

# Montana

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On November 3<sup>rd</sup>, 2020, Montana elected its first Republican governor, Greg Gianforte in 16 years<sup>1</sup>. Gianforte campaigned with two education priorities; raising starting teacher pay and increasing opportunities for school choice.<sup>2</sup> Both priorities were addressed at the beginning of Gianforte's term, in addition to changes to the higher education funding system and adjustments to funding based on the ongoing challenges of COVID-19.

## FUNDING PRIORITIES FOR P-12 AND/OR HIGHER EDUCATION

Gianforte's election has led to a republican controlled gubernatorial position, Senate, and House for the first time in 16 years<sup>3</sup>. This led to Gianforte's educational priorities passing legislation very rapidly. The top priority of raising teacher pay has been the focus in Montana.

While Montana had the overall 7<sup>th</sup> largest increase in the nation of average teacher salary from 1999 to 2018<sup>4</sup>, low overall starting salaries have caused many newly minted educators to leave the state for neighboring states Idaho and Wyoming<sup>5</sup>. Montana is last in starting teacher pay, however, their average salary is \$54,000, which is considered middle of the pack among U.S. states. Beginning in 2023, starting teachers are to make a minimum of \$34,000 with annual inflation increases. The bill is expected to cost \$3 million annually to support. HB143, known as the TEACH Act, specifically targets starting teacher salaries to incentivize educators to remain in Montana and avoid brain drain<sup>6</sup>. The bill passed almost unanimously; with only two legislators voting against

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1.Keith Schubert, "Gianforte outlines priorities in 'Montana comeback' speech," January 29, 2021, <https://missoulacurrent.com/government/2021/01/gianforte-outlines-priorities/>.

2.Mike Dennison, "Gov race: Cooney, Gianforte lay out education priorities," September 20, 2020, <https://www.ktvh.com/news/election-2020/gov-race-cooney-gianforte-both-say-theyre-public-school-champions>.

3.Shaylee Ragar, "The GOP will control Montana's state government for the 1<sup>st</sup> time in 16 years," November 14, 2020, <https://www.npr.org/2020/11/14/934650388/the-gop-will-control-montana-state-government-for-the-1st-time-in-16-years>.

4.Alex Sakariassen, "Raising teacher salaries," January 26, 2021, <https://montanafreepress.org/2021/01/26/raising-teacher-salaries/>.

5.Iris Samuels, "Montana set to raise starting pay for public school teachers," March 5, 2021, <https://apnews.com/article/teacher-pay-greg-gianforte-elections-campaigns-montana-200da54cbb5fe4fa834d2b53a080083a>.

6.Colter Anstaett, "Governor signs TEACH Act to increase pay for new teachers in Montana," March 5, 2021, <https://www.krtv.com/news/montana-politics/governor-signs-teach-act-to-increase-pay-for-new-teachers-in-montana>

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passage<sup>7</sup>.

The Montana University System (MUS) is up 4.4% compared to the prior biennial budget. Two major components of new funding for the MUS include \$75 million directed toward MUS infrastructure for capital projects and \$9 million in one-time only money for programs across the MUS<sup>8</sup>. Additionally, Montana State University recorded an all-time high for research expenditures in 2020-2021, with \$167 million reported to the National Science Foundation (NSF), an increase of 16% over the previous year<sup>9</sup>.

#### PRESSING STATE ISSUES AFFECTING P-12 AND/OR HIGHER EDUCATION FUNDING

Two bills (HB15 and HB46) were passed, which impact the state funding formula<sup>10</sup>. HB15 is an act allowing for inflationary adjustments to school funding formula components<sup>11</sup>, and HB46 allows for inflationary increases for special education in the state's overall education budget<sup>12</sup>.

In terms of COVID-19 funding, a final American Rescue Plan for Elementary and Secondary School Emergency Relief (ARP ESSER) payment from the federal government will send \$127 million to Montana<sup>13</sup>. Montana plans to use this funding to expand after school programs, invest in summer learning opportunities, and meet the social, emotional and mental health needs of their students<sup>14</sup>.

#### ALTERNATIVES TO PUBLIC SCHOOLS

Two bills supporting school choice (HB279 and HB329), also passed legislation, however, they did not receive the bipartisan support as HB143 did. HB279, permits a dollar-for-dollar tax credit for donations to student scholarship organizations in private schools, or certain educational programs in public

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7.Ibid, 5.

8.Keila Szpaller, "Commissioner of higher ed: Montana University System had 'most successful' session," May 27, 2021, <https://missoulacurrent.com/business/2021/05/montana-university-system-2/>.

9.Marshall Swearingen, "Montana State research expenditures hit all-time high," September 1, 2021, <https://www.montana.edu/news/21414/montana-state-research-expenditures-hit-all-time-high>.

10.Montana Office of Public Instruction, "Superintendent Arntzen applauds legislation embracing special education students and funding Montana schools," January 20, 2021, <https://content.govdelivery.com/accounts/MTOPI/bulletins/2ba5ac9>.

11.Kristi Niemeyer, "County residents gather to hear legislative update," March 10, 2021, <http://www.valleyjournal.net/Article/24628/County-residents-gather-to-hear-legislative-updat>.

12.Alex Sakariassen, "Solutions status," March 5, 2021, <https://montanafreepress.org/2021/03/05/solutions-status/>.

13.Evelyn Pyburn, "Feds approve Montana's COVID education plan and release \$127 million more to the state," August 20, 2021, <https://www.yellowstonecountynews.com/202108200742/feds-approve-montanas-covid-education-plan-and-release-127-million-more-to-the-state/>

14.Ibid, 13.

schools. HB279 goes into effect for the 2022 tax year, and increases the current tax credit (\$150) to \$200,000, which is a 13,000% increase. This bill passed entirely on party lines, with all Republicans in favor and all Democrats opposed<sup>15</sup>. It is expected the bill will cost roughly \$5 million a year for taxpayers<sup>16</sup>. Additionally, HB329 was passed, which sets up an educational savings account that parents of disabled children may use for private school expenses. This bill is estimated to cost taxpayers \$780,000 a year<sup>17</sup>.

#### P - 1 2 PER - PUPIL EXPENDITURE

HB 159, which passed on February 25, 2021, established the following base student allocation beginning FY2022. For a high school district or a K-12 district high school program, a maximum rate of \$7,491 per student for FY2022 and \$7,634 for FY2023 was established. For an elementary school district or a K-12 district elementary program without an approved and accredited junior high school, 7<sup>th</sup> and 8<sup>th</sup> grade program, or middle school, a maximum rate of \$5,851 for FY2022 and \$5,963 for FY2023 was established<sup>18</sup>.

#### ALLOCATION OF STATE DOLLARS AND PERCENT OF THE STATE BUDGET FOR P - 1 2 AND HIGHER EDUCATION

Montana operates on a biennium, with the total executive budgets for education designated every two years. For FY2022 the P-12 budget is \$1,071,887,578 and for FY2023, the budget is \$1,096,286,212<sup>19</sup>. For FY2022 the higher education budget is \$6,997,705 and for FY2023, the budget is \$6,936,736<sup>20</sup>.

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15. Mike Dennison, "Gianforte signs bill greatly increasing education tax credit," May 13, 2021, <https://www.ktvh.com/news/montana-politics/gianforte-signs-bill-greatly-increasing-education-tax-credit>

16. Mike Dennison, "MT House Republicans advance first 'school choice' bill," March 11, 2021, <https://www.ktvh.com/news/montana-politics/mt-house-republicans-advance-first-school-choice-bill>.

17. Ibid, 16.

18. Fred Anderson, "2021 MT H 15," February 25, 2021, <https://fastdemocracy.com/bill-search/mt/2021/bills/MTB00007184/>.

19. Office of Budget and Program Planning, "2023 Biennium Executive Budget," [https://budget.mt.gov/Budgets/2023\\_Budget-Page](https://budget.mt.gov/Budgets/2023_Budget-Page).

20. Ibid, 19.