	413,043	17.97		1,884,919
PETROLEUM	135,786	56,673	41.74		79,113
PHILLIPS	1,014,934	774,024	76.26		240,910
PONDERA	1,390,976	656,538	47.20		734,438
POWDER RIVER	508,636	1,818,450	100.00	1,309,814	
POWELL	1,108,401	359,800	32.46		748,601
PRAIRIE	373,221	141,887	38.02		231,334
RAVALLI	4,385,671	857,379	19.55		3,528,292
RICHLAND	2,716,559	4,148,987	100.00	1,432,428	
ROOSEVELT	2,585,859	1,648,944	63.77		936,915
ROSEBUD	3,161,738	4,905,638	100.00	1,743,900	
SANDERS	1,826,409	656,035	35.92		1,170,374
SHERIDAN	1,055,959	3,290,624	100.00	2,234,665	
SILVER BOW	6,227,003	1,136,237	18.25		5,090,766
STILLWATER	1,177,814	336,215	28.55		841,599
SWEETGRASS	569,140	190,869	33.54		378,271
TETON	1,156,027	406,916	35.20		749,111
TOOLE	925,772	1,082,254	100.00	156,482	
TREASURE	193,161	111,425	57.69		81,736
VALLEY	2,040,928	686,279	33.63		1,354,649
WHEATLAND	460,641	142,692	30.98		317,949
WIBAUX	345,151	819,399	100.00	474,248	
YELLOWSTONE	18,799,364	4,839,998	25.75%		13,959,366
THE STATE	\$140,375,494	\$58,905,727		\$10,855,463	\$32,325,230

-1982-83-

# High School Foundation Program Equalization

COUNTY	FOUNDATION PROGRAM	TOTAL EQUALIZATION	EQUALIZATION % LEVEL	EQUALIZATION TO STATE	STATE FUNDS
BEAVERHEAD	\$ 853,134	\$ 227,876	26.71%	\$	\$ 625,258
BIG HORN	1,152,008	1,921,918	100.00	769,910	
BLAINE	942,191	527,789	56.02		414,402
BROADWATER	385,020	105,198	27.32		279,822
CARBON	1,146,178	408,766	35.66		737,412
CARTER	203,081	34,487	16.98		168,594
CASCADE	7,872,287	1,329,043	16.88		6,543,244
CHOUTEAU	853,464	433,604	50.81		419,860
CUSTER	970,648	285,240	29.39		685,408
DANIELS	458,564	123,999	27.04		334,565
DAWSON	1,116,023	485,240	43.48		630,783
DEER LODGE	1,306,682	194,860	14.91		1,111,822
FALLON	514,556	1,827,345	100.00	1,312,789	
FERGUS	1,446,096	340,798	23.57		1,105,298
FLATHEAD	5,432,615	1,382,889	25.46		4,049,726
GALLATIN	3,439,064	899,467	26.15		2,539,597
GARFIELD	200,469	95,375	47.58		105,094
GLACIER	1,140,864	684,248	59.98		456,606
GOLDEN VALLEY	234,377	66,874	28.53		167,503
GRANITE	454,071	81,117	17.86		372,954
HILL	1,838,302	680,746	37.03		1,157,556
JEFFERSON	787,289	72,134	9.16		715,155
JUDITH BASIN	516,155	152,049	29.46		364,106
LAKE	2,063,123	376,674	18.26		1,686,449
LEWIS & CLARK	4,628,731	829,963	17.93		3,798,768
LIBERTY	302,391	328,765	100.00	26,374	
LINCOLN	2,060,224	531,430	25.79		1,528,794
MADISON	818,093	243,059	29.71		575,034
MCONE	334,343	129,777	38.82		204,566
MEAGHER	271,300	93,020	34.29		178,280
MINERAL	552,856	69,976	12.66		482,880
MISSOULA	6,468,807	1,846,887	28.55		4,621,920
MUSSELSHELL	541,809	436,645	80.59		105,164
PARK	1,427,497	272,555	19.09		1,154,942
PETROLEUM	148,924	43,265	29.05		105,659
PHILLIPS	782,727	495,393	63.29		287,334
PONDERA	809,843	360,909	44.57		448,934
POWDER RIVER	359,956	1,097,178	100.00	737,222	
POWELL	615,466	147,262	23.93		468,204
PRAIRIE	235,072	90,915	38.68		144,157
RAVALLI	2,734,911	353,170	12.91		2,381,741
RICHLAND	1,383,517	2,177,220	100.00	793,703	
ROOSEVELT	1,391,371	1,016,401	73.05		374,970
ROSEBUD	1,317,958	3,352,134	100.00	2,034,176	
SANDERS	1,067,370	294,676	27.61		772,694
SHERIDAN	794,392	1,806,664	100.00	1,012,272	
SILVER BOW	3,642,688	695,562	19.09		2,947,126
STILLWATER	801,855	213,442	26.62		588,413
SWEETGRASS	382,806	112,735	29.45		270,071
TETON	911,141	264,198	29.00		646,943
TOOLE	588,300	678,723	100.00	90,423	
TREASURE	203,843	66,025	32.39		137,818
VALLEY	1,281,612	444,414	34.68		837,198
WHEATLAND	294,442	85,728	29.12		208,714
WIBAUX	219,280	432,645	100.00	213,365	
YELLOWSTONE	9,772,330	2,994,445	30.64%		6,777,885
THE STATE	\$82,472,116	\$34,742,927		\$6,990,234	\$54,719,423

# Dollar Increase in Property Taxes in Permissive Area Under Senate Bill 94

Form 4236 Counties

State Publishing Co.  
Helena, Montana

	Elementary	High School	Total
Beaverhead	1131	—	1131
Big Horn	815,605	493,824	1,309,429
Blaine	113,212	65620	178832
Broadwater	5873	—	5873
Carbon	62507	43486	105993
Carter	13248	—	13248
Cascade	843	—	843
Chouteau	48640	—	48640
Custer	3740	—	3740
Daniels	—	—	—
Dawson	33683	—	33683
Deer Lodge	—	—	—
Fallon	893,403	629,947	1,523,350
Fergus	4746	—	4746
Flathead	7151	—	7151
Gallatin	14060	—	14060
Garfield	5175	—	5175
Glacier	68243	73816	142059
Golden Valley	—	—	—
Granite	—	—	—
Hill	44660	—	44660
Jefferson	—	—	—
Judith Basin	—	—	—
Lake	6675	—	6675
Lewis and Clark	16438	—	16438
Liberty	83277	59,707	142,984
Lincoln	—	—	—
Madison	—	—	—
McCone	27619	—	27,619
Meagher	7012	—	7012
Mineral	—	—	—
Missoula	66691	45693	112384
Musselshell	174949	62786	237,735
Park	3161	—	3161
Petroleum	—	—	—
Phillips	137600	58753	196,353
Pondera	7681	1185	8866
Powder River	603,447	349,067	952,514
Powell	11965	—	11965
Prairie	650	—	650

# Dollar Increase in Property Taxes in Permissive Area Under Senate Bill 94

Form 4256 Counties

State Publishing Co.  
Helena, Montana

Elementary High School Total

Ravalli	—	—	—
Richland	653,255	537,532	1,190,787
Roosevelt	144,053	180,852	324,905
Rosebud	947,901	654,426	1,602,327
Sanders	2450	861	3311
Sheridan	566,784	355,251	922,035
Silver Bow	—	—	—
Stillwater	21545	—	21545
Sweet Grass	8258	—	8258
Teton	29373	—	29373
Toole	266,370	140,401	406,771
Treasure	—	—	—
Valley	9500	—	9500
Wheatland	6094	—	6094
Wibaux	174,665	119,050	293,715
Yellowstone	39,324	—	39,324

\$6152,657 \$3872,257 \$10,024,914

1/29/83 Manta

# Analysis of Senate Bill 94 on Nine Montana Counties

		1 Current Permissive Mill Levy	2 Mill Levy Increase Under S.B. 94	3 Dollar Increase In Property Tax	4
	<b>Big Horn County</b>				
1	H.S. 1 - Hardin	5.55	.45	\$ 13,417	
2	2 - Lodge Grass	.85	5.15	480,407	
3					
4	Elem 1 - Decker	.04	8.96	811,995	
5	16 - Community	6.19	281	3610	
6					
7				<u>\$ 1,309,429</u>	
8					
9	<b>Fallon County</b>				
10	H.S. 12 Baker	1.15	4.85	\$ 469,373	
11	55 Plavna	.91	5.09	160,574	
12					
13	Elem. 12 Baker	3.28	5.72	249,626	
14	55 Plavna	.79	8.21	258,999	
15	50 Fertile Prairie	.08	8.92	384,778	
16					
17				<u>\$ 1,152,350</u>	
18					
19	<b>Liberty County</b>				
20	H.S. 29 Soplin	5.08	.92	5213	
21	33 Charter	3.08	2.92	54,194	
22					
23	Elem. 27 Whitlash	1.14	7.86	599,444	
24	29 Soplin	7.68	1.32	7,480	
25	33 Charter	7.55	1.45	15,853	
26					
27				<u>\$ 142,687</u>	
28					
29	<b>Powder River County</b>				
30	H.S. 79J Broodus	1.23	4.77	\$ 349,067	
31					
32	Elem. 6 Biddle	1.19	7.81	245,622	
33	22 Belle Creek	.16	8.84	572,036	
34	29 fifteen Mile (Nm operating)		9.00	3516	
35	77 Cross "	"	9.00	1605	
36	30 Beaver Creek		9.00	1,728	
37					
38				<u>\$ 952,514</u>	
39					
40					



		1 Current Permissive Mill Levy	2 Mill Levy Increase Under SB94	3 Dollar Increase in Property Tax	4
1	Richland County				
2	H.S. 1 Sidney	196	404	\$ 395043	
3	3 Fairview	215	385	141495	
4	4 Lambert	584	16	994	
5					
6	Elkm. 5 Sidney	730	170	97958	
7	11 Branson	49	851	153276	
8	13 Fairview	336	564	196486	
9	21 RAU	116	784	150253	
10	28 Three Buttes	109	791	30427	
11	86 Lambert	546	354	24855	
12					
13				\$ 1190787	
14					
15	Rosebud County				
16	H.S. 4 Forsyth	373	227	\$ 55758	
17	19 Colstrip	141	459	598668	
18					
19	Elkm. 2 Rock Springs	675	225	1676	
20	19 Colstrip	292	608	786436	
21	33 Ingomar	43	857	159789	
22					
23				\$ 1602327	
24					
25	Sheridan County				
26	H.S. 20 Plentywood	493	107	18572	
27	29 Outlook	562	38	1814	
28	7 Medicine Lake	108	492	211562	
29	3 Westby	146	454	123384	
30					
31	Elkm. 3 Westby	219	681	149435	
32	7 Medicine Lake	160	740	278906	
33	29 Outlook	509	391	18662	
34	20 Plentywood	708	192	33325	
35	49 Hiawatha	77	823	86775	
36					
37				922435	
38					
39					
40					

1  
Current  
Permissive  
Mill Levy

2  
Mill Levy  
Increase  
Under SB94

3  
Dollar  
Increase in  
Property Taxes

4

Toole County

H.S. 2 Sunburst

1.54

4.46

\$ 140,401

Elkmo 2 Sunburst

2.05

6.95

196,219

8 Kevin

2.74

6.26

20,326

21 Galata

1.83

7.17

39,843

23 Nickol

1.98

7.02

9,982

\$ 406,771

Wibaux County

H.S. Wibaux

1.89

4.11

\$ 119,050

Elkmo. Wibaux

2.97

6.03

174,665

\$ 293,715

Total 9 Counties

\$ 8,344,012

Mentax 1/12/83

**- 1982-83 -**

## Public School Retirement and Foundation Program Levies

	RETIREMENT COUNTY MILL LEVIES	RETIREMENT AMOUNT	FOUND. PROG. LEVY	TOTAL COUNTY-WIDE
FALLON	1.31	155,006	40.00	41.31
POWDER RIVER	2.03	148,358	40.00	42.03
WIBAUX	3.51	101,664	40.00	43.51
SHERIDAN	3.86	356,637	40.00	43.86
RICHLAND	4.97	569,890	40.00	44.97
BIG HORN	5.23	648,138	40.00	45.23
ROSEBUD	6.06	991,652	40.00	46.06
LIBERTY	6.28	135,146	40.00	46.28
TOOLE	6.83	309,112	40.00	46.83
PHILLIPS	8.54	280,932	40.00	48.54
MUSSELSHELL	9.22	270,183	40.00	49.22
PETROLEUM	10.78	31,068	40.00	50.78
ROOSEVELT	11.55	779,833	40.00	51.55
CARTER	11.70	76,261	40.00	51.70
CHOUTEAU	12.50	358,538	40.00	52.50
GARFIELD	13.60	88,686	40.00	53.60
McCONE	13.70	157,769	40.00	53.70
BLAINE	13.76	462,432	40.00	53.76
TREASURE	13.83	60,880	40.00	53.83
CARBON	16.27	444,513	40.00	56.27
JUDITH BASIN	17.37	169,670	40.00	57.37
PONDERA	17.79	421,587	40.00	57.79
PRAIRIE	18.20	113,350	40.00	58.20
MEAGHER	18.41	105,526	40.00	58.41
DAWSON	18.54	557,034	40.00	58.54
TETON	18.69	334,289	40.00	58.69
WHEATLAND	19.34	110,083	40.00	59.34
GOLDEN VALLEY	19.79	84,009	40.00	59.79
BROADWATER	20.41	145,544	40.00	60.41
HILL	21.24	950,320	40.00	61.24
MADISON	22.54	320,248	40.00	62.54
DANIELS	22.57	181,350	40.00	62.57
SWEETGRASS	23.10	168,815	40.00	63.10
VALLEY	24.19	710,920	40.00	64.19
SANDERS	24.64	476,956	40.00	64.64
STILLWATER	24.70	344,985	40.00	64.70
GLACIER	25.10	1,128,521	40.00	65.10
POWELL	26.12	299,727	40.00	66.12
BEAVERHEAD	26.26	\$ 4,029,466	40.00	66.26
FERGUS	27.44	609,717	40.00	67.44
FLATHEAD	27.47	2,200,374	40.00	67.47
YELLOWSTONE	28.67	5,622,044	40.00	68.67
MISSOULA	29.08	3,616,243	40.00	69.08
LINCOLN	30.53	993,721	40.00	70.53
CUSTER	30.57	560,073	40.00	70.57
GALLATIN	31.09	1,770,389	40.00	71.09
GRANITE	32.47	172,351	40.00	72.47
JEFFERSON	36.70	399,186	40.00	76.70
LAKE	37.25	978,632	40.00	77.25
CASCADE	37.92	3,393,044	40.00	77.92
PARK	39.37	701,849	40.00	79.37
LEWIS & CLARK	40.33	2,206,938	40.00	80.33
SILVER BOW	43.55	2,071,717	40.00	83.55
DEER LODGE	47.60	628,701	40.00	87.60
MINERAL	48.95	227,275	40.00	88.95
RAVALLI	55.41	1,207,993	40.00	95.41

TOTAL AMOUNT  
AVERAGE LEVY

27.46

\$ 44,439,344

NAME: F.H. Sole

DATE: Jan 21, 1983

ADDRESS: Box 1730 Helena MT 59624

PHONE: 442-9156

REPRESENTING WHOM? Montana Chamber of Commerce

APPEARING ON WHICH PROPOSAL: S.B. 94

DO YOU: SUPPORT? \_\_\_\_\_ AMEND? \_\_\_\_\_ OPPOSE? X

COMMENTS: The concern of the Montana Chamber centers on the increase in property tax that would be enacted by this bill.

Montana has the highest property tax, highest energy revenue tax and the highest income tax of ~~any~~ our surrounding states. We must compete with these states for economic growth and job creation opportunities for our citizens.

This bill will undo much of the positive effort made to improve Montana's climate for economic opportunity over the last 1 1/2 years.

The M.C.C. respectfully asks this committee to reject passage of this ~~bill~~ Senate Bill 94

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

State of Montana  
 Office of Public Instruction  
 Ed Argenbright, Superintendent  
 Helena 59620

 ELEMENTARY SCHOOL  
 General Fund Revenues Work Sheet  
 SECTION B—COUNTY

 Due September 1 with  
 Annual Report of County Superintendent

COUNTY.....Sheridan.....

1982-83

## COUNTY EQUALIZATION (Basic County Levy for Elementary Schools)

24. Taxable Valuation of County (from County Assessor)	\$.....92,308,148.....
25. Revenue for each mill of Taxable Valuation, County (line 24 x .001)	\$.....92,308.....
26. Basic 25 Mill County Levy Amount (line 25 x twenty-five)	\$.....2,307,700.....
27. a. County Reimbursement to Districts for Transportation (Total District Budget Form Items 02-00-33 and 17-00-33; include County's share of Schedule for Joint Districts.)	\$.....52,140.58
b. Last year's actual Reimbursements for Transportation \$ <u>54,046.13</u>	
28. Remainder (line 26 less line 27)	\$.....2,255,559.42
29. Other County Revenue (identify)	
a. Cash Reappropriated	\$ 1,026,227.38
b. Forest Funds	\$ .....
c. Taylor Grazing	\$ .....34.65
d. Fines	\$ .....8,802.50
e. Total.....	\$.....1,035,064.53
30. Total for Basic County Equalization of All Districts' Foundation Programs (line 28 + line 29-e)	\$ .....3,290,623.95
31. Total Foundation Program Requirements, All Districts (Add amounts in line 2, Section A of Forms 1A and the county's portion for joint districts on line 2 of Form 15.)	\$.....1,055,959.07
32. BASIC COUNTY EQUALIZATION LEVEL. Per cent of Total Foundation Program Requirements Financed by County (line 30 x 100 divided by line 31.)	<u>100.00</u> %

\$1,016,651.47 of the cash reappropriated was returned to the State of Montana on July 5, 1982.

\$3,290,623.95 - Line 30  
-1,016,651.47 - returned July 5, 1982  
 \$2,273,972.48  
-1,055,959.07 - Foundation Programs  
 \$1,218,013.41 - return to State in 1983 (estimate)

STATE OF MONTANA  
Office of Public Instruction  
Ed Argenbright, Superintendent  
Helena, MT 59620

HIGH SCHOOL  
**General Fund Revenues Work Sheet**  
SECTION B—COUNTY

Due September 1 with  
Annual Report of County Superintendent

COUNTY Sheridan

1982-83

**COUNTY EQUALIZATION** (Basic County Levy for High Schools)

24. Taxable Valuation of County (from County Assessor)	\$ 92,308,148
25. Revenue for each mill of Taxable Valuation, County (line 24 x .001)	\$ 92,308
26. Basic 15 Mill County Levy Amount (line 25 x fifteen)	\$ 1,384,620
27. Tuition Payments to Other Counties (from High School Transfer Budget)*	\$ 0
28. Remainder (line 26 less line 27)	\$ 1,384,620
29. Other County Revenue (identify)	
a. Cash Reappropriated	\$ 422,044.17
b.	\$
c.	\$
d.	\$
e. Total	\$ 422,044.17
30. Total for Basic County Equalization (line 28 + line 29-e)	\$ 1,806,664.17
31. Total Foundation Program Requirements, All Districts (Add amounts in line 2, Section A of Forms 2A and the county's portion for joint districts on line 2 of Form 15.)	\$ 794,392.22
32. BASIC COUNTY EQUALIZATION LEVEL. Per cent of Total Foundation Program Requirements Financed by County (line 30 x 100 divided by line 31.)	100.00 %

\*List payments on reverse side

\$413,480.92 of the cash reappropriated was returned to the State of Montana on July 5, 1982.

\$1,806,664.22 - Line 30  
- 413,480.92 - returned July 5, 1982  
 \$1,393,183.25  
- 794,392.22 - Foundation Programs  
 \$ 598,791.03 - return to State in 1983 (estimate)

## RETIREMENT EQUALIZATION

Sheridan County Taxable Valuation - 1982-83: \$ 92,308,148.

Sheridan County's share under 20 mills State Equalization:

20 mills state-wide Equalization ----- \$ 1,846,162.

Sheridan County Retirement Budget - 1982-83 ----- 356,000.

Retirement Equalization to State from Sheridan County - \$ 1,490,162.

Westby School's share under 20 mills State Equalization:

20 mills state-wide Equalization ----- \$ 535,386.

Westby School Retirement - 1982-83 School Term ----- 67,500.

Retirement Equalization to State from Westby School ----- \$ 467,886.

Senator Chet Hlaylock has made a proposal to limit the Foundation funding to 100 A.N.B. maximum rate of funding for small high schools.

Under 1982-83 Foundation, Westby School has 52 A.N.B. at \$2,901. per  
A.N.B.: 52 X \$2,901. = \$ 150,852. ----- \$ 150,852.

Under Senator Hlaylock's proposal, Westby School would have  
52 A.N.B. at \$2,011 per A.N.B.: 52 X \$2,011 = \$104,572--- 104,572.

Total Loss of A.N.B. \$ 46,280.

SUMMARY OF WESTBY SCHOOL - 1982-83  
STATE EQUALIZATION

Westby School District #3 - Elementary:

Taxable Valuation - \$21,943,451. X 25 mills -----	\$ 548,586.27
Less Foundation Program -----	-192,625.79
Less County Transportation -----	<u>- 7,670.60</u>
Estimated Return to State - Elementary -----	\$ 348,289.88

Westby School District #3 - High School:

Taxable Valuation - \$27,177,030. X 15 mills -----	\$ 407,655.45
Less Foundation Program -----	<u>-158,329.92</u>
Estimated Return to State - High School -----	\$ 249,325.53

With 55 Mills Permissive Amount - 1982-83:

Westby Elementary Permissive Amount - \$48,156.45  
\$48,156.45 divided by \$21,943,451. = 2.1945 mills

\$21,943,451. X 9 mills = -----	\$ 197,491.00
Less Permissive Amount -----	<u>48,156.00</u>
Estimated Return to State - Elementary -----	\$ 149,335.00

Westby High School Permissive Amount - \$39,582.48  
\$39,582.48 divided by \$27,177,030. = 1.4564 mills

\$27,177,030. X 6 mills = -----	\$ 163,062.00
Less Permissive Amount -----	<u>39,582.00</u>
Estimated Return to State - High School -----	\$ 123,480.00
Plus Elementary Estimated Return to State ---	<u>149,335.00</u>
Total Estimated Return to State -----	\$ 272,815.00

Total Money to State From Westby School:

25 Mills - Elementary -----	\$ 348,289.88
15 Mills - High School -----	249,325.53
Permissive -----	272,815.00
Retirement -----	<u>467,886.00</u>
Estimated Total to State From Westby School -----	\$ 1,338,316.41



Senate Taxation Comm.  
Exhibit J  
Jan. 21, 1983  
SB 94 (Oppose)

WITNESS STATEMENT

Name Pat Underwood Date Jan 21, 83  
Address MONTANA FARM BUREAU, Bozeman Support ?         
Representing MONTANA FARM BUREAU Oppose ? ☒  
Which Bill ? SB 94 Amend ?         
Comments:

WE have numerous policies under  
TAXATION AND STATE AND LOCAL GOVERNMENT  
THAT ARE IN OPPOSITION TO PARTS OF  
SB 94. THEREFORE THE MONTANA  
FARM BUREAU STANDS IN OPPOSITION  
TO THIS BILL

Patricia R. Underwood

Please leave prepared statement with the committee secretary.



# WIFE Women Involved In Farm Economics

SENATE TAXATION COMMITTEE  
EXHIBIT K  
JANUARY 21, 1983  
SENATE BILL 94

## WITNESS STATEMENT

NAME Jo Brunner BILL NO. SB 94  
ADDRESS 563 3rd St. Helena, Mont DATE January 21/83  
REPRESENT Women Involved in Farm Economics  
SUPPORT \_\_\_\_\_ OPPOSE X

Mr. Chairman, members of the committee, my name is Jo Brunner and I represent the Women Involved in Farm Economics Organization. We wish to go on record as opposing Senate Bill 94. We specifically oppose <sup>the</sup> ~~any~~ elimination of the <sup>levy</sup> ~~amount~~ of the premissive levy allowed the school districts, or any increase in the basic county levies.

Certainly, we are not opposed to <sup>equal</sup> ~~adequate~~, or even <sup>better</sup> ~~greater~~ education. We certainly believe in educating our children. We also realize that our agriculture operations <sup>much like other businesses</sup> cannot support anymore strain in any form. It is not our desire to withhold necessities from our schools and our school programs, <sup>just as we would like to fund our schools to the greatest possible extent</sup> but it is our opinion that we cannot continue to drop deeper and deeper into debt while supporting <sup>with</sup> programs with borrowed money in many instances. <sup>As I listened to the arguments I thought how valid the reasons are for an increase - but I also thought of a saying my</sup> It is our belief that ~~this~~ is certainly not a very good time to expect agriculture to accept an increase in our taxes of any sort, whether in the guise of better education or not.

Thank you.

*nothing used to use -  
you can't get blood out of a rock!*

WITH THE START OF THE 1983 MONTANA LEGISLATIVE SESSION ONLY MONTHS AWAY, MEMORIES OF THE 1981 SESSION STILL HAUNT ME. THE SPECTRE OF SCHOOL ADMINISTRATORS FIGHTING AMONGST THEMSELVES OVER THE FOUNDATION PROGRAM PERCENTAGES MUST HAVE BEEN SOME SIGHT TO THOSE OUTSIDE OF OUR RANKS. WE MUST HAVE LOOKED LIKE SOME SPOILED BRATS ARGUING OVER WHICH NEW TOY WE WANTED MOST. WILL IT BE 25% OR 18%? WILL THERE BE VOTED LEVY CAPS OR NOT? WE REALLY DID OURSELVES PROUD TWO YEARS AGO.

IT SEEMS TO ME THAT IF THERE IS EVER A NEED FOR UNITY AMONG SCHOOL ADMINISTRATORS, ESPECIALLY WHEN THE TOPIC IS THE FOUNDATION PROGRAM, IT IS NOW. IN A TIME WHEN THE ECONOMY IS DEPRESSED ON ALL SIDES, WE NEED TO PRESENT A UNITED FRONT TO THE LEGISLATURE, AND MAKE SURE THAT OUR VOICES ARE ONE WHEN WE TESTIFY BEFORE THEM.

THERE IS A PLAN BEING PROPOSED THAT WILL DRASTICALLY ALTER THE FOUNDATION PROGRAM AS IT IS CURRENTLY STRUCTURED. FOR LACK OF A BETTER NAME, I WILL CALL IT THE BOZEMAN PLAN.

THE BOZEMAN PLAN IS BASED ON FOUR TENETS:

- I. ONE WOULD REVISE THE CURRENT FOUNDATION PROGRAM SCHEDULES UPWARDS TO WHERE 90% OF THIS PAST YEAR'S AVERAGE EXPENDITURES WOULD BECOME THE FOUNDATION PROGRAM, AND THE OTHER 10% WOULD BE THE PERMISSIVE. THIS WOULD REQUIRE A 63% INCREASE IN FOUNDATION PROGRAM FUNDING.
- II. THE SECOND PRINCIPLE WOULD RETURN THE RETIREMENT FUND OF EACH SCHOOL DISTRICT TO THE GENERAL FUND, AND THEN EQUALIZE IT THROUGH A STATEWIDE PROPERTY TAX.
- III. THE THIRD TENET WOULD SET THE PERCENTAGE RATE FOR WHICH EACH SCHOOL COULD SPEND MONEY FOR DIRECT INSTRUCTIONAL COSTS. THE PROPOSED RATE IS 65% OF THE PREVIOUS YEAR'S GENERAL FUND BUDGET. SCHOOL DISTRICTS WOULD BE PERMITTED TO BUDGET FROM 35-75% OVER THAT AMOUNT TO TAKE CARE OF THE REST OF THE CURRENT YEAR'S EXPENDITURES.
- IV. THE LAST PROPOSAL WOULD RAISE THE BASIC LEVY IN EACH SCHOOL DISTRICT FROM 40 MILLS TO 55 MILLS WITH THE ATTENDANT ELIMINATION OF THE PERMISSIVE LEVY. ANOTHER PART OF THIS PROPOSAL WOULD BE THE EQUALIZATION OF ALL VOTED LEVIES BASED ON TAXABLE VALUATION PER ANB.

PERHAPS THE BASIC THOUGHTS BEHIND THE BOZEMAN PLAN ARE THOSE OF EQUALIZATION, BASIC EDUCATION, AND HOW THE STATE CONSTITUTION USES THE TERM "EQUALITY OF EDUCATIONAL OPPORTUNITY". PERHAPS ONE OF THE FIRST QUESTIONS THAT SHOULD BE ANSWERED IS WHAT IS MEANT BY THE TERM BASIC EDUCATION, AND WHETHER OR NOT THIS BASIC EDUCATION IS BEING FUNDED BY THE STATE. THERE HAS BEEN MUCH ARGUMENT IN OUR STATE LATELY ABOUT WHAT IS A BASIC EDUCATION. IS IT IPSO FACTO WHAT WE ARE DOING NOW? DOES THE FACT THAT VOTERS APPROVE LEVIES IN THE HOME TOWN TO FINANCE THE LOCAL PROGRAM YEAR AFTER YEAR MEAN THAT WHAT THAT SCHOOL IS DOING AT THE PRESENT TIME IS BASIC EDUCATION? IF SO, DOES THAT MEAN WHEN VOTERS REJECT A LEVY AND THE SCHOOL BOARD OFFERS A LESSER AMOUNT ON THE SECOND BALLOT THAT THOSE KIDS ARE GETTING LESS THAN A BASIC EDUCATION? AND JUST BECAUSE ONE COMMUNITY VOTES TO SPEND TWICE AS MUCH ON THEIR KIDS AS A NEIGHBORING DISTRICT OF THE SAME SIZE, DOES THAT MEAN THAT THEIR PROGRAM IS THEN MORE BASIC THAN THEIR LOWER-SPENDING NEIGHBOR? INDEED, IN A RECENT OPINION IN THE STATE OF WASHINGTON IN THE SEATTLE CASE, IT WAS DETERMINED THAT WHEN MONEY SHORT DISTRICTS ARE FORCED TO SKIMP IN AREAS THAT AFFECT BASIC EDUCATIONAL QUALITY, THE FOUNDATION PROGRAM IS NOT DISCHARGING ITS CONSTITUTIONAL DUTY OF PROVIDING FOR ADEQUATE EDUCATION FOR THE STATE'S PUPILS. WE DO NOT LACK FOR A DEFINITION OF BASIC QUALITY EDUCATION. THE OFFICE OF PUBLIC INSTRUCTION UNDERTOOK A STUDY IN THE EARLY 70's TO DEFINE THE TERM. THEIR REPORT IS A MATTER OF RECORD. BUT FOR SOME REASON VERY FEW HAVE BEEN WILLING TO STATE PUBLICLY WHAT IS A BASIC QUALITY EDUCATION. HOWEVER, THE MONTANA STATE BOARD OF PUBLIC EDUCATION, AT A MEETING HELD WITHIN THE LAST SIX MONTHS, HAS DECLARED THAT THE ACCREDITATION STANDARDS MEET THEIR DEFINITION OF WHAT IS SUPPOSED TO BE A BASIC QUALITY EDUCATION, AND THEIR STAFF RESEARCHER, DR. HIDDE VAN DYUM, SO STATED TO THE LEGISLATIVE SUB-COMMITTEE OF PUBLIC SCHOOL FUNDING THAT CONCLUSION AT THE COMMITTEE'S MEETING ON MARCH 6 IN HELENA. THERE ARE SOME SCHOOL ADMINISTRATORS IN THE STATE, ESPECIALLY IN THE PROPERTY POOR DISTRICTS, WHO CLAIM THAT TAXPAYERS ARE BECOMING UNWILLING TO ABSORB ANY INCREASE IN EDUCATIONAL COSTS, AND THEY SAY THAT THEIR DISTRICTS ARE BEING FORCED TO SKIMP IN AREAS AFFECTING BASIC EDUCATIONAL QUALITY. I WOULD VENTURE TO SAY THAT THERE IS A TAXPAYER REVOLT IN NOT ONLY PROPERTY-POOR DISTRICTS, BUT IN ALL SCHOOL DISTRICTS. THE ECONOMY IS NOT IN ANY FORM OF BOOM TIMES, AND VOTERS ARE LETTING US KNOW THAT THEY ARE STILL IN CONTROL. I REALLY DOUBT, HOWEVER, THAT ANY SCHOOL DISTRICT IN THE STATE IS BEING FORCED TO SKIMP ON THEIR BASIC

EDUCATIONAL PROGRAM BECAUSE OF THE LOCAL VOTERS. THOSE WHO DO ARE NOTED PUBLICLY BY THE STATE BOARD OF PUBLIC EDUCATION WHEN THEY REVIEW ACCREDITATION STANDARDS FOR EACH YEAR, BUT NONE OF THIS YEAR'S OFFENDERS CLAIMED THAT THEY COULD NOT MEET THE BASIC STANDARDS DUE TO A MILL LEVY FAILURE. THE BASIC QUALITY EDUCATION IS WHAT IS FOUND IN THE ACCREDITATION STANDARDS.

THEN THERE IS THE EQUALIZATION QUESTION. FIRST OF ALL, WHAT IS IT THAT WE'RE TRYING TO EQUALIZE. IS IT SCHOOL BUILDINGS? I WOULD LIKE TO HAVE THE CUT BANK STUDENTS AFFORDED THE ULTRA-MODERN FACILITIES THAT SOME IN THIS STATE ENJOY. OR ARE WE TRYING TO EQUALIZE THE CURRICULA? THE COURSE OFFERINGS THAT WE HAVE PALE IN CONTRAST TO MOST OF OUR NEIGHBORS WITH LARGER TEACHING STAFFS. PERHAPS IT IS STAFF-PUPIL RATIO THAT SHOULD BE EQUALIZED. THE PERFECT RATIO IS ONE TO ONE, BUT WHO CAN AFFORD IT? OR MAYBE WE SHOULD EQUALIZE THE TAX LOAD SO THAT EVERYBODY IN THE STATE PAYS THE SAME NUMBER OF MILLS REGARDLESS OF WHERE THEY LIVE? OR HOW ABOUT EQUALIZING TAXING ABILITY SO THAT EVERYONE IN THE STATE HAS A MILL WORTH THE SAME AMOUNT? EQUALIZATION IS THE ROUND PEG TRYING TO BE PLACED IN THE SQUARE HOLE. IT IS UNATTAINABLE, EXCEPT IN A RELATIVE SENSE. THE FRAMERS OF OUR FOUNDATION PROGRAM UNDERSTOOD THAT PRINCIPLE OVER 32 YEARS AGO. DO WE HAVE TO RE-INVENT THE WHEEL EACH TIME WE TALK ABOUT THE FOUNDATION PROGRAM AND EQUALIZATION? THE 1949 LEGISLATURE WAS HIGHLY INTERESTED IN EQUALIZATION IN THE FOUNDATION PROGRAM, BUT THEY FOUND THAT THE ONLY REASONABLE WAY TO EQUALIZE TAX EFFORTS FOR THE FOUNDATION PROGRAM WAS IN THE FIRST-OUT LEVY ON THE LOCAL LEVEL. THE FIRST LEVY MADE FOR SCHOOLS IN EVERY DISTRICT IN THE STATE SHOULD BE EQUALIZED, AND IT IS WITH THE 25 MILL AND THE 15 MILL LEVY THAT WE ALL HAVE. IF WE WANT TO FULLY EQUALIZE THE WHOLE FINANCIAL STRUCTURE, THEN WE HAD BETTER BE READY TO FULLY EQUALIZE ALL EDUCATIONAL OUTCOMES. AS A MATTER OF FACT, IN THE RECENT CBS PROGRAM 60 MINUTES, WHICH AIRED MARCH 28, THERE WAS A PRIME EXAMPLE OF AN EQUALIZED EDUCATIONAL PROGRAM FROM FINANCES TO OUTCOMES. MIKE WALLACE WAS ASKING A GROUP OF PEOPLE A QUESTION THAT, IN OUR COUNTRY, WOULD HAVE PRODUCED VARIED ANSWERS. EVERYONE THAT HE ASKED, HOWEVER, HAD EXACTLY THE SAME ANSWER TO MIKE'S QUESTION. THE GROUP BEING QUESTIONED WAS THE 179th BATTALION OF THE RED CHINESE ARMY.

ANOTHER OF THE PRIME ARGUMENTS FOR FULL EQUALIZATION IS THAT THE FOUNDATION PROGRAM HAS NOT KEPT PACE WITH THE CONSUMER PRICE INDEX. TWO SEPARATE STUDIES BY TWO OF THE STATE'S MOST PROMINENT FOUNDATION PROGRAM STATISTICIANS HAVE PROVED THAT THE FOUNDATION PROGRAM HAS NOT ONLY KEPT PACE WITH THE CONSUMER PRICE INDEX SINCE 1949, BUT HAS IN FACT INCREASED FASTER THAN THE CPI IN THE LAST 32 YEARS.

WHEN THE 1981 LEGISLATURE VOTED THOSE 18% AND 15% INCREASES FOR THIS BIENNIUM, THEY DID SO WITH THE IDEA THAT THE LOCAL VOTED LEVIES WOULD STOP RISING AT THE ASTRONOMICAL RATE THAT THEY HAVE BEEN IN THE PAST. STUDIES HAVE PROVED THAT IN THE 1981-82 SCHOOL YEAR, WHEN THE 18% WAS PUT INTO EFFECT, THE CLASS "B" SCHOOL AROUND THE STATE HAD A DECREASE IN THEIR ELEMENTARY VOTED LEVIES BY 1.8% OVER THE 1980-81 LEVEL. THE PREVIOUS YEAR THEY HAD RISEN BY 12.4%. IN CLASS "B" HIGH SCHOOL DISTRICTS, THE VOTED LEVY WENT UP BY JUST .6%, WHICH IS NEGLIGIBLE, WHEREAS THE YEAR BEFORE THEY HAD GONE UP BY 11.2%. THE INTENTIONS OF THE LEGISLATURE TO SLOW, OR EVEN REVERSE, THE TRENDS OF THE VOTED LEVY INCREASES BY LOCAL SCHOOL DISTRICTS HAS BEEN ACHIEVED. WE NEED TO GET THAT MESSAGE OUT TO THEM.

ONE OF THE PRIME ARGUMENTS FOR THE PROPONENTS FOR CHANGE IS THAT THERE WILL BE A HIGH DEGREE OF CORRELATION BETWEEN COST PER ANB AND EDUCATIONAL QUALITY. NOTHING COULD BE FURTHER FROM THE TRUTH. IF THERE WERE A CORRELATION BETWEEN THESE TWO, THEN THE HIGHEST SPENDING DISTRICTS IN THE STATE SHOULD HAVE THE MOST MERIT SCHOLARS, FOR EXAMPLE. IN REVIEWING THE RECORDS ON MERIT SCHOLARS, ONE FINDS THAT THE OPPOSITE IS TRUE. MERIT SCHOLARS DO NOT COME FROM THE HIGH SPENDING DISTRICTS, BUT RATHER FROM THE POPULATION CENTERS WHERE THERE ARE VARIED COURSE OFFERINGS, BUT GENERALLY SPEAKING, THE SPENDING LEVELS ARE IN THE MIDDLE TO LOWER BRACKETS ON A PER ANB BASIS. THE LEGISLATURE COULD NOT EXPECT TO SEE ANY GREAT STRIDES MADE IN EDUCATIONAL ACHIEVEMENT SIMPLY BY EQUALIZING EDUCATIONAL EXPENDITURES. IT IS WELL KNOWN THAT MANY OTHER STATES HAVE HAD THEIR FUNDING SCHEMES CHALLENGED IN RECENT YEARS. LEST YOU THINK THAT ALL OF NEWS FROM THOSE STATES IS BAD, LET ME GIVE YOU A QUICK REVIEW OF WHAT SOME OF THEM HAVE SAID, AND THE POINT TO BE MADE HAS TO DO WITH SPENDING EQUAL AMOUNTS PER STUDENT. IN THE NYQUIST CASE IN NEW YORK, IT WAS STATED THAT DELEGATING TAX RESPONSIBILITIES TO LOCAL SCHOOL DISTRICTS DID NOT PER SE OFFEND THAT STATE'S CONSTITUTIONAL MANDATE. THAT SYSTEM WOULD ONLY BE INVALID WHEN SUCH DELEGATION DOES NOT RECOGNIZE

THAT LOCAL DISTRICTS WERE PROVIDING OVER 60% OF THE COST, AND FAILS TO CORRECT THOSE DISPARITIES BETWEEN THAT AND STATE AID BY PROVIDING SUFFICIENT EQUALIZATION AID. IN THE ROBINSON COURT IN NEW JERSEY, IT WAS DECIDED THAT EXACTLY EQUAL EXPENDITURE PER PUPIL IN EACH DISTRICT IS NOT A MUST. IN THE WYOMING CASE OF WASHAKIE, THE COURT STATED THAT THERE MUST BE AN ALLOWANCE, FINANCIALLY, FOR LOCAL SCHOOL DISTRICT CONDITIONS. AND PERHAPS THE MOST RECENT, AND IMPORTANT, OF THE CASES COMES FROM OUR NEIGHBOR TO THE WEST - - IDAHO. IN THAT CASE CALLED THE THOMPSON CASE, THREE THINGS JUMP OUT OF THAT DECISION THAT AFFECT US DIRECTLY. IDAHO'S SYSTEM IS SIMILAR TO MONTANA'S, AND 47% OF THEIR FUNDING COMES FROM LOCAL SOURCES. IDAHO'S PUBLIC ELEMENTARY AND SECONDARY SCHOOL FINANCING SYSTEM RELIES HEAVILY ON THE AD VALOREM PROPERTY TAX AND THIS RESULTS IN DIFFERENCES IN AMOUNTS RAISED AND SPENT PER PUPIL AMONG ITS DISTRICTS BECAUSE OF DIFFERENCES IN ASSESSED VALUATIONS OF THE DISTRICTS. IT WAS FOUND THAT THESE DIFFERENCES DID NOT VIOLATE THE IDAHO CONSTITUTIONAL REQUIREMENT OF A UNIFORM SYSTEM OF PUBLIC SCHOOLS. INEQUITIES IN TAXABLE WEALTH OF THE VARIOUS SCHOOL DISTRICTS DID NOT RESULT IN IMPERMISSIBLE DISCRIMINATION AGAINST THE PEOPLE IN THE LESS AFFLUENT DISTRICTS, AND MORE IMPORTANTLY, THIS INEQUITY DID NOT RESULT FROM LEGISLATIVE DECREE. AND FINALLY, THE IDAHO SUPREME COURT SAID THAT UNEQUAL AMOUNTS CAN CONSTITUTIONALLY BE RAISED AND EXPENDED AMONG THE SEVERAL SCHOOL DISTRICTS DEPENDING ON THE TAX BASE OF THE RESPECTIVE BASE AS LONG AS THE ENTIRE FINANCIAL STRUCTURE DOES NOT DEPEND ON THE LOCAL DISTRICT. → *Colorado case*

AND, FINALLY, THERE IS THE ISSUE OF THE CONSTITUTIONAL USE OF THE TERM "EQUALITY OF EDUCATIONAL OPPORTUNITY". THE WORDS "EQUAL" AND "OPPORTUNITY" ARE LOADED WORDS ANYWAY, BUT WHEN YOU STICK "EDUCATIONAL" IN BETWEEN THOSE TWO, YOU REALLY GET MIGRAINE HEADACHES TRYING TO SORT OUT THE WHOLE PACKAGE. IN ARTICLE 10, SECTION I, OF THE MONTANA STATE CONSTITUTION IT STATES THAT "EQUALITY OF EDUCATIONAL OPPORTUNITY IS GUARANTEED TO EACH PERSON OF THE STATE." WHAT DO WE MEAN BY THE WORD "OPPORTUNITY?" ESPECIALLY, AN "EQUALITY OF OPPORTUNITY?" NOW, WE'RE NOT TALKING ABOUT EQUAL EDUCATIONAL ABILITY AS A GUARANTEE: NOR ARE WE TALKING ABOUT EQUAL EDUCATIONAL OUTCOMES AS A GUARANTEE.

EVERY NOW AND THEN YOU HEAR A CATCHY SAYING OR PHRASE THAT MAKES YOU SIT UP AND TAKE NOTE OF WHAT IS BEING SAID, AND IT'S ONE OF THOSE TYPES OF SAYINGS THAT MAKES YOU SAY "GEE, I

WISH I'D SAID THAT!" LIKE WHEN PRESIDENT JOHN F. KENNEDY SAID "ASK NOT WHAT YOUR COUNTRY CAN DO FOR YOU, BUT WHAT YOU CAN DO FOR YOUR COUNTRY!" OR WHEN ASTRONAUT NEIL ARMSTRONG SAID " THAT'S ONE SMALL STEP FOR MAN: ONE GIANT LEAP FOR MANKIND!" SNAPPY STUFF!! NOW I'LL ADD ANOTHER TO THAT LIST :- "EQUALITY OF EDUCATIONAL OPPORTUNITY IS GUARANTEED TO EACH PERSON OF THE STATE". I SIMPLY DON'T HAVE THE TIME TO PURSUE THE LAST HALF OF THAT SENTENCE THAT IS GUARANTEEING EACH PERSON IN THE STATE THIS PRIZE (DOES A 55-YEAR-OLD GRANDMOTHER HAVE A RIGHT TO A SEAT IN SOPHOMORE ENGLISH??), BUT I DO WANT TO HELP YOU UNDERSTAND THE FIRST PART OF THE SENTENCE. IN MY RESEARCH, I FIRST FOUND THIS PHRASE APPLIED TO THE MONTANA FOUNDATION PROGRAM IN THE REPORT OF THE MONTANA COMMITTEE ON PUBLIC ELEMENTARY AND SECONDARY SCHOOL ORGANIZATION AND FINANCE THAT WAS DELIVERED TO THEN-GOVERNOR SAM FORD ON NOVEMBER 12, 1946. ONE OF THE PROBLEMS THAT THAT COMMITTEE WAS ADDRESSING AT THAT TIME WAS THE FACT THAT THE LENGTH OF THE SCHOOL TERM WAS NOT UNIFORM IN ALL SCHOOLS IN MONTANA, AND THIS PREVENTED THE PROPER UTILIZATION OF THE FOUNDATION PROGRAM THAT THEY WERE TRYING TO ESTABLISH. QUOTING DIRECTLY FROM THE REPORT:

"IN 1944-45 THE LENGTH OF SCHOOL TERMS VARIED FROM LESS THAN 50 DAYS IN SOME SCHOOLS TO MORE THAN 190 DAYS IN OTHER SCHOOLS. THIS VARIATION IN LENGTH OF SCHOOL YEAR CAUSES INEQUALITIES IN EDUCATIONAL OPPORTUNITY."

I'LL BET THAT CAUSED SOME INEQUALITIES IN OPPORTUNITY! IF YOU ONLY GET TO GO TO SCHOOL ONE-FOURTH AS MUCH AS THE KID DOWN THE LINE, YOU DON'T HAVE THE OPPORTUNITY TO LEARN THAT HE DOES!! AND I CAN JUST SEE THE FOLKS AT THE 1972 CONSTITUTIONAL CONVENTION PICKING UP ON THAT PHRASE "EQUALITY OF EDUCATIONAL OPPORTUNITY" WITHOUT CHECKING TO SEE HOW IT WAS ORIGINALLY USED IN MONTANA, AND ALL OF A SUDDEN, INSTEAD OF A TERM THAT WAS MEANT TO BE USED TO DESCRIBE THE FACT THAT EVERY CHILD IN THIS STATE IS GUARANTEED THE SAME ACCESS TO THE LOCAL PUBLIC SCHOOLS FOR A MINIMUM NUMBER OF DAYS PER YEAR, THIS TERM HAS BEEN GROSSLY MISAPPLIED TO THE CURRENT POINT THAT SOME WOULD HAVE YOU BELIEVE THAT IT WAS MEANT TO APPLY TO EQUALIZING EXPENDITURES IN THE SCHOOLS OF OUR STATE!! THAT IS NOT THE WAY THE TERM CAME INTO BEING IN MONTANA, AND I HOPE THAT YOU WOULD REJECT ANY ARGUMENT THAT TRIES TO TELL YOU DIFFERENTLY.



LET'S TALK FOR JUST A MOMENT ABOUT THE LANGUAGE IN THE MONTANA CONSTITUTION. I HAVE ALREADY EXPLAINED THE FACTS ABOUT ARTICLE 10, SECTION I, AND HAVE RAISED THE QUESTION ABOUT WHAT DO WE DO WITH THE TERM "EACH PERSON IN THE STATE". ANOTHER POINT THAT NEEDS TO BE MADE IS THAT IN THIS SAME ARTICLE OF THE CONSTITUTION, UNDER THE HEADING OF SECTION 8, IS THE PART THAT SAYS "THE SUPERVISION AND CONTROL OF SCHOOLS IN EACH DISTRICT SHALL BE VESTED IN A BOARD OF TRUSTEES TO BE ELECTED AS PROVIDED BY LAW." NOW IF WE'RE GOING TO BE STRICT CONSTRUCTIONISTS ABOUT THIS CONSTITUTION, MEANING THAT EVERY WORD AND PHRASE HAS ITS OWN VALUE AND EQUAL WEIGHT TO ANY OTHER WORD OR PHRASE, HOW CAN THOSE WHO PURSUE THE LITERAL APPLICATION OF SECTION I REFUSE TO RECOGNIZE THAT SECTION 8 HAS THE SAME VALUE? IF SOME OF THE POINTS IN THE BOZEMAN PLAN WERE PUT INTO ACTION, SECTION 8 AND LOCAL CONTROL MIGHT AS WELL TAKE A HOLIDAY. THERE CAN BE NO CAPPED VOTED LEVIES OR RESTRICTIONS ON THE ABILITY OF THE LOCAL TRUSTEES TO RAISE THE SUMS OF MONEY THEY THINK NECESSARY TO CARRY OUT THE EDUCATIONAL PROGRAM IN THAT LOCAL DISTRICT.] ANOTHER LOOK AT OUR NEIGHBOR TO THE WEST WOULD SHOW THAT THE IDAHO SUPREME COURT HAS A HANDLE ON THE SITUATION. IN THE THOMPSON CASE, THE COURT RECOGNIZED THE IMPORTANCE OF LOCAL TAXATION IN PRESERVING FREEDOM IN EDUCATION AND LOCAL CONTROL. "LOCAL TAXATION HAS BEEN AN ASPECT OF NEARLY ALL STATE SCHOOL FUNDING SYSTEMS. THAT SYSTEM, WHILE ASSURING BASIC EDUCATION, ENCOURAGES LOCAL PARTICIPATION AND FREEDOM TO DEVOTE MORE MONEY TO OUR CHILDRENS' EDUCATION THAN THE STATE PROVIDES. IF LOCAL TAXATION FOR EDUCATION IS UNCONSTITUTIONAL, THEN LOCAL TAXATION FOR OTHER PUBLIC SERVICES SUCH AS POLICE, FIRE, AND COURT SYSTEMS ARE ALSO THREATENED."

WHEN THE 1949 LEGISLATURE SET OUR FOUNDATION PROGRAM IN MOTION, IT WAS HAILED AS ONE OF THE BEST IN THE NATION. IT HAS WITHSTOOD VARIOUS JUDICIAL CHALLENGES OVER THE YEARS AS FAR AS LOCAL CONTROL, THE EQUALIZATION CONCEPT OF THE FIRST-OUT LEVY BASIS, AND ON THE RECAPTURE METHODS USED ON THE PERMISSIVE PORTION OF THE LEVY. THE FOUNDATION PROGRAM IS WORKING FOR US. IT IS REDUCING LOCAL VOTED LEVIES. IT DOES PROVIDE FOR LOCAL CONTROL OF THE EUDCATIONAL PROGRAM. IT IS RISING FASTER THAN THE CONSUMER PRICE INDEX. IT IS PROVIDING A BASIC QUALITY EDUCATION FOR THE CHILDREN OF MONTANA. AS THE OLD SAYING GOES "WHY FIX IT IF IT AIN'T BROKE?"

UNDER THE BOZEMAN PLAN THERE WILL BE FUNDING "WINNERS" AND FUNDING "LOSERS". WE DON'T HAVE TO PLAY THE GAME THAT WAY. WE CAN PLAY THE GAME SO THAT ALL ARE FUNDING "WINNERS". AND I REALLY BELIEVE THAT WE, AS SCHOOL ADMINISTRATORS, HAVE TO BE UNITED WHEN WE GO BEFORE THE 1983 LEGISLATURE SO THAT THERE ARE NO CONFUSING SIGNALS SUCH AS WE SENT OUT LAST TIME. IF WE HAVE TO GO BEFORE THAT BODY AND HAVE ANOTHER RITUAL BLOOD-LETTING OVER THE FOUNDATION PROGRAM, I BELIEVE THAT WE WILL ALL BE FUNDING "LOSERS".

I PROPOSE THAT WE AS SCHOOL ADMINISTRATORS SUPPORT A BI-LEVEL STATEMENT ON THE FOUNDATION PROGRAM THAT ALLOWS FOR LOCAL CONTROL, WHILE AT THE SAME TIME ENCOURAGING THE LEGISLATURE TO FULLY FUND THE COSTS OF PROVIDING A BASIC QUALITY EDUCATION FOR OUR YOUNGSTERS.

STATEMENT #1 - INCREASES IN THE FOUNDATION PROGRAM SCHEDULES SHOULD AT LEAST EQUAL THE CONSUMER PRICE INDEX FOR THE PREVIOUS DECEMBER-DECEMBER READING. IF LOCAL SCHOOL DISTRICTS NEED MORE MONEY THAN THE FOUNDATION PROGRAM PROVIDES TO OPERATE THEIR PROGRAMS, THEN THEY SHALL BE ALLOWED TO ASK LOCAL VOTERS TO FUND THAT ADDITIONAL LEVEL OF SUPPORT BASED ON THE TAXABLE VALUATION OF THE LOCAL SCHOOL DISTRICT. THERE SHOULD BE NO RECAPTURE OR CAPPING PROVISIONS PLACED ON THESE LOCAL EFFORTS.

STATEMENT #2 - THE MONTANA LEGISLATURE IS ENCOURAGED TO FUND THE COST OF A BASIC QUALITY EDUCATION AS IDENTIFIED BY THE BOARD OF PUBLIC EDUCATION AND FOUND IN THE ACCREDITATION STANDARDS. THE COST OF FUNDING THE ACCREDITATION STANDARDS SHALL BE AS DETERMINED BY A FORMULA DEvised BY THE OFFICE OF PUBLIC INSTRUCTION. THIS COST FORMULA SHALL BE UPDATED BIENNIALlY BY THE OFFICE OF PUBLIC INSTRUCTION. IF LOCAL SCHOOL DISTRICTS NEED MORE MONEY THAN THE FOUNDATION PROGRAM PROVIDES TO OPERATE THEIR PROGRAMS, THEN THEY SHALL BE ALLOWED TO ASK LOCAL VOTERS TO FUND THAT ADDITIONAL LEVEL OF SUPPORT BASED ON THE TAXABLE VALUATION OF THE LOCAL SCHOOL DISTRICT. THERE SHOULD BE NO RECAPTURE OR CAPPING PROVISIONS PLACED ON THESE LOCAL EFFORTS.

TO CONTINUE WITH THE BASIC FOUNDATION PROGRAM AS WE HAVE KNOWN IT FOR THE PAST 32 YEARS IN MONTANA IS THE ONLY DECISION THAT WILL GUARANTEE A CONTINUED QUALITY EDUCATION FOR THE CHILDREN OF MONTANA. ANY PLAN THAT ATTEMPTS TO EQUALIZE EXPENDITURES, OUTCOMES, OR ABILITIES WILL NOT ENCOURAGE QUALITY, BUT WILL, INDEED, GUARANTEE MEDIOCRITY.

Exhibit L

Jan 21, 1983

SB 94

See Tax Comm.

AVERAGE LEASE  
TADLE COUNTY  
1981

NET PROCEEDS TAX

582 LEASES REPORTED

A.	SALES	\$ 74,276. <sup>00</sup>	100%
	LIFTING COSTS	12,118. <sup>00</sup>	16
	AMORTIZED WELL COSTS	5,270. <sup>00</sup>	7
	WINDFALL PROFITS TAX	9,567. <sup>00</sup>	13
	ROYALTY	10,308. <sup>00</sup>	14
	NET PROCEEDS-TAXABLE	37,163. <sup>00</sup>	
	NON-DEDUCTIBLE COSTS:		
	LEGAL EXP.		
	INTEREST		
	TAXES		
	INS. (EXCEPT FIRE)	22,274. <sup>00</sup>	30
	CLERICAL + AGENTS		
	INDIRECT SUPERV.		
	RESEARCH		
	LANDOWNER DAMAGE		
	ACQUISITION COSTS		
	NET INCOME	14,889. <sup>00</sup>	80%

106 LEASES - LOSSES - NO N.P. TAX

B.	SALES	\$ 27,067. <sup>00</sup>	100%
	LIFTING COSTS	26,417. <sup>00</sup>	98
	AMORTIZED COSTS	8,332. <sup>00</sup>	31
	ROYALTY	3,765. <sup>00</sup>	14
	LOSS	11,677. <sup>00</sup>	
	COMBINED NET	3,218. <sup>00</sup>	143%

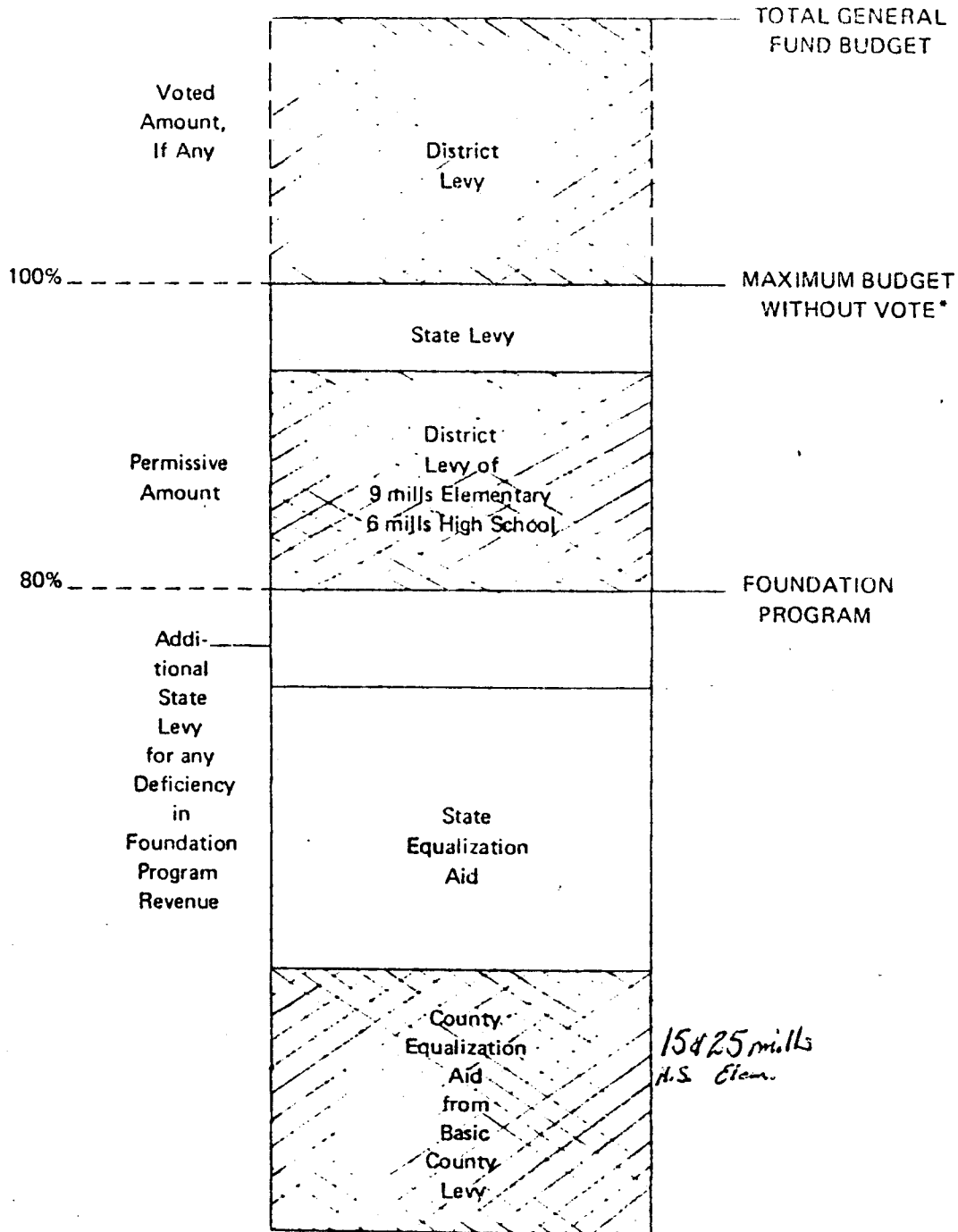
C. DRY HOLE \$ 50,000.<sup>00</sup>

\$ 46,780.<sup>00</sup> LOSS

THESE ARE THE KIND OF PROPERTIES THAT  
MONTANA RESIDENTS + OPERATORS CAN GET  
INVOLVED WITH. THEY ARE QUIT SHALLOW  
WELLS. TO DRILL THE DEEP WELLS WE MUST  
ATTRACT OUTSIDE INVESTMENT.

Exhibit M  
Jan. 21, 1983  
SB 94 (oppose)

SCHOOL DISTRICT GENERAL MAINTENANCE AND OPERATION  
(General Fund Budget)



\* Amount for any school for Maximum Budget Without Vote (and Foundation Program) set by statutory schedule and approved allowable Special Education Costs.  
(See Topic 14 — Foundation Program.)

COLSTRIP SCHOOLS  
1982-83

Elementary -- General Fund Budget

\$3,670,407

1982 Schedules

1233 A.N.B. = (3) 1,509,342.40  
(2) 377,335.60  
(1) 1,783,729.00  
3,670,407.00

Foundation Program  
Permissive  
Voted Levy

VOTED  
AMOUNT

DISTRICT LEVY

1,783,729

PERMISSIVE  
AMOUNT

STATE

-0-

DISTRICT LEVY

377,335

FOUNDATION  
PROGRAM

DEFICIENCY LEVY

-0-

-0-

STATE  
EQUALIZATION  
FUND

-0-

-0-

BASIC  
COUNTY  
LEVY

3,233,700

1,509,342

1,724,358

3,670,407

1,724,358

(to State)

25 MILLS

able Valuation

129,348,221

129,348 = on mill

# ELEMENTARY

1) Make permissive a mandatory 9 mills

## 1982 Schedules

1233 A.N.B. = (3)	1,509,342.40	Foundation Program
(2)	377,335.60	Permissive
(1)	<u>1,783,729.00</u>	Voted Levy
	<u>3,670,407.00</u>	

TED  
OUNT

DISTRICT LEVY

1,783,729

RMISSIVE  
OUNT

STATE

-0-

DISTRICT LEVY  
(9 mills)

1,164,132

377,335

786,797

UNDATION  
OGRAM

DEFICIENCY LEVY

-0-

-0-

STATE  
EQUALIZATION  
FUND

-0-

-0-

BASIC  
COUNTY  
LEVY  
25 MILLS

3,233,700

1,509,342

1,724,358

3,670,407

2,511,155

Taxable Valuation

\$129,348,221

\$129,348 = 1 mill

ELEMENTARY

- 1) Permissive Mandatory
- 2) Taxable Valuation 160,000,000

1982 Schedules

1233 A.N.B. = (3) 1,509,342.40  
(2) 377,335.60  
(1) 1,783,729.00  
3,670,407.00

Foundation Program  
Permissive  
Voted Levy

VOTED  
AMOUNT

DISTRICT LEVY

1,783,729

PERMISSIVE  
AMOUNT

STATE

-0-

DISTRICT LEVY  
(9 mills)

1,440,000

377,335

1,067,665

FOUNDATION  
PROGRAM

DEFICIENCY LEVY

-0-

-0-

STATE  
EQUALIZATION  
FUND

-0-

-0-

BASIC  
COUNTY  
LEVY

4,000,000

1,509,342  
3,670,407

2,490,658  
3,558,323  
(to State

25 MILLS

Taxable Valuation

1983-84 160,000,000 (est.)  
160,000 = 1 mill

COLSTRIP SCHOOLS  
1982-83

High School -- General Fund Budget

\$2,276,555

1982 Schedules

487 A.N.B. =	(1) 1,235,331	Voted Levy
	(2) 184,244	Permissive
	(3) 736,978	Foundation Program
	2,276,555	

VOTED COUNT	DISTRICT LEVY	1,235,331	
PERMISSIVE COUNT	STATE	-0-	
	----- DISTRICT LEVY	184,244 (1.4 mills)	
FOUNDATION PROGRAM	DEFICIENCY LEVY		
	----- STATE EQUALIZATION FUND		
	BASIC COUNTY LEVY	1,956,341	
	<u>15 MILLS</u>	<div style="display: flex; justify-content: space-between;"> <span>736,978</span> <span>1,219,453</span> </div> <div style="display: flex; justify-content: space-between;"> <span>2,276,555</span> <span>1,219,453</span> </div>	(to State

Taxable Valuation

130,428,746

130,428 = on mill



HIGH SCHOOL

1) Permissive Levy Mandatory

1982 Schedules

487 A.N.B. = (1)	1,235,331	Voted Levy
(2)	184,244	Permissive
(3)	<u>736,978</u>	Foundation Program
	<u>2,276,555</u>	

VOTED AMOUNT	DISTRICT LEVY		1,235,331	
PERMISSIVE AMOUNT	STATE	-0-	-0-	-0-
	DISTRICT LEVY (6 mills)	782,568	184,244	598,324
FOUNDATION PROGRAM	DEFICIENCY LEVY		-0-	
	STATE EQUALIZATION FUND		-0-	
	BASIC COUNTY LEVY		<u>736,978</u>	<u>1,219,453</u>
	<u>15 MILLS</u>		<u>2,276,555</u>	<u>1,817,777</u> (to State)

Taxable Valuation

130,428,746  
130,478 = one mill

HIGH SCHOOL

- 1) Permissive Mandatory  
 2) Taxable Valuation 160,000,000

1982 Schedules

487 A.N.B. = (1)	1,235,331	Voted Levy
(2)	184,244	Permissive
(3)	<u>736,978</u>	Foundation Program
	2,276,555	

VOTED AMOUNT	DISTRICT LEVY		1,235,331	
PERMISSIVE AMOUNT	STATE		-0-	
	DISTRICT LEVY (6 mills)	960,000	184,244	775,756
FOUNDATION PROGRAM	DEFICIENCY LEVY	-0-	-0-	
	STATE EQUALIZATION FUND		-0-	
	BASIC COUNTY LEVY	2,400,000	<u>736,978</u> 2,276,555	<u>1,663,022</u> 2,438,778 (to State)
	<u>15 MILLS</u>			

Taxable Valuation

1983 - 160,000,000  
 160,000 = one mill

SCHOOL DISTRICT 19

Summary

- 1) If we raise the mandatory levies to 55 mills, School District 19 dollars will be distributed:

1982-83 Actual

	<u>Gen. Fund Budget</u>	<u>Voted Levy</u>	<u>Sent to State</u>
Elementary	3,670,407	1,783,729	1,724,358
High School	<u>2,276,555</u>	<u>1,235,331</u>	<u>1,219,453</u>
Total	5,946,962	3,019,060	2,943,811

out  
of  
25m

1982-83 55 Mills

Elementary	3,670,407	1,783,729	2,511,155
High School	<u>2,276,555</u>	<u>1,235,331</u>	<u>1,817,777</u>
Totals	5,946,962	3,019,060	4,328,932

1982-83 55 Mills--Taxable Valuation (160,000,000 est.)

	<u>Gen. Fund Budget</u>	<u>Voted Levy</u>	<u>Sent to</u>
Elementary	3,670,407	1,783,729	3,558,323
High School	<u>2,276,555</u>	<u>1,235,331</u>	<u>2,438,778</u>
Totals	5,946,962	3,019,060	5,997,101

COLSTRIP HIGH SCHOOLDistrict #19 - Rosebud County

	<u>Taxable Valuation</u>	<u>Total All Expenditures</u>	<u>A.N.B.</u>	<u>Tax Requirements</u>		<u>Debt Serv.</u>
				<u>Dollars</u>	<u>Mills</u>	
1950-51	2,083,387	19,523.00	(43)	2,193.00	1.1	
1951-52	2,236,534	29,393.41	(58)	6,149.05	2.754	
1952-53	3,017,924	31,016.57	(63)	7,878.62	2.615	
1953-54	2,911,486	32,892.57	(59)	6,387.63	2.165	
1954-55	2,682,476	37,897.36	(74)	8,119.18	3.027	
1955-56	2,970,261	37,224.89	(64)	8,067.46	0.000 (reappro.)	
1956-57	2,586,820	41,768.89	(68)	10,740.25	4.153	
1957-58	2,354,787	49,091.00	(85)	0.00	0.000 (PL 874)	
1958-59	1,894,175	42,039.29	(68)	3,114.60	1.645	
1959-60	1,797,765	55,725.18	(70)	10,492.47	5.837	
1961-62	1,685,588	69,125.75	(56)	11,524.48	6.85	
1962-63	1,686,068	80,353.32	(74)	19,003.44	11.28	
1964-65	1,867,747	110,846.98	(78)	10,014.53	5.39	
1965-66	1,864,839	109,443.60	(98)	2,910.00	1.65	
1966-67	1,947,981	146,316.06	(117)	24,226.08	12.70	9.87
1967-68	2,006,530	143,701.89	(95)	26,937.08	13.46	9.48
1968-69	2,026,335	161,550.91	(102)	40,143.72	20.58	10.54
1969-70	2,320,304	157,696.00	(116)	37,103.51	16.01	8.80
1970-71	3,138,158	174,703.58	(96)	55,098.04	17.62	7.62
1971-72	4,719,824	175,019.96		31,646.79	6.73	4.11
1972-73	8,317,216	208,156.00	(114)	73,590.43	8.88	2.28
1973-74	9,480,690	273,552.00	(221)	80,689.22	8.53	1.94
1974-75	11,894,844	521,937.00	(384)	201,328.00	16.95	1.51
1975-76	24,181,043	421,141.00	(186)	215,767.00	8.94	.74
1976-77	44,387,328	765,469.00	(212)	456,422.00	10.29	4.42
1977-78	57,123,665	894,589.00	(196)	431,637.00	7.56	
1978-79	56,196,000	868,107.00	(216)	388,315.00	6.93	
1979-80	50,140,117	1,202,087.00	(240)	471,984.00	9.42	
1980-81	77,371,121	1,647,796.00	(252)	808,937.00	10.52	
1981-82	93,876,779	3,003,891.00	(456)	1,794,832.00	19.11	
1982-83	130,428,746	5,561,508.00	(487)	3,343,579.00	25.65	21.32

COLSTRIP ELEMENTARY DISTRICTDistrict #19 - Rosebud County

	<u>Taxable Valuation</u>	<u>Total All Expenditures</u>	<u>A.N.B.</u>	<u>Tax Requirements</u>		<u>Debt Serv.</u>
				<u>Dollars</u>	<u>Mills</u>	
1950-51	1,395,310	54,937.00	100	21,863	15.67	-0-
1951-52	1,371,791	52,784.00	93	24,131	22.63	-0-
1952-53	2,050,747	51,893.00	92	22,934	16.2	-0-
1953-54	1,952,065	61,262.00	87	29,020	19.83	-0-
1954-55	1,704,804	54,269.00	87	19,199	11.27	-0-
1955-56	1,915,786	49,528.00	92	17,415	14.0	-0-
1956-57	1,614,707	50,972.00	93	16,510	15.1	-0-
1957-58	1,490,160	50,329.00	88	10,903	12.2	-0-
1958-59	1,029,358	49,341.00	92	12,696	19.31	-0-
1959-60	894,288	51,554.00	102	12,186	17.93	-0-
1961-62	852,013	58,765.00	74	15,685	18.42	-0-
1962-63	980,226	63,512.00	75	27,117	27.69	-0-
1964-65	1,083,749	65,960.00	79	16,455	15.22	.98
1965-66	1,068,756	63,687.00	70	21,100	20.30	1.00
1966-67	1,101,559	76,212.00	87	25,779	24.80	6.42
1967-68	1,116,196	79,036.00	72	29,159	26.26	5.09
1968-69	1,093,500	79,631.00	67	23,404	22.14	6.15
1969-70	1,351,105	73,450.00	78	22,382	16.60	4.53
1970-71	1,937,129	80,263.00	77	33,027	17.08	3.04
1971-72	3,496,231	96,791.00	99	41,392	11.87	1.63
1972-73	6,995,460	139,237.00	134	68,967	9.92	.88
1973-74	8,031,340	235,740.00	298	95,504	11.91	.68
1974-75	10,207,513	602,098.00	596	238,512	23.39	.52
1975-76	22,343,341	481,670.00	351	205,140	9.21	.23
1976-77	42,747,194	873,118.00	448	493,488	11.56	6.18
1977-78	55,621,325	899,431.00	379	351,656	6.32	-0-
1978-79	54,953,030	1,018,790.00	410	377,983	6.89	-0-
1979-80	48,693,835	1,510,264.00	419	502,226	10.33	-0-
1980-81	75,784,630	3,027,922.00	596	1,140,455	16.00	-0-
1981-82	92,522,033	4,090,381.00	871	2,814,863	30.44	7.04
1982-83	129,348,221	4,875,791.00	1223	1,601,503	12.40	-0-

DISTRICT #19High School & ElementaryMILLS FOR DISTRICT TAXES

(As they affect a section of land)

640 Acres - Grazing Land

	<u>Market Value</u>	<u>Taxable Valuation</u>
1952-60	\$ 930	\$ 279
1961-63	\$ 1,120	\$ 336
1964-83	\$ 2,260	\$ 678

Mills for District Taxes

1956	(4.153 + 15.1) mills	x	\$279	=	\$5.37
	<u>19.253</u>				
1962	(11.28 + 27.69) "	x	\$336	=	\$13.09
	<u>38.97</u>				
1966	(12.70 + 24.80) "	x	\$678	=	\$25.43
	<u>37.50</u>				
1967	(13.46 + 26.26) "	x	\$678	=	\$26.93
	<u>39.72</u>				
1968	(20.58 + 22.14) "	x	\$678	=	\$28.96
	<u>42.72</u>				
1969	(16.01 + 16.60) "	x	\$678	=	\$22.11
	<u>32.61</u>				
1970	(17.62 + 17.08) "	x	\$678	=	\$23.53
	<u>34.70</u>				
1981	(19.11 + 30.44) "	x	\$678	=	\$33.59
	<u>49.55</u>				
1982-83	(25.65 + 12.40) "	x	\$678	=	\$25.80
	<u>38.05</u>				

County High School

General	15.00	mills
Transportation	.420	"
Retirement	<u>1.770</u>	"
	17.190	mills

County Elementary

General	25.00	mills
Retirement	<u>4.290</u>	"
	29.290	mills

## COLSTRIP SCHOOLS

## BUILDING PROGRAM CONTRIBUTIONS

		<u>Coal Board</u>	<u>Local Effort</u>
<u>High School</u>	New High School 400 - 500 pupils	\$ 3,367,833	\$ 15,975,805
<u>Pine Butte Primary</u>	Elementary School 491 pupils		
	Prepaid taxes ('80)		\$ 820,000
	Prepaid taxes ('81)		804,100
	Elementary Equipment	38,544	
<u>Pine Butte Intermediate</u>	Elementary School 366 pupils		
	(2,827,000 Bond, 1981)	1,665,000	6,286,258
<u>Isabel Bills Elementary</u>	Elementary School 264 pupils		
	(1,847,730 Bond)	1,779,635	
	2,491,703 Interest		2,559,798
<u>High School</u>	High School 404 pupils		
	A. 1966 Bond - 305,000		305,000
	B. 1976 Bond	1,022,317	
	Balance Due		1,348,853
	C. Planning Grant	34,500	
	D. School Equipment	93,696	
	E. Prepaid Taxes		1,702,900
		<hr/>	<hr/>
		\$ 8,001,525	\$ 29,802,714

SENATE TAXATION COMMITTEE  
EXHIBIT N  
JANUARY 21, 1983  
SB 94

TABLE I  
RANK ORDER COMPARISON OF COUNTY TAXABLE VALUE PER ANB  
AND THE COMBINED HIGH SCHOOL AND ELEMENTARY  
RETIREMENT LEVIES: 1981-82

County	Taxable Valuation	ANB	TV/ANB	High/Low Ranking TV/ANB	Low/High Ranking Levy Amount	Combined H.S./Elem. Levy	Dollars Retirement	Retirement \$/ANB
Powder River	\$ 64,201,907	548	\$117,157	1	1	2.14	\$ 137,108	\$250
Fallon	65,856,409	823	80,020	2	4	5.31	349,698	425
Sheridan	74,401,204	1,078	69,018	3	2	2.44	180,442	167
Big Horn	108,103,481	2,328	46,436	4	3	5.12	545,847	265
Rosebud	118,341,263	2,760	42,877	5	9	7.43	879,150	319
Liberty	18,961,285	474	40,003	6	6	6.27	118,880	251
Richland	106,319,652	2,658	40,000	7	5	5.78	614,456	231
Toole	40,308,476	1,045	38,573	8	8	7.10	286,607	274
Wibaux	13,208,435	367	35,990	9	7	6.62	87,346	238
Musselshell	23,964,123	876	27,356	10	10	8.02	192,170	219
Chouteau	28,692,605	1,171	24,503	11	12	11.21	318,853	272
Carter	7,707,430	315	24,468	12	11	11.01	84,753	269
Petroleum	3,284,530	135	24,330	13	19	14.86	48,975	363
Phillips	26,645,930	1,108	24,049	14	13	11.27	300,317	217
Blaine	33,985,291	1,593	21,334	15	15	12.43	422,172	265
Garfield	6,689,512	321	20,840	16	16	12.70	84,839	264
McCone	11,932,170	604	19,755	17	14	12.02	143,500	238
Golden Valley	4,376,586	227	19,280	18	20	15.05	65,868	290
Treasure	3,973,745	209	19,013	19	23	15.75	50,983	244
Glacier	47,745,481	2,664	17,922	20	26	17.96	832,416	312
Carbon	26,613,349	1,555	17,115	21	24	16.39	436,055	280
Pondera	23,460,616	1,458	16,091	22	31	19.19	449,998	309
Judith Basin	8,935,501	561	15,926	23	22	15.69	157,005	280
Daniels	8,689,614	571	15,218	24	34	20.45	132,794	232
Teton	19,318,101	1,270	15,210	25	21	15.22	293,879	231
Prairie	5,669,003	381	14,879	26	18	14.82	83,966	220
Roosevelt	37,331,281	2,558	14,574	27	17	14.41	607,080	237
Madison	14,899,775	1,025	14,536	28	32	19.92	296,793	290

TABLE I  
con't)

County	Taxable Valuation	ANB	TV/ANB	High/Low Ranking TV/ANB	Low/High Ranking Levy Amount	Combined H.S./Elem. Levy	Dollars Retirement	Retirement \$/ANB
Meagher	5,329,396	398	13,390	29	27	18.54	98,688	248
Hill	43,774,888	3,387	12,924	30	35	21.32	932,894	275
Wheatland	5,182,061	408	12,701	31	33	20.08	103,843	255
Sweet Grass	7,434,377	621	11,973	32	30	19.14	141,895	228
Dawson	27,190,039	2,301	11,817	33	29	19.02	516,538	224
Stillwater	14,086,229	1,210	11,642	34	39	24.18	340,605	281
Broadwater	7,593,794	677	11,217	35	25	16.62	125,924	186
Missoula	135,776,199	12,742	10,656	36	46	28.42	3,859,235	303
Sanders	20,070,410	1,896	10,586	37	28	18.87	378,920	200
Valley	23,141,353	2,225	10,401	38	45	27.72	639,106	287
Beaverhead	15,802,865	1,613	9,797	39	41	24.82	346,534	215
Fergus	23,351,152	2,390	9,770	40	37	23.47	547,998	229
Granite	5,946,425	618	9,622	41	43	25.90	153,665	249
Custer	20,273,043	2,127	9,531	42	42	25.19	510,816	240
Powell	12,503,635	1,320	9,472	43	38	23.80	297,552	225
Yellowstone	192,219,421	20,324	9,458	44	36	22.81	4,384,525	216
Gallatin	62,945,323	6,810	9,243	45	40	24.62	1,549,714	228
Flathead	85,037,337	11,030	7,710	46	44	26.66	2,247,042	204
Lincoln	31,110,982	4,036	7,708	47	52	35.39	1,101,248	273
Park	18,755,883	2,452	7,649	48	49	33.19	622,294	254
Silver Bow	51,688,440	7,057	7,324	49	55	41.14	2,125,809	301
Jefferson	11,565,492	1,686	6,860	50	47	31.71	371,463	220
Lake	27,619,123	4,047	6,825	51	50	33.91	936,331	231
Lewis and Clark	58,534,258	8,997	6,506	52	48	32.86	1,919,739	213
Cascade	95,264,636	14,676	6,491	53	54	37.29	3,552,418	242
Deer Lodge	15,352,636	2,508	6,121	54	51	34.94	536,204	214
Mineral	4,891,317	889	5,502	55	56	47.34	231,536	260
Ravalli	24,236,268	5,128	4,726	56	53	36.76	890,989	174
State Total	\$2,000,293,737	154,256	\$20,252			19.68	\$37,665,475	\$244
			average			average		average

Sources: Columns 1, 2, 6, and 7 obtained from the Office of Public Instruction.

(Extracted from the Report to the 48th Legislature, Montana  
School Finance: A Question of Equity, by the Joint Sub-  
committee on Education.)