HELENA
PUBLIC SCHOOLS

EXHIBIT 9
DATE 3-27-2015
SB 107

Helena School District #1 Summary of Impact of SB107

- **Replaces successful existing statute** with a conglomeration of bits and pieces of old statues that are, in part, unrelated to an expansion of a school district. This bill creates an untested process that applies inequitable, illogical, or absent criteria to create a new high school district worth millions.
- **Negative cash flow** ($2,180,000) - payment by East Helena to Helena has to wait for tax collections in November and May for the transitional building reserve levy. Helena does not have the reserves to cover this amount of a subsidy.
- **Tuition fund repayment** ($200,000) by East Helena will be delayed even longer – the first reimbursement will be from 18 to 24 months after the first year of the new High School. Helena does not have the cash reserves to cover this amount of subsidy.
- **Reduced ANB/Taxable Value** because bond agencies will rate the existing district based on the assumption that the new district would be formed and exclude this tax base - regardless of whether a new high school is voted in or not. Because bond ballots list the costs to the taxpayer, this cost will be inflated - increasing the chance of failure.
- **Adverse bond rating** because of negative cash balances - causing Helena taxpayers increased interest payments for the life of any bond – 20 years.
- **No sunset provisions**. This law can be passed every 5 years without construction of a high school while East Helena enjoys reduced taxes. A new high school in not required to be built.
- **Taxes will increase for Helena taxpayers**. East Helena will not pay the Building Reserve, Technology, Helena Tuition, or Adult Education levies that they now pay. This means the East Helena share of the levies will be re-allocated to Helena. East Helena taxes down, Helena up.
- **Taxes will increase for Lewis and Clark County taxpayers**. East Helena will not pay the retirement costs for their students' teachers. This amount will be reallocated to the county taxpayers while the new East Helena high school district will be the only district in the state that pays nothing for teachers' retirement costs. East Helena taxes down, County taxes up.
- **Existing bonded indebtedness and asset division are subject to negotiation/division** based on standards unrelated to fiscal principles. The new district, via a decision by the County Superintendent, could escape bonded indebtedness that they originally affirmed.
- **Assets division without precedence or guidance**. A mandatory un-precedented division of assets between the two districts without guidance on which assets, their valuation, and allocation methods.
- **Unrealistically short time to divide assets**. New high school has 5 years to open; while in contrast, over a century's worth of assets with values of hundreds of thousands of dollars must be divided in 90 days by the trustees or 70 days by the County Superintendent.
- **Helena taxpayers lose assets and pay more taxes without a voice**. It will only take 40% of about 5,000 voters to pass this in East Helena. So, 2,000 voters will increase taxes for all taxpayers in Helena who have no say or vote in the decision.
- **Difficulty to plan and build**. The number of students, the bonding capacity, and the taxable value of the high school district can change at any time based on the vote of 2,000 voters.
- **Less education for all students at a greater cost for all taxpayers**. Students on both sides lose programs and excellent teachers. Taxpayers on both sides will pay more for less.