EXHIBIT 7
DATE 2/16/2011
HB 136

February 9, 2011

HB136: Revise school funding
Introduced by: T. Schmidt

When I first heard of this bill, the word on the street was that the State wanted to get their hands on the oil and gas revenues being generated in Eastern Montana. Of course, that didn't sit well. But, after reading the bill, it looks as if oil and gas revenues were already being distributed and this bill reallocates the percentages between the County and the Teach Montana accounts.

The first concern I have with this bill is the mandatory reallocation from County to the Teach Montana Account in Section 2, part (3)(a) starting on page 2, line 16. Won't that create a dent in the county budgets that will have to be replaced by higher property taxes? This seems to be a case where the State is telling local governments how to spend their money. The county and the school districts within that county are in a better place to determine their budgets...that's the reason they were elected.

What will happen with the boom goes bust, as it has in the past. If oil and gas revenues dry up, so will the Teach Montana accounts. With these allocations mandated, property taxes will have to increase.

The same is true for the proposed distribution of taxes to taxing units in Section 3, part (2)(a) beginning on page 4, like 23. I realize that allocations are already in place, but isn't this better done at the local level?

The second concern is the $5,000,000 appropriation to the Department of Commerce for construction of alternative energy grants to high school districts in Section 8 beginning on page 14, line 11. Why is this limited to high schools? I would like to see the use of vocational program students on the projects so they will get hands on training in the design, installation, and maintenance of these kinds of projects.

Plus, guidelines for grant applications should be written first to see what is really needed and what can be accomplished. This section is putting the cart before the horse.

I urge the committee to consider the reallocation of funds without local control, effects on property taxes, and the premature nature of Section 8 and vote **no** on this bill.

Thank you,

Cindy Swank
6670 Sleeping Giant View
Helena, MT 59602

5102 Road 2041
Poplar, MT 59255