



## Analysis of Trends in Levies and Passage Rates (2006–2025), September 17, 2025

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### Overview of Trends

Below is a detailed analysis of the trends in the **number of levies run** and their **passage rates** for both **Elementary General Fund Operating Levies** and **High School General Fund Operating Levies**:

#### 1. Pre-Great Recession (1996–2006) and the Impact of the Great Recession on levies starting in 2008

- **Number of Levies Run:** Both elementary and high school levies were consistently run during this period, with high participation rates. MTSBA started using Survey Monkey to track rates in 2006.
  - **Prior to 2006,** we solicited answers via email. From 1996, until 2006, we typically had over 100 school districts run voted levies and passage rates varied from 90-95%. This was consistent with the first year we started collecting this data with an online survey.
    - **Elementary:** 71 (2006), 48 (2008)
    - **High School:** 49 (2006), 45 (2008)
- **Passage Rates:** Passage rates prior to 2008 were exceptionally high, consistently in the **90-95% range** for both elementary and high school levies. Those rates dropped to the low 80% range in 2008 with the onset of the Great Recession, and have never recovered since.
  - **Elementary:** 97.3% (2006), 82.8% (2008)
  - **High School:** 94.2% (2006), 83.3% (2008)
- **Analysis:** This period reflects strong community support for school funding, with most levies passing easily, by overwhelming margins.

#### 2. Great Recession and Its Aftermath (2009–2013)

- **Number of Levies Run:** The number of levies run began to decline by a third, reflecting economic challenges faced by schools and communities.
  - **Elementary:** 37 (2009), 36 (2013)

- **High School:** 35 (2009), 36 (2013)
- **Passage Rates:** Passage rates dropped significantly compared to the pre-recession period, falling into the **70-80% range**.
  - **Elementary:** 86.0% (2009), 66.7% (2013)
  - **High School:** 94.6% (2009), 75.0% (2013)
- **Analysis:** The economic downturn reduced the willingness of voters to approve levies, and schools faced greater difficulty securing funding.

### 3. Stabilization Period (2014–2019)

- **Number of Levies Run:** The number of levies run remained stable during this period, though at only half of the levies typical in pre-recession years.
  - **Elementary:** 29 (2014), 25 (2019)
  - **High School:** 27 (2014), 20 (2019)
- **Passage Rates:** Passage rates remained in the **70-80% range**, with occasional, isolated spikes in support.
  - **Elementary:** 78.4% (2014), 73.5% (2019)
  - **High School:** 93.1% (2014), 74.1% (2019)
- **Analysis:** While the economy improved, voter support for levies did not return to pre-recession levels. Schools continued to face challenges in passing levies.

### 4. COVID-19 Pandemic and Its Impact (2020–2022)

- **Number of Levies Run:** The number of levies run declined further, reflecting the financial and logistical challenges posed by the pandemic as well as district reliance on COVID relief funds (which were one time only) to help avoid asking voters to approve ongoing levies. During this same time period (specifically from 2020-2024), the state's financial support for schools fell over 10% behind inflation. COVID relief funds masked the growing problem.
  - **Elementary:** 26 (2020), 12 (2022)
  - **High School:** 21 (2020), 8 (2022)
- **Passage Rates:** Passage rates dropped sharply, with some falling to **50%**.
  - **Elementary:** 89.7% (2020), 66.7% (2022)
  - **High School:** 84.0% (2020), 50.0% (2022)

- **Analysis:** The pandemic exacerbated existing trends, with fewer schools running levies and fewer voters approving them. Economic uncertainty and financial disruption contributed to this decline.

## 5. Post-COVID and Current Trends (2023–2025)

- **Number of Levies Run:** The number of levies run remains low, reflecting a continuation of the downward trend and potentially an expectation by property taxpayers that the state should fund adequately without the necessity of levies. Montana also started seeing the spike in home values that have both made Montana the least affordable state in which to live and which caused property tax bills to rise.
  - **Elementary:** 34 (2023), 18 (2025)
  - **High School:** 17 (2023), 14 (2025)
- **Passage Rates:** Passage rates remain low, with many levies failing to secure majority support. We have come to a place where less than half as many districts run levies today as they did in the early 2000's. Correspondingly, 2/3 of students in the state are in districts that are capped close to or at the Maximum Budget.
- With the support of property taxpayers for voted levies dwindling, schools find themselves obligated to operate from year to year on increases that represent only 80% of the Legislature's stated actions. The state increases funding by 3% and legislators leave the session believing they have funded schools adequately, but that inflationary increase only applies to the 80% BASE budget level without a corresponding local levy. Therefore, while the school district may receive a 3% increase based on its BASE budget, because they are capped at the maximum funding level, the effective increase in overall budget terms is only 2.4%.
  - **Elementary:** 63.0% (2023), 50.0% (2025)
  - **High School:** 56.7% (2023), 56.0% (2025)
- **Analysis:** The long-term decline in both the number of levies run and their passage rates has continued. Schools are running fewer levies, and voter support remains weak.

**If it had not been for special bills, like the STARS act specifically,** schools would have hit the proverbial wall in FY26. Instead, STARS in combination with HB 15 reconciled previous inflationary shortfalls to within 1% of what state funding fell behind inflation from 2020-2024. However, the structural flaw in the formula, by automatically increasing by inflation to the extent of only 80% of most districts' budgets, remains.

## Key Takeaways

1. **Pre-Recession Era (2006–2008):** High passage rates (90-95%) and frequent levies reflected strong community support.
2. **Great Recession (2009–2013):** Economic challenges led to a decline in both the number of levies run and their passage rates.
3. **Stabilization Period (2014–2019):** Passage rates stabilized in the 70-80% range, but the number of levies run remained lower than pre-recession levels.
4. **COVID-19 Pandemic (2020–2022):** The pandemic accelerated the decline in both the number of levies run and their passage rates.
5. **Current Trends (2023–2025):** Both the number of levies run, and their passage rates remain at historic lows, with many levies failing to pass.
6. **The days when levies could save the day for districts in meeting their rising costs are in the past,** exposing significant vulnerabilities in the current funding formula without change.

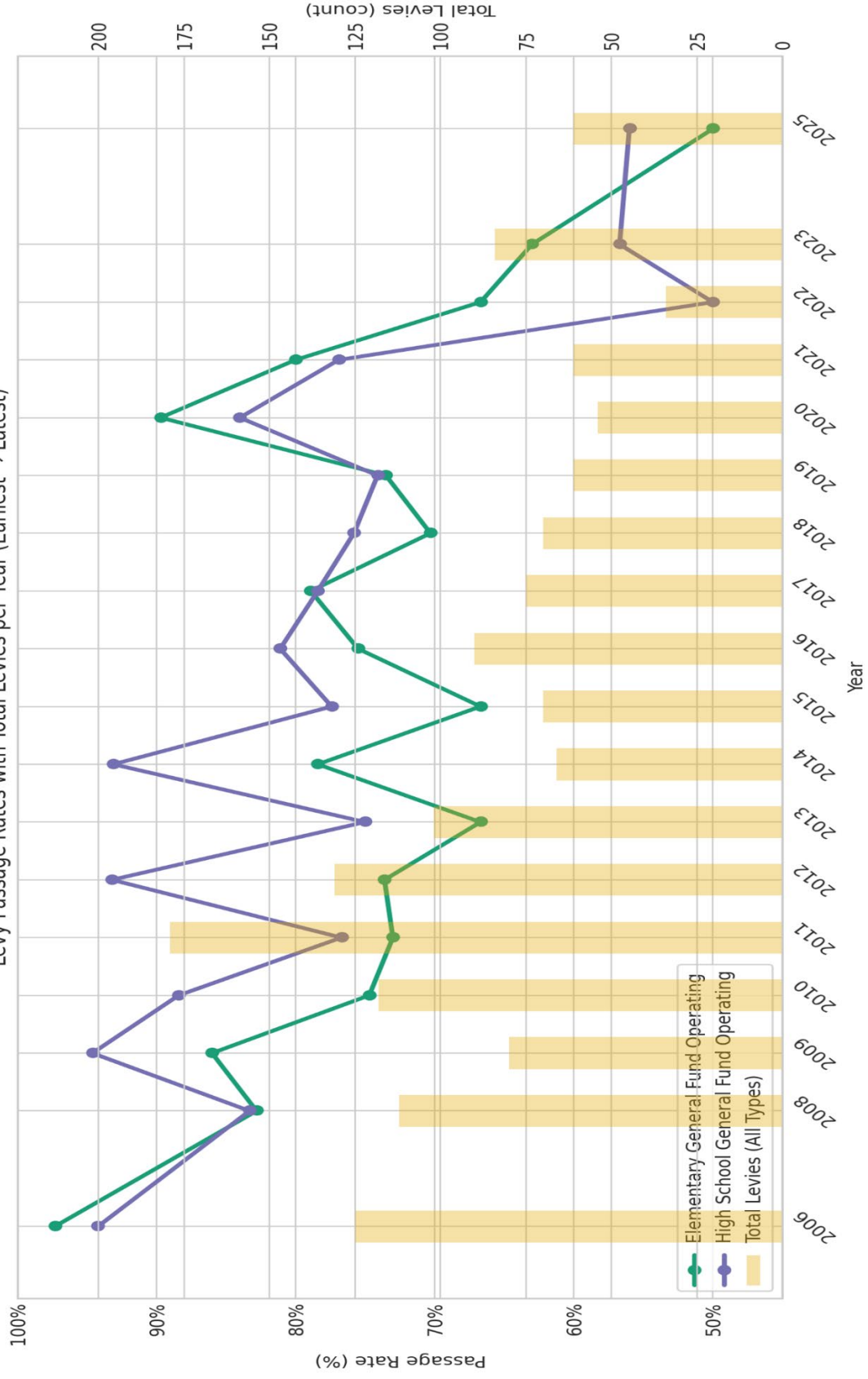
## Conclusion

Prior to the Great Recession, levy passage rates were consistently high, and schools frequently ran levies. However, the Great Recession marked the beginning of a long-term decline in both the number of levies run and their passage rates. The COVID-19 pandemic further accelerated this trend, and today, schools face significant challenges in securing voter support for levies.

This has created new and growing problems with the opaque funding formula. The school funding formula is written into code at the highest potential funding levels but guaranteeing only 80% thereof. For larger districts (those with more than 800 high school students or 1,000 elementary students), a decrement reduces funding by \$400 per student. This practice further undermines the perceived funding levels

These factors create a disconnect between what is promised and what is delivered.

Levy Passage Rates with Total Levies per Year (Earliest → Latest)



Year	Type of Levy	Passed	Failed	Passage Rate (%)
2006	Elementary General Fund Operating	71	2	97.3
2006	High School General Fund Operating	49	3	94.2
2008	Elementary General Fund Operating	48	10	82.8
2008	High School General Fund Operating	45	9	83.3
2009	Elementary General Fund Operating	37	6	86
2009	High School General Fund Operating	35	2	94.6
2010	Elementary General Fund Operating	56	19	74.7
2010	High School General Fund Operating	38	5	88.4
2011	Elementary General Fund Operating	65	24	73
2011	High School General Fund Operating	69	21	76.7
2012	Elementary General Fund Operating	53	19	73.6
2012	High School General Fund Operating	55	4	93.2
2013	Elementary General Fund Operating	36	18	66.7
2013	High School General Fund Operating	36	12	75
2014	Elementary General Fund Operating	29	8	78.4
2014	High School General Fund Operating	27	2	93.1
2015	Elementary General Fund Operating	26	13	66.7
2015	High School General Fund Operating	24	7	77.4
2016	Elementary General Fund Operating	40	13	75.5
2016	High School General Fund Operating	30	7	81.1
2017	Elementary General Fund Operating	30	8	78.9
2017	High School General Fund Operating	29	8	78.4
2018	Elementary General Fund Operating	26	11	70.3
2018	High School General Fund Operating	25	8	75.8
2019	Elementary General Fund Operating	25	9	73.5
2019	High School General Fund Operating	20	7	74.1
2020	Elementary General Fund Operating	26	3	89.7
2020	High School General Fund Operating	21	4	84
2021	Elementary General Fund Operating	28	7	80
2021	High School General Fund Operating	20	6	76.9
2022	Elementary General Fund Operating	12	6	66.7
2022	High School General Fund Operating	8	8	50
2023	Elementary General Fund Operating	34	20	63
2023	High School General Fund Operating	17	13	56.7
2025	Elementary General Fund Operating	18	18	50
2025	High School General Fund Operating	14	11	56

Fiscal Year	Adopted Budget vs. BASE	Inflation Trend Adopted Budget vs. BASE
FY2003	\$125,310,738	Base Year
FY2004	\$132,465,228	\$135,246,997
FY2005	\$137,826,807	\$139,304,407
FY2006	\$139,809,310	\$143,762,148
FY2007	\$143,299,427	\$149,656,396
FY2008	\$154,325,719	\$153,248,150
FY2009	\$157,983,833	\$161,830,046
FY2010	\$161,118,085	\$158,431,615
FY2011	\$165,716,163	\$160,332,795
FY2012	\$171,827,412	\$166,104,775
FY2013	\$173,025,921	\$168,430,242
FY2014	\$176,068,446	\$171,798,847
FY2015	\$181,429,754	\$175,234,824
FY2016	\$183,760,136	\$175,585,294
FY2017	\$187,087,241	\$176,989,976
FY2018	\$192,652,451	\$179,998,805
FY2019	\$196,656,541	\$185,218,771
FY2020	\$200,095,317	\$188,552,709
FY2021	\$204,815,640	\$190,438,236
FY2022	\$208,175,878	\$200,721,900
FY2023	\$209,706,596	\$217,783,262
FY2024	\$212,846,741	\$224,752,326
FY2025	\$214,597,222	\$231,494,896
FY2026	\$220,088,212	\$237,745,258

Fiscal Year	BASE	MAX	Adopted General Fund Budgets	Districts at 97% or Above	Average % of MAX
FY2003					
FY2004	\$621,757,848	\$783,204,385	\$754,223,075	255	96.30%
FY2005	\$629,664,994	\$793,020,938	\$767,491,802	263	96.78%
FY2006	\$670,895,361	\$845,510,751	\$810,704,672	239	95.88%
FY2007	\$713,264,956	\$889,766,108	\$856,564,383	245	96.27%
FY2008	\$756,498,779	\$940,432,141	\$910,824,498	240	96.85%
FY2009	\$774,856,359	\$964,174,768	\$932,840,192	245	96.75%
FY2010	\$785,064,587	\$978,916,855	\$946,182,672	238	96.66%
FY2011	\$801,226,901	\$999,288,489	\$966,943,063	241	96.76%
FY2012	\$795,351,670	\$990,712,574	\$967,179,082	265	97.62%
FY2013	\$812,156,616	\$1,011,967,010	\$985,182,537	245	97.35%
FY2014	\$839,337,612	\$1,046,046,718	\$1,015,406,058	223	97.07%
FY2015	\$859,361,077	\$1,071,309,055	\$1,040,790,830	227	97.15%
FY2016	\$888,741,592	\$1,107,361,505	\$1,072,501,728	221	96.85%
FY2017	\$910,247,139	\$1,133,898,736	\$1,097,334,380	221	96.78%
FY2018	\$920,265,667	\$1,146,622,396	\$1,112,918,118	224	97.06%
FY2019	\$937,668,502	\$1,168,171,096	\$1,134,325,044	220	97.10%
FY2020	\$953,169,619	\$1,187,383,064	\$1,153,264,937	218	97.13%
FY2021	\$979,536,153	\$1,220,044,529	\$1,184,351,793	223	97.07%
FY2022	\$987,480,155	\$1,229,482,335	\$1,195,656,033	218	97.25%
FY2023	\$1,024,353,220	\$1,274,662,420	\$1,234,059,815	217	96.81%
FY2024	\$1,051,519,243	\$1,308,098,940	\$1,264,365,984	218	96.66%
FY2025	\$1,084,111,668	\$1,348,670,402	\$1,298,708,890	218	96.30%
FY2026	\$1,165,083,419	\$1,455,585,866	\$1,385,171,631	193	95.16%

Fiscal Year	Over Base Levy	Over BASE Levy Inflation Trend	Percentage Change	CPI-U Inflation	# of General Fund Levy Elections Conducted	Percentage of Levies that Passed
FY2003	\$120,316,625		Base Year	Base Year		
FY2004	\$128,042,374	\$122,843,274	6.42%	2.10%	Not collected	
FY2005	\$132,642,619	\$126,528,572	3.59%	3.00%	Not collected	
FY2006	\$133,575,304	\$130,577,487	0.70%	3.20%	Not collected	
FY2007	\$136,361,759	\$135,931,164	2.09%	4.10%	125	96.00%
FY2008	\$147,277,697	\$139,193,512	8.01%	2.40%	Not collected	
FY2009	\$150,828,932	\$146,988,348	2.41%	5.60%	112	83.04%
FY2010	\$152,668,416	\$143,901,593	1.22%	-2.10%	80	90.00%
FY2011	\$158,259,030	\$145,628,412	3.66%	1.20%	118	79.66%
FY2012	\$165,125,290	\$150,871,035	4.34%	3.60%	179	74.86%
FY2013	\$166,780,278	\$152,983,229	1.00%	1.40%	131	82.44%
FY2014	\$168,796,166	\$156,042,894	1.21%	2.00%	102	70.59%
FY2015	\$172,532,259	\$159,163,752	2.21%	2.00%	66	84.85%
FY2016	\$176,981,593	\$159,482,079	2.58%	0.20%	70	71.43%
FY2017	\$179,308,116	\$160,757,936	1.31%	0.80%	90	77.78%
FY2018	\$185,481,512	\$163,490,821	3.44%	1.70%	75	78.67%
FY2019	\$188,255,392	\$168,232,055	1.50%	2.90%	70	72.86%
FY2020	\$192,322,133	\$171,260,232	2.16%	1.80%	61	73.77%
FY2021	\$197,087,127	\$172,972,834	2.48%	1.00%	54	87.04%
FY2022	\$202,171,300	\$182,313,367	2.58%	5.40%	61	78.69%
FY2023	\$203,997,356	\$197,810,003	0.90%	8.50%	34	58.82%
FY2024	\$205,464,972	\$204,139,923	0.72%	3.20%	84	60.71%
FY2025	\$208,270,126	\$210,264,121	1.37%	3.00%	Not collected	
FY2026	\$214,753,097	\$215,941,252	3.11%	2.70%	61	52.46%
Cumulative Change			59.01%	59.70%		

