

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON EDUCATION

Call to Order: An organizational meeting was called to order by Rep. Ray Peck, on January 3, 1989, at 3:30 p.m.

ROLL CALL

Members Present: All with the exception of Rep. Mike Kadas

Members Excused: None

Members Absent: Rep. Mike Kadas

Staff Present: Keith Wolcott, Senior Fiscal Analyst
Sandra Whitney, Associate Analyst
Joe Williams, Budget Analyst, OBPP
Claudia Johnson, Committee Secretary

Others Present: Joe Williams, Budget Analyst, OBPP
Lois Steinbeck, Assistant Lead Analyst, OBPP
Brian Harlin, ASMSU, Lobbyist
Quentin Rhoades, MSU Office of President
Claudette Morton, Board of Public Education
Beth O'Halloran, Montana Federation of Teachers
Beth O'Halloran, Montana Federation of Teachers
Mike Males, Bozeman Daily Chronicle
Chuck Munk, MAS Lobbyist
Jack Noble, Commissioner of Higher Education

Announcements/Discussion: Keith Wolcott passed out tentative agendas. See Exhibit A. The first meeting of the Education Subcommittee will be held on Monday, January 8, 1989, at 8:00 a.m. No meetings are scheduled the first week due to conflicting schedules. Education Subcommittee meetings will continue through the 40th day with the University System beginning the third week.

Travel days for campus visits will include Saturdays and one working day with the suggested day being Friday. Campus visits will begin with the University of Montana on January 20, 1989. Further campus visits include Montana State University on Friday, January 27 and Montana Tech and Western College on Friday and Saturday, February 3rd and 4th.

The method of transportation will be by van with the

exception of the visit to Northern and Eastern Colleges on February 9th and 10th which will probably require an airplane.

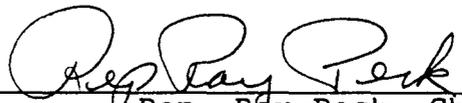
Keith Wolcott stated that Saturdays are good visit days because there are no classes and the universities can more easily schedule time for faculty and students to meet with the committee. He felt the key word is to remain flexible to enable substitutions. Rep. Peck suggested that two days are needed to travel to Eastern and Northern Colleges.

Jack Noble suggested an identical campus visit format for each campus. Sen. Hammond suggested that each campus schedule the visits based on timelines provided by the committee with Rep. Marks and Sen. Jacobson agreeing. Discussion followed.

Sen. Boylan moved to adjourn. There being no further business to be discussed, Rep. Peck adjourned the meeting.

ADJOURNMENT

Adjournment At: 4:30 p.m.



Rep. Ray Peck, Chairman

RP/jl

0221.min

DATE JAN 3, 1989

**EDUCATION SUBCOMMITTEE OF THE APPROPRIATIONS COMMITTEE
TENTATIVE SCHEDULE - 51st LEGISLATIVE SESSION
8:00 a.m. - 12:00 noon**

<u>Legis Day</u>	<u>Weekday</u>	<u>Date</u>	<u>Topic</u>	<u>Location</u>
7	M	1/09/89	Vo-Ed Council	Room 104
			Board of Public Ed.	Capitol Bldg
8	T	1/10/89	School for the Deaf and Blind	Capitol Bldg
9	W	1/11/89	Fire Services Trng. School	Capitol Bldg
10	TH	1/12/89	Office of Public Instruction	Capitol Bldg
			OPI Dist: School Lunch, Trans.	Capitol Bldg
			Traffic Ed., Sec. Vo-Ed, Spec. Ed,	
			Adult Basic Ed, Discretionary	
			Grants, Gifted & Talented	
12	S	1/14/89	Travel Day (Univ. System) TBA*	
15	W	1/18/89	Vo-Tech Centers	Capitol Bldg
16	TH	1/19/89	Community Colleges	Capitol Bldg
18	S	1/21/89	Travel Day (Univ. System) TBA*	
19	M	1/23/89	Overview - Univ. System <i>Univ. Study</i>	SH or SRS Aud
20	T	1/24/89	Board of Regents	Scott Hart Aud
			Commissioner of Higher Ed	or SRS Aud
21	W	1/25/89	Univ. of Montana	SH or SRS Aud
			Forestry Exp. Station	SH or SRS Aud
			Western Montana College	SH or SRS Aud
24	S	1/28/89	Travel Day (Univ System) TBA*	
25	M	1/30/89	Montana State University	SH or SRS Aud
			Ag. Experiment Station	SH or SRS Aud
			Coop Extension Service	SH or SRS Aud
27	W	2/01/89	Montana Tech	Room 104
			Bureau of Mines	Capitol Bldg
30	S	2/04/89	Travel Day (Univ System) TBA*	
31	M	2/06/89	Northern Montana College	Capitol Bldg
32	T	2/07/89	Eastern Montana College	Capitol Bldg
			Catch Up	Capitol Bldg

Work Sessions: 1/15/89, 1/16/89, 1/20/89, 1/27/89, 2/8/89 through 2/16/89.

*Travel days to be announced. (Hopefully we can travel either immediately before or after their hearing days.)

EDUCATION SUBCOMMITTEE MEMBERS:

- | | |
|-----------------------------------|-------------------------------------|
| Representative Ray Peck, Chairman | Senator Dennis Nathe, Vice Chairman |
| Representative Bob Marks | Senator Judy Jacobson |
| Representative Mike Kadas | Senator Swede Hammond |
| | Senator Paul Boylan |

LEGISLATIVE FISCAL ANALYST STAFF: Phone 444-2986

- Keith Wolcott, Senior Fiscal Analyst
- Sandy Whitney, Associate Fiscal Analyst



STATE OF MONTANA

Office of the Legislative Fiscal Analyst

STATE CAPITOL
HELENA, MONTANA 59620
406/444-2986

JUDY RIPPINGALE
LEGISLATIVE FISCAL ANALYST

November 19, 1988

TO: University Funding Study Committee

FROM: University Funding Subcommittee
Representative Ray Peck, Chairman 

SUBJECT: Report on Funding Formula

The subcommittee met on November 18th to discuss the elements of the proposed university funding formula and to review student faculty ratios, average faculty salary, and library expenditures in order that the full committee could make recommendations to the full legislature. The subcommittee proposes the following approach.

UNIVERSITY FORMULA

The university system is funded in six program areas: instruction, support, scholarships and fellowships, research, public service, and plant. Of these programs, three are done by formula: instruction, support, and scholarships and fellowships. The most complicated part of the current university funding methodology is the formula used for the instruction and support programs. The subcommittee of the University Funding Study Committee proposes a funding approach to University System budgeting that is much simpler than the current method for instruction and support.

Instruction and Support Programs

These programs will be funded using a formula which includes the following six data elements.

1. Fiscal Year FTE Student Enrollment
2. Student/Faculty Ratios
3. Instructional Faculty Salary
4. Benefit Rate
5. Instructional Support Costs
6. Support Program Costs

The adoption of specific values for these data elements is left to the committees of the Fifty-First Legislature. The subcommittee recommends that factors to be considered in setting the values for these six data elements are: actual enrollment; size of the institution; discipline mix data; student faculty ratios - current, appropriated, and peer; salary surveys and reports; benefit compensation laws and policies; relationship of instructional support and support costs; taxpayer ability to pay; and availability of funds.

The university system is encouraged to bring forth a specific modified request for a formula solution to library funding.

SUMMARY

This recommendation establishes concepts rather than specific factors, as both the legislature and the university system need to present the most current facts and represent their constituents.

MONTANA STATE UNIVERSITY
Bozeman, Montana

EXECUTIVE OFFICERS:

President: William J. Tietz
Vice President for Academic Affairs: Michael P. Malone, Acting
Vice President for Research: John W. Jutila
Director of Administration: James L. Isch
Dean of Student and University Relations: Thomas B. Robinson

CAMPUS PROFILE: 1987-88

ENROLLMENT:

9,049 Undergraduate
829 Graduate
9,878 Total (Fall Headcount)
9,292 FYFTE
9,287 FYFTE (Unrestricted)

ENROLLMENT BY FIELD (Fall Headcount):

592 Agriculture
857 Arts & Architecture
1,411 Business
965 Education
1,988 Engineering
1,576 Letters & Science
492 Nursing
21 WAMI
1,147 General Studies
829 Graduate Studies

STUDENT PROFILE:

42% Female
92% Undergraduate
86% Montana Residents
213 Foreign Students
23.8 Average Age

DEGREES AWARDED:

1,738 Baccalaureate
250 Masters
37 Doctorate

FTE EMPLOYEES (Unrestricted):

565 Contract Faculty & GTAs
124 Contract Professional
284 Classified
81 Part-Time & Other
1,054 Total

PEER INSTITUTIONS:

Northern Arizona University
University of Idaho
New Mexico State University
University of North Dakota
North Dakota State University
Utah State University
University of Wyoming
University of Nevada-Reno

ACCREDITATION: 1987-88

Northwest Association of Schools and Colleges	Montana State University
National Council for Accreditation of Teacher Education (Education)	Education Programs
National League for Nursing	Nursing Program
National Accreditation Council for Environmental Health Curricula	Environmental Health Option, Microbiology
Accrediting Board for Engineering and Technology	Agricultural, Chemical, Civil, Electrical, Mechanical, and Industrial & Management Engineering Programs Construction, Electrical & Electronic, and Mechanical Engineering Technology Programs
National Architectural Accrediting Board	Architecture Program
National Association of Schools of Art and Design	Art Program
National Association of Schools of Music	Music
American Assembly of Collegiate Schools of Business	Management Program Accountancy Program
American Dietetic Association	Foods and Nutrition Option, Home Economics
American Home Economics Association	Home Economics Department
American Psychological Association International Association of Counseling Services	Counseling & Psychological Services
American Chemical Society	Chemistry Department
American Association of Museums	Museum of the Rockies
Accreditation Association for Ambulatory Health Care	Student Health Service
American Association for Accreditation of Laboratory Animal Care	Animal Care Facility

STUDENT PERFORMANCE:

Fifty percent of students receiving Montana high school honor scholarships attend MSU.

Fifty-one percent of MSU accounting students passed all parts of the CPA exam on the first attempt compared to a national average of 19 percent. Since 1984, MSU has been nationally ranked among the top five institutions in CPA examination pass rate.

Ninety percent of MSU's engineering graduates passed the Fundamentals of Engineering Exam, compared to a national average of 74 percent.

Over the past five years, 87 percent of MSU graduates applying to medical school have been accepted, compared to a national average of approximately 50 percent. The acceptance rate for dental schools is 100 percent, compared with a national average of 70 percent.

One hundred percent of MSU's recent nursing graduates passed the professional board exam. The pass rate for the past four years is 98 percent.

Ninety-six percent of MSU teacher education graduates equalled or exceeded the standards established by the state of Montana for passing scores on all portions of the National Teachers Exam.

Nearly 54 percent of freshmen entering MSU were ranked in the upper 20 percent of their high school classes; 76 percent of entering freshmen were ranked in the upper 40 percent.

The average high school grade point average of freshman entering MSU is 3.02.

Major scholarships and fellowships awarded 1987 graduates included:
The Oliver Wendell Holmes Fellowship at Harvard Medical School
The JFK Public Policy Fellowship at Harvard School of Government
Two Rotary International Travelling Fellowships
A Truman Scholarship (Public Policy at Harvard)

TEST SCORES OF 1987 ENTERING FRESHMEN:

	-----ACT-----			-----SAT-----	
	MSU	USA		MSU	USA
English	19.7	18.6	Verbal	449	430
Math	21.1	17.8	Math	505	476
Composite	21.9	19.7			

EMPLOYMENT STATUS OF GRADUATES:

	Average Annual Salary	-----Percent Employed-----				Not Seeking Work
		Desired Field	Other Field	Graduate School	Seeking Work	
Baccalaureate	\$21,435	71%	10%	14%	4%	1%
Graduate Degrees	26,546	78	3	13	2	

FACULTY ACTIVITY:

National Honors:

University of Hartford National Master Teacher Award

(more examples to follow)

National Offices:

Co-Academic Director, International Physics Olympiad Team
Head, American Vacuum Society

(more examples to follow)

Number of Refereed Publications:

Books:

Monographs: (national source--John)

Articles:

Percent of Faculty with Terminal Degrees:

GRANTS AND CONTRACTS ACTIVITY:

Number of Proposals Submitted: 499

Success Rate: 34%

Revenue Sources:

58.5% Federal

10.4% State

31.1% Private

MSU Expenditures: \$13,162,000

Peer Expenditures:

MSU Percent of Peers:

FINANCIAL PROFILE: 1986-87

EXPENDITURES BY PROGRAM:

	Expenditures		Percent of Total	
	MSU	Peers	MSU	Peers
Instruction	\$24,328,236	\$31,889,440	55.9%	49.2%
Academic Support	5,471,974	7,641,891	12.6	11.5
Student Services	4,014,128	3,693,928	9.2	6.2
Scholarships & Fellowships	<u>1,080,097</u>	<u>1,642,817</u>	<u>2.5</u>	<u>1.5</u>
Subtotal	34,894,435	44,868,076	80.2	68.4
Research	490,910	3,673,050	1.1	4.5
Public Service	8,255	1,671,224	0.0	1.8
Institutional Support	3,277,454	6,751,567	7.6	11.3
Physical Plant	4,838,974	8,594,349	11.1	14.0
TOTAL	\$43,510,028	\$65,558,266	100.0%	100.0%

PROFILE PER FTE STUDENT:

	-----Dollars-----			Percent of Peers
	MSU	Peers	Diff	
Expenditures				
Total	\$4,503	\$6,801	\$2,298	66.2%
Instruction Program	2,517	3,329	812	75.6
All Support Programs	1,321	1,913	592	69.1
Library	215	344	129	62.5
Revenue				
State Support	\$3,325	\$5,008	\$1,683	66.4%
Tuition	1,052	1,177	125	89.4
Other	126	616	490	20.5
Revenue Percent of Total Budget				
State Support	73.8%	73.6%	-0.2%	
Tuition	23.4	17.3	-6.1	
Other	2.8	9.1	6.3	

FORMULA ELEMENTS: 1986-87

	MSU	Peers	Diff	Percent
Instruction				
Student/Faculty Ratio	16.7	16.1	0.6	96.4
Average Faculty Salary	31,400	36,490	5,090	86.1
Faculty Salary Benefits	19.4%	20.4%	1.0%	
Instructional Support/FTE	456	686	230	66.5
Support				
Support/FTE (excl Library)	1105	1569	464	70.4
Library Expenditures	2,073,066	3,810,204	1,737,138	54.4
Physical Plant				
Grounds				
Maintenance & Operations				
Utilities				
Hazardous Waste & Insurance				
Scholarships & Fellowships	1,080,097	1,642,817	562,720	65.8

FORMULA ELEMENTS: 1990-91

	Average -----of Peers-----		Regents' -----MSU Request-----	
	1990	1991	1990	1991
Instruction				
Student/Faculty Ratio				
Average Faculty Salary				
Faculty Salary Benefits				
Instructional Support/FTE				
Support				
Support/FTE (excl Library)				
Library Expenditures				
Physical Plant				
Grounds				
Maintenance & Operations				
Utilities				
Hazardous Waste & Insurance				
Scholarships & Fellowships				

*Peer estimates = FY 1987 figures * ___% annual inflation.

BUDGET REQUEST BY PROGRAM:

	Average of Peers*		Regents' MSU Request	
	1990	1991	1990	1991
Instruction				
Research				
Public Service				
Support (excl Library)				
Library				
Physical Plant				
Scholarships & Fellowships				
Total Budget				

*Peer estimates = FY 1987 figures * ___% annual inflation.
 Instruction and Support are calculated from formula elements above using the LFA's student FTE figure of 9664 for MSU:

Instruction = $9664 / 16.1 * 32,729 * 1.204 + 9664 * 686$
 Support = $9664 * 1569$

FUNDING SUMMARY (EXCLUDING MODS):

	1986-87 Actual	1987-88 Actual	1988-89 Estimated
General Fund	\$25,055,485	\$28,078,345	
Millage	7,076,030	5,081,359	
Tuition and Fees	10,170,018	9,931,369	
Other	1,213,317	1,036,075	
Total	\$43,514,850	\$44,127,148	

FUNDING REQUEST (EXCLUDING MODS):

	1989-90 Request	% Inc from 1988-89	1990-91 Request	% Inc from 1989-90
General Fund				
Millage				
Tuition and Fees				
Other				
Total				

MODIFIED REQUESTS:

Priority	Project	1990	1991	Total
1	Salary Increases	1,148,120	2,365,128	3,513,248
2	100% of Formula Instruction Support	252,209 1,063,398	252,209 1,063,398	504,418 2,126,796
3	Library Support	541,500	558,000	1,099,500
4	Instructional Equipment	552,000	552,000	1,104,000
5	Culbertson Phase II	53,117	55,342	108,459
6	Museum of the Rockies	224,063	224,063	448,126
7	Museum of the Rockies, Physical Plant	149,273	156,112	305,385
8	KUSM			
9	Institute for Process Analysis		223,500	223,500
10	University Technical Assistance Program	102,800	127,100	229,900
11	Material Science		152,445	152,445
12	Water Resource Institute		67,585	67,585
13	Toxic Materials Laboratory		95,910	95,910
	TOTAL	4,086,480	5,892,792	9,979,272

DRAFT

MONTANA UNIVERSITY SYSTEM
SUMMARY PROFILE OF FINANCIAL DATA
1991 BIENNIUM

A) BOARD OF REGENTS:

Dennis Lind	Missoula - Chairman	Term Expires	02/01/89
Burt Hurwitz	White Sulphur Springs - Vice Chairman	Term Expires	02/01/93
Jim Kaze	Havre	Term Expires	02/01/92
Beatrice McCarthy	Anaconda	Term Expires	02/01/90
Elsie Redlin	Sidney	Term Expires	02/01/94
William Mathers	Miles City	Term Expires	02/01/94
Lee Ann Riley	Melrose	Term Expires	06/09/89

B) EXECUTIVE OFFICERS:

Commissioner of Higher Education	Carrol Krause
Deputy Commissioner for Academic Affairs	Robert Albrecht
Deputy Commissioner for Management and Fiscal Affairs	John H. Noble, Jr.
Deputy Commissioner for Vocational Technical Education	Brady Vardemann
Chief Legal Counsel	LeRoy Schramm

C) CAMPUSES:

Montana State University	Dr. William Tietz	President
University of Montana	Dr. James Koch	President
Eastern Montana College	Dr. Bruce Carpenter	President
Montana College of Mineral Science & Technology	Dr. Lindsay Norman	President
Northern Montana College	Dr. William Merwin	President
Western Montana College	Dr. W. Michael Easton	Provost
Agricultural Experiment Station & Cooperative Extension Srvc	Dr. James Welsh	Director
Bureau of Mines & Geology	Dr. Ed Ruppel	Director
Forestry Experiment Station	Dr. Sidney Frissell	Director

BUDGET SUMMARY:

AGENCY	CURRENT BIENNIUM		Requested	
	Actual 1987-88	Budgeted 1988-89	1989-90	1990-91
Eastern Montana College	\$ 13,362,197	\$ 13,428,017	\$	\$
Montana Tech	8,277,296	8,294,881		
Montana State University	44,176,462	43,909,864		
Northern Montana College	7,864,954	7,989,425		
University of Montana	36,763,144	36,860,503		
Western Montana College	4,327,118	4,343,768		
Subtotals	\$114,771,171	\$114,826,458	\$ XXXX	\$ XXXX
Agricultural Exp. Station	8,589,225	8,641,392		
Cooperative Extension Svc	4,355,652	4,363,435		
Forestry Exp. Station	643,535	644,954		
Bureau of Mines	1,276,505	1,286,523		
Commissioner's Office:				
Administration	792,138	784,104		
Student Services	4,670,102	4,529,176		
Fed Program Indirect Costs	10,324	10,324		
Board of Regents	27,951	28,008		
TOTAL SYSTEM (Excludes Modifieds)	\$135,136,603	\$135,114,374	\$	\$
SOURCE OF FUNDING				
General Fund	\$ 88,882,338	\$ 88,795,373		
Millage	12,864,200	12,906,000		
Tuition and Fees	23,435,456	23,809,144		
Indirect Cost	1,126,670	1,128,553		
Other	5,760,702	5,432,834		
Scholarships & Fellowships	3,067,237	3,042,470		
TOTAL SYSTEM (excludes Modifieds)	\$135,136,603	\$135,114,374	\$ XXXX	\$ XXXX
Annual Percentage Increase				
BIENNIUM TOTALS:				
Total Budget	\$270,250,997		\$ XXXX	10% Inc.
General Fund	\$177,677,711		\$ XXXX	14% Inc.

DEMOGRAPHIC, ENROLLMENT & FEE DATA:

A) Total FYFTE Enrollments: 5 year summary

	UM	MSU	TECH	WMC	EMC	NMC	TOTAL
1983-84	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	27,475
1984-85	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	26,553
1985-86	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	25,976
1986-87	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	25,223
1987-88	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	24,174

B) Summary - Fall 1987

Male	Graduate	Resident
Female	Undergraduate	Non-Resident
TOTAL	TOTAL	TOTAL

Age Distribution of Student (Fall 1987) Montana High School Graduates

Under 18 yrs.	↘	1985
18 - 22 yrs.	↘	1986
23 - 27 yrs.	↘	1987
28 - 32 yrs.	↘	1988
33 - 43 yrs.	↘	1989
44 - 55 yrs.	↘	1990
Over 50 yrs.	↘	1991
TOTAL	100 ↘	1992
		1993
		1994

MUS FEE SCHEDULE:

ACADEMIC YEAR

	Resident	Peers	Non-Resident	Peers
Eastern Montana College	1,125		2,583	
Montana Tech	1,076		2,894	
Montana State University	1,343		3,161	
Northern Montana College	1,059		2,517	
University of Montana	1,250		3,068	
Western Montana College	1,167		2,625	

NATIONAL PROFILE 1987-88:

	RANK	MONTANA	NATIONAL AVERAGE	INDEX
1) High School Grads Per 1,000 population	9	12.6	11.2	113
2) FTE Public Students Per High School Grad	27	2.54	2.67	95
3) FTE Public Students Per 1,000 population	21	32.0	29.8	107
4) System Financial Load	--	--	--	119
5) Tax Capacity (\$ per Capita)	39	\$ 1,279	\$ 1,487	86
6) Tax Effort	12	105.7%	100%	105.7
7) Tax Revenue Per Capita	28	\$ 1,353	\$ 1,487	91
8) Tax Revenue Per Student	30	\$42,292	\$49,858	85
9) Allocation to Public Higher Education	26	8.4%	8.1%	104
10) Allocation/Enrollment Ratio	30	.26	.27	97
11) System Support Index (1984-85)	6	111	100	n/a
12) Education Appropriations Per Student	34	\$ 3,563	\$ 4,053	88
13) Education Appropriations Relative to System Financial Load Index	40	79	100	79
14) Tuition as a Percent of Appropriation	36	20.8%	23.6%	88
15) Estimated Net Tuition Per Student	42	\$ 938	\$ 1,250	75
16) Tuition Relative to Personal Disposal Income	33	90	100	90
17) State Appropriation Plus Tuition Per Student	40	\$ 4,501	\$ 5,303	85
18) Relative to System Financial Load	46	76	100	76

profile.ji

VISITORS' REGISTER

Education

JOB COMMITTEE

BILL NO. _____

DATE January 3, 1989

SPONSOR _____

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Bob Kuchenbrod	Deputy Director OBPP		
Joe Williams	Budget Analyst -	OBPP	
Lois Steinbeck	Asst. Lead Analyst -	OBPP	
Brian Harlin	ASUSU Lobbyist		
Quentin Rhoades	USU office of President		
Claudette Morton	Board of Public Ed.		
Bob O'Halloran	MT. Fed. of Teachers		
Mike Males	Bozeman Daily Chronicle		
Chuck Munk	MAS Lobbyist		
Jack Noble	Commissioner of Higher Ed.		

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.