

K-12 Funding

Sources of Revenue

Role of School Trust Lands

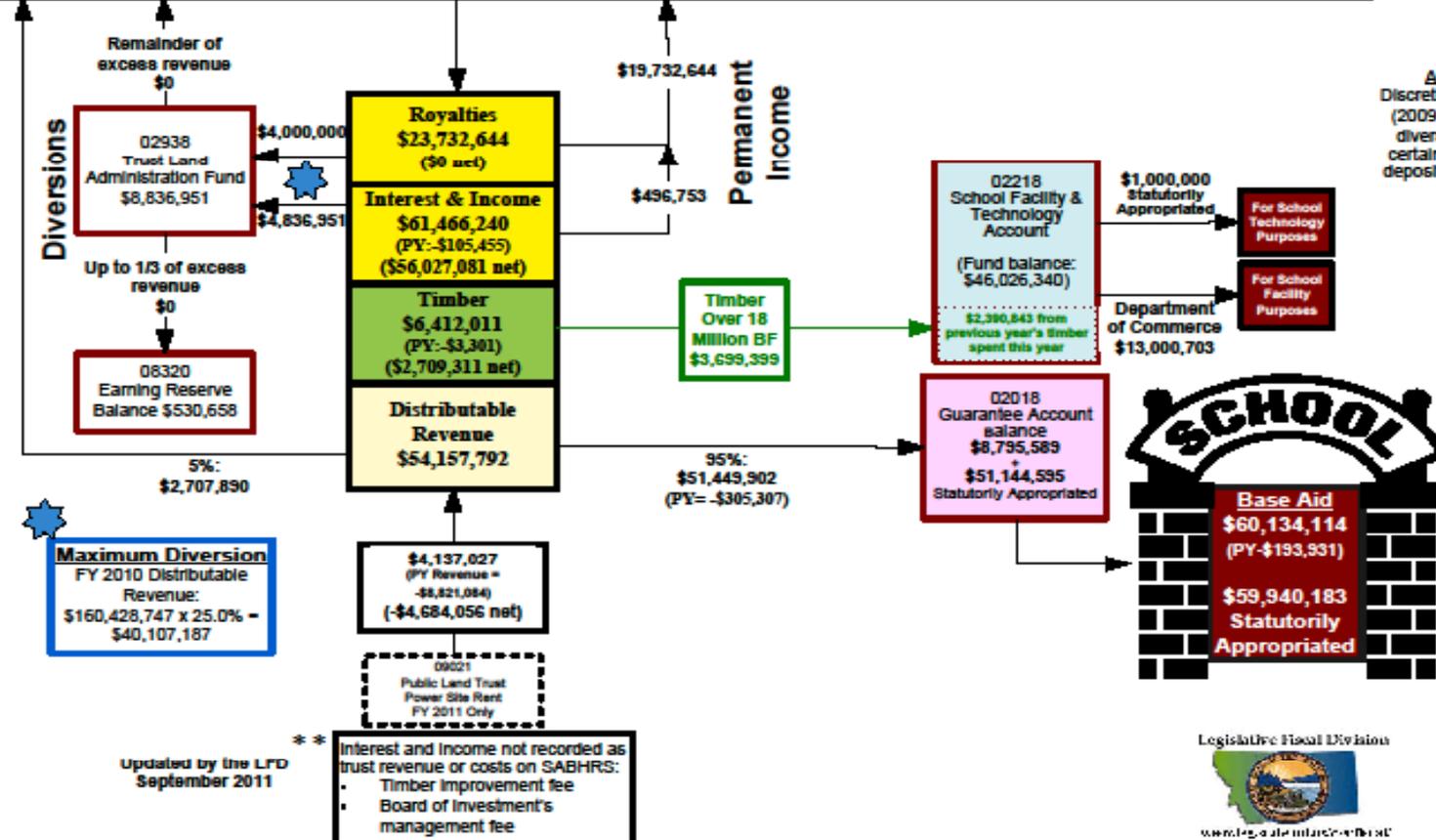
Jim Standaert

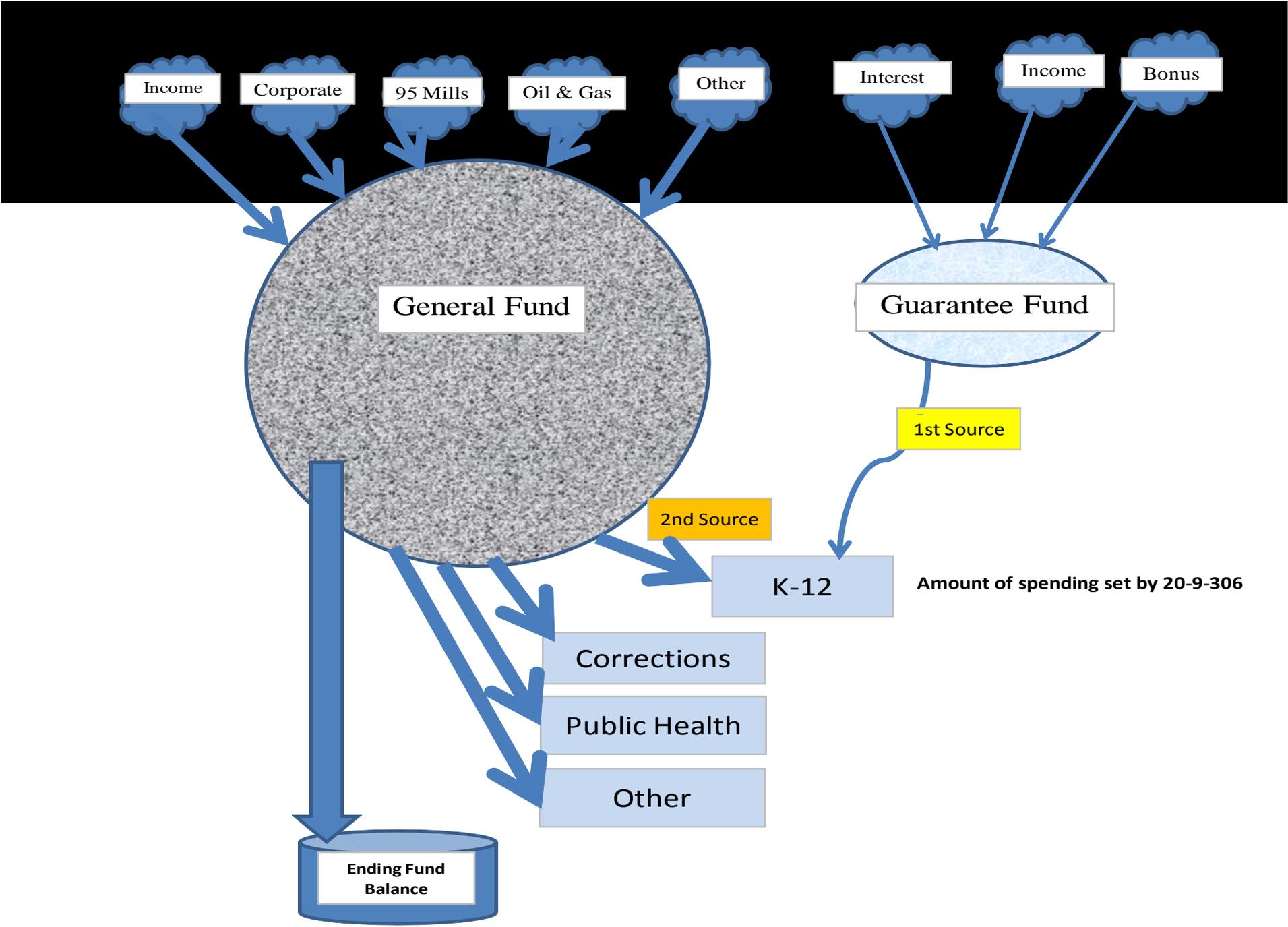
*As approved by RTIC and amended by the legislature

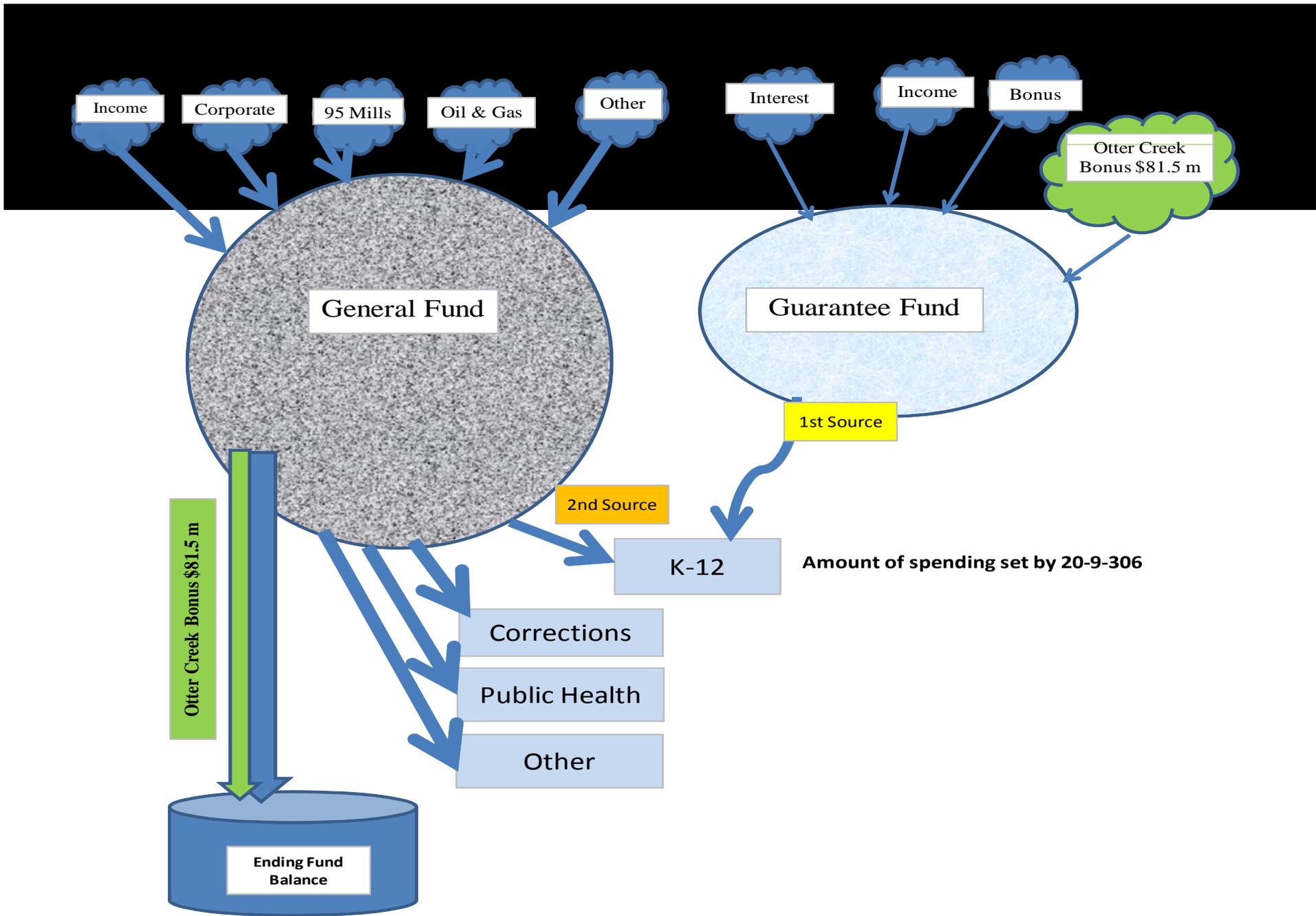
Common School Trust, Land Bank Trust, & Earning Reserve Trust
09020, 09120
Interest and Income**



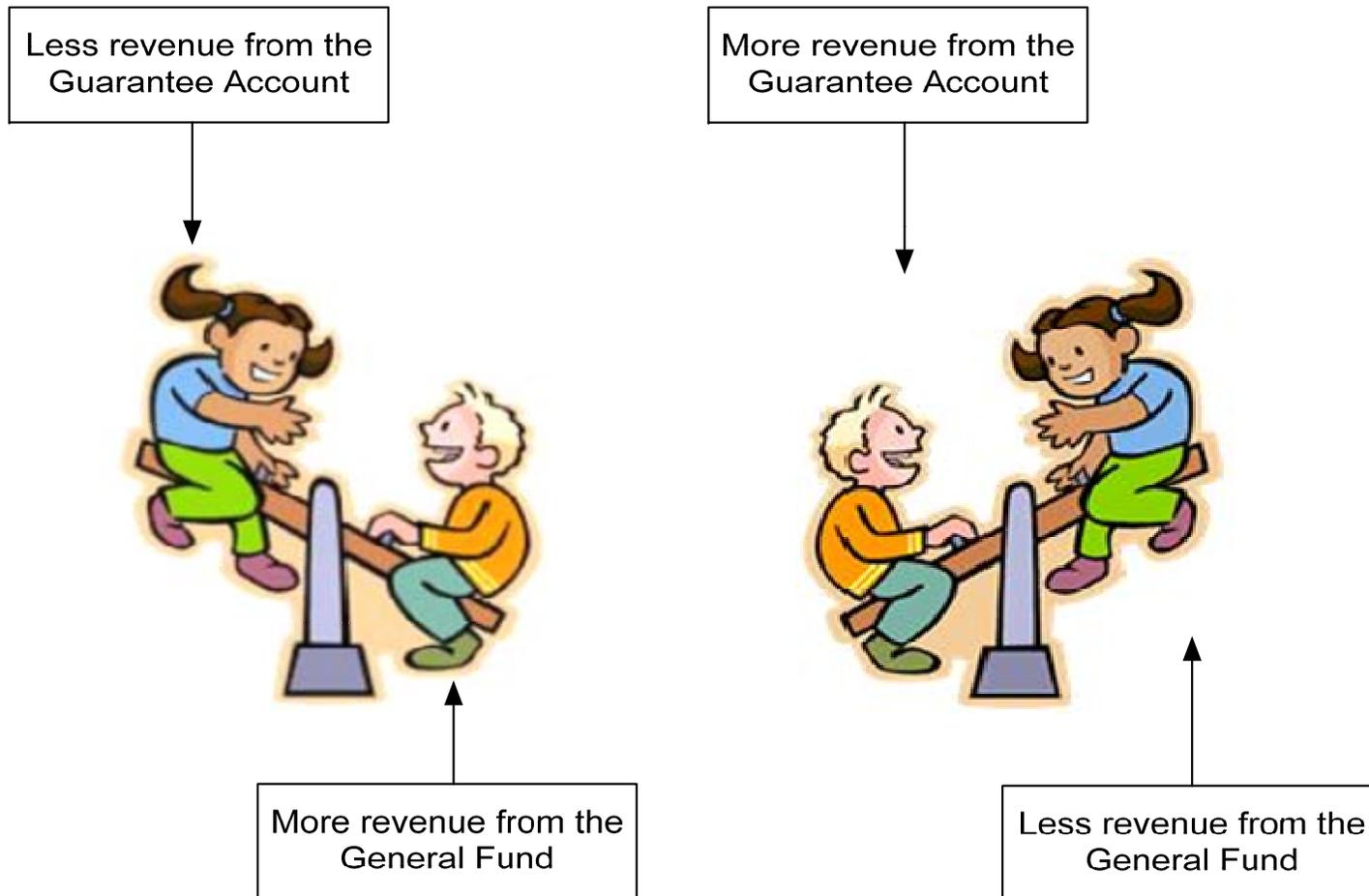
Amounts Can Change
Discretion given to DNRC in SB 65 (2009 session) may change the diversion amounts and, hence, certain revenue components and deposits to accounts may change.

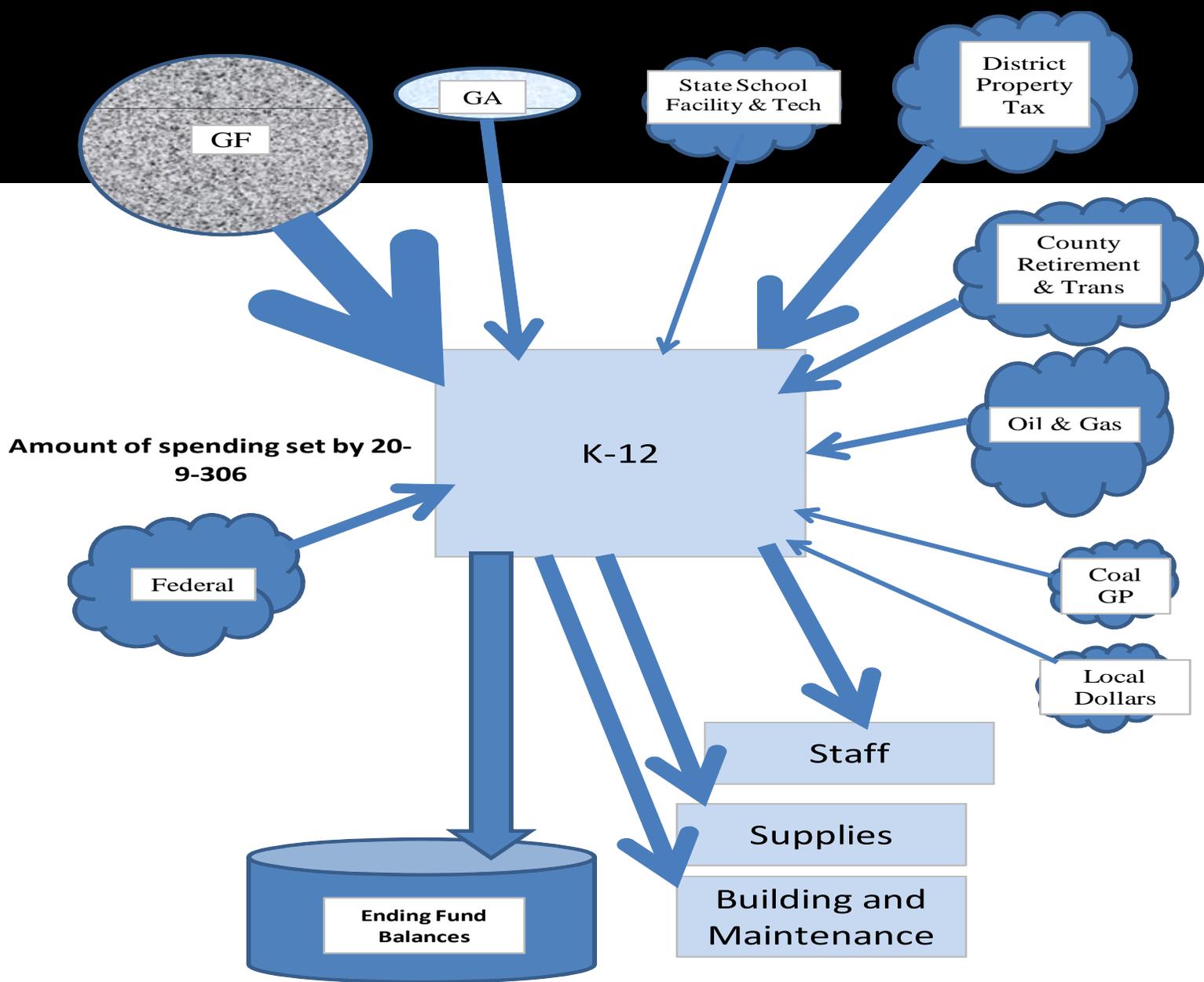
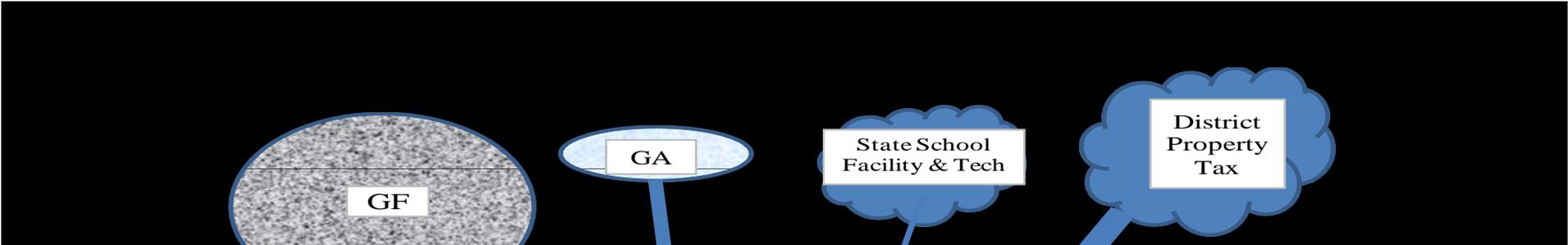




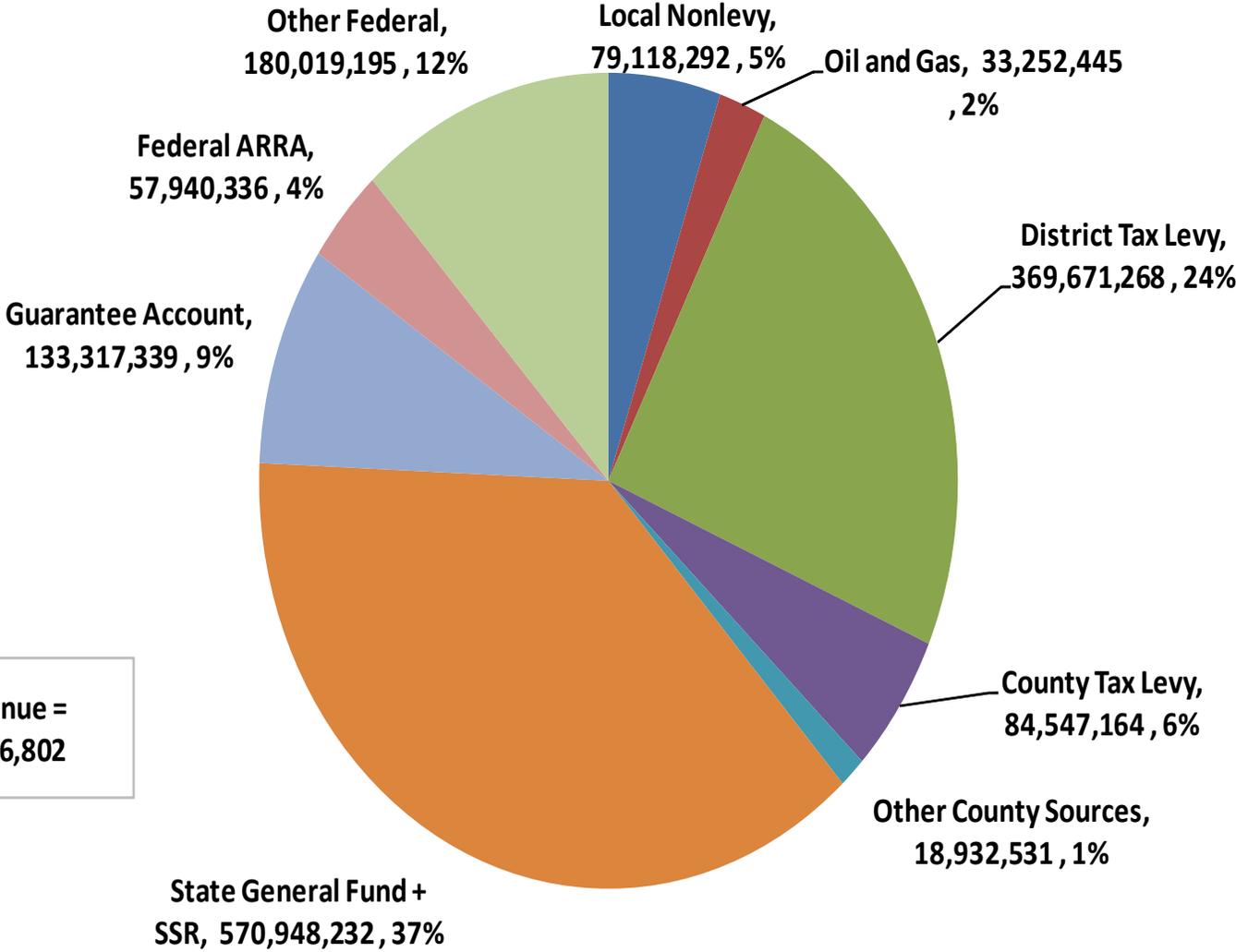


How the Guarantee Account Funds K-12



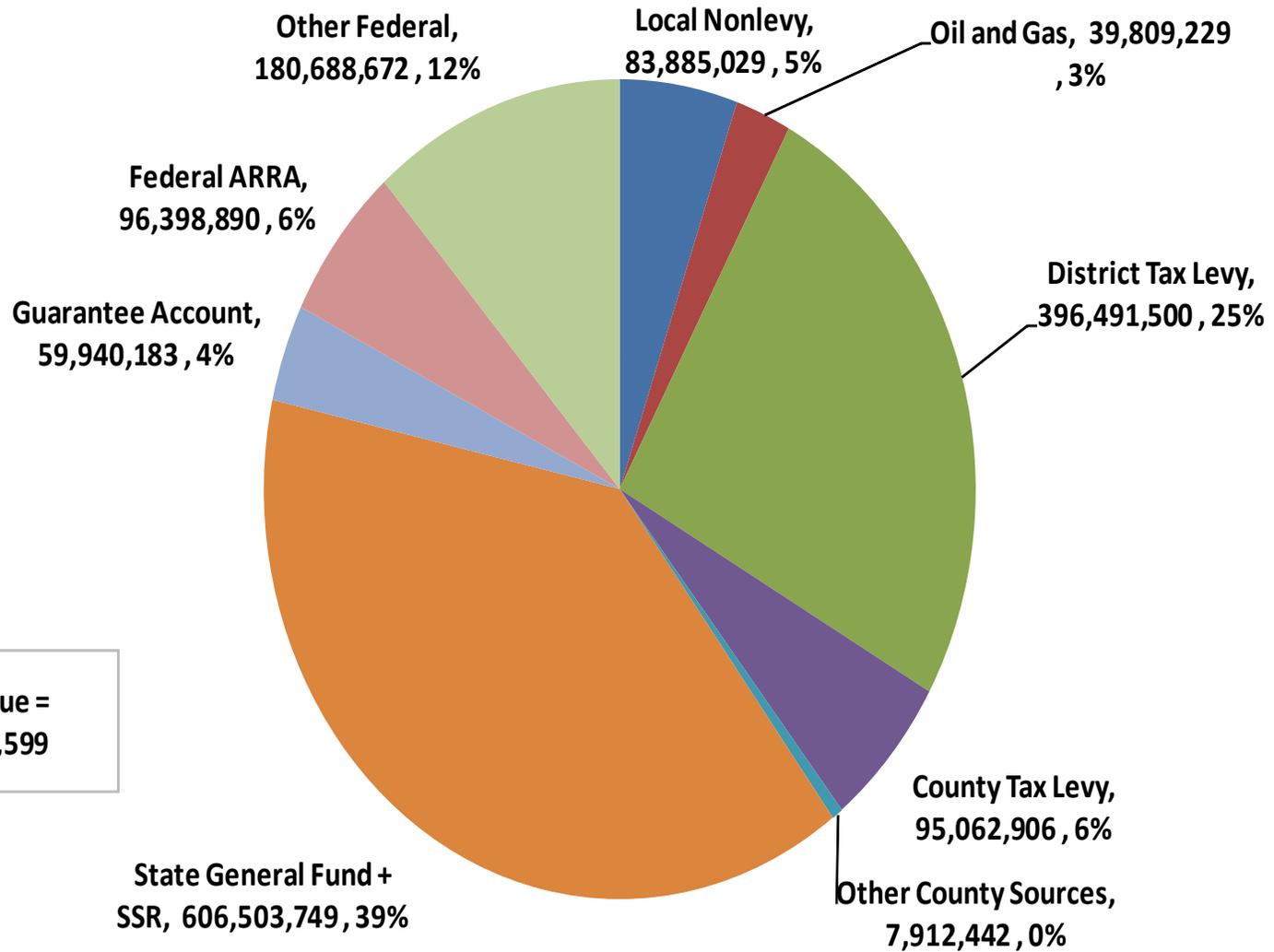


K-12 Revenue - All Sources - FY 2010



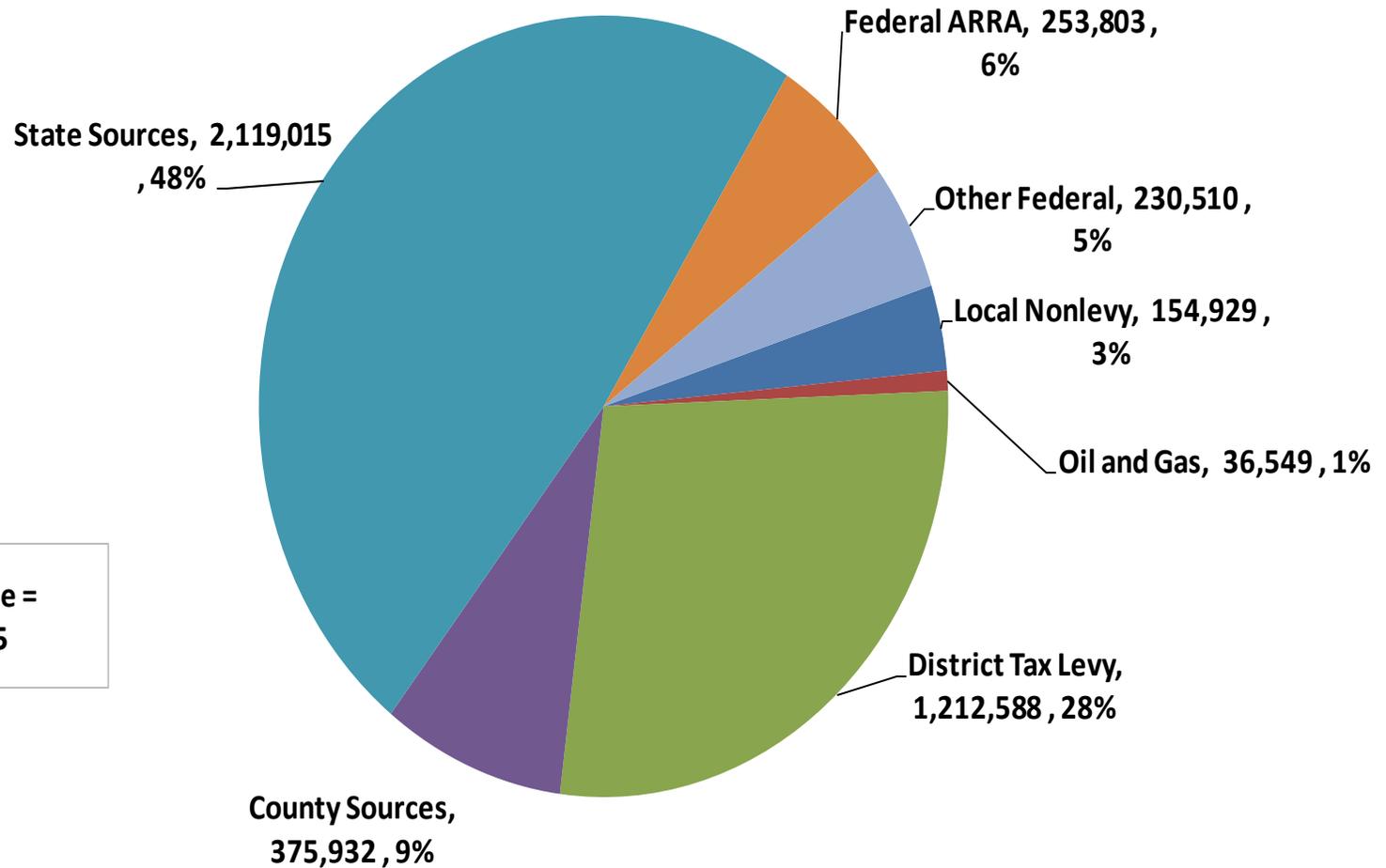
Total Revenue =
\$1,527,746,802

K-12 Revenue - All Sources - FY 2011



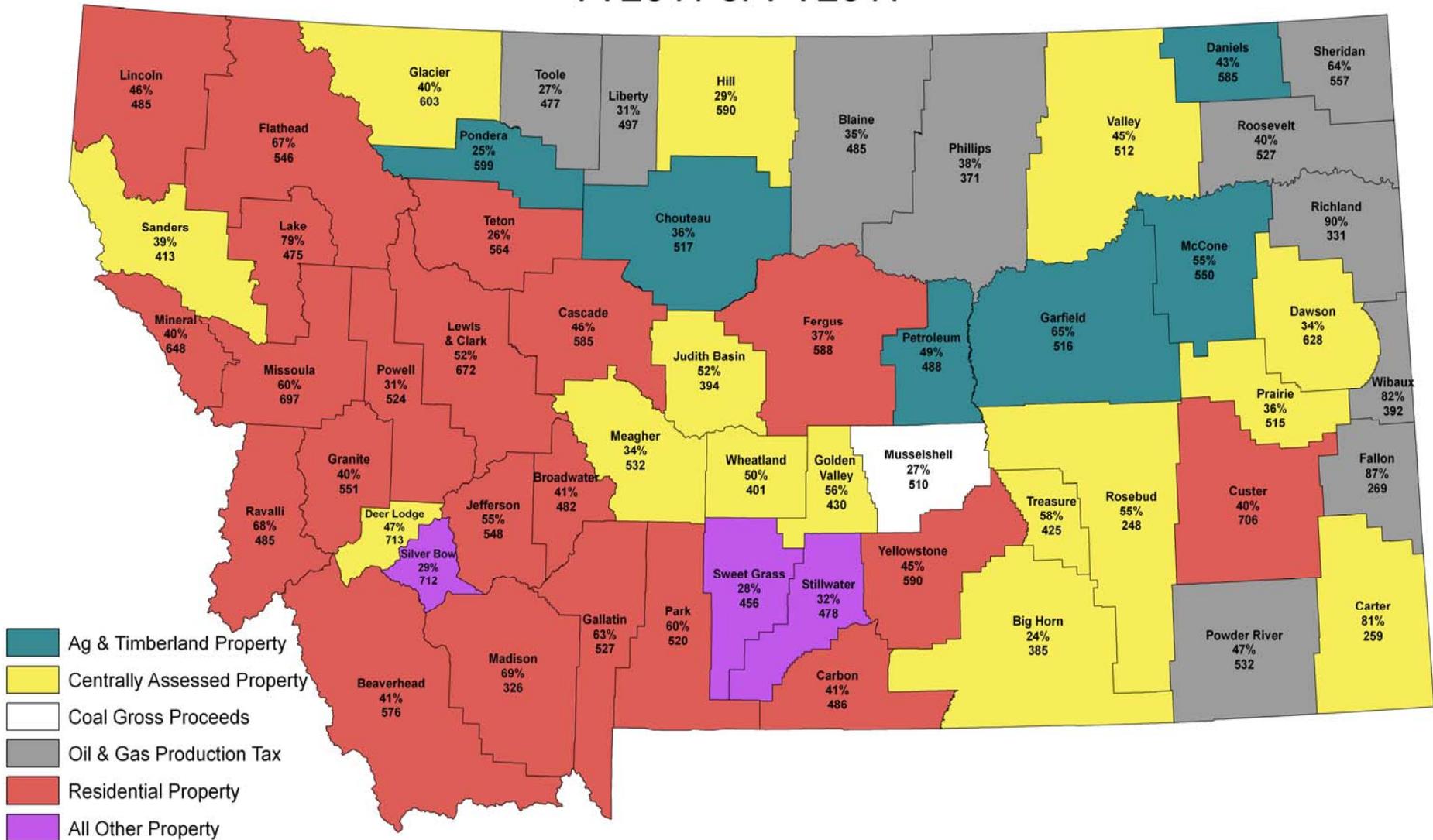
**Total Revenue =
\$1,566,692,599**

Choteau Elementary and High School Revenue All Sources - FY 2011



Total Revenue =
\$4,383,325

Dominant Property and Natural Resource Tax Revenue Sources TY2011 or FY2011



Percent is the share of property and natural resource taxes in the dominant revenue source in each county. The bottom number is the number of mills levied by all governments, including the state. Revenue is defined as property and natural resource taxes flowing to all governments, including the state.

Statewide Distribution of Oil and Gas Revenue - FY 2011

15-36-331, 332

General Fund,
101,943,223 , 47%

Board of Oil and Gas,
2,003,780 , 1%

MUS 6 Mill, 2,994,010 ,
1%

State Special Revenue
Accounts, 8,044,284 ,
4%

Cities , 2,518,077 , 1%

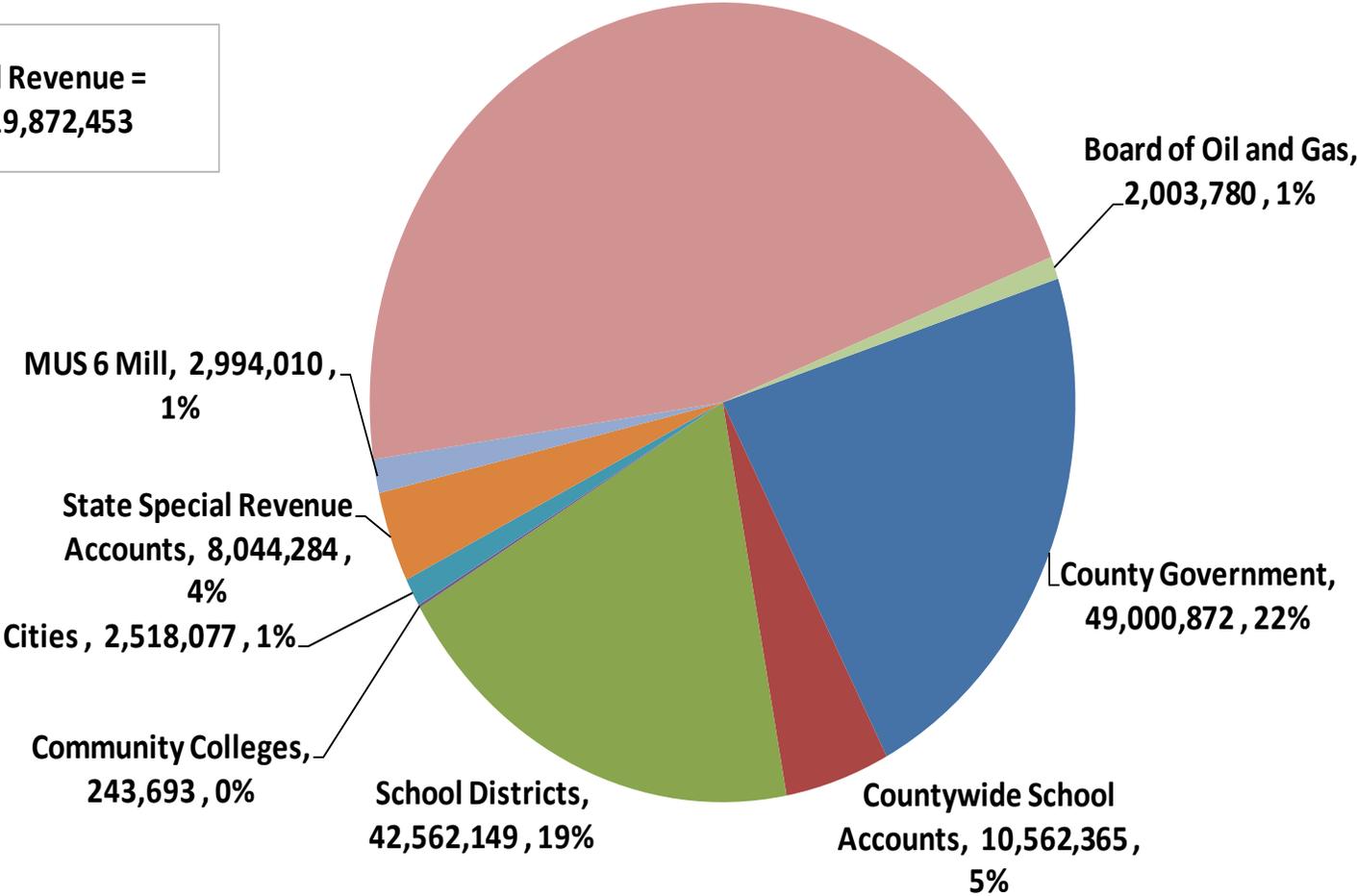
Community Colleges,
243,693 , 0%

School Districts,
42,562,149 , 19%

Countywide School
Accounts, 10,562,365 ,
5%

County Government,
49,000,872 , 22%

Total Revenue =
\$219,872,453



Wide Variation in What Counties and Subjurisdictions Get in Oil and Gas

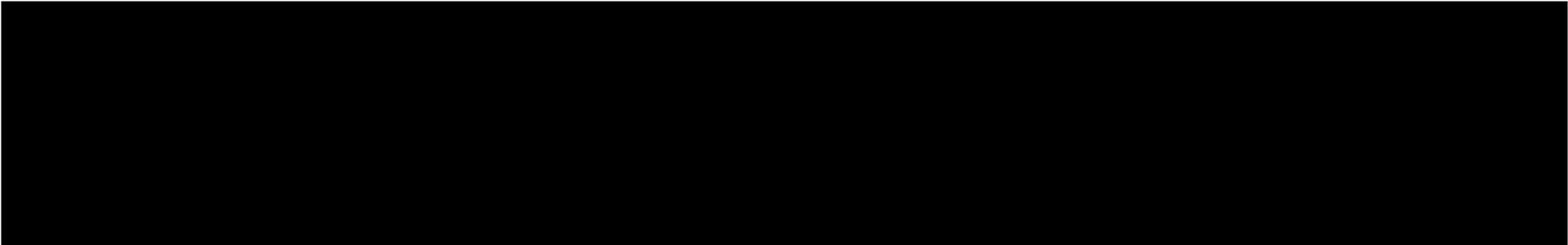
- 15-36-331: County share varies from 39.3% in Rosebud County to 69.5% in Custer County
- When these percentages were codified, they were based on the mill weights in each county
- Teton county percentage is 46.1%
- Pondera county percentage is 54.3%
- The county shares are further divided among the county government, school districts, and the county retirement and transportation accounts

Wide Variation in What Counties and Subjurisdictions Get in Oil and Gas

- 15-36-332: The county shares are further divided among the county government, school districts, and the county retirement and transportation accounts
- Notice the cities are not included
- Cities get a share of the 0.26% tax charged by the Board of Oil and Gas. The BOG retains 0.09% and the natural impacts acct gets 0.17%, of which 2/3 goes to cities and 1/3 to county gov'ts. This is out of a total tax of 9.26%.

Impacts of Rapid Oil and Gas Development on School Districts

- Rapid increase in students for which funding does not come for one year
- Many students come and go within year and are not counted
- Many students with severe learning disabilities
- New staff cannot find housing, or rents are very high
- New housing depends on city water, sewer and electricity
- Cooks, bus drivers, maintenance workers and some teachers hired away by oil and gas industry, due to higher wages
- Temporary school buildings may be needed
- Business equipment property may increase tax base
- Other increases in tax base will come slowly



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