



Skull Valley Elementary School  
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*Where Students Come First*

December 9, 2015

Dear Community Members,

It has come to my attention recently that one of the owners of Kirkland Mining Company has told members of our community that the Skull Valley School will reap great tax benefits when the mine begins operation. Schools in this state are not funded directly from sales tax, business taxes, payroll taxes, et cetera. These taxes become part of the state's general fund. The major revenue source for Arizona public schools is a per-pupil payment to the school from the state general fund. However, the school's payment from the general fund does not rise with the number or type of businesses in the area; it only increases if the number of students increases. Another public school revenue source is a portion of local private property taxes. The total property tax paid last year on the private property owned by Kirkland Mining Company was under \$250. Of course, the school's share of that was a fraction of the total.

People may think that Skull Valley School or Kirkland School will benefit from the Kirkland mine in the same way that Bagdad Schools benefit from the Freeport-McMoran copper mine in Bagdad. However, this is not the case. The major difference between these two mines (besides the difference in scope) is that the mine in Bagdad is on private property and pays a great deal of local property tax. The Kirkland mine is on BLM land. The Bureau of Land Management does not pay property tax.

I believe that the mine owner may have genuinely misunderstood school funding and thought that the mine would benefit the local schools. I wrote this letter to help set the record straight about public school revenue sources in Arizona.

Respectfully,

Vicki Hilliker, M.Ed.  
Administrator/Head Teacher