MINUTES OF THE MEETING
EDUCATION SUBCOMMITTEE
50TH LEGISLATIVE SESSION

February 13, 1987

The meeting of the Education Subcommittee was called to order by Chairman Dennis Nathe at 8:05 a.m. on Friday, February 13, 1987 in Room 104 of the State Capitol.

ROLL CALL: All members were present with Senator Jacobsen and Representative Iverson arriving late. Also present were Jane Hamman and Dori Nielson of the Legislative Fiscal Analyst, and Denise Thompson, secretary.

VACANCY SAVINGS

Jane Hamman presented a table to the committee (Exhibit 1). Table 1 shows the cost of exempting faculty with joint teaching contracts from vacancy savings by agencies. Table 2 shows the cost of exempting all contract faculty from the vacancy savings. The two tables show eight options on vacancy savings for the committee, in addition to the 4 percent option in current level. The only university-related agency with faculty vacancy savings during the 1987 biennium was the agricultural experiment station, with a percent added on the house floor.

Dr. Luft spoke in opposition to taking vacancy savings. Extension faculty are not involved in classroom teaching, but that is their job. If they are forced to take vacancy savings, they will be forced, if they had a county with a single agent, to maintain an agency there and try to move other faculty over but could end up with no county agent at all. They have 23 counties that only have one county agent. If required to take any vacancy savings, the first year would put them in a bind.

(1:A:7.41) Chairman Nathe asked if there were joint appointments do they spend the same percentage amount of time in the class room. Dr. Luft stated they would be reluctant going with any more than one-third teaching because their responsibilities are more around the state and they need to serve these people. These are extension faculty. Representative Peck said this should be the same as other agencies.

(1:A:11.00) Historical data on vacancy savings was questioned. Dr. Welsh recognized the need to take vacancy savings, arriving at fair numbers.

President William Tietz, MSU, stated that presently there is no faculty vacancy savings in the extension service or the

Bureau of Mines and only 2 percent in the experiment station. At this time there is zero savings in those faculty.

AGRICULTURAL EXPERIMENT STATION AND COOPERATIVE EXTENSION SERVICE

(1:A:21.24) Senator Jacobson moved 2% vacancy savings from all contract faculty to increase personal services by $257,564 for the biennium, and leave it 4% vacancy savings for other personnel.

(1:A:26.30) Representative Peck made a substitute motion to take 2%, as indicated in Table 2, for the Cooperative Extension Service and Agricultural Experiment Station. This is adding to personal services $68,282 at the Agricultural Experiment Station for 90 FTE faculty and $47,377 at the Cooperative Extension Service for 80.56 FTE faculty per year.

Senator Hammond called the question on the motion. The motion CARRIED unanimously.

Chairman Nathe stated they would return next week to wrap up federal retirement and the boiler plate language.

BUREAU OF MINES: (1:A:34.00)

Jane Hamman explained the worksheet (Attachment 1). She discussed issue 1, Administrative Charge on Page F-53 of the LFA budget analysis report, Table 4 that compares administrative charges within the university system.

Sib Clack stated the executive discounted the FY 86 actual administrative change by 5 percent.

Dr. Edward Ruppell, Bureau director, stated fees should not be lost from the overall college budget and confirmed the adjustment is adequately recognized in the formula. He felt that fees distort the budgets in the sense that they reflect costs not directly attributable to Bureau's mission. He pointed out that the cost of the Governor's budget reductions on this administrative charge, which could not be cut in this fiscal year, has reduced salary money by $23,000.

Vic Burt, Vice President of Fiscal Affairs at Montana Tech, stated his concern of the problems of the formula and the impacts of the administrative charge reduction if the units were to go off the formula in the future. He agreed there was no impact for the 1989 biennium.

If the committee approved current level for the bureau, the adjustment has been included in the formula and Tech has not lost anything.

(2:B:8.36) Senator Jergeson moved for fiscal 1988 and 1989, current level for personal services, operating expenses, and equipment, plus zero percent vacancy savings for 15.56 FTE faculty, leaving the FTE level at 26.0.

John Dunston, bureau fiscal officer, stated that current level should be $41,000 higher due to the percentage budget cuts on the high administrative charge which could not be reduced. He explained that present FTE level is 27.19 and it floats up and down a little as they move people in and out of research contracts. He argued they do have unfilled positions, but in fact they have no vacancies and no surplus funds left over.

John Dunston stated he hoped the 26.43 FTE as requested would be granted because actual FTE now is 27.19.

Senator Jacobson called the question on Senator Jergeson's motion to accept current level for fiscal 1988 and 1989 and add zero vacancy savings for faculty in the Bureau of Mines. The motion CARRIED unanimously.

Funding: Senator Jergeson moved current level, state special revenue for fiscal 1988 and 1989 of $53,000 per year and general fund to be adjusted to reflect the approved expenditures.

Senator Jacobson called the question. The motion CARRIED unanimously.

UNIVERSITY SYSTEM - FEE WAIVERS:

The Board of Regents requested legislation to take five fee waivers out of statute and allow the Board of Regents the discretion to implement the fee waivers.

(2:B:2026) The waivers are for veterans, war orphans, prisoners of war, senior citizens, and custodial students. They request the Indian fee waiver remain because of constitutional direction. The drive to eliminate all of the other fee waivers from statute is because of the belief that they may not be able to limit them to in-state residents.

Representative Peck asked if this was clear that the board they will not take out waivers unless it is necessary. Carroll Krause stated yes, they are in place now and will continue to be in place.

Senator Hammond mentioned that if the board did eliminate the veterans fee waiver, there would be a bill in to reinstate that. He suggested leaving them in the board policy.

Opponents:

Todd Hudak, Associated Students of MSU, stated they were extremely opposed to the bill.

(2:B:24.47) Denny Kluen, MSU representing the Veteran Students population, stated concern that the intention would be to hold waivers at same level. If the funding is decreased, will that level of funding be maintained for waivers. They now feel they have a priority, but if waiver becomes just part of the basket of waivers, what priority will they have then.

Dori Nielson, LFA, spoke in regard to the issue of custodial students-waivers. These allow older residents of Mountain View and Pine Hills to attend the university system and receive a fee waiver. It has a cap of eight per school and is only used by about three per year and is less expensive than custodial care. The board policy opens up more than those two agencies.

(2:B:29.40) Representative Peck moved a committee bill be drafted to delete the five fee waivers from statute for: veterans, orphans, prisoners of war, senior citizens and custodial students and placed in control of the Board of Regents.

Senator Jacobson supported the motion, but felt it needs to be discussed. Senator Hammond spoke against it saying he would go along with the senior citizens but that is all. Senator Jergeson asked if there was any way to amend existing statute in order to comply with federal court cases. If the language is stricken from statute, how would the regents keep out-of-state people from taking advantage of waivers.

Senator Jacobson called the question on the motion. Because Senator Hammond voted no and there was not a 100 percent consensus of the committee, the committee cannot recommend to the full appropriations.

Representative Peck talked about a constitutional amendment and moved a committee bill be drafted for a constitutional amendment to define the authority of the Montana legislature in terms of its appropriation authority over the Montana University System. He referred to articles within the constitution: Article 10, Article 9, Subsection 2(a), Article 4, Section 11, and Article 6, Section 1(1). It should be authority of legislature to appropriate money to

university and have control over the monies. The appropriation authority should reside with the people. At present the regents exercise the authority to move funds around.

(2:B:001) Carroll Krause asked if there are some problems that can be corrected or some other way to resolve the issues before them. The Board of Regents oppose the bill by citing the need for flexibility to move money from one place to another.

Senator Hammond supported the motion as it is an educational process for the legislature.

Representative Peck stated that they are not charging that the regents have been moving money around, but the legislative intent has been violated. There is a vagueness in the constitution and it need to be defined.

(2:B:5.38) President. Tietz asked if the university system personnel could see the narrative of the bill when drafted to see the impact it may have. The bill would go to the full appropriations committee and they could see the language and respond to that.

Senator Hammond called the question on the motion. The motion CARRIED unanimously.

UNIVERSITY SYSTEM - EXECUTIVE ACTION

Dori Nielson reviewed the university system worksheets with the committee. She stated that the committee would have some decisions to make concerning the formula factors of enrollments, funding level, vacancy savings, formula, and salary levels.

Commissioner Krause stated that the basic concern will be to look at the base funding. They are asking the committee to look at HB 500 level funding. Each unit would be funded at the level they were in HB 500 in 1986 and 1987 and that would let them keep the level of current programs at current level.

The committee asked if the request to maintain HB500 funding meant retaining all programs as they were. They expressed concern that the announced cuts were not really intended to happen. Questions were asked as to what cuts were absolute. Only the three smaller units have some absolute, decided cuts.

(2:B:27.43) Senator Hammond asked if the School of Architecture was one that might be restored. Mr. Krause stated

they were looking at that. The board would make the final decision on which programs would be eliminated and which would not be. They think it is very important that before that decision is made a public hearing be held. Many options have been discussed.

Chairman Nathe said that the absolute cuts were taken on the smaller units and only contingency cuts on the major units. The smaller schools programs could be focused toward the role and scope more specifically.

Senator Jacobson asked if the board had looked at larger units and primary programs. Dr. Krause stated they had but no decisions were made yet. This is an ongoing process with adjustments being made on all units.

Senator Hammond stated he was favorably impressed with the small units and what they have done to reduce the administration charges where the two larger units were not. Commissioner Krause said that the small units have more administration charges. The larger units also made large administrative cuts and eliminated administrative positions. He pointed out that coming up with two or three million dollars requires taking a whole program.

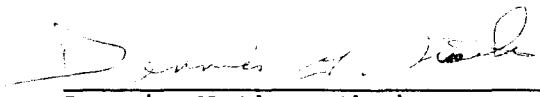
Dr. Koch stated that the University of Montana would receive 1.6 million less than they are spending in instruction now in the governor's proposal. That represents a transfer from administration and physical plant into instruction.

U of M experienced significant enrollment declines which involved cutting off and eliminating assistant professors in the mid 70's to cut people instead of programs, and consequently they now do have a high level of full professorships.

(3:A:10.56) Senator Jacobson inquired about cutting duplicate programs first.

ADJOURNMENT

The meeting was adjourned at 11:27 a.m.



Dennis Nathe, Chairman

DAILY ROLL CALL

EDUCATION SUB COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 2/13/87

NAME	PRESENT	ABSENT	EXCUSED
Rep. Dennis Nathe, Chairman	✓		
Sen. Judy Jacobsen, Vice Ch.	✓ late		
Sen. Swede Hammond	✓		
Rep. Dennis Iverson	✓ late		
Sen. Greg Jergeson	✓		
Rep. Ray Peck	✓		

CS-30

EXHIBIT 1
DATE 2/13/87
HB

Table 1
COST OF EXEMPTING FACULTY WITH JOINT TEACHING CONTRACTS FROM VACANCY SAVINGS
BY AGENCIES AND DIFFERENT RATES FOR THE 1989 BIENNIUM

Agency/# of FTE Faculty/Type	No Vacancy S.	Take 1% Vacancy S.	Take 2% Vacancy S.	Take 3% Vacancy S.
Ag Experiment Station (67.04 FTE) research-teaching contracts for 100%	$106,345	$79,759	$53,172	$26,586
Cooperative Extension Service (0.00 FTE) no extension-teaching contracts	$0	$0	$0	$0
Bureau of Mines & Geology (15.56 FTE) research-teaching contracts for 100%	$26,246	$19,684	$13,123	$6,561
Total FY 88 General Fund Increase	$132,591	$99,443	$66,295	$33,147
Total FY 89 General Fund Increase	$132,591	$99,443	$66,295	$33,147
TOTAL BIENNIUM INCREASE	$265,182	$198,886	$132,590	$66,294

Table 2
COST OF EXEMPTING ALL CONTRACT FACULTY FROM VACANCY SAVINGS
BY AGENCIES AND DIFFERENT RATES FOR THE 1989 BIENNIUM

Agency/# of FTE Faculty	No Vacancy S.	Take 1% Vacancy S.	Take 2% Vacancy S.	Take 3% Vacancy S.
Ag Experiment Station (90.00 FTE)	$136,565	$102,424	$68,282	$34,141
Cooperative Extension Service (80.56 FTE)	$94,754	$71,066	$47,377	$23,689
Bureau of Mines & Geology (15.56 FTE)	$26,246	$19,684	$13,123	$6,561
Total FY 88 General Fund Increase	$257,565	$193,174	$128,782	$64,391
Total FY 89 General Fund Increase	$257,565	$193,174	$128,782	$64,391
TOTAL BIENNIUM INCREASE	$515,130	$386,348	$257,564	$128,782

Vacancy Savings on Faculty for the 1987 Biennium

Agency	% Rate	Savings
Agricultural Experiment Station	2.0%	$141,022 (House floor)
Cooperative Extension Service	0.0%	$0
Montana Bureau of Mines & Geology	0.0%	$0

2/12/87

Attachment 1

LEGISLATIVE ACTION

AGENCY: BUREAU OF MINES AND GEOLOGY

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Difference	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Difference	FY 86-88 % Change
FTE	32.41	26.43	26.43	0.00	26.43	26.43	0.00	-18.45%
Personal Services	$957,620	$868,378	$868,378	$0	$868,378	$868,378	$0	-9.32%
Operating Expenses	$549,685	$526,623	$369,151	$157,472	$527,013	$368,024	$158,989	-32.84%
Equipment	$18,868	$20,000	$22,075	($2,075)	$20,000	$23,875	($3,875)	17.00%
TOTAL EXPENSES	$1,526,173	$1,415,001	$1,259,604	$155,397	$1,415,391	$1,260,277	$155,114	-17.47%
FUNDING								
General Fund	$1,173,871	$1,362,001	$1,206,604	$155,397	$1,362,391	$1,207,277	$155,114	2.79%
State Special	$52,302	$53,000	$53,000	$0	$53,000	$53,000	$0	1.33%
Resource Indemnity Trust	$300,000	$0	$0	$0	$0	$0	$0	-100.00%
TOTAL FUNDING	$1,526,173	$1,415,001	$1,259,604	$155,397	$1,415,391	$1,260,277	$155,114	-17.47%

ISSUES	Add to (Subtract From) LFA Current Level Fiscal 1988	Add to (Subtract From) LFA Current Level Fiscal 1989	COMMITTEE ACTION Fiscal 1988	COMMITTEE ACTION Fiscal 1989
1. Administrative Charge (Executive higher by $324,854 for the biennium. LFA reduced to 5 percent of total expenditures each year.)	$162,135	$162,719	_____	_____
2. Operating Expenses (Executive higher in shop items but lower in contracted services, supplies and materials, and communications for a net decrease.)	($4,663)	($3,730)	_____	_____
3. Equipment (Executive lower)	($2,075)	($3,875)	_____	_____

2/4/87

1987. Expenditures from the general fund for fiscal 1986 totaled $82,142. Of that amount, $72,646 was expended for personal services and $9,496 for operating expenses. The personal services included a 0.95 FTE director, a 0.94 FTE secretary, and a total of 2.54 FTE part-time personnel (student research assistants). Operating expenses included office supplies and minor equipment of $5,335, communications for $2,274, repair of $1,514, and $373 in travel and other.

The fiscal 1987 MONTCLIRC budget reflects general fund of $72,925 plus $16,165 from the user fee designated fund. The current level analysis continues general fund appropriations at $72,925 for the 1989 biennium, with the expected user fee designated fund to provide approximately $15,000 annually to complete budget needs.

Scholarships and Fellowships

The scholarships and fellowships program includes the discretionary and mandatory fee waivers granted by each unit. Discretionary fee waivers are calculated at 5.75 percent of the registration and resident incidental fees and 18.45 percent of non-resident incidental fees. Categories of students receiving mandatory fee waivers include: veterans, war orphans, prisoners of war, senior citizens, Native Americans, custodial, high school honor scholarship, community college honor, and National Merit. Table 6 lists mandatory waivers expenditures reported in fiscal 1986.

Table 6
Mandatory Fee Waivers
Fiscal 1986

Category	MSU	UM	EMC	NMC	WMC	MCMST	TOTAL
Veterans	$ 25,044	$ 26,687	$24,605	$12,675	$ 7,991	$ 8,739	$105,741
War Orphans	2,700	906	--	--	--	--	3,606
POW	--	--	--	--	--	--	--
Senior Citizens	3,096	3,593	2,705	2,025	2,902	4,415	18,736
Native American	55,410	62,301	75,551	105,408	3,306	4,158	306,134
Custodial	231	462	1,101	--	--	--	1,794
High School Honor	168,174	67,134	29,832	3,003	5,212	19,269	292,624
C. College Honor	2,292	1,476	1,386	--	--	--	5,154
National Merit	6,312	1,902	--	--	--	1,413	9,627
Total	$263,259	$164,461	$135,180	$123,111	$19,411	$37,994	$743,416

Based on fiscal 1986 actual expenditures for mandatory fee waivers, enrollment projections, and tuition and fee changes, the projection for mandatory fee waivers is $833,284 in fiscal 1988 and $858,390 in fiscal 1989.

REVENUE SOURCES

The Montana University System units are funded from several sources, including: general fund, tuition and fees, statewide six mill levy proceeds, indirect cost reimbursement, and other miscellaneous sources.

Attachment 3

SUBCOMMITTEE ACTION

Agency: University System - Six Units

Program: Instruction

Instruction	FY 1986 Actual	FISCAL 1988 Executive	FISCAL 1988 Current Level	FISCAL 1988 Difference	FISCAL 1989 Executive	FISCAL 1989 Current Level	FISCAL 1989 Difference
MSU	$25,187,572	$23,075,478	$23,267,982	($192,504)	$23,075,478	$23,337,572	($262,094)
UM	$18,894,842	$17,499,838	$17,297,059	$202,779	$17,499,838	$17,365,051	$134,787
EMC	$6,676,322	$6,152,031	$6,108,652	$43,379	$6,152,031	$6,180,416	($28,385)
NMC	$3,765,898	$4,041,362	$3,656,528	$384,834	$4,041,362	$3,700,171	$341,191
WMC	$1,790,395	$2,235,292	$2,072,146	$163,146	$2,235,292	$2,094,749	$140,543
MCMST	$4,301,281	$3,412,871	$3,548,995	($136,124)	$3,412,871	$3,642,083	($229,212)
Total Exp.	$60,616,310	$56,416,872	$55,951,362	$465,510	$56,416,872	$56,320,042	$96,830

ISSUES:

1. Enrollment - see Enrollment Information

2. Funding Level
   Executive - 95 percent Instruction
   Current Level - 91.7 percent Instruction

3. Formula Factors*: Salary

	Current Level	Executive
MSU/UM	$30,986	$29,850
EMC	$27,722	$26,706
NMC/WMC	$27,495	$26,487
MCMST	$29,996	$28,897

4. Formula Factors*: Instructional Support Rate per FYFTE

	FY 1988 Current Level	FY 1988 Executive	FY 1989 Current Level	FY 1989 Executive
MSU	$633.14	$584.18	$633.76	$584.18
UM	$467.69	$471.71	$468.15	$471.71
EMC	$381.79	$354.60	$382.16	$354.60
NMC	$466.97	$444.00	$467.42	$444.00
WMC	$531.70	$492.11	$532.22	$492.11
MCMST	$464.55	$398.76	$465.01	$398.76

*Factors not discounted

SUBCOMMITTEE ACTION

Agency: University System - Six Units

Program: Support

Support	FY 1986 Actual	FISCAL 1988 Executive	FISCAL 1988 Current Level	FISCAL 1988 Difference	FISCAL 1989 Executive	FISCAL 1989 Current Level	FISCAL 1989 Difference
MSU	$13,585,047	$11,694,429	$12,365,879	($671,450)	$11,612,829	$12,303,666	($690,837)
UM	$10,014,583	$9,800,051	$10,362,790	($562,739)	$9,720,851	$10,307,012	($586,161)
EMC	$4,615,792	$4,044,030	$4,238,679	($194,649)	$3,991,230	$4,227,371	($236,141)
NMC	$2,439,544	$2,122,236	$2,041,322	$80,914	$2,079,036	$2,018,472	$60,564
WMC	$1,383,313	$1,192,571	$1,153,167	$39,404	$1,150,571	$1,121,464	$29,107
MCMST	$2,777,689	$2,261,547	$2,435,630	($174,083)	$2,207,547	$2,439,887	($232,340)
Total Exp.	$34,815,968	$31,114,864	$32,597,467	($1,482,603)	$30,762,064	$32,417,872	($1,655,808)

ISSUES:

1. Enrollment - see Enrollment Information

2. Funding Level
   Executive - 90 percent
   Current Level - 91.7 percent

3. Support rate:

	Current Level	Executive
MSU/UM	$1,396	$1,378
EMC/NMC/WMC	$1,387	$1,369
MCMST	$1,650	$1,629

4. High headcount adjustment
   Current level uses FY 1986 FYFTE and FY 1986 enrollment
   Executive uses FY 1987 fall FTE and FY 1987 fall enrollment

	Current Level	Executive
MSU	1	1
UM	2	2
EMC	4	4
NMC	0	0
WMC	2	3
MCMST	3	3

5. Law and pharmacy special fee revenue - UM
   Executive includes $175,000 per year for expenditure authority
   as an offset to inclusion of those fees in unrestricted revenue

6. Audit costs
   Both Executive and Current level include a total of $352,800 for the six units
   Language in HB500 required the units to fund twenty-five percent (fifty percent for UM and MSU)
   from funds other than those appropriated ($128,400)

7. Vacancy savings
   Executive applies 4 percent ($886,150)

SUBCOMMITTEE ACTION

Agency: University System - Six Units

Program: Public Service

Public Service	FY 1986 Actual	FISCAL 1988 Executive	FISCAL 1988 Current Level	FISCAL 1988 Difference	FISCAL 1989 Executive	FISCAL 1989 Current Level	FISCAL 1989 Difference
MSU	$10,057	$10,048	$10,258	($210)	$10,048	$10,258	($210)
UM	$211,283	$189,450	$206,020	($16,570)	$189,462	$206,013	($16,551)
EMC	$224,803	$204,755	$231,435	($26,680)	$204,849	$231,447	($26,598)
NMC	$9,062	$8,575	$9,373	($798)	$8,575	$9,373	($798)
WMC	$0	$0	$0	$0	$0	$0	$0
MCMST	$0	$0	$0	$0	$0	$0	$0
Total Exp.	$455,205	$412,828	$457,086	($44,258)	$412,934	$457,091	($44,157)

ISSUES:

1. Adjustments to base - amount of expenditure over appropriation

	Current Level
MSU	$0
UM	($11,054)
EMC	$0
NMC	$0
WMC	$0
MCMST	$0

2. Vacancy Savings
   Executive applied 4 percent - $13,977

SUBCOMMITTEE ACTION

Agency: University System - Six Units

Program: Research

Research	FY 1986 Actual	FISCAL 1988 Executive	FISCAL 1988 Current Level	FISCAL 1988 Difference	FISCAL 1989 Executive	FISCAL 1989 Current Level	FISCAL 1989 Difference
MSU	$578,210	$530,616	$597,925	($67,309)	$530,616	$597,925	($67,309)
UM	$631,404	$592,758	$518,179	$74,579	$594,436	$519,459	$74,977
EMC	$0	$0	$0	$0	$0	$0	$0
NMC	$0	$0	$0	$0	$0	$0	$0
WMC	$0	$0	$0	$0	$0	$0	$0
MCMST	$49,885	$37,426	$43,718	($6,292)	$37,555	$43,747	($6,192)
Total Exp.	$1,259,499	$1,160,800	$1,159,822	$978	$1,162,607	$1,161,131	$1,476

ISSUES:

1. Adjustments to base - reduction by amount of expenditure over appropriation

	Current level
MSU	$0
UM	($116,064)
EMC	$0
NMC	$0
WMC	$0
MCMST	($7,561)

2. MONTCLIRC - included in research appropriation for UM
   User fees deposited in designated fund

	Each year of 1989 Biennium Current Level	Executive	FY 1986	OP Plan FY 1987
Appropriation	$72,925	$75,000	$87,550	$72,925
Genl Fund Exp			$82,142	$72,925
User fee coll	$15,000	$25,000	$11,717	$10,000
User fee exp			$1,232	$16,165

3. Vacancy Savings
   Executive reduced - ($36,424)

SUBCOMMITTEE ACTION

Agency: University System - Six Units

Program: Plant

Plant	FY 1986 Actual	FISCAL 1988 Executive	FISCAL 1988 Current Level	FISCAL 1988 Difference	FISCAL 1989 Executive	FISCAL 1989 Current Level	FISCAL 1989 Difference
MSU	$4,852,855	$5,397,624	$4,804,913	$592,711	$5,596,708	$4,973,137	$623,571
UM	$5,099,031	$5,268,397	$5,273,489	($5,092)	$5,405,843	$5,410,778	($4,935)
EMC	$1,950,003	$2,023,125	$2,024,605	($1,480)	$2,042,192	$2,079,056	($36,864)
NMC	$1,081,539	$1,053,678	$944,384	$109,294	$1,079,017	$969,517	$109,500
WMC	$688,142	$683,431	$729,090	($45,659)	$692,777	$744,443	($51,666)
MCMST	$1,313,476	$1,352,882	$1,409,531	($56,649)	$1,385,978	$1,440,618	($54,640)
Total Exp.	$14,985,046	$15,779,137	$15,186,012	$593,125	$16,202,515	$15,617,549	$584,966

ISSUES:

1. Adjustments to base - expenditure above appropriation

	Current Level
UM	($10,920)
NMC	($175,677)
WMC	($12,368)
MCMST	($137,731)

2. Adjustments to base - Energy savings natural gas rate decrease

	Current Level	Executive
MSU	($259,000)	($100,000)

3. Adjustments to base - Additions
   Actions of 1985 Legislature for fiscal 1987

	Current Level	Executive
MSU	$238,414	$238,414
WMC	$25,370	
MCMST	$180,000	

3. Adjustments to base - Additions for sewer and insurance
   Executive increased per request
   Current level used applied inflation factors - these items receive no increase

4. Adjustments to base - Reductions
   Actions of 1985 Legislature for fiscal 1987

	Current Level
MSU	($229,535)

5. Vacancy Savings applied in executive budget
   Executive applies 4 percent ($209,441)
   Current level if applied to the four units with over 20 FTE ($182,603)

6. Hazardous Waste, ISSUE 4: Budget Analysis page F-88

SUBCOMMITTEE ACTION

Agency: University System - Six Units

Program: Scholarships & Fellowships

Scholar/Fellowships	FY 1986 Actual	FISCAL 1988 Executive	FISCAL 1988 Current Level	FISCAL 1988 Difference	FISCAL 1989 Executive	FISCAL 1989 Current Level	FISCAL 1989 Difference
MSU	$896,879	$1,023,359	$1,147,803	($124,444)	$1,023,359	$1,149,605	($126,246)
UM	$897,738	$981,835	$985,840	($4,005)	$981,835	$988,069	($6,234)
EMC	$312,905	$322,850	$356,466	($33,616)	$322,850	$359,988	($37,138)
NMC	$238,369	$264,188	$227,135	$37,053	$264,188	$229,449	$34,739
WMC	$75,057	$83,231	$82,683	$548	$83,231	$83,448	($217)
TECH	$294,068	$289,193	$205,447	$83,746	$289,193	$210,468	$78,725
Total Exp.	$2,715,016	$2,964,656	$3,005,374	($40,718)	$2,964,656	$3,021,027	($56,371)

ISSUES:

1. Enrollment - see Enrollment Information

2. Tuition rate - see Tuition Information

3. Mandatory Fee Waivers - see page F-82, budget analysis book
   Current level - FY 1986 mand. waivers times enrollment change times tuition change

4. Discretionary Fee Waivers
   Determined by multiplying 5.75 percent times anticipated registration and resident incidental fees and 18.45 percent times anticipated non-resident incidental fees

01/27/87

SUBCOMMITTEE ACTION

Agency: University System - Six Units

Program: Funding

Program	FY 1986 Actual	FISCAL 1988 Executive	FISCAL 1988 Current Level	FISCAL 1988 Difference	FISCAL 1989 Executive	FISCAL 1989 Current Level	FISCAL 1989 Difference
Instruction	$60,616,310	$56,416,872	$55,951,362	$465,510	$56,416,872	$56,320,042	$96,830
Support	$34,815,968	$31,114,864	$32,597,467	($1,482,603)	$30,762,064	$32,417,872	($1,655,808)
Research	$1,259,499	$1,160,800	$1,159,822	$978	$1,162,607	$1,161,131	$1,476
Public Service	$455,205	$412,828	$457,086	($44,258)	$412,934	$457,091	($44,157)
Plant	$14,985,046	$15,779,137	$15,186,012	$593,125	$16,202,515	$15,617,549	$584,966
Fellow/Scholarships	$2,715,016	$2,964,656	$3,005,374	($40,718)	$2,964,656	$3,021,027	($56,371)
Total Exp.	$114,847,044	$107,849,157	$108,357,123	($507,966)	$107,921,648	$108,994,712	($1,073,064)
FUNDING							
General Fund	$73,168,435	$68,975,061	$67,354,191	$1,620,870	$68,861,478	$67,663,929	$1,197,549
Tuition and Fees	$24,308,293	$25,313,526	$27,022,752	($1,709,226)	$25,313,526	$27,158,894	($1,845,368)
Six-mill Levy	$14,384,000	$12,924,000	$11,468,180	$1,455,820	$13,125,000	$11,659,889	$1,465,111
Indirect Cost Rec.	$1,804,122	$0	$1,992,000	($1,992,000)	$0	$1,992,000	($1,992,000)
Other	$522,124	$636,570	$520,000	$116,570	$621,644	$520,000	$101,644
Spenddown Fund Balan	$660,070	$0	$0	$0	$0	$0	$0
Total Funding	$114,847,044	$107,849,157	$108,357,123	($507,966)	$107,921,648	$108,994,712	($1,073,064)

ISSUES:

1. Tuition and Fees: see ISSUE 3, budget analysis, page F-88, Table 12
   Executive - $720 annual incidental fee
   Current level - $792 annual incidental fee (surcharge retained)

2. Six-mill Levy
   Estimates differ

3. Indirect Cost Recoveries
   HB500 specifies 85 percent of indirect cost recoveries to be deposited in current unrestricted fund
   Special Session III allowed units to retain amounts exceeding the HB500 appropriated level
   Executive - eliminates all indirect cost recovery, both federal and non-federal
   Current Level - utilizes FY 1986 information plus additional amounts discussed in Special Session III
   less approx. $190,000 for reduction in ICR for TECH from Bureau of Mines

4. Other Sources
   Current level - utilizes FY 1986 information

TESTIMONY ON BEHALF OF MONTANA TECH

February 5, 1987

My name is Bill Robinson. I live at 11 North Lake in Butte, Montana and work for Western Energy Company. I am here today representing the Montana Tech Alumni Association of which I am past President, Montana Tech Booster Club, Montana Tech Foundation, Miners and Citizens of the Butte/Anaconda/Deer Lodge area. I am presently active in all of those organizations and have had an opportunity to discuss Montana Tech's future with a broad cross-section of people in the surrounding areas. The testimony I bring to you today is representative of those conversations and a consensus of the feelings of all those involved.

Montana Tech is an important part of our community. It represents a major part of our economic base, but more so, an institution of higher education that is available to people in our area that can't afford to send their children to more costly institutions. It provides unique degrees in the mineral industry that cannot be matched anywhere in the world. There is a blend of mining, geology, geophysics, environmental and safety, and strong basic engineering programs.

Over a third of Montana Tech Alumni work in Montana and many work for the same company I do. The majority of the professional people in the mining and mineral areas throughout Montana are Montana Tech graduates and work in Butte, Helena, Billings, Missoula, Lincoln, Winston, Troy, Kalispell, Dillon, Ennis, Jardine, Silver Star and Colstrip, Montana as well as many other locations in the state. Not only has Tech been a resource for professionals to staff mining companies but also it has been a resource for academic staff professionals to provide assistance for specific project support and various research projects. Should this great institution of world-wide recognition be dismantled for political or financial reasons, it would force companies to support and hire students from Colorado, Utah, or Nevada mineral schools. This would not be done out of desire, but out of necessity. Montana can ill afford any more dollars leaving the state.

Many mining companies are presently trying to develop some precious metals mines as well as additional coal reserves in the state and it seems imprudent to pull out the necessary higher education support for these companies at a time when it is so badly needed. I sincerely hope you would consider the highly technical nature of Montana Tech and evaluate this institution on its own merits and needs. For the good of this State and the good of all mining companies, I am asking that you support the

programmatic funding at Montana Tech. Allow the president of that institution, who is a very capable administrator, the flexibility to work within a reasonable budget and raise additional revenues as he sees fit. Reinstate the level of budget needed to provide these unique programs. The past budget cuts, not to mention any further cuts or restructuring, can only harm an institution with nearly 100 years of superb reputation and performance.

Thank you for your consideration.

SUBCOMMITTEE ACTION

Agency: University System - Six Units

Program: Instruction

Instruction	FY 1986 Actual	FISCAL 1988 Executive	FISCAL 1988 Current Level	FISCAL 1988 Difference	FISCAL 1989 Executive	FISCAL 1989 Current Level	FISCAL 1989 Difference
MSU	$25,187,572	$23,075,478	$23,267,982	($192,504)	$23,075,478	$23,337,572	($262,094)
UM	$18,894,842	$17,499,838	$17,297,059	$202,779	$17,499,838	$17,365,051	$134,787
EMC	$6,676,322	$6,152,031	$6,108,652	$43,379	$6,152,031	$6,180,416	($28,385)
NMC	$3,765,898	$4,041,362	$3,656,528	$384,834	$4,041,362	$3,700,171	$341,191
WMC	$1,790,395	$2,235,292	$2,072,146	$163,146	$2,235,292	$2,094,749	$140,543
MCMST	$4,301,281	$3,412,871	$3,548,995	($136,124)	$3,412,871	$3,642,083	($229,212)
Total Exp.	$60,616,310	$56,416,872	$55,951,362	$465,510	$56,416,872	$56,320,042	$96,830

ISSUES:

1. Enrollment - see Enrollment Information

2. Funding Level
   Executive - 95 percent Instruction
   Current Level - 91.7 percent Instruction

3. Formula Factors*: Salary

	Current Level	Executive
MSU/UM	$30,986	$29,950
EMC	$27,722	$26,706
NMC/WMC	$27,495	$26,487
MCMST	$29,996	$28,897

4. Formula Factors*: Instructional Support Rate per FYFTE

	FY 1988 Current Level	FY 1988 Executive	FY 1989 Current Level	FY 1989 Executive
MSU	$633.14	$584.18	$633.76	$584.18
UM	$467.69	$471.71	$468.15	$471.71
EMC	$381.79	$354.60	$382.16	$354.60
NMC	$466.97	$444.00	$467.42	$444.00
WMC	$531.70	$492.11	$532.22	$492.11
MCMST	$464.55	$398.76	$465.01	$398.76

*Factors not discounted

SUBCOMMITTEE ACTION

Agency: University System - Six Units

Program: Support

Support	FY 1986 Actual	FISCAL 1988 Executive	FISCAL 1988 Current Level	FISCAL 1988 Difference	FISCAL 1989 Executive	FISCAL 1989 Current Level	FISCAL 1989 Difference
MSU	$13,585,047	$11,694,429	$12,365,879	($671,450)	$11,612,829	$12,303,666	($690,837)
UM	$10,014,583	$9,800,051	$10,362,790	($562,739)	$9,720,851	$10,307,012	($586,161)
EMC	$4,615,792	$4,044,030	$4,238,679	($194,649)	$3,991,230	$4,227,371	($236,141)
NMC	$2,439,544	$2,122,236	$2,041,322	$80,914	$2,079,036	$2,018,472	$60,564
WMC	$1,383,313	$1,192,571	$1,153,167	$39,404	$1,150,571	$1,121,464	$29,107
MCMST	$2,777,689	$2,261,547	$2,435,630	($174,083)	$2,207,547	$2,439,887	($232,340)
Total Exp.	$34,815,968	$31,114,864	$32,597,467	($1,482,603)	$30,762,064	$32,417,872	($1,655,808)

ISSUES:

1. Enrollment - see Enrollment Information

2. Funding Level
   Executive - 90 percent
   Current Level - 91.7 percent

3. Support rate:

	Current Level	Executive
MSU/UM	$1,396	$1,378
EMC/NMC/WMC	$1,387	$1,369
MCMST	$1,650	$1,629

4. High headcount adjustment
   Current level uses FY 1986 FYFTE and FY 1986 enrollment
   Executive uses FY 1987 fall FTE and FY 1987 fall enrollment

	Current Level	Executive
MSU	1	1
UM	2	2
EMC	4	4
NMC	0	0
WMC	2	3
MCMST	3	3

5. Law and pharmacy special fee revenue - UM
   Executive includes $175,000 per year for expenditure authority
   as an offset to inclusion of those fees in unrestricted revenue

6. Audit costs
   Both Executive and Current level include a total of $352,800 for the six units
   Language in HB500 required the units to fund twenty-five percent (fifty percent for UM and MSU)
   from funds other than those appropriated ($128,400)

7. Vacancy savings
   Executive applies 4 percent ($896,150)

SUBCOMMITTEE ACTION

Agency: University System - Six Units

Program: Public Service

Public Service	FY 1986 Actual	FISCAL 1988 Executive	FISCAL 1988 Current Level	FISCAL 1988 Difference	FISCAL 1989 Executive	FISCAL 1989 Current Level	FISCAL 1989 Difference
MSU	$10,057	$10,048	$10,258	($210)	$10,048	$10,258	($210)
UM	$211,283	$189,450	$206,020	($16,570)	$189,462	$206,013	($16,551)
EMC	$224,803	$204,755	$231,435	($26,680)	$204,849	$231,447	($26,598)
NMC	$9,062	$8,575	$9,373	($798)	$8,575	$9,373	($798)
WMC	$0	$0	$0	$0	$0	$0	$0
MCMST	$0	$0	$0	$0	$0	$0	$0
Total Exp.	$455,205	$412,828	$457,086	($44,258)	$412,934	$457,091	($44,157)

ISSUES:

1. Adjustments to base - amount of expenditure over appropriation

	Current Level
MSU	$0
UM	($11,054)
EMC	$0
NMC	$0
WMC	$0
MCMST	$0

2. Vacancy Savings
   Executive applied 4 percent - $13,977

SUBCOMMITTEE ACTION

Agency: University System - Six Units

Program: Research

Research	FY 1986 Actual	FISCAL 1988 Executive	FISCAL 1988 Current Level	FISCAL 1988 Difference	FISCAL 1989 Executive	FISCAL 1989 Current Level	FISCAL 1989 Difference
MSU	$578,210	$530,616	$597,925	($67,309)	$530,616	$597,925	($67,309)
UM	$631,404	$592,758	$518,179	$74,579	$594,436	$519,459	$74,977
EMC	$0	$0	$0	$0	$0	$0	$0
NMC	$0	$0	$0	$0	$0	$0	$0
WMC	$0	$0	$0	$0	$0	$0	$0
MCMST	$49,885	$37,426	$43,718	($6,292)	$37,555	$43,747	($6,192)
Total Exp.	$1,259,499	$1,160,800	$1,159,822	$978	$1,162,607	$1,161,131	$1,476

ISSUES:

1. Adjustments to base - reduction by amount of expenditure over appropriation

	Current level
MSU	$0
UM	($116,064)
EMC	$0
NMC	$0
WMC	$0
MCMST	($7,561)

2. MONTCLIRC - included in research appropriation for UM
   User fees deposited in designated fund

	Each year of 1989 Biennium Current Level	Executive	FY 1986	OP Plan FY 1987
Appropriation	$72,925	$75,000	$87,550	$72,925
Genl Fund Exp			$82,142	$72,925
User fee coll	$15,000	$25,000	$11,717	$10,000
User fee exp			$1,232	$16,165

3. Vacancy Savings
   Executive reduced - ($36,424)

SUBCOMMITTEE ACTION

Agency: University System - Six Units

Program: Plant

Plant	FY 1986 Actual	FISCAL 1988 Executive	FISCAL 1988 Current Level	FISCAL 1988 Difference	FISCAL 1989 Executive	FISCAL 1989 Current Level	FISCAL 1989 Difference
MSU	$4,852,855	$5,397,624	$4,804,913	$592,711	$5,596,708	$4,973,137	$623,571
UM	$5,099,031	$5,268,397	$5,273,489	($5,092)	$5,405,843	$5,410,778	($4,935)
EMC	$1,950,003	$2,023,125	$2,024,605	($1,480)	$2,042,192	$2,079,056	($36,864)
NMC	$1,081,539	$1,053,678	$944,384	$109,294	$1,079,017	$969,517	$109,500
WMC	$688,142	$683,431	$729,090	($45,659)	$692,777	$744,443	($51,666)
MCMST	$1,313,476	$1,352,882	$1,409,531	($56,649)	$1,385,978	$1,440,618	($54,640)
Total Exp.	$14,985,046	$15,779,137	$15,186,012	$593,125	$16,202,515	$15,617,549	$584,966

ISSUES:

1. Adjustments to base - expenditure above appropriation

	Current Level
UM	($10,920)
NMC	($175,677)
WMC	($12,368)
MCMST	($137,731)

2. Adjustments to base - Energy savings natural gas rate decrease

	Current Level	Executive
MSU	($259,000)	($100,000)

3. Adjustments to base - Additions
   Actions of 1985 Legislature for fiscal 1987

	Current Level	Executive
MSU	$238,414	$238,414
WMC	$25,370	
MCMST	$180,000	

3. Adjustments to base - Additions for sewer and insurance
   Executive increased per request
   Current level used applied inflation factors - these items receive no increase

4. Adjustments to base - Reductions
   Actions of 1985 Legislature for fiscal 1987

	Current Level
MSU	($229,535)

5. Vacancy Savings applied in executive budget
   Executive applies 4 percent ($209,441)
   Current level if applied to the four units with over 20 FTE ($182,603)

6. Hazardous Waste, ISSUE 4: Budget Analysis page F-88

SUBCOMMITTEE ACTION

Agency: University System - Six Units

Program: Scholarships & Fellowships

Scholar/Fellowships	FY 1986 Actual	FISCAL 1988 Executive	FISCAL 1988 Current Level	FISCAL 1988 Difference	FISCAL 1989 Executive	FISCAL 1989 Current Level	FISCAL 1989 Difference
MSU	$896,879	$1,023,359	$1,147,803	($124,444)	$1,023,359	$1,149,605	($126,246)
UM	$897,738	$981,835	$985,840	($4,005)	$981,835	$988,069	($6,234)
EMC	$312,905	$322,850	$356,466	($33,616)	$322,850	$359,988	($37,138)
NMC	$238,369	$264,188	$227,135	$37,053	$264,188	$229,449	$34,739
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TECH	$294,068	$289,193	$205,447	$83,746	$289,193	$210,468	$78,725
Total Exp.	$2,715,016	$2,964,656	$3,005,374	($40,718)	$2,964,656	$3,021,027	($56,371)

ISSUES:

1. Enrollment - see Enrollment Information

2. Tuition rate - see Tuition Information

3. Mandatory Fee Waivers - see page F-82, budget analysis book
   Current level - FY 1986 mand. waivers times enrollment change times tuition change

4. Discretionary Fee Waivers
   Determined by multiplying 5.75 percent times anticipated registration and resident incidental fees and 18.45 percent times anticipated non-resident incidental fees

01/27/87

SUBCOMMITTEE ACTION

Agency: University System - Six Units

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Support	$34,815,968	$31,114,864	$32,597,467	($1,482,603)	$30,762,064	$32,417,872	($1,655,808)
Research	$1,259,499	$1,160,800	$1,159,822	$978	$1,162,607	$1,161,131	$1,476
Public Service	$455,205	$412,828	$457,086	($44,258)	$412,934	$457,091	($44,157)
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Fellow/Scholarships	$2,715,016	$2,964,656	$3,005,374	($40,718)	$2,964,656	$3,021,027	($56,371)
Total Exp.	$114,847,044	$107,849,157	$108,357,123	($507,966)	$107,921,648	$108,994,712	($1,073,064)
FUNDING							
General Fund	$73,168,435	$68,975,061	$67,354,191	$1,620,870	$68,861,478	$67,663,929	$1,197,549
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Six-mill Levy	$14,384,000	$12,924,000	$11,468,180	$1,455,820	$13,125,000	$11,659,889	$1,465,111
Indirect Cost Rec.	$1,804,122	$0	$1,992,000	($1,992,000)	$0	$1,992,000	($1,992,000)
Other	$522,124	$636,570	$520,000	$116,570	$621,644	$520,000	$101,644
Spenddown Fund Balan	$660,070	$0	$0	$0	$0	$0	$0
Total Funding	$114,847,044	$107,849,157	$108,357,123	($507,966)	$107,921,648	$108,994,712	($1,073,064)

ISSUES:

1. Tuition and Fees: see ISSUE 3, budget analysis, page F-88, Table 12
   Executive - $720 annual incidental fee
   Current level - $792 annual incidental fee (surcharge retained)

2. Six-mill Levy
   Estimates differ

3. Indirect Cost Recoveries
   HB500 specifies 85 percent of indirect cost recoveries to be deposited in current unrestricted fund
   Special Session III allowed units to retain amounts exceeding the HB500 appropriated level
   Executive - eliminates all indirect cost recovery, both federal and non-federal
   Current Level - utilizes FY 1986 information plus additional amounts discussed in Special Session III
   less approx. $190,000 for reduction in ICR for TECH from Bureau of Mines

4. Other Sources
   Current level - utilizes FY 1986 information

UNIVERSITY SYSTEM - Enrollment Information

02/12/87

Actual Enrollment

UNIT	FY 84-86 3-yr ave	FYFTE FY 1986	FYFTE FY 1987*	Fall FTE FY 1986	Fall FTE FY 1987	Fall FTE % change	Winter Qrtr/Spring Sem FTE FY 1986	Winter Qrtr/Spring Sem FTE FY 1987	Winter Qrtr/Spring Sem FTE % change
MT State Univ	10,406	10,097	9,617	10,059	9,571	-4.9%	9,862	9,428	-4.4%
University of MT	8,224	8,144	8,034	7,996	7,850	-1.8%	7,876	7,739	-1.7%
Eastern MT College	3,455	3,442	3,192	3,266	3,097	-5.2%	3,230	3,084	-4.5%
Northern MT Coll	1,715	1,693	1,717	1,512	1,528	1.1%	1,555	1,515	-2.6%
Western MT College	872	854	928	775	868	12.0%	766	792	3.4%
School of Mines	1,876	1,659	1,572	1,639	1,536	-6.3%	1,548	1,488	-3.9%
Total	26,549	25,889	25,060	25,247	24,450	-3.2%	24,837	24,046	-3.2%

Enrollment Projections

UNIT	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 New Projection**	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 New Projection**
MT State Univ	9,573	9,550	9,403	9,573	9,565	9,248
University of MT	7,983	7,961	7,996	7,983	7,979	8,008
Eastern MT College	3,276	3,239	3,199	3,276	3,271	3,198
Northern MT Coll	1,736	1,571	1,702	1,736	1,587	1,730
Western MT College	947	865	916	947	873	905
School of Mines	1,527	1,555	1,484	1,527	1,593	1,356
	25,042	24,741	24,700	25,042	24,868	24,445

*Actual fall headcount times FY86
ratio of fall headcount to FYFTE
WMC and MCMST actual

**Fall 1987 enrollment factors
applied to enrollment projection model

SUBCOMMITTEE ACTION

AGENCY: MONTANA COOPERATIVE EXTENSION SERVICE

BUDGET ITEM	FY 1986 Actual*	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Difference	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Difference	FY 86-88 % Change
FTE	135.30	116.19	121.02	-4.83	116.19	121.02	-4.83	-10.55%
Personal Services	$3,484,983	$3,223,172	$3,355,392	($132,220)	$3,223,172	$3,355,392	($132,220)	-3.72%
Operating Expenses	$545,757	$482,699	$498,984	($16,285)	$484,439	$500,456	($16,017)	-8.57%
Equipment	$20,217	$15,000	$12,829	$2,171	$15,000	$12,829	$2,171	-36.54%
TOTAL EXPENSES	$4,050,957	$3,720,871	$3,867,205	($146,334)	$3,722,611	$3,868,677	($146,066)	-4.54%
FUNDING								
General Fund	$2,237,166	$1,891,603	$2,037,937	($146,334)	$1,893,343	$2,039,409	($146,066)	-8.91%
Federal Smith-Lever	$1,813,791	$1,829,268	$1,829,268	$0	$1,829,268	$1,829,268	$0	0.85%
TOTAL FUNDING	$4,050,957	$3,720,871	$3,867,205	($146,334)	$3,722,611	$3,868,677	($146,066)	-4.54%

* LFA Actual used. Executive shows FY 86 total of $4,016,843 or $34,114 less for the base year.

ISSUES	Add to (Subtract From) LFA Current Level: Fiscal 1988	Add to (Subtract From) LFA Current Level: Fiscal 1989	COMMITTEE ACTION: Fiscal 1988	COMMITTEE ACTION: Fiscal 1989
1. Fiscal 1986 Base for Personal Services (Executive starts with base of $3,450,869 or $34,114 less)	n/a	n/a		
2. Number of FTE and Compensation (Executive 4.83 FTE less)	($132,220)	($132,220)	_____	_____
3. Supplies and Materials (Executive $15,285 less)	($15,285)	($15,285)	_____	_____
4. Communications (Executive $6,817 more)	$6,817	$6,817	_____	_____
5. Travel (Executive $8,225 less)	($8,225)	($8,225)	_____	_____
6. Rent (Executive more)	$610	$881	_____	_____
7. Other expenses (Executive less)	($202)	($205)	_____	_____
8. Equipment (Executive $2,171 more)	$2,171	$2,171	_____	_____

Agency reports as of 1/21/87 show employer costs for federal employees on agency staff will increase in FY 88 and 89 by $400,000 to a maximum $668,326 if all eligible employees convert to the new Federal Employees Retirement System (FERS) options. This will cause a decrease in services due to the federally mandated cost increases. There will be no increase in federal funds to pay for the increased federal costs.

1/22/87

SUBCOMMITTEE ACTION

AGENCY: MONTANA COOPERATIVE EXTENSION SERVICE

BUDGET ITEM	FY 1986 Actual*	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Difference	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Difference	FY 86-88 % Change
FTE	135.30	116.19	121.02	-4.83	116.19	121.02	-4.83	-10.55%
Personal Services	$3,484,983	$3,223,172	$3,355,392	($132,220)	$3,223,172	$3,355,392	($132,220)	-3.72%
Operating Expenses	$545,757	$482,699	$498,984	($16,285)	$484,439	$500,456	($16,017)	-8.57%
Equipment	$20,217	$15,000	$12,829	$2,171	$15,000	$12,829	$2,171	-36.54%
TOTAL EXPENSES	$4,050,957	$3,720,871	$3,867,205	($146,334)	$3,722,611	$3,868,677	($146,066)	-4.54%
FUNDING								
General Fund	$2,237,166	$1,891,603	$2,037,937	($146,334)	$1,893,343	$2,039,409	($146,066)	-8.91%
Federal Smith-Lever	$1,813,791	$1,829,268	$1,829,268	$0	$1,829,268	$1,829,268	$0	0.85%
TOTAL FUNDING	$4,050,957	$3,720,871	$3,867,205	($146,334)	$3,722,611	$3,868,677	($146,066)	-4.54%

* LFA Actual used. Executive shows FY 86 total of $4,016,843 or $34,114 less for the base year.

ISSUES	Add to (Subtract From) LFA Current Level Fiscal 1988	Add to (Subtract From) LFA Current Level Fiscal 1989	COMMITTEE ACTION Fiscal 1988	COMMITTEE ACTION Fiscal 1989
1. Fiscal 1986 Base for Personal Services (Executive starts with base of $3,450,869 or $34,114 less)	n/a	n/a		
2. Number of FTE and Compensation (Executive 4.83 FTE less)	($132,220)	($132,220)		
3. Supplies and Materials (Executive $15,285 less)	($15,285)	($15,285)		
4. Communications (Executive $6,817 more)	$6,817	$6,817		
5. Travel (Executive $8,225 less)	($8,225)	($8,225)		
6. Rent (Executive more)	$610	$881		
7. Other expenses (Executive less)	($202)	($205)		
8. Equipment (Executive $2,171 more)	$2,171	$2,171		

Agency reports as of 1/21/87 show employer costs for federal employees on agency staff will increase in FY 88 and 89 by $400,000 to a maximum $668,320 if all eligible employees convert to the new Federal Employees Retirement System (FERS) options. This will cause a decrease in services due to the federally mandated cost increases. There will be no increase in federal funds to pay for the increased federal costs.

1/22/87

VISITORS' REGISTER

Education SubCOMMITTEE

BILL NO Educational IRA DATE 2-12-87

SPONSOR Bradley

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Wm Tietz	Bozm	X	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

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