

**FOR IMMEDIATE RELEASE:**

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**Governor Schweitzer Releases 2008-2009 Executive Budget**

(HELENA) – Governor Brian Schweitzer released the 2008-2009 Executive Budget today. “My budget will be fiscally responsible and sustainable,” said Governor Schweitzer. “We will not raise taxes – in fact – we are proposing to cut taxes by \$150 million.”

The fiscal parameters on the budget include:

- Cap on ongoing spending of \$1.8 billion for FY 2009 going forward to next biennium
- Spending below estimated revenues
- \$500 million cap on one-time spending for FY 08 and FY09
- No bonds, pay cash
- \$100 million ending fund balance
- Anything left, goes into Big Sky Savings

Highlights of the budget covering the 2008-2009 biennium include:

**\$150 Million Tax Cut** - Tax cuts include \$100 million of one-time money back to homeowners, \$20 million one-time money for suspending the water tax and \$30 million in relief to small businesses (business equipment tax). Unlike the tax cuts in the 1990’s, the tax cuts are actual cuts for Montanans, not tax shifts that give out-of-state residents and corporations a break while forcing an increase in small business and homeowners taxes.

**Mental Health** – The Governor’s budget provides nearly \$56 million for new facilities for criminally mentally ill and more community based care for those that suffer from mental illness. The administration began the transformation of Montana’s mental health system by assessing the services and identifying gaps in the current delivery system so that Montanans suffering from mental illness can access consistent treatment therapies.

**Full Day Kindergarten** – The proposal would provide \$25 million to schools to offer full-time kindergarten, but not mandate school boards to offer it or require parents to enroll students in kindergarten. The budget includes a total of nearly \$230 million in ongoing and one-time-only for K-12.

**Zero Tuition Increase** - As part of his Square Deal for Montanans, the Governor’s College Affordability Plan (CAP) proposal gives the Montana University System and the community colleges the money needed to hold tuition at current levels for the biennium. The biennial cost of this tuition proposal is approximately \$50 million. This would be the first time since 1991 that tuition did not increase.

**State Parks and Fishing Access Site Acquisition** - To ensure that Montana continues to protect its cherished outdoor traditions, as part of his Square Deal, Governor Schweitzer is proposing \$15 million for the acquisition of state parks and public access sites for hunting and fishing, and a “Families Fish for Free” program.

**Increased Public Safety** - For far too long Montana has had an overcrowded corrections system without adequate rehabilitation for offenders. This budget proposes \$40 million for more community facilities including methamphetamine treatment, more parole officers and chemical dependency counselors, better wages for employees, additional guards and meeting the needs and the capacity up front.

**Retirement Systems** – The budget recommends a \$100 million injection to the Teacher’s Retirement System to help fix pension problem and saving taxpayers \$500 million by cutting public pension guaranteed annual benefit adjustment (GABA) to 1.5% for new employees.

**Pay Plan** – A negotiated, fair pay plan with new labor/management flexibility is included in the budget with a base salary increase of 3%, a flexibility component: .6%, health insurance \$33/month in 2008 and another \$36/month in 2009 and longevity after 10 years 2% (from the current 1.5%)

**Fire fighting** - Wildfires can affect hundreds of lives, and dramatically and permanently damage and devalue property. The administration proposes to set aside \$10 million for fighting fires.

**Senior Trust Fund** – The budget proposes establishing and funding \$5 million into a trust fund to help provide for the needs of our aging population.

**Secure Data Center and Back-Up Site** - The state computer system is critical to the overall operation of state government, including 24/7 services for Montana citizens and businesses, it is currently not secure and does not properly back-up information the budget proposes we spend \$25 million on this project.

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