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Report

of the

Montana Committee on
Public Elementary and Secondary
School Organization and Finance



NOVEMBER 12, 1946

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The Honorable Sam C. Ford
Governor, State of Montana
Helena, Montana

Dear Governor Ford:

In compliance with the provisions of Chapter 154, Laws of 1945, the Public Elementary and Secondary School Committee herewith submits its report.

The Committee respectfully urges you not only to bring this report to the attention of the Legislative Assembly but to accompany the report with a special message on the educational crisis in Montana.

Respectfully submitted this 12th day of November, 1946.

Signed:

Dean Chaffin, Chairman
Arthur Hageman
Elizabeth Ireland
E. A. Atkinson
Arthur Neill
L. A. Sutherland
John Patterson
Conrad Baum
C. G. Manning

Foreword

The Montana Legislative Assembly in its Twenty-ninth General Session authorized the Governor to appoint a committee of nine (9) members for the purpose of studying and making recommendations relative to the public elementary and secondary school systems of Montana. It is provided in the statute that "said committee shall make a careful study of the conditions existing in all classes of school districts in the state, pertaining to the problems as to standards and courses of study of said schools, financing, maintenance, transportation, and supervision." The committee shall make a report not later than November 15, 1946, and send copies to all members of the Thirtieth Legislative Assembly.

In October, 1945, the Governor made the following appointments to the Committee: Senator Arthur Hageman, Representative Dean Chaffin, Superintendent Elizabeth Ireland, E. A. Atkinson, Fred Bennion, L. A. Sutherland, John Patterson, Conrad Baum, and C. G. Manning. Arthur Neill replaced Fred Bennion in August, 1946.

The Committee met five times, first meeting on November 23, 1945, at which time it effected its organization by electing Representative Dean Chaffin as Chairman, Senator Arthur Hageman as Vice-Chairman, and Elizabeth Ireland as Secretary. Sub-committees, through numerous meetings and correspondence, have given much time and effort to this work. Individual members aided by special research workers have carried on extensive investigations into every phase of the public school systems.

The committee holds that its major responsibility is to make recommendations that will improve the quality of public education in the State of Montana, and that all other issues must be subordinated to this end.

To accomplish this major objective, the committee members are in unanimous agreement that reorganization of the administrative districts, and the reorganization of the public school financial structure, are so closely related and interwoven that the crisis in the public school systems of Montana cannot be met on a permanent basis unless the administrative and financial problems are considered and acted upon as a unit.

This report has been divided into two sections: Statement of Problems and Recommendations. All supplementary material and evidence used in support of the recommendations has been assembled and will be available to all interested parties upon request to the Commission.

STATEMENT OF PROBLEMS

ORGANIZATION AND ADMINISTRATION

The State Department of Public Instruction is understaffed and too ineffective to establish and maintain the desired long-range program for the improvement of education in Montana. The only qualifications for the office of State Superintendent of Public Instruction, as provided by the Montana Constitution and Codes, are that he be thirty years of age, a citizen of the United States, a resident of Montana for two years, and the holder of a state certificate of the highest grade issued in some state or a graduate of some university, college, or normal school recognized by the State Board of Education as of equal rank with the University of Montana or the State Normal School. An individual meeting these low requirements may qualify as Superintendent of Public Instruction, the person responsible for the general supervision of all public schools of the state. A salary of \$3600, coupled with such low qualifications, is not likely to attract persons qualified for so responsible a position.

The Superintendent is elected on a party ballot every four years. Such a procedure impedes the development of a planned, long-term educational program and the utilization of an experienced person, both of which depend on continuity of tenure by a competent individual. It would seem advisable that this position be divorced from partisan politics as are those of the Chancellor of the University, State Board of Education, and the city superintendent of schools.

The Superintendent of Public Instruction and his small staff are charged with the responsibility of supervising Montana's 1710 school districts, including 190 high schools, 1256 districts operating elementary schools, 454 districts not operating schools, 3395 elementary teachers, 1307 high school teachers, 1710 school boards and clerks, and 56 county superintendents. (1944-45 figures.) In view of its great responsibility in a state as large and sparsely populated as Montana, it appears that the department is understaffed, underpaid, and generally not equipped to perform its duties efficiently.

The school districts of Montana are too small and too inefficient to provide a modern program of education. It is unnecessary to discuss at length the development of the district school system in the United States and in Montana. Suffice it to say that they were the solution to the limited educational needs of the "horse and buggy" days. Through its boards of education, the community organized, maintained, and controlled its own school with very little direction or aid from the county or state.

With the construction of better roads and bridges, the shifting of trading centers to more populous areas, faster transportation, the centering of social and economic life in larger cities, the gradual disappearance of many small settlements, the growth of towns and cities, and with the consolidation of farms into larger units, came a decline in need for, and interest in, the local school district and schoolhouse. Instead of a district school with perhaps thirty pupils, many districts found themselves with as few as five pupils, while in other instances the exact reverse situation prevailed.

These traditional school districts were formed without regard to population trends or educational advancement. Being primarily interested in supplying the educational needs of the time, teaching the "three Rs", they failed to make provision for the added features required of a modern school, such as vocational education, fine arts, physical education, medical and dental inspection, music, and many other programs. Our educational needs have changed greatly; we are now living in a society which makes it imperative that our children be given the benefits of a more highly developed educational program. The present pattern of school administration does not lend itself to the development of such a program. Numerous small school districts hamper the development of an integrated transportation program, usually have an inadequate tax base and create an excessive amount of policy making and administrative machinery.

The following statistics for 1944-1945 will help to show the dis-integrated pattern of school administration existing in Montana today.

Total number of school districts.....	1710
Total number of high schools.....	190
County high schools.....	19
Number of school districts operating schools.....	1256
Number of school districts not operating schools.....	454

Although the number of high schools operating in Montana has not changed greatly since 1920, the number of elementary schools has been reduced from 3572 to the present 1534. In 1945, 57 per cent of all elementary schools had an enrollment of ten pupils or less, while 41 per cent of the high schools enrolled less than 40 pupils. It may not be possible because of population sparsity, to greatly reduce the present number of schools; however, it is imperative that there be consolidation of school districts. The consolidation of school districts has been extremely slow and ineffective. Districts having low levies usually attempt to retain their present district while those with high levies are anxious to consolidate. At present, 454 districts continue their identity as districts, even though they do not operate schools. Records show that districts transferring pupils

to other districts do not pay a proportionate share of the maintenance, capital outlay, or debt service costs in the schools their children attend. This is particularly true of high schools whose debt service must be carried by the small district operating the high school, although many of their pupils come from other districts.

Administering schools through 1710 separate boards of trustees complicates and reduces the efficiency of the administrative machinery. Many of these 1710 school districts are so small and sparsely populated, often containing but three or four families, that it is extremely difficult to find three persons who are willing to accept the office of school trustee. In such cases one does not find a wealth or variety of opinion, which is so necessary in formulating good policy; rather, the quality of the school may be determined by the personal opinions of one or two people and may result in four walls with a few desks and books, or in a desire to "go one better" than the next district, which is likely to result in extravagance.

Each small district employs a clerk, who, in many instances, is a member of the board of trustees. In very sparsely populated areas, the clerk is not likely to be selected because of his ability, but because he is the only person available. An enlarged district could afford to employ a full-time qualified person to handle this important function of school administration.

The present pattern of school organization does not provide a continuous program of education from the first grade through high school. Only 176 of the 1710 school districts in Montana provide this program of education for their children. The failure to provide such a program makes it necessary to transfer pupils and funds, does not permit parents of transferred pupils to participate in the control of the high schools which their children attend, and reduces the quality of the over-all education program. A district having all twelve grades is able to give the child continuous guidance from the first through the twelfth grade, and can greatly simplify for the pupil the adjustment necessary when entering high school.

Large numbers of Montana's teachers are not properly qualified. In 1945 about 650 of 3400 elementary teachers had less than two years of training beyond high school, and fewer than 450 teachers had four years of college training. Low teacher salaries appear to be the chief reason why the schools are unable to attract properly qualified teachers. It is estimated that it will be necessary to issue more than 600 teaching permits in Montana during the year 1946-1947; such permits are issued only when qualified persons are not available. A grave injustice is being done the thousands of children who are forced to attend schools having unqualified teachers.

Present laws pertaining to school entrance age and compulsory attendance are confusing and not to the best interests of Montana

children. The Constitution states that the "free public schools of the state shall be open to all children and youths between the ages of six and twenty-one years", and that certain school moneys shall be apportioned on the basis of the number of census children six to twenty-one years of age. The Montana Codes provide that children from eight to sixteen years of age must attend school, but exceptions may be made in the case of children who have passed the eighth grade or have obtained a proper age and schooling certificate. However, nothing is said concerning the age at which a child may enter school. Most schools permit children to start school at the age of six, but since there are no standard requirements this is left largely to the discretion of the board of trustees.

The present attendance laws are weak and inadequate, permitting delays in the initiation and premature interruptions of the child's education. Clarification and extension of the entrance and attendance laws would dispel much of the present confusion.

Specifications relating to building construction are not adequate to insure the health and safety of the school child. The statutes of Montana relating to the approval of sites, architectural plans, building specifications, lighting, sanitation, and safety do not provide standards, nor do they contain adequate enforcement provisions.

The length of present school terms is not uniform in all schools, and is not adequate for the proper presentation of the foundation program. In 1944-45 the length of school terms varied from less than fifty days in some schools to more than 190 days in others. This variation in the length of the school year causes inequalities in educational opportunity.

FINANCE

At present a large part of all state aid is distributed on an inequitable basis. Income from school lands and from the Permanent School Fund goes to make up what is sometimes called the Interest and Income Fund. The Montana Constitution provides that 95 per cent of this fund shall be apportioned to school districts on the basis of population between the ages of six and twenty one years.

Distributing the Interest and Income Fund to elementary schools on the basis of census population results in extreme inequalities. This is not a good measure of the educational burden borne by a district, since the relationship of this age group to pupils actually attending school varies greatly. In 1944-45 the distribution of the \$1,387,500 to school districts for the 134,700 persons in the six to twenty-one age group provided the districts with approximately \$10.30 for each person. If these funds had been allocated on the basis of average daily attendance, which is a much better measure of the burden of education, the resulting distribution would

have been much more equitable. For example: each county received approximately \$10.30 per census child, but if distributed on the basis of average daily attendance, the average county would have received \$24.20, the range being from a low of \$17.75 to a high of \$40.52 per pupil in average daily attendance. Even greater inequalities are noted among districts within counties.

County levies for the support of elementary schools are distributed to districts without regard to need or the number of pupils actually in school. The Montana codes provide that a county levy of not less than six mills nor more than eight mills be laid for the support of elementary schools, and that such moneys be distributed on the basis of census children six to twenty-one years of age. As explained earlier, allocating moneys on the basis of school census creates inequalities among districts within counties. Although a county may distribute an equal amount to districts for each child, the amount distributed for each pupil actually in school varies greatly among districts. For example: two districts in a county may have twenty census children each, yet one of the districts may have fifteen pupils in school while the other has only five. In spite of the fact that the one district has three times as many pupils in school as the other, they receive an equal share of the county moneys.

Numerous counties and school districts do not have a property tax base large enough to adequately support an educational program for their children. Great inequalities in taxable valuation per pupil still exist among Montana counties as well as among districts within those counties. Such inequalities can be removed only through aid from higher units of government. At the present time it appears that not more than twenty-five per cent of the counties in Montana could, without exorbitant levies, support an adequate school program without aid from higher units of government.

As an example of the present extreme variations in the ability of counties to support an educational program, the taxable valuation per pupil in average daily attendance varied from \$12,300 in one county to \$2,100 in another county. Let us assume that the expenditure of \$180.00 per pupil, the state average for 1944-45, is necessary to provide a child with the minimum educational opportunities and that 75 per cent, or \$135.00, is to be obtained from a local property tax levy. To raise the \$135.00 in the poorest county would necessitate a levy of nearly sixty-five mills, while in the richest county a levy of only eleven mills would be needed to raise the \$135.00. It is evident that no unit of government could long withstand a levy of sixty-five mills on its taxable property. The only alternatives are: a substandard educational program, or the securing of additional funds from other sources. In Montana we find a compromise between these alternatives. In a great many instances the schools are

substandard; in other instances they are able to provide a reasonably good educational program only because of aid received from other units of government.

Another important consideration in financing schools from the local property tax is that of the distribution of public utilities over the state. A great many districts do not have public utilities within their boundaries, making the property tax in those districts a less stable source of revenue and greatly narrowing the tax base. Districts having a large amount of public utility valuation are often unwilling to consolidate with other districts, since their large taxable wealth permits them, under existing conditions, to support their schools with an extremely small mill levy.

Exorbitant and confiscatory levies are made in many districts in an attempt to provide a satisfactory educational program, yet some of these districts still have a substandard program. The 75 school districts in one county have levies for school support ranging from 0 to 77 mills. Although this is an extreme case, it is not unusual to find counties whose school districts have levies ranging from 0 to 40 mills. It is evident that only through consolidation of these numerous small school districts can equalization of educational burden within the county be effected.

The State government does not provide sufficient funds to equalize the burden of education among Montana counties. One of the most important functions of state aid is to equalize the burden of school support. At the present time the state is furnishing approximately twenty per cent of the total cost of school operation and maintenance. Available evidence indicates that it is impossible to properly equalize the burden of supporting an educational program in Montana unless approximately forty per cent of such burden is borne by the state, and that all of such moneys be used for equalization purposes.

The low taxable values in many counties makes it virtually impossible for them to support a decent educational program without increased aid from the state.

The law providing for the withholding of certain state moneys from those elementary schools with fewer than ten pupils is not properly enforced. The law establishing the State Public School General Fund provides that no classroom unit shall receive classroom unit money if it has an original enrollment of less than ten, except in the case that a school is isolated. This provision of the law was intended to confine its support to those schools which were actually necessary to the education of the children of Montana. In this respect the law has been ineffective, since all schools of less than ten pupils have been approved as "isolated", and have received a share of the Public School General Fund. Many of these small

schools are not in reality isolated, in some cases being no more than three or four miles from a good school on an improved highway. Many of these schools refuse to consolidate for purely selfish reasons, yet they are given a share of the aforementioned state fund, thus reducing the amount which is available to those schools which are really necessary.

If Montana is to economize and improve her school system, she must cease wasting money on many of the unnecessary small schools.

The school finance structure has an excessive number of special funds, levies, and budgets. At the present time many special sources of revenue are earmarked for school purposes, and numerous special levies are made for particular school functions. In order to keep these special revenues separate a fund and a budget has been set up for each, thus making the over-all finance structure a cumbersome and complicated product of patched up laws. These numerous funds greatly complicate and increase the work of the county treasurer as well as the State Treasurer. The present school financial structure is confusing, expensive, and inefficient.

High school improvements are not equitably financed. Financing the capital improvements for high schools is varied and disorganized. Some high school improvements are financed county-wide, others within a high school improvement district, and still others within the small elementary district in which the high school exists. The latter method places a particularly unjust burden on the taxpayers of the small school district, since they are forced to bear the total cost of the improvements even though a large portion of the pupils enrolled come from outlying districts.

The present plan for financing county high schools lacks flexibility. Financing high schools county-wide, allowing each school a certain maximum budget as determined from a schedule included in the law, has created a grave problem for the county high school. District high schools have the power to request the taxpayers of the district to vote additional levies to support the school. However, the county high school has no such alternative. A plan which allows schools a certain amount of money year after year, subject only to changes which the legislature may make, lacks the flexibility to properly finance a school program. In periods of rising prices the scheduled amount is likely to prove insufficient to support the school, causing the pupil to be denied proper educational facilities, while in periods of declining prices the schedule is likely to provide more money than actually needed, thus encouraging wasteful spending of the taxpayers' money. A program of finance should be flexible enough so that it can be adjusted to meet changing needs without frequent legislative action.

TRANSPORTATION

Improper transportation laws hamper school consolidation and are not conducive to the development of an integrated transportation program. Montana laws provide no guarantee of transportation for school children. The present law provides that the board of trustees shall have the power to furnish transportation, but does not require them to do so. If a district should abandon a school, the families using that school have no assurance that transportation will be provided. Many schools which might otherwise be abandoned are kept in operation because the families realize that they would be forced to assume the burden if they gave up their school and the board of trustees should fail to provide transportation. If transportation were guaranteed by the state there would very likely be a resultant saving in the total cost of maintaining schools. Being assured of adequate transportation, many districts would close their small expensive schools and transport the pupils to larger and more efficient units, thereby providing their children with a superior education as well as reducing school costs.

It is almost impossible under the present pattern of district administration and finance to develop an efficient school transportation program. A great many of Montana's 1710 school districts have fewer than a dozen pupils, and since these small districts are separate administrative units they create a real barrier to the unification of an area whose population is large enough for the development of an efficient program of transportation.

The existing law provides no schedule for the reimbursement of expenditures for bus transportation. Transportation payments for pupils carried by bus are made on the basis of the schedule intended only for determining individual transportation costs. This is a haphazard method of reimbursing for such expenditures. The law should contain a separate schedule for determining the cost of bus transportation.

RECOMMENDATIONS

REORGANIZATION AND ADMINISTRATION

I. The school districts in Montana shall be reorganized into enlarged administrative districts without any designation as to classes.

II. Each county shall have a redistricting committee whose duties shall be to determine the number of districts to be organized within the county, subject to whatever restrictions may be established by legislation. The members of this committee are to be selected and organized as follows:

A. Not later than May 1, 1947, the county superintendent of

schools of each county shall call a meeting of one representative from each of the several boards of school trustees then currently holding office in the county.

1. The county superintendent of schools shall give notice of the date, place, time, and purpose of such meeting on or before the 20th day of April, 1947, by a letter directed to the clerk of each school district in the county. One-third of the delegates eligible to participate in the meeting shall constitute a quorum; if a quorum is not present at the time and place fixed for the meeting, the meeting shall be adjourned to a date not more than seven days later.
- B. The county superintendent, acting as chairman, shall explain the purpose of the meeting, which shall be the election of the county school redistricting committee.
 1. The redistricting committee shall be composed of seven members, all of whom shall be residents of districts operating schools during the year 1946-47. Each class of district shall be represented on such committee by at least two members; provided, however, that one of such committee must come from a district operating a high school. At least two members of the committee shall not be members of any school board.
 2. Nomination for membership on the redistricting committee shall be made from the floor and election shall be by ballot.

III. Within ten days after the election of the committee, the latter shall meet at the call of the county superintendent. At such meeting the committee shall organize by selecting one of its members as chairman and one as vice-chairman. The county superintendent shall serve as secretary of said committee but shall not be eligible to vote on any question. The committee shall provide for regular meetings, and special meetings may be called by the chairman. The committee shall have power and it shall be its duty:

- A. To study the school districts of the county for the purpose of recommending redistricting that will afford better educational opportunities for the children of the county and more efficient administration of the schools.
- B. To confer with the state reorganization commission and submit to the commission not later than March 1, 1948, a detailed report and recommendations on the redistricting of the county.
- C. To hold a public hearing or hearings before filing the report with the state commission, for the purpose of afford-

ing residents of the county an opportunity to be heard with reference to the recommendation of the county redistricting committee.

IV. There shall be a state reorganization commission composed of nine members, appointed by the Governor for a period of two years, to direct the work of reorganization.

- A. The Legislative Assembly shall be asked for an appropriation of a sufficient sum to pay for the necessary administrative costs, including the actual expense of members of the committee when attending meetings.
- B. The commission shall draft and place in the hands of the redistricting committee the procedure to be followed in setting up the new districts.
- C. The commission shall carry on the work of redistricting the county if the county committee fails to complete its work by March 1, 1948, as required by law.
- D. The commission shall review and approve the work of the county committees.

V. In setting up the new, enlarged administrative units, the county committee shall take into account the following:

- A. Each reorganized district shall be of such size as to insure a taxable valuation and a high school attendance sufficient to make it an economical unit for all school purposes.
- B. Each administrative unit shall have within its boundaries one or more high schools.
 1. Only high schools which are accredited shall be maintained and entitled to receive state and county aid for the foundation program.
 2. Accredited standing shall not be granted to high schools in which the average number belonging for the entire four years is less than 25 pupils, except when so approved by the county redistricting board and the state reorganization commission.
 3. Nothing herein shall prevent a district from maintaining and operating a junior high school with classroom organization up to and including the ninth grade.
 4. For the purpose of financing the operation, maintenance and capital outlay, the county high school shall be considered an integral part of the administrative district in which it is located.

VI. Each reorganized district shall have a board of trustees consisting of seven members, four of whom shall be nominated from trustee districts and elected at large, and three shall be nominated

and elected at large. In districts in which a county high school is located, the elected board of trustees of the district shall act as the board of trustees for the county high school.

- A. Each board of trustees of such administrative unit shall determine the number and location of the separate schools to be maintained and operated within the district.

VII. Whenever a district fails to maintain at least one fully accredited four-year high school, such district shall be annexed to the adjacent district or districts most advantageous to the pupils in the abandoned district, provided that the trustees of the district to be abandoned shall determine the district or districts to which the abandoned area is to be annexed.

VIII. The findings of the county committee shall be final unless appeal is made to the state commission within a specified time or unless the state commission recommends changes, in which case the county committee and the state commission shall hold a joint meeting for the purpose of adjusting points at issue. The state commission shall have final authority in all matters.

IX. Each district shall provide transportation or equal financial aid in lieu thereof for each child attending a public school who lives two and one-half miles or more from a public school, according to the transportation schedules established by law. There shall be one schedule for individual transportation and one schedule for bus transportation.

- A. Each school shall provide the bus or busses necessary by purchase or by contract, provided that the busses must conform to standards prescribed by the Department of Public Instruction.

X. Section II of Article VII of the State Constitution shall be amended to provide that the State Superintendent of Public Instruction be appointed by the State Board of Education, and that such board shall determine the minimum qualifications, the duties, and the salary of such office.

XI. The Superintendent of Public Instruction shall be authorized and instructed to organize a curriculum study committee, in cooperation with the University of Montana for the purpose of establishing a foundation program in several fields of learning, and to maintain a continuous program of revision. It is further recommended that the superintendent include in her budget a request for sufficient money to pay the necessary cost of such curriculum committee.

XII. The minimum school year shall be not less than 180 days of actual school.

XIII. The length of the school day for pupil attendance shall be six hours, exclusive of the noon hour intermission. However, the board of trustees in any district may fix a less number of hours than six provided that it be not less than five hours except in the lowest primary grades.

XIV. The compulsory school attendance age shall be the child's seventeenth birthday, unless he shall have completed his twelfth year of school at an earlier age or shall have been granted a permit to leave school at an earlier date by a duly constituted public school authority.

XV. The board of trustees of any school district shall determine whether a child under six years of age on November first of the current school year shall be allowed to enter school during that current year.

XVI. The laws relating to standards for school buildings shall be amended to permit the use of new standards of construction and to insure better types of buildings for school purposes.

XVII. On and after September 1, 1950, three years of training in a class A Teachers' College, School of Education or Teacher Training Division of a University shall be required for the elementary certificate in the State of Montana, and on and after September 1, 1953, this requirement for the elementary certificate shall be advanced to four years of training.

XVIII. The State Board of Education shall have the authority to establish special requirements for granting and renewing certificates after the individual has met the requirements as to years of training.

FINANCE

XIX. The total amount which the state will guarantee a school district in support of a foundation educational program for its elementary and secondary schools shall be determined from the following schedules:

Schedule for Determining the Amount Which Will be Guaranteed by the State for Elementary Schools in Support of the Foundation Program.

For each elementary school having twelve or fewer pupils and which, upon the request of the district board of trustees, is designated as being isolated by the State Superintendent of Public Instruction, the district shall receive \$2,000 plus \$200 per pupil, on the basis of average number belonging (ANB), over five (5). Schools having an ANB in excess of twelve (12) may not be declared isolated, but will be guaranteed funds only on the basis of

the total pupils (ANB) in the district for elementary pupils as follows:

For a school district having an ANB of more than twenty-five (25) pupils the maximum of two hundred and ten dollars (\$210) shall be decreased at the rate of ninety cents (\$0.90) for each additional pupil until the total number (ANB) shall have reached a total of fifty (50) such pupils. For a school district having an ANB of more than fifty (50) pupils the maximum of one hundred eighty-seven dollars and fifty cents (\$187.50) shall be decreased at the rate of thirty-five cents (\$0.35) for each such additional pupil until the ANB shall have reached one hundred (100) pupils. For a school district having an ANB of more than one hundred (100) pupils a maximum of one hundred and seventy dollars (\$170) shall be decreased at the rate of twenty cents (\$0.20) for each additional pupil until the total number (ANB) shall have reached one hundred and fifty (150) pupils. For a school district having an ANB of more than one hundred and fifty (150) pupils the maximum of one hundred and sixty dollars (\$160) shall be decreased at the rate of ten cents (\$0.10) for each additional pupil until the total number (ANB) shall have reached three hundred (300) pupils. For a school district having an ANB of more than three hundred (300) pupils the maximum shall not exceed one hundred and forty-five (\$145) for each such pupil; provided that the maximum per pupil for all pupils (ANB) shall be figured on the basis of the amount allowed herein on account of the last eligible pupil (ANB).

Schedule for Determining the Amount Which Will be Guaranteed By the State For High Schools in Support of the Foundation Program.

For a school district having an ANB of forty (40) or fewer pupils the budget shall not exceed two hundred and eighty-five dollars (\$285) for each such pupil. A high school having fewer than 25 pupils (ANB) shall not be counted in determining the funds to be guaranteed a district for its foundation program, unless, upon the request of the district board of trustees, it has been deemed necessary by the proper state authority.

For a school district having an ANB of more than forty (40) pupils the maximum of two hundred and eighty-five dollars (\$285) shall be decreased at the rate of one dollar and fifty cents (\$1.50) for each additional pupil until the number (ANB) shall have reached a total of sixty (60) such pupils. For a school district having an ANB of more than sixty (60) pupils the maximum of two hundred and fifty-five dollars (\$255) shall be decreased at the rate of one dollar and fifteen cents (\$1.15) for each additional pupil until the number (ANB) shall have reached eighty (80) pupils. For a school district having an ANB of more than eighty (80) pupils a maximum

of two hundred and thirty-two dollars (\$232) shall be decreased at the rate of seventy-five cents (\$0.75) for each additional pupil until the total number (ANB) shall have reached one hundred (100) pupils. For a school district having an ANB of more than one hundred (100) pupils the maximum of two hundred and seventeen dollars (\$217) shall be decreased at the rate of forty cents (\$0.40) for each additional pupil until the total number (ANB) shall have reached one hundred and forty (140) pupils. For a school district having an ANB of more than one hundred and forty (140) pupils the maximum of two hundred and one dollars (\$201) shall be decreased at the rate of twenty cents (\$0.20) for each additional pupil until the total number (ANB) shall have reached one hundred and eighty (180) pupils. For a school district having an ANB of more than one hundred and eighty (180) pupils the maximum of one hundred and ninety-three dollars (\$193) shall be decreased at the rate of ten cents (\$0.10) for each additional pupil until the total number (ANB) shall have reached two hundred and twenty (220) pupils. For a school district having an ANB of more than two hundred and twenty (220) pupils the maximum of one hundred and eighty-nine dollars (\$189) shall be decreased at the rate of two cents (\$0.02) for each such additional pupil until the total number (ANB) shall have reached six hundred and fifty (650) pupils. School districts having an ANB in excess of six hundred and fifty (650) pupils shall receive one hundred and eighty dollars (\$180) per pupil, provided that the maximum per pupil for all pupils (ANB) shall be figured on the basis of the amount allowed herein on account of the last eligible pupil (ANB).

In computing the amount guaranteed for the foundation program, junior high schools shall be considered a part of the elementary enrollment.

XX. In computing the average number belonging, the sum of the aggregate attendance and the aggregate days absence shall be divided by 180; provided, however, that in computing the aggregate days absence, pupils absent more than three days shall be dropped from the rolls and shall not be considered as belonging.

XXI. In addition to the foundation program, the state shall guarantee the cost of transportation in accordance with schedules to be established by law.

XXII. There shall be a unified budget for the elementary and secondary schools of each district.

XXIII. The district shall first deduct from the total amount guaranteed, payments received from the Income and Interest Fund, from other constitutional sources, and from the Federal Government as Indian tuition or as payments in lieu of taxes.

XXIV. Each district shall be required to impose a property tax levy of 8 mills upon all taxable property within the district before qualifying for county or state equalization money.

XXV. When the sum of the moneys received from the Income and Interest Fund, from other constitutional sources, from the Federal Government for Indian tuition or other payments in lieu of taxes, and from the 8 mill district levy is insufficient to finance the foundation program, the county shall impose a property tax levy of not to exceed 17 mills on all taxable property within the county. Revenue so secured shall be distributed to districts according to their need in financing the foundation program.

XXVI. If the 17 mills raises an amount insufficient to provide all districts in the county with the guaranteed amount the balance will be provided from a state school equalization fund. Districts may make application to the state for such equalization moneys. In case total state revenues prove insufficient to finance the foundation program in all districts, the actual sum of state moneys available shall be distributed to the respective districts making application therefor in accordance with their needs under the foundation program.

XXVII. In addition to the 8 mill district levy, the board of trustees of any district shall be permitted to levy 3 mills for school purposes without a vote of taxpayers residing therein.

XXVIII. Each district may make a levy for the payment of debt service charges without a vote of taxpayers, as under the existing law.

XXIX. There shall be an annual audit of the accounts and records of each district by a certified public accountant, or by the office of the State Board of Examiners; the cost of such audit to be paid by the district.

XXX. Chapter 118, R. C. M., 1935, should be amended so as to increase the high school budget maximum by 40 per cent, and the annual state appropriation to the Public School General Fund should be increased to \$1,500,000 for the year July 1, 1947 to July 1, 1948.

