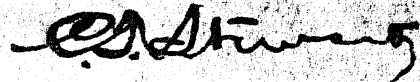


PROPOSED PETITION FOR INITIATIVE NO. 19.

"A Bill to enact by the Initiative a law to authorize the State of Montana to become indebted in the sum of Five Million Dollars (\$5,000,000) in excess of the Constitutional limitation of indebtedness and over and above any bonded indebtedness heretofore incurred or created and for which the State of Montana is now obligated, for the construction, repair, and equipment of necessary buildings at the several educational institutions of the State of Montana now under the control of the State Board of Education, and consisting of the State University at Missoula, the State College of Agriculture and Mechanic Arts at Bozeman, the Montana State School of Mines at Butte and the Montana State Normal College at Dillon comprised in the University of Montana, and the State Orphans' Home at Twin Bridges, the Montana School for the Deaf and Blind at Boulder, the Montana State Industrial School at Miles City, and the State Vocational School for Girls at Helena; providing for the issuance of bonds in the name of the State of Montana as evidence of such indebtedness and for the sale thereof; prescribing the form of such bonds; and providing for the levying of an annual tax sufficient to pay the principal thereof and the interest accruing thereon."

To be voted upon at the general election, November 2, 1920.

Published as required by Sec. 112, Revised Codes of 1907, at Helena, Montana.



Secretary of State.

THE NUMBER AND FORM IN WHICH THE QUESTION
WILL APPEAR UPON A SEPARATE OFFICIAL BAL-
LOT AT THE GENERAL ELECTION NOVEM-
BER 2, 1920, IS AS FOLLOWS:

PROPOSED PETITION FOR INITIATIVE NO. 19.

"An Initiative Bill to authorize the State of Montana to become indebted for, and to issue and sell bonds for Five Million Dollars, above all present obligations, for the construction, repair and equipment of buildings at the State University, Missoula; College of Agriculture and Mechanic Arts, Bozeman; School of Mines, Butte; Normal College, Dillon; Orphans' Home, Twin Bridges; School for Deaf and Blind, Boulder; Industrial School, Miles City; Vocational School for Girls, Helena; providing for the levying of an annual tax sufficient to pay the principal thereof and the interest accruing thereon."

FOR Initiative Measure No. 19. Providing for \$5,000,000 Bonds for Buildings at State Educational Institutions.

AGAINST Initiative Measure No. 19. Providing for \$5,000,000 Bonds for Buildings at State Educational Institutions.

Sec. 111, Revised Codes as Amended:

"The manner of voting on measures submitted to the people shall be: By marking the ballot with a cross in or on the diagram opposite and to the left of the proposition FOR WHICH the voter desires to vote."

PROPOSED PETITION FOR INITIATIVE NO. 19.

"A Bill to enact by the Initiative a law to authorize the State of Montana to become indebted in the sum of Five Million Dollars (\$5,000,000) in excess of the Constitutional limitation of indebtedness and over and above any bonded indebtedness heretofore incurred or created and for which the State of Montana is now obligated, for the construction, repair, and equipment of necessary buildings at the several educational institutions of the State of Montana now under the control of the State Board of Education, and consisting of the State University at Missoula, the State College of Agriculture and Mechanic Arts at Bozeman, the Montana State School of Mines at Butte and the Montana State Normal College at Dillon comprised in the University of Montana, and the State Orphans' Home at Twin Bridges, the Montana School for the Deaf and Blind at Boulder, the Montana State Industrial School at Miles City, and the State Vocational School for Girls at Helena; providing for the issuance of bonds in the name of the State of Montana as evidence of such indebtedness and for the sale thereof; prescribing the form of such bonds; and providing for the levying of an annual tax sufficient to pay the principal thereof and the interest accruing thereon."

Be It Enacted by the People of Montana:

Section 1. That the State Board of Examiners of the State of Montana is hereby authorized, empowered and directed to issue bonds in the name of the State of Montana, in an amount not exceeding Five Million Dollars (\$5,000,000), in excess of the Constitutional limitation of indebtedness and over and above any bonded indebtedness heretofore incurred or created and for which the State of Montana is now obligated, the money derived from the sale of said bonds to be used for the purpose of constructing, repairing, and equipping necessary buildings at the several educational institutions of the State of Montana now under the control of the State Board of Education, and consisting of the State University at Missoula, the State College of Agriculture and Mechanic Arts at Bozeman, the Montana State School of Mines at Butte and the Montana State Normal College at Dillon, now comprised in the University of Montana, and the State Orphans' Home at Twin Bridges, the Montana School for the Deaf and Blind at Boulder, the Montana State Industrial School at Miles City, and the State Vocational School for Girls at Helena.

Section 2. Such bonds shall be issued in series from time to time, and at such times and in such amounts as may appear to said Board of Examiners, in the exercise of its judgment

and discretion, to be for the best interests of the State and necessary for the erection, repair, and equipment of necessary buildings at the institutions under the control of the State Board of Education; provided, however, that no series of said bonds shall be issued or sold by the State Board of Examiners unless the State Board of Education shall have first determined the necessity therefor and the amount thereof and requested the State Board of Examiners to issue and sell the same.

Section 3. Each series of bonds provided for in this act shall be issued in such denominations as may be determined by the State Board of Examiners at the time the same are authorized to be issued under the provisions of this act, shall bear date as of the day of issuance thereof, shall become due and payable twenty (20) years from their date and be redeemable at the option of the State Board of Examiners at any time after ten (10) years from their date at any interest paying period, and shall bear interest at the rate of not exceeding five and one-half percentum ($5\frac{1}{2}\%$) per annum, payable semi-annually, on such dates as may be determined and fixed by the State Board of Examiners, at the office of the State Treasurer of the State of Montana; provided, however, that for each series of said bonds issued after the issuance of the first series thereof, the State Board of Examiners shall so fix the interest paying dates that the interest thereon will become due and payable on the same dates as the interest on such first series of bonds shall become due and payable, and in order so to do the State Board of Examiners may provide that the first interest shall be due and payable at a date less than six months after the date of the issuance of such series.

Section 4. The State Board of Examiners shall prescribe the form of such bonds, and the bonds of each series shall bear upon their face the words "Educational Bonds of the State of Montana," with a letter or figure to designate the series thereof, and shall be signed by the members of the State Board of Examiners, and the Great Seal of the State of Montana shall be affixed to each bond, and the bonds shall be registered in the office of the State Treasurer. Said bonds shall have interest coupons attached thereto covering the interest due semi-annually, which coupons shall be executed with facsimile signatures of all the members of the State Board of Examiners, and the signing of said coupons with said facimile signatures shall be recognized as sufficient execution of said coupons on behalf of the State of Montana.

Section 5. The bonds provided for in this act shall be disposed of by the State Board of Examiners in such a manner as they shall deem for the best interests of the State in carry-

ing out the provisions of this act, provided, that no bond shall be disposed of for less than its par value.

Section 6. All moneys derived from the issuance and sale of the bonds authorized by this act shall be paid into the State Treasury, and shall constitute a special fund for the construction, repair, and equipment of necessary buildings at the State University, the College of Agriculture and Mechanic Arts, the Montana State School of Mines, and the Montana State Normal College, now comprised in the University of Montana, and the State Orphans' Home, the Montana School for the Deaf and Blind, the Montana State Industrial School, and the State Vocational School for Girls, and shall be expended only for the construction, repair, and equipment of necessary buildings at said institutions, and shall be disbursed by the State Treasurer on warrants properly drawn against such fund by the State Auditor pursuant to the order of the State Board of Examiners. Provided, however, that from the moneys derived from the sale of all of said bonds not more than Three Million Seven Hundred and Fifty Thousand Dollars (\$3,750,000) shall be expended for the construction, repair, and equipment of buildings at the several institutions now comprised in the University of Montana, and not more than One Million Two Hundred and Fifty Thousand Dollars (\$1,250,000) thereof shall be expended for the construction, repair, and equipment of necessary buildings at the State Orphans' Home, the Montana School for the Deaf and Blind, the Montana State Industrial School, and the State Vocational School for Girls; provided, further, that the money derived from the issuance and sale of any one series of said bonds may be applied wholly to the construction, repair, and equipment of buildings at the institutions now comprised in the University of Montana, or to the construction, repair, and equipment of buildings at the State Orphans' Home, the Montana School for the Deaf and Blind, the Montana State Industrial School and the State Vocational School for Girls, or the money derived from any one series of said bonds may be apportioned and part thereof applied to the construction, repair, and equipment of buildings at the institutions now comprised in the University of Montana, and part thereof applied to the construction, repair, and equipment of buildings at said other educational institutions, it being intended that the money derived from the issuance and sale of said bonds shall be expended for the construction, repair, and equipment of necessary buildings at the aforesaid institutions at such times, and in such amounts as the State Board of Education shall deem necessary, but that when the whole of said amount shall have been expended not more than Three Million Seven Hundred and Fifty Thousand Dollars (\$3,750,000) thereof shall have been expended

for the construction, repair, and equipment of buildings at the several institutions now comprised in the University of Montana, and not more than One Million Two Hundred and Fifty Thousand Dollars (\$1,250,000) thereof for the construction, repair, and equipment of buildings at the State Orphans' Home, the Montana School for the Deaf and Blind, the Montana State Industrial School and the State Vocational School for Girls.

Section 7. That there shall be and there is hereby levied annually upon all property in the State of Montana subject to taxation, an ad valorem tax of ten-twelfths (10/12ths) of one (1) mill on each dollar of the assessed valuation of such property, which tax when collected by the County Treasurers of the several counties of the State, shall be by them accounted to and paid into the State Treasury of the State of Montana and by the State Treasurer placed in the State Educational Bond Sinking and Interest Fund, which fund shall be used exclusively for the payment of the principal of, and the interest accruing on, said bonds.

Section 8. This act shall be in full force and effect from and after its approval and proclamation, as provided by law.

What This Law Proposes.

This measure, providing for the issuance of bonds to the limit of \$5,000,000, will enable the state to erect buildings, make repairs and provide equipment sorely needed at all the eight institutions under the care of the State Board of Education. Of the institutions to be so provided, there are four now organized under the name of the University of Montana, the State University at Missoula, the State College of Agriculture and Mechanic Arts at Bozeman, the State Normal College at Dillon, and the State School of Mines at Butte. The other four institutions to be provided with buildings by this bill are the State School for the Deaf and Blind at Boulder (at which the feeble-minded are also taken care of), the State Orphans' Home at Twin Bridges, the State Industrial School (for boys) at Miles City, and the Vocational School for Girls at Helena.

The bonds provided for in this bill cannot be sold at less than par nor carry an interest rate greater than $5\frac{1}{2}$ per cent. A tax of $\frac{10}{12}$ of a mill is provided for interest and sinking fund. The tax rate is calculated to pay off the bond in from ten to twenty years. At any time the legislature may reduce the tax if the full amount is not necessary. The bonds will be issued from time to time at the discretion of the State Board of Education and the State Board of Examiners.

Present Conditions No Bar.

To the proposition to issue bonds at this time it may be objected that it is difficult now to find a market for bonds and that this is a costly time to build. These statements are true now (June 5). But the bonds, if this measure passes, will not come on the market for several months, nor all at once, and the building program for which this measure provides extends over several years. Unless the measure passes, the state could not be in a position to take advantage of a change in present market conditions or in buildings costs for nearly three years. It is not just to postpone building indefinitely on account of present high building costs.

Why Bond Issue Is Needed Now—University Buildings.

The need for buildings and equipment is imperative. It is estimated that the University Institutions are ten years behind on their building program. This long postponement has been due to the war, and particularly to the fact that the state income has not been sufficient to enable the legislature to meet the constantly increasing demands. In any particular year, the claims of other state activities have seemed more pressing and building appropriations have been deferred or denied over and over again. This has not, at least in recent years, been due to

any lack of good will on the part of the legislature, or of the Board of Examiners, but to the fact that the legislature, under the constitution, has no power to increase the income of the state. It has not been possible, therefore, to use current funds of the state to maintain a building program or to keep pace with the needs of the schools.

The need for buildings at the University institutions has been rendered acute also by the sudden increase in the attendance at the close of the great war. This increase is general throughout the country and the prospects, as shown by a study of this year's graduates from the Montana high schools, are for a still greater increase for the school year 1920-21. It is a question whether with all possible makeshifts and temporary contrivances, it will be possible for the state institutions to take care of the entering class in September, 1920. It is quite probable that the number who will be admitted this fall must be limited, even though the institutions were assured that this measure will pass.

It is not believable that the people of Montana will cripple the University institutions and reduce the opportunities for its worthy young men and women at this time. The people of Montana are proud of their state and loyal to its future. The state educational institutions have done the best they could to serve the people. But they have never had sufficient funds either for buildings or equipment and they deserve far better support.

Buildings for Other State Institutions.

The building program of the four educational welfare institutions also included in this bill has also suffered from the lack of funds in the state treasury. While the Orphans' Home at Twin Bridges and the Industrial School at Miles City are in need of buildings, repairs, and equipment, the greatest needs at present are for more buildings for the care of the feeble-minded at the School for the Deaf and Blind at Boulder, and for the necessary buildings at the newly established Vocational School for Girls at Helena.

It is not believable, either, that the people of the state will refuse adequate support to these four educational welfare institutions, which are to receive one-fourth of the proceeds of bonds issued under this law.

Bond Policy Justified.

As this money will provide good permanent buildings which will be used for many years to come, it is good business and it is social justice to allow them to be paid for in part by future taxpayers. These buildings will be used by Montana citizens yet unborn. The first buildings at these state institutions,

many of them erected more than twenty years ago, are still in use. There is no reason why the present taxpayers should bear all the burden of the rising generation.

The State Efficiency Commission in its report of October 31, 1919, says: "Our educational institutions are dependent almost entirely upon appropriations for the money necessary, not only for maintenance, but also for the erection of buildings. The revenues of the state are insufficient and cannot readily be increased. It will be necessary to go to the people themselves for authority to supply the needed funds."

This method of financing the building program of the state institutions has been approved by the State Board of Education, the body which under the constitution represents the people of the state in the management and direction of the state educational institutions.

The principle of issuing bonds to pay for public buildings, especially school buildings, is well established in other states, and particularly in Montana. In this state during the first four months of 1920, seventy-six school districts in thirty-two counties voted bonds for more than \$2,000,000 for the erection of new common school buildings.

Relation to Initiative Measure No. 18.

This law and its companion measure, Initiative Law No. 18 (providing for a maintenance tax), together increase the present tax rate less than two mills. The present tax rate in the average city in Montana is 52 mills; the rate in the average rural community is nearly 40 mills. Since the rates differ in different communities and in different years, the increase produced by these two measures in the ordinary tax bill will be very difficult to trace. But without the passage of these two bills higher education cannot be maintained for Montana young people; and hundreds will be deprived of a college education who cannot go to more expensive schools in other states.

Ought to Pass.

This bond issue ought to carry. No other means have been proposed, or are before the people by which the urgent needs of the state schools can be taken care of. The legislature has no power to act in this case. The constitution does not allow the legislature to bond the state for more than \$100,000; it puts this responsibility squarely upon the people. But should conditions change at any time during the next few years, and the further issuance of bonds become unnecessary by reason of such changed conditions, the legislature can modify or repeal this law and remove any unnecessary burden. Until other relief is actually at hand, the state institutions need the relief afforded by this law.