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The Upcoming Special Session of the Montana Legislature Unified Position Statement of the Montana Public Education Center Partners November 6, 2017

As expected, Governor Bullock has announced a special session of the Montana Legislature, to begin at 12:00pm on Tuesday, November 14, 2017, with hearings beginning on Monday, November 13, 2017. The State estimates it is approximately \$225 million short compared to the budget adopted by the 2017 Legislature. The Governor's office reports it cannot make impending K-12-related payments without legislative action to address this gap. The conceptual framework for a solution between the Governor's Office and some Republican legislative leaders is to address the \$225 million budget gap in equal thirds between temporary tax increases, fund transfers, and budget cuts.

We had an opportunity to discuss the prospect of a special session with the Governor late last week and were encouraged to realize that we shared a mutual interest with the Governor in protecting inflation on the school funding formula and in prioritizing K-12 public education.

With the Governor's release of proposed reductions today, we are thankful to see that he has preserved inflation on the school funding formula and prioritized K-12 public education. With proposed budget reductions and transfers totaling \$150 million and with K-12 public education representing approximately one-third of state general fund spending, a proportional cut of \$50 million could have been anticipated.

Instead, the Governor has proposed reductions of \$11.6 million through elimination of remaining transportation and combined fund block grants beginning next fiscal year and another \$8.2 million in delays and transfers of the school facility and technology account effective immediately. The Governor has also given us a commitment that his proposal for K-12 will include increased flexibility for school districts to draw upon any available fund balance across all school district funds so that districts can concurrently protect services to students while reducing or eliminating any increase in local taxes that might be caused by this proposal.

As public education advocates and partners in the Montana Public Education Center (MT-PEC); MASBO, MEA-MFT, MQEC, MREA, MTSBA, and SAM are united on the following positions relating to the upcoming special session:

1. ***We have and will continue to protect the K-12 funding formula and will oppose any proposal to freeze inflation on the funding formula.*** Cuts to the formula threaten the constitutional connection between the formula and the definition of quality in § 20-9-309, MCA (which guarantees annual inflation adjustments).
2. ***We support Governor Bullock's proposed alternative to an inflationary freeze*** and his proposal for increased flexibility for schools to help them preserve services to students and protect against tax increases.

We are encouraging our respective members to assist us in our efforts as outlined above through immediate individual contact with representatives and senators from both parties.