

MINUTES OF THE MEETING
EDUCATION SUBCOMMITTEE
50TH LEGISLATURE

February 19, 1987

The meeting of the Education Subcommittee was called to order by Chairman Dennis Nathe at 8:12 a.m. on Thursday, February 19, 1987 in Room 104 of the State Capitol.

ROLL CALL: All members were present except Representative Iverson who was absent. Also present was Dori Nielson of the Legislative Fiscal Analyst office, Sib Clack of the Office of Budget and Program Planning, and Deb Thompson, Secretary.

HB660: Action was considered on HB660 to place in statute matters pertaining to university funding. Representative Peck moved to recommend DO PASS to the full appropriation committee for HB660. The motion PASSED unanimously.

HB611: Senator Jacobson moved to recommend DO PASS to full appropriation committee for HB611 which returns 100 percent of indirect cost recoveries to the units. Representative Peck stated that this would obligate the general fund in excess of 3 million dollars by statutory action. Senator Jacobson commented that this bill would be good for the economy and not only moved in the direction of recovery but would add a return of money. Commissioner Krause discussed the needs for this flexibility. He pointed out that this was helpful in training people to be good researchers and for development of outside funds. The motion PASSED with 2 NO votes by Representative Peck and Senator Hammond.

(Continued) UNIVERSITY SYSTEM - EXECUTIVE ACTION

Dori Nielson (112) discussed the inclusion of graduate assistants in the instruction program comparison from the previous day (Exhibit 1, 1a). The units provided detailed information for each of the programs for each of the units (Exhibit 2). Jack Noble (182) wanted to make sure that the committee had on record the total amount appropriated as well as transfers. The problem wasn't because of shifting money but because they had never obtained the level of expenditure authority authorized in the bill. Most of the programs expended less money than appropriated. There are some transfers but the percentage was not significant.

President Koch, University of Montana, listed the money spent in the support program (230). Central administration

had been thinned down and there had been a net increase in instruction.

Mr. Bruce Shively, budget officer from Montana State University (247), discussed the support areas and the three programs which were academic support, student services, and institutional support.

Mr. Bill Byars, from Northern Montana College, said that there were similar support categories in their budget. The quality of the library was improved by transferring money which increased the library expenditure by 50-75 percent. He mentioned the development office where relationship with large firms had gained donations of equipment.

Mr. Ken Heikes, administrative vice president of Eastern Montana College, said that the programs of support were similar to the other units. (290) Some minor shifting made a net change in the support area of only \$35,000. He mentioned that the formula with the peer comparison did not accurately reflect the support areas.

Dr. Doug Treadway, President of Western Montana College, referred to the last page of Exhibit 2. Western had made a transfer from support to be able to hire needed faculty. The dean level of management at the institution was eliminated.

President Lindsay Norman, Montana Tech, (319) said the support area at Montana Tech had suffered the worst in expenditure areas in the last two years. The instructional support could not be reduced without threatening accreditation. He mentioned that the academic deans were abolished two years ago.

The 97 percent support rate with the new enrollment projections was discussed. The 91.7 percent figure reflected the amount of support the units have now compared to the original allocation by the legislature. (500) Senator Jacobson moved to accept current level under the program support for the 6 units of the university system with a funding level of 97 percent in each year of the biennium. The motion PASSED with 2 NO votes by Representative Iverson and Senator Hammond.

The high head count adjustment was discussed. (583) Senator Jacobson questioned the audit costs. Senator Jacobson moved to remove from current level a total of \$128,400 in audit cost for FY88, adopting language from the last biennium that requires payment from funds other than current unrestricted of 25 percent for EMC, NMC, WMC, and MCMST and 50 percent for MSU and UM. The motion PASSED unanimously.

(1-B) Dori Nielson discussed vacancy savings and said that it had not been applied in this area in the past. Sib Clack mentioned that there were people on contract in the support area. Commissioner Krause (034) said that vacancy savings was not applied in the formula areas. Chairman Nathe decided to leave the vacancy savings issue until the next meeting to find out whether it just exempts faculty in this portion or exempts them all.

(043) Senator Hammond asked about the high head count adjustment. Senator Jergeson said there was little difference in this area.

Instruction: Senator Jergeson said he approved the 97 percent funding level in support but it was tentative since he would like to see more money in instruction than in support.(060) Dori Nielson distributed the university system instruction program formula factors (Exhibit 3). Sib Clack (079) said there was a need to consider the average faculty salary, instructional support rate, and percent of formula to be adopted. The pay freeze was discussed. Dori Nielson clarified that the salary formula factor was not for specific salaries but generated funds in the formula. The operating plans for 1987 show the salary level.

Peer salary comparisons were discussed. Senator Jacobson (270) said that when studying the figures the faculty salary level at Montana Tech was below the university. Redefining the role and scope of Tech by taking away the business program that subsidized the engineering program means a reasonable dollar figure is needed to make up the difference in order for Tech to remain an engineering school.

Senator Jergeson (311) moved to use current level for formula factors under the instructional support rate for FY88 with the exception of Montana College of Mineral Science and Technology, increasing the instruction support rate for MCMST to \$633.30 and in FY89 that current level be used for all units except Montana College of Mineral Science and Technology and that rate be increased to \$633.92. The motion PASSED unanimously.

Senator Jergeson moved to accept current level under formula factor faculty salary for FY88 and FY89. He commented that because a salary freeze was being discussed for other state employees, these figures should be retained or the wrong message would be given. Senator Jacobson prefers to raise the formula salary for Tech up to MSU level, approximately \$1,000 more. Fees and surcharges were discussed as ways to continue instruction programs. The issue of the cost of programs needs to be looked at by the Board of Regents. Alternatives for funding would give a choice to the regents

as to which programs were retained. Mr. Jonathan Rader, a 5th year architecture student, distributed a poll taken at MSU architecture school to see if students would be interested in paying a super-tuition to help retain the school of architecture (Exhibit 4, 5). (2-A) The motion PASSED unanimously.

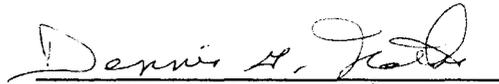
Representative Peck (2-A-014) moved to exempt Montana Tech from the enrollment driven formula granting a base minimum student FTE of 1,550. When the actual enrollment exceeds 1,550, Tech will then ride their actual FTE count. He stated that this was a test the regents intent to make Tech a "premier" institution. Giving them a base student FTE for the formula recognizes that this is a higher cost institution. Representative Peck clarified that this was not giving them an adjustment but was the intent of the committee. The motion PASSED unanimously.

Dori Nielson distributed a summary of comparison of instruction funding at 99 percent and 91.7, and showed the new support program figures at 97 percent, which was the new approved factor, with the base adjusted to 1,550 FTE for Tech. (Exhibit 6). This support figure did not include the fee for audit. Senator Jergeson (096) asked that prior to making any motions he would like to see another scenario run for instruction at 97 percent and support at 90 percent. Senator Jacobson stated that a realistic budget for the six units was necessary for them to function. Representative Iverson (148) said that it was irresponsible to not consider the lack of revenue. Senator Hammond moved to accept for the instruction program a funding level of 97 percent and 90 percent for the support program. Chairman Nathe clarified that this changed the former motion. Senator Jergeson felt that 99-92 percent was better. Representative Peck commented that it was the intent of the committee that instruction be supported at a higher rate and that the support areas should be decreased in the next biennium. Senator Jacobson said this area still needed adjustment. The motion (326) PASSED with 2 NO votes by Senator Jergeson and Senator Jacobson.

Special fee revenue for the law and pharmacy programs at UM were discussed. The revenue was included but the expenditure authority had not been added, as was done in the 1985 session. Representative Peck moved to accept \$175,000 suggested total and make the necessary designated account to to keep it separate and distinct from the base (435). Jack Noble said that violates the policy on designated fees. He explained that these fees provide supplies and materials and enhance courses. They have resisted any type of designated fee add-ons that go into the instructional program and provide salary support. This would be an exception to

policy. Dr. Koch said that every biennium they go through this and that there was a distinct danger that they would lose these dollars. Chairman Nathe asked that this issue be looked at by University of Montana, the Commissioner, and LFA to work out an acceptable solution. Representative Peck WITHDREW the motion.

ADJOURNMENT: The meeting was adjourned at 11:15 a.m. The next meeting was announced for 8:00 a.m., February 20.


DENNIS NATHE, Chairman

dt/2-19

Table 2C

MONTANA UNIVERSITY SYSTEM
STUDENT/FACULTY RATIO
INSTRUCTION PROGRAM
FISCAL 1986

--- Fiscal 1986 ---

Unit	OPERATIONAL PLAN				APPROPRIATED				STUDENT/FACULTY RATIO			
	FYFTE Students	Contract Faculty	Student/Faculty Ratio	Difference	FYFTE Students	Contract Faculty	Student/Faculty Ratio	Difference	Actual	Budgeted	Difference	Op Plan Lowest Instr Salary
MSU	10,097	547.48	17.79	5.16	10,382	572.64	18.13	17.79	18.13	-0.34		
UM	8,144	441.59	18.44	-7.71	8,183	433.88	18.86	18.44	18.86	-0.42		
FMC	3,442	180.71	19.05	2.32	3,516	183.03	19.21	19.05	19.21	-0.16		
NPC	1,683	101.40	16.60	15.26	1,737	116.66	14.89	16.60	14.89	1.71		
MPC	854	54.44	15.69	2.71	875	57.15	15.31	15.69	15.31	0.38		
MCMST	1,659	104.15	15.93	0.92	1,843	105.07	17.54	15.93	17.54	-1.61		
Total	25,879	1,449.77	17.85	18.66	26,536	1,468.43	18.07	17.85	18.07	-0.22		
Unit	Approp Contract Faculty	Op. Plan Contract Faculty	Grad Asst Equiv FTE Faculty Sal	Difference Over(Und)	9% Formula Average Salary with Pay Plan	Formula Average Benefits	Total Excess Inst. Funding	Op Plan Average Grad Asst Sal	Op Plan Lowest Instr Salary			
MSU	572.64	536.38	31.10	5.16	\$29,610	\$5,727	\$182,408	\$17,406	\$16,150			
UM	433.88	409.19	32.40	-7.71	\$29,610	\$5,757	(\$272,638)	\$17,400	\$19,690			
FMC	183.03	180.71		2.32	\$26,491	\$5,247	\$73,621					
NPC	116.66	101.40		15.26	\$26,274	\$5,205	\$480,230					
MPC	57.15	54.44		2.71	\$26,274	\$5,178	\$85,304					
MCMST	105.07	101.20	2.95	0.92	\$28,664	\$5,621	\$31,684	\$17,400	\$15,985			
Total	1,468.43	1,363.32	66.45	18.66			\$580,608					

Table 2D

MONTANA UNIVERSITY SYSTEM
INSTRUCTION PROGRAM
FISCAL 1986

Unit	FY 1986 APPROPRIATED with pay plan	ADJUSTMENTS 2% cut	transfer in transfer out	Total INSTRUCTION PROGRAM
MSU	\$25,615,980	(\$378,966)	(\$15,000)	\$25,222,014
UM	\$18,872,568	(\$219,319)	(\$179,452)	\$18,954,707
EMC	\$6,837,589	(\$94,599)	(\$66,464)	\$6,676,526
NMC	\$4,260,693	(\$108,972)	(\$348,937)	\$3,802,784
MCC	\$1,713,467	(\$31,280)	\$111,856	\$1,794,043
MCHST	\$4,606,029	(\$106,157)	\$83,619	\$4,305,000
	\$61,906,326	(\$939,293)	\$676,385	\$60,755,074

1985-86

MONTANA STATE UNIVERSITY

	<u>H.B. 500 Plus Pay Plan</u>	<u>1985-86 Actual</u>	<u>Increase (Decrease)</u>
Instruction	\$25,615,980	\$25,187,572	\$ (428,408)
Research	578,745	578,210	(535)
Public Service	10,254	10,056	(198)
Support	13,643,954	13,585,041	(58,913)
Physical Plant	5,167,719	4,852,855	(314,864)
Fee Waivers	<u>896,879</u>	<u>896,879</u>	<u>0</u>
TOTAL	<u>\$45,913,531</u>	<u>\$45,110,613</u>	<u>\$ (802,918)</u>

1985-86

UNIVERSITY OF MONTANA

	<u>H.B. 500 Plus Pay Plan</u>	<u>1985-86 Actual</u>	<u>Increase (Decrease)</u>
Instruction	\$18,872,563	\$18,911,437	\$ 38,874
Research	520,697	631,404	110,707
Public Service	200,333	211,283	10,950
Support	10,788,233	10,014,534	(773,699)
Plant	5,088,119	5,099,031	10,912
Fee Waivers	<u>937,840</u>	<u>897,738</u>	<u>(40,102)</u>
TOTAL	<u>\$36,407,785</u>	<u>\$35,765,427</u>	<u>\$ (642,358)</u>

1985-86

EASTERN MONTANA COLLEGE

	<u>H.B. 500 Plus Pay Plan</u>	<u>1985-86 Actual</u>	<u>Increase (Decrease)</u>
Instruction	\$ 6,837,589	\$ 6,676,322	\$ (161,267)
Research	0	0	0
Public Service	223,635	224,803	1,168
Support	4,619,370	4,615,793	(3,577)
Operation and Maintenance	1,991,700	1,950,004	(41,696)
Scholarships and Fellowships	313,719	312,905	(814)
TOTAL	<u>\$13,986,013</u>	<u>\$13,779,827</u>	<u>\$ (206,186)</u>

1985-86

MONTANA TECH

	<u>H.B. 500 Plus Pay Plan</u>	<u>1985-86 Actual</u>	<u>Increase (Decrease)</u>
Instruction	\$4,614,099	\$4,301,281	\$ (312,818)
Research	41,796	49,885	8,089
Support	2,868,092	2,777,688	(90,404)
Physical Plant	1,173,053	1,313,475	140,422
Scholarships and Fellowships	<u>253,228</u>	<u>294,068</u>	<u>40,840</u>
TOTAL	<u>\$8,950,268</u>	<u>\$8,736,397</u>	<u>\$ (213,871)</u>

1985-86

NORTHERN MONTANA COLLEGE

	<u>H.B. 500 Plus Pay Plan</u>	<u>1985-86 Actual</u>	<u>Increase (Decrease)</u>
Instruction	\$4,260,693	\$3,765,898	\$ (494,795)
Public Service	9,107	9,062	(45)
Support	2,270,002	2,439,542	169,540
Plant	905,862	1,081,539	175,677
Scholarships and Fellowships	<u>249,568</u>	<u>238,369</u>	<u>(11,199)</u>
TOTAL	<u>\$7,695,232</u>	<u>\$7,534,410</u>	<u>\$ (160,822)</u>

1985-86

WESTERN MONTANA COLLEGE

	<u>H.B. 500 Plus Pay Plan</u>	<u>1985-86 Actual</u>	<u>Increase (Decrease)</u>
Instruction	\$1,713,467	\$1,790,119	\$ 76,652
Support	1,553,305	1,383,314	(169,991)
Operation and Maintenance	675,771	688,141	12,370
Scholarships and Fellowships	<u>75,404</u>	<u>75,057</u>	<u>(347)</u>
TOTAL	<u>\$4,017,947</u>	<u>\$3,936,631</u>	<u>\$ (81,316)</u>

**UNIVERSITY SYSTEM
Instruction Program
Formula Factors**

1. Enrollment
2. Funding Level
3. AY Faculty Ratio
4. AY Grad. Teaching Assistant Ratio
5. Faculty Benefit Rate
6. Grad. Teaching Assistant Benefit Rate
7. Summer Faculty Benefit Rate
8. Summer Quarter Factor
9. Summer Salary (2/3 of Formula Salary)
10. Salary:

**Formula Salary
1989 Biennium**

<u>Unit</u>	<u>Current Level</u>	<u>Executive</u>	<u>FY 1987 Operating Plans</u>
MSU	\$30,986	\$29,850	\$32,049
UM	30,986	29,850	30,989
EMC	27,722	26,706	26,733
NMC	27,495	26,487	25,832
WMC	27,495	26,487	25,166
MCMST	29,996	28,897	31,595

11. Student/Faculty Ratio: Three year average based on enrollment discipline applying peer productivity ratios. (See Tables 16, 17, and 18 attached)

	<u>1987 Biennium</u>	<u>1989 Biennium</u>
MSU	18.13	17.80
UM	18.86	18.89
EMC	19.21	19.21
NMC	14.89	15.24
WMC	15.31	15.35
MCMST	17.54	17.46

12. Instructional Support Rate: Rate per credit hour - using 3 yr average based on enrollment by discipline in cost categories. (See Table 20 from original study, attached)

<u>Unit</u>	- - - Fiscal 1988 - - - -		- - - Fiscal 1989 - - - -	
	<u>Current Level</u>	<u>Executive</u>	<u>Current Level</u>	<u>Executive</u>
MSU	\$633.30	\$584.18	\$633.92	\$584.18
UM	494.68	471.71	495.16	471.71
EMC	381.79	354.60	382.16	354.60
NMC	466.97	444.00	467.42	444.00
WMC	531.69	492.11	532.21	492.11
MCMST	464.52	398.76	464.97	398.76

Information obtained from the peer questionnaire was used to determine faculty productivity ratios for each discipline and level in actual practice at the peer schools in the 1978-79 year. The medians of the resulting ratios are summarized in Tables 16, 17, and 18. These median ratios show the work load, or faculty productivity of the school that is in the midpoint of schools in the survey. The median was used as the ratios experienced at the peers often show one or two extremes, either extremely high or low productivity ratios that would tend to distort an average. The median productivity ratios were to become the basis for calculation of faculty for the Montana colleges and universities.

Table 16
Median Peer Faculty Productivity Ratios - Universities

<u>Hegis Discipline</u>	<u>Quarter Credit Hours to Generate a FTE Faculty</u>		
	<u>Lower Division</u>	<u>Upper Division</u>	<u>Graduate Division</u>
Agriculture & Natural Resources	1,100	700	400
Architecture & Environ. Design	900	700	400
Biological Sciences	1,200	600	200
Business and Management	1,600	1,000	400
Communications	1,700	700	300
Computer & Infor. Sciences	1,400	800	300
Education	1,000	800	400
Engineering	900	700	300
Fine and Applied Arts	800	400	200
Foreign Language	800	400	200
Health Professions			
Other	800	500	300
Nursing	500	300	300
Home Economics	1,300	600	300
Law	---	---	800
Letters	900	500	300
Library Science	1,000	800	400
Mathematics	1,600	600	200
Military Science	1,200	700	300
Physical Science	1,200	500	200
Psychology	2,200	800	400
Public Affairs & Services	1,500	900	500
Social Sciences	1,600	700	200
Interdisciplinary	1,200	700	300
Technologies	1,000	700	300

Table 17
Median Peer Faculty Productivity Ratios - Colleges

<u>Hegis Discipline</u>	<u>Quarter Credit Hours to Generate a FTE Faculty</u>		
	<u>Lower Division</u>	<u>Upper Division</u>	<u>Graduate Division</u>
Biological Sciences	1,000	400	300
Business and Management	1,200	900	500
Communications	900	800	400
Education	600	900	500
Fine and Applied Arts	700	400	200
Foreign Language	700	300	---
Letters	900	500	300
Library Science	500	900	---
Mathematics	1,200	500	200
Physical Science	900	400	200
Psychology	2,300	900	600
Social Sciences	1,500	700	300
Technologies	500	500	---

Table 18
Median Peer Faculty Productivity Ratios - Mining Schools

<u>Hegis Discipline</u>	<u>Quarter Credit Hours to Generate a FTE Faculty</u>		
	<u>Lower Division</u>	<u>Upper Division</u>	<u>Graduate Division</u>
Biological Sciences	600	300	
Business and Management	1,200*	900*	
Communications		1,000* ?	
Computer and Inform. Sciences	1,000	400	
Education	600	900*	
Engineering	700	700	400*
Fine and Applied Arts	300	300	
Foreign Language	500	300*	
Letters	900	700	
Mathematics	900	600	200
Physical Science	900	500	300
Psychology	2,300*	900	
Social Sciences	1,000	700*	

* From "Median Peer Faculty Productivity Ratios - Colleges".

Table 20
Peer Instructional Departmental Support Expenditures

Colleges and Mining Schools (FY '81)	FY 88	FY 89
<u>\$3.26 Per Quarter Credit Hour</u>	\$4.65	\$4.65
Communications		
Psychology		
<u>\$3.96 Per Quarter Credit Hour</u>	\$5.65	\$5.65
Business and Management		
Computer and Information Sciences		
Social Sciences		
Interdisciplinary		
<u>\$5.84 Per Quarter Credit Hour</u>	\$8.33	\$8.34
Fine and Applied Arts		
Foreign Languages		
Letters		
Mathematics		
<u>\$8.58 Per Quarter Credit Hour</u>	\$12.24	\$12.25
Biological Sciences		
Education		
Library Science		
Physical Sciences		
Technologies		
Engineering		
 Universities (FY '81)	 \$7.26	 \$7.27
<u>\$5.09 Per Quarter Credit Hour</u>		
Architecture and Environmental Design		
Business and Management		
Communications		
Psychology		
Social Sciences		
<u>\$7.16 Per Quarter Credit Hour</u>	\$10.22	\$10.23
Computer and Information Sciences		
Foreign Languages		
Home Economics		
Letters		
Mathematics		
Public Affairs and Services		
Interdisciplinary		
<u>\$9.96 Per Quarter Credit Hour</u>	\$14.20	\$14.22
Biological Sciences		
Education		
Fine and Applied Arts		
Physical Sciences		
<u>\$14.98 Per Quarter Credit Hour</u>	\$21.37	\$21.39
Health Professions		
Agriculture		
Law		
<u>\$20.95 Per Quarter Credit Hour</u>	\$29.89	\$29.92
Engineering		

School of Architecture
323
Students

Architecture students spend a minimum of \$1.6 million yearly in the City of Bozeman.

Student Fees Generated
\$417,015

Total Cost to Operate School of Architecture
\$551,426

State Support Generated for MSU but not given to School of Architecture
\$1,084,634

Difference between Fees Generated & Operational Costs
\$134,411

A Super Tuition of \$140* per quarter will make the School of Architecture self sufficient. Students have agreed to pay a super tuition, if necessary to maintain the School of Architecture.

*For resident students. Non-resident tuition would increase \$434 per quarter for a total yearly tuition of \$3885 or \$1302 higher than present tuition costs. Resident tuition would increase \$420 per year.



Montana State University
Bozeman, Montana 59717

School of Architecture
College of Arts and Architecture

Telephone (406) 994-4255

February 13, 1987

TO: William Tietz, President
MSU

FM: Bob Utzinger, Director
School of Architecture

BU

RE: Increased tuition rate for students in the School of Architecture

The enclosed document calculates the increase in tuition required to make the program in Architecture academically self sufficient.

Our students have been surveyed as to their willingness to pay a higher tuition rate and 65% said yes, 10% maybe (depending upon the rate), 19% no, and 6% gave no response. 244 students responded to the survey which asked the questions: "Would you be willing to pay a higher tuition rate during the 3rd, 4th and 5th year of the architecture program or 3rd & 4th year of the interior design program"

Perhaps this information will be useful to you.

SCHOOL OF ARCHITECTURE - INCREASE IN TUITION RATE

The following statistics and calculations show the amount of student incidental and registration fees required to equal the costs of operations and faculty and staff salaries.

- The 323 students in the School Autumn Quarter 1986 generate \$1,501,649 in tuition and state support for MSU on a yearly basis. Of this total, \$417,015 is generated by in-state and out-of-state incidental fees and \$1,084,634 by State support.

In-state fees = $\$837 \times 239$	\$ 200,043
Out-of-state fees = $\$2583 \times 84$	<u>216,972</u>
Total fees	\$ 417,015
State support = $3,358 \times 323$	<u>1,084,634</u>
Total fees and state support	\$1,501,649

The 1986-87 costs for the School are as follows:

Faculty & benefits $393,165 \times 1.15123$	\$ 452,623
Classified & benefits $45,578 \times 1.14112$	52,010
Insurance	17,940
Operations	<u>28,853</u>
Total	\$ 551,426

Difference between the cost of the School and fees:

1986-87 School costs	\$ 551,426
1986-87 Student incidental and registration fees	<u>417,015</u> <i>miss type \$417,015</i>
Maximum amount saved if School terminated	\$ 134,411

- Average enrollment for Autumn Quarter

1977-78	312	1982-83	381
1978-79	315	1983-84	347
1979-80	335	1984-85	358
1980-81	344	1985-86	333
1981-82	362	1986-87	323

Average over a 10 year period = 341

- Average out-of-state students as a % of the total student body is 28%

- Average number of students in third, fourth & fifth year

Year of curriculum	1982	1983	1984	1985	1986	Average
Third	63	64	49	38	46	52
Fourth	49	53	62	41	37	48
Fifth	48	44	50	56	50	50
Total	160	161	161	135	133	150

- | | | |
|--|----------------|-------------|
| <u>1986-87 Student fees</u> | <u>Quarter</u> | <u>Year</u> |
| In-state incidental and registration | \$279 | \$ 837 |
| Out-of-state incidental and registration | 861 | 2583 |

6. In-state and out of state fees required to equal School of Architecture cost.

	<u>1st & 2nd year</u>	<u>3rd, 4th & 5th</u>
a) Average number of students	191	150
28% out-of-state	53	42
72% In-state	143	108

b) University fees for 1st and 2nd year	
In-state (138 x \$837) =	\$115,506
Out-of-state (53 x \$2583) =	<u>136,899</u>
	\$252,405

School budget	551,426
fees for 1st and 2nd year	- <u>252,405</u>
	\$299,021

c) In-state fees required from 3rd, 4th & 5th year students
 108 @ \$1257 + 42 @ \$3885 = \$298,926

7. Summary

Total student fees required to entirely support School costs

	Present	New	Yearly Difference	Quarterly Difference
In-state 1st & 2nd year	\$ 837	\$ 837	\$ 0	\$ 0
In-state 3rd, 4th & 5th year	837	<u>1257</u>	<u>420</u>	<u>140</u>
Out-of-state 1st & 2nd year	\$2583	\$2583	\$ 0	\$ 0
Out-of-state 3rd, 4th & 5th year	2583	<u>3885</u>	<u>1302</u>	<u>434</u>

Presently, the School of Architecture ranks 20th out of 41 programs at MSU in cost per student. The School has not been a high cost program, but 75% of the students would be willing to pay a higher tuition to ensure that the program remain at Montana State University.

During these difficult times, the above is a better alternative than phasing out the program. The cost of the phase-out period will be \$336,420. Savings from the termination of the program will not begin until 1991 and will be only \$134,411 a year. It will not be until 1994 before any real net savings will occur. Hardly worth it.

MONTANA UNIVERSITY SYSTEM APPROPRIATIONS SUMMARY--1989 BIENNIUM

PRELIMINARY CALCULATIONS:

FEB 87 SUBCOMMITTEE Enrollment,
 PLANT, SUPT, RES expenditure base not exceeding 86 appropriation,
 1987 salary base, FEB 87 adjust CCF

-Fiscal 1988-	MSU	UM	EMC	NMC	NMC	MCMST	TOTAL
Instruction	\$24,426,183	\$18,586,558	\$6,381,915	\$4,190,393	\$2,321,136	\$3,995,761	\$59,901,946
Support	11,871,552	10,137,319	4,057,543	2,124,607	1,154,867	2,329,961	31,675,849

97% INSTRUCTION
 90% SUPPORT
 TECH BASE

-Fiscal 1989-	MSU	UM	EMC	NMC	NMC	MCMST	TOTAL
Instruction	\$23,869,704	\$18,645,270	\$6,391,724	\$4,266,713	\$2,297,033	\$4,002,548	\$59,472,992
Support	11,675,367	10,152,700	4,056,406	2,159,559	1,141,019	2,330,016	31,515,067

1
 2 INTRODUCED BY *House* BILL NO. *611* *Waller* *Norm*
 3 *David E. Mason* *Bradley* *Gregg* *Johnson* *Van* *Wickburg* *Smith*
 4 *Boyle* *Beck* *Johnson* *Johnson* *Johnson* *Johnson* *Johnson*
 5 *Johnson* *Johnson* *Johnson* *Johnson* *Johnson* *Johnson* *Johnson*
 6 *Johnson* *Johnson* *Johnson* *Johnson* *Johnson* *Johnson* *Johnson*
 7 *Johnson* *Johnson* *Johnson* *Johnson* *Johnson* *Johnson* *Johnson*
 8 *Johnson* *Johnson* *Johnson* *Johnson* *Johnson* *Johnson* *Johnson*
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 10 Section 1. Allocation of indirect cost reimbursements.
 11 Any reimbursement for indirect costs associated with a grant
 12 to or contract with the Montana university system or any of
 13 its units is allocated to the designated subfund of the
 14 university current fund, as provided in 17-2-102, for
 15 distribution to the unit receiving the grant or under the
 16 contract.
 17 Section 2. Codification instruction. Section 1 is
 18 intended to be codified as an integral part of Title 20,
 19 chapter 25, part 4, and the provisions of Title 20, chapter
 20 25, part 4, apply to section 1.
 21 Section 3. Effective date. This act is effective July
 22 1, 1987.

-End-

INTRODUCED BILL
HS-611



STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB611, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act allocating reimbursements for indirect costs of university grants and contracts to the University System.

ASSUMPTIONS:

- 15% of all indirect cost recoveries are currently deposited in the designated fund; 85% are appropriated for general operating costs of the university units.
- All indirect costs recoveries of each university system unit would be deposited in a designated fund for use by the unit.
- General fund money would replace the indirect cost revenue that is currently appropriated for general operating costs of the units.

FISCAL IMPACT:

	FY88			FY89		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
Designated Fund	\$ 278,118	\$ 1,854,118	\$1,576,000	\$ 278,118	\$ 1,854,118	\$1,576,000
Current Unrestricted	1,576,000	0	(1,576,000)	1,854,118	0	(1,576,000)
TOTAL	\$1,854,118	\$ 1,854,118	\$ 0	\$1,854,188	\$ 1,854,118	\$ 0

89 Biennium Difference:

Designated Fund	\$3,152,000
Current Unrestricted	(3,152,000)
TOTAL	\$ 0

NOTE: Current Unrestricted Fund impact will be state General Fund impact.

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

None.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Research activities of the units should increase with more designated fund revenue available to support research activities.

David L. Hunter DATE 2/6/87
DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

Dave Brown DATE _____
DAVE BROWN, PRIMARY SPONSOR

Fiscal Note for HB611, as introduced.

HB 611

House BILL NO. 660
INTRODUCED BY Bob NATHAN, Mike Sullivan, Raygan

1 into in pursuance of law, permitting such disbursement.
2 (3) Money paid into the state treasury through error
3 or under circumstances, such that the state is not legally
4 entitled to retain it and a refund procedure is not
5 otherwise provided by law, may be refunded upon the
6 submission of a verified claim approved by the department of
7 administration."

8 Section 2. Section 17-8-101, MCA, is amended to read:
9 "17-8-101. Appropriation and disbursement of moneys
10 from the treasury. (1) Moneys Except as provided in
11 20-25-302, money deposited in the general fund, the special
12 revenue fund type, the enterprise fund type, the internal
13 service fund type, and the capital projects fund type, the
14 current unrestricted subfund, the current designated
15 subfund, and the plant fund, with the exception of refunds
16 authorized in subsection (3), shall be paid out of the
17 treasury only on appropriation made by law.

18 (2) Moneys deposited in the debt service fund type,
19 expendable trust fund type, nonexpendable trust fund type,
20 pension trust fund type, and agency fund type may be paid
21 out of the treasury under general laws, or contracts entered
22 into in pursuance of law, permitting such disbursement.

23 (3) Money paid into the state treasury through error
24 or under circumstances, such that the state is not legally
25 entitled to retain it and a refund procedure is not



LC 1427/01

- 1 Title 20, chapter 25, part 4, apply to sections 3 and 4.
- 2 NEW SECTION. Section 7. Effective dates --
- 3 termination. (1) Sections 1, 3, 5, and this section are
- 4 effective July 1, 1987.
- 5 (2) Sections 2 and 4 are effective June 30, 1989, and
- 6 section 3 terminates on that date.

-End-