

## Grading the governor

So, what grades should I give our new, charismatic, populist, mercurial governor?

Let's begin with pay for state employees.

In the first week of his administration, the governor and MEA-MFT made a state employee pay plan deal that works.

October 1, executive branch state employees received a pay increase of \$1,005 or 3.5 percent, whichever is greater, and one year hence will receive another pay increase of \$1,188 or 4 percent, whichever is greater.

Remember the governor's immediate predecessor? The one who refused to negotiate a single penny increase in state employee pay for the 2005 biennium? She is history.

Had our new governor followed her lead, thousands of state employees would have been on strike right around March 1. But the governor made a deal we liked. When Republicans in the evenly divided House attempted to derail the deal with money they did not have, the governor and MEA-MFT hung together. We honored the deal made at the bargaining table and ratified by our membership.

As agency bargaining continues across state government, the governor seems inclined to support alternative pay plan deals, to put more money on the table, to move more state employees to market-based pay, to better reward them for their quality work.

The governor gets an "A."

### On the other hand

Then there is the governor on k-12 public school funding.

You know the story. MEA-MFT and the rest of the education community sued the state for better school funding. The courts agree the legislature has failed to adequately fund a basic system of quality public elementary and secondary schools.

We know how to fix this problem. We are school funding experts. We have proposed remedies. Our proposals include a statewide school employee health insurance pool or K12 SHIP, an educator "entitlement" that funds fixed personnel costs, repeal of the school district obligation

to fund retirement benefits of federally funded employees, and optional full-day kindergarten. We support the remedies proposed by the Montana Quality Education Coalition (see sidebar).

The governor is opposed. He does not ask nor accept our input. He declares that "we must live within our means."

Instead of K12 SHIP that would save taxpayers and consumers millions of dollars, provide insurance to thousands of uninsured school employees, and spread health care risk of school employees across the state, the governor proposes to buy reinsurance only—but not for retirees. He would throw retirees who participate in school district health care plans under the bus.

Without the governor's opposition, K12 SHIP would have sailed into law in the 2005 Legislature. During his election campaign, we thought we heard him say he supported K12 SHIP. We heard wrong.

Related to our school funding woes is the unfunded liability of the Teachers Retirement System (TRS). When markets crashed at the turn of the century, TRS lost a lot of money.

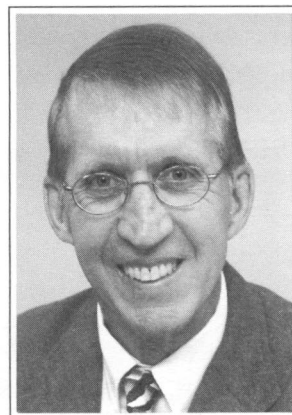
TRS requires a long-term infusion of increased contributions. We lobbied the last session hard to fix the problem the old fashioned way—county-wide property tax levies.

From the governor's point of view, however, an increase in property taxes violates his gratuitous "No New Taxes" pledge. He compelled the Senate Finance and Claims Committee to kill the bill that would have fixed the problem.

Now he proposes to drop \$100 million, one-time-only, into TRS. Without securing a long-term revenue stream into TRS, \$100 million would be like bailing New Orleans out one bucket at a time. We would advise the governor to spend the same amount on school facility construction.

So as k-12 school funding goes, despite the self-congratulatory rhetoric that emanates from the governor's office, he gets a "D."

Special session coming—maybe. If so, the governor could, if he wants, yet earn another "A." We can show him how. ■



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### The school funding solution

What should be done to fix school funding? MEA-MFT supports the remedy proposed by the Montana Quality Education Coalition (MQEC).

It's fair, it's affordable, and it will do what the Supreme Court directed: adequately fund the real costs of quality public education.

For a description of the MQEC remedy, see the MQEC web site: [www.mqec.org](http://www.mqec.org).