

Hard times – good choices

A bunch of years ago, during another fiscal crisis, the political mantra of the day was “Hard Times, Hard Choices.”

One month into the 2003 legislative session, that annoying and never forgotten refrain pounds away between my ears.

These are hard times and our governor, legislature, and the rest of us must make hard choices. But hard choices need not be bad choices. Necessity demands we seize the opportunity to do some things that could provoke a refreshing new mantra: “Hard Times, Good Choices.”

For instance, our statewide school employee health care pool - HB 302 - will ensure that k-12 school employees and their respective school districts retain reasonably good health care benefits at a relatively good price. If implemented, five years from now I am confident no one resisting our efforts today will say, “I told you so.”

Our bill - HB 107 - to repay up to \$12,000 to persons who incur debt qualifying to teach in critically short certification areas will invite new teachers to try Montana first and encourage experienced educators to assume internships and pursue academic training in high demand/low supply areas of professional practice.

Our bill - HB 133 - to enhance retirement benefits for those educators who stay on board at least 30 years will slow the sad out-migration of the acquired expertise we need in our public schools.

And our bill - HB 193 - to develop a flow of state dollars to support the salaries of teachers, specialists, and administrators will help protect school district budgets from inflation and declining enrollment.

The only responsible choice: revenue

Believe it or not, given the promises made by Republican legislative leaders, there is enough money on the table right now to fund these good choices without raising a dime of new revenue.

Unfortunately, such is not the case for the state employee pay plan and university system. To date, the same majority party leaders have made no promises whatsoever.

As I write, near the end of January, it should be

evident to all but the most anti-tax advocate that the legislature must stop its decade long rush to de-tax corporate Montana and start to develop new revenue streams to fund what our state and university brothers and sisters do.

The legislature must develop relatively unexploited and unrelated revenue sources such as, but not limited to, tobacco, accommodations, and car rentals. Montana taxes on tobacco and accommodations are among the lowest in the nation. There is no state tax on car rentals.

If unable to tax in a selective fashion, then the legislature must once again embrace a general sales tax or gross receipts tax to raise new revenue and reduce property taxes. The absence of a general sales tax progressively mixed with income and property taxes is a primary reason why existing revenue streams are so vulnerable to political attack and why cuts in those streams, such as cuts recent legislatures have ordered in business equipment taxes, leave us so short of money.

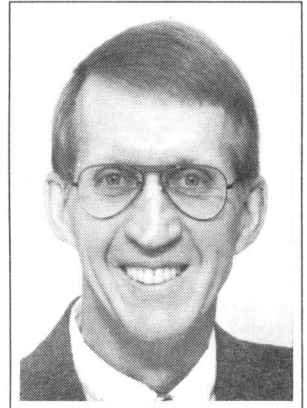
What about the trust?

Regrettably, in the highly charged partisan politics of this legislature, our lawmakers could make a really bad choice and crash and burn on the deck of the coal tax generated permanent trust.

Our Republican governor and legislative leaders remain committed to raiding the permanent trust of millions of dollars to see us only through the biennium. Democratic legislative leaders remain committed to keeping the trust intact, saving and growing the interest revenue it generates.

The former sees the trust as a “rainy day” account. The latter more convincingly sees the trust as a permanent endowment. This is an old and tedious argument.

There may be a compromise here, but it will require heroic deal making by both parties. Standing on the sidelines, we worry that if this legislature, without making a comprehensive deal, dips deeply into the trust, it will mark the beginning of the end of the trust, sustain for years to come the legislature’s proclivity to fund ongoing programs with one-time-only dollars, and delay indefinitely the tax reform Montana so desperately needs. ■



BY ERIC FEAVER
MEA-MFT PRESIDENT

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