

## MINUTES

### MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

#### SUBCOMMITTEE ON EDUCATION

Call to Order: By Chairman Peck, on January 19, 1989, at 8:00  
a.m.

#### ROLL CALL

Members Present: All with exception:

Members Excused: Rep. Marks and Sen. Nathe

Members Absent: None

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

Announcements/Discussion: None

#### HEARING ON COMMUNITY COLLEGES

Tape No. S\1:000

#### Presentation and Opening Statement:

Dr. Carrol Krause started with the importance of the Community Colleges and stated that they are part of the overall higher education delivery system in Montana. Over the past several years that might not have been as adequately acknowledged as it should have been. The B of R over the last three years has been very concerned about Community Colleges and the kinds of programs that they offer. Dr. Krause stated the B of R has spent a great deal of time the last two year in developing much improved transfer relationships. Dr. Krause addressed some of the concerns the B of R has with the CC and stated there has been a major shift since 1979-80 in the funding that was 65 percent state and 35 percent local. Since 1980 that shift in funding is changing to 48 percent state and 52 percent local. The CC suffer from the impact of I 105, but in addition to that, they suffered from the ways the laws are written for solutions. Dr. Krause stated that right now if the Board of Trustees were to raise the tuition, it would automatically offset the mandatory levy. So there is very little incentive or very little opportunity to take advantage of using the tuition increase just to supplement the real budget needs the CC have. Dr. Krause stated the B of R have a bill that is being introduced by Rep. Stickeny which they hope will give the B of R the opportunity to increase tuition without having to reduce the mandatory

levies and the general fund. Dr. Krause urge the Subcommittee to take into consideration that the CC are very important to us and we must give them the opportunity to have the necessary resources to have quality education. Transfer students coming from those CC are of good quality and certainly do well within the University System, but unfortunately there are not enough of them transferring. Although this is the phenomena nationally that between 17 and 20 percent go on to four year schools, the B of R would like to increase that so more of those students will want to enter the University System.

(095)

Don Kettner, Director of Dawson Community College, stated that the recession in eastern Montana and most specifically the repercussions of I-105 has put DCC through some very difficult times. Mr. Kettner stated that the state's share of funds have steadily decreased to where DCC is presently operating at about the 1984-85 budget level. In the past 5 years, budgets have increased an average of less than 1 percent per year. Mr. Kettner stated that I-105 had a double effect on them, not only did it freeze their mills in dollars at the 1986 level but also the value of the mill has dropped to a critical low. The first year dropped by 15 percent and the second year by 8 percent which left them ineligible for SB 71. This resulted in about a \$183,000 budget cut for DCC in August of this last year and were still trying to come back from a 10 percent cut from the previous year. Mr. Kettner stated that the last year expansion and development of new programs literally stopped. The budget deficiency forced DCC to do something much more drastic and that was to place into obedience, their constructional site at Baker and at Sidney. This not only resulted in a rather serious tuition loss but had dropped 25 to 30 FTE. Mr. Kettner stated that after 8 consecutive years of FTE growth, they had their first FTE decrease last year. In an effort to maintain an operational budget this year, DCC had to deplete all of their reserves which had been left over from the early 1980's when DCC made the transition to the formula funding. Mr. Kettner stated that DCC has done everything possible to survive I-105 but stated to restrict and limit their services when there is a tremendous student exodus into North Dakota did not make any sense. Mr. Kettner stated his district has been absorbing a large share of the cost and are presently at 38.6 mill to support the DCC. Mr. Kettner stated DCC draws students from 28 other counties. Law enforcement is a very specialized program as is the landscape tech and the agri mechanics and stated that 30 percent of DCC enrollments which bounces between 550 to 800 comes from counties outside of that service area that is outlined on the particular map. See Exhibit 1. Mr. Kettner stated that this year DCC is gradually gaining on that loss suffered from last year because they began reviewing, renewing, reorganizing and revitalizing DCC. Mr. Kettner stated that too many of our

Montana students are continuing to enroll in North Dakota colleges and this translates into not only lost revenue but human loss as well. See Exhibit 1.

(510)

Howard Fryett, Flathead Community College, stated they have campuses in Kalispell and Libby with outreach classes offered in Lincoln county. Mr. Fryett stated their enrollment has steadily increased and had approximately 7,000 different individuals enrolled in at least one class in both counties. That increase is expected to continue as University entrance requirements become more stringent. Flathead County residents have recently shown their strong support for the FCC by approving a \$6,495,000 general obligation bond for the purpose of building a new college campus of about 100,000 square feet of five buildings. The FCC students have also shown their support by pledging student building fees to the repayment of almost 40 percent of those bonds and their fees have already paid for 100 percent of the cost of the land on which the new buildings will be constructed. Mr. Fryett stated the new facilities will probably increase enrollments when they move into the new college in the fall of 1990. If there is a danger in being successful it is because the fiscal budgets remain stationary due to funding procedures of I-105, and operating costs have increase as student enrollment increases. The last two years the state had funded FCC at 928 full time equivalent students. However, the last few years full time equivalent students grew to 956 and left FCC to educate more on less money. Mr. Fryett urged the Subcommittee to review and study this budget and stated that FCC is committed to excellence and would like very much to continue it that way. See Exhibit 2.

(180)

Jud Flower, President of Miles Community College, stated he has two or three basic concerns that are critical and important to Miles Community College. Mr. Flower gave a brief presentation of the FTE numbers that have been recommended for funding by the LFA and stated their FTE has gone up above the LFA figures and need the funding to make up the difference. Mr. Flower stated that MCC is experiencing a rapid increase this year in enrollment that has reflected continuing increase of the on-campus enrollment. Mr. Flower urged the Subcommittee's support in the funding of MCC. See Exhibit 3. Mr. Flower introduced the Mr. Paul Mottram, chairman of MCC Board of Trustees.

(400)

Mr. Mottram stated that working on the Board of Trustees with a budget within a Community College becomes very difficult when faculty salaries have not been increased at MCC in the last four years. Mr. Mottram stated they have been through two tremendous cuts from \$2 million in 1984/85 to where they are today and urged the Subcommittee to help alleviate those

problems in the Community Colleges by increasing the funding and looking at the FTE, and the way the FTE are actually calculated.

Rep. Peck asked Mr. Flower if he had received a shorter enrollment based on what the other two Community Colleges had received? Mr. Flowers replied that last session there was a number of FTE available for all three community colleges but not enough budget to support the increases, and if there was to be any recognition in the increase there would have had to be a loss elsewhere. Mr. Flower stated they were the only institution at that time that had a loss, but had they gone back and used the previous two years as the base as was suggested, the FTE would have been 439, instead of the 412 that they are being funded for at this time.

Sen. Jacobson stated that the Subcommittee had accepted current level and that was how they arrived at the average, but knew at the time that DCC was experiencing some increase and MCC was decreasing so the Subcommittee had taken 12 FTE from MCC and gave it to DCC.

Sen. Hammond wanted to know where the surge of enrollment came from for fall and winter quarters of this year? Mr. Flowers stated that the North Dakota competition is a very real thing but MCC is getting a large number of non-traditional students and the nursing program is increasing. Mr. Flowers stated he would like to think it reflects the genuine quality and concern in how they are going about their students, and MCC has hired with some federal funds a recruiter that has helped make their name known.

Tape T\1:073

Terry Minow, Montana Federation of Teachers, stated that MFT represents the faculty at DCC and classified employees at FCC and they rise in support of adequate funding of the Community Colleges budgets. Ms. Minow stated that CC are a very efficient way to deliver education to Montana students and to stabilize the funding is very crucial to those efforts and asked that the Subcommittee adequately fund the CC.

(089)

Mr. Jim Fitzpatrick, State Council, wanted to go on record in support of the CC budgets. Mr. Fitzpatrick stated that CC service some very special people across the state of Montana and stated that those students today are very productive citizens in Montana. Mr. Fitzpatrick urged the Subcommittee's consideration for a strong support of these budgets.

The Subcommittee recessed from 9:30 a.m. until 9:45 a.m.

## HEARING ON OFFICE OF PUBLIC INSTRUCTION

Tape No. T\1:172

Rep. Peck opened the hearing with a memo he had sent to Nancy Keenan, State Superintendent, relative to an agreement that he had worked out with Supt. Keenan and OPI. Rep. Peck stated he had read the minutes from last session and they had the same consideration that basically states that the Subcommittee will be addressing the executive action on the budget for OPI in a global manner rather than specifics. Rep. Peck stated that the LFA staff feels this is necessary and that Supt. Keenan is in agreement on this.

Mr. Haubein distributed a handout on the comparisons of the executive and LFA current level budget, and stated this is on the agency level and not by program. See Exhibit 2. Mr. Haubein stated that LFA will be receiving a funding analysis from OPI in February and the Subcommittee may wish to hold off any funding action until that information comes back. Mr. Haubein started on page 1 of 5 pages on Exhibit 2. The Executive budget needed 6 FTE in their analysis, and four of the FTE were eliminated in the Appropriations Committee meeting and are included under the issue dealing with the Appropriations policy. With the removal of the four duplicate positions there are two positions that are deleted in the executive budget that are still in the LFA current level. Position #18 Administrative Officer IV and position #167 Personal Staff result in the Executive Budget being lower by \$77,802 in FY 1990 and \$77,843 in FY 1991. See Exhibit 2.

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Supt. Keenan stated that basically what they need for FTE is a reading specialist and curriculum specialist to deal with the rural schools of Montana. Supt. Keenan stated she came into office with 7 FTE less and cannot be responsive to the districts, and stated it is her number one priority to service these rural districts. See Exhibit 2.

Rep. Peck asked Supt. Keenan if the 7.95 FTE could be handled within the proposed budget, and if she would be comfortable if they would be lined item for personal services? Supt. Keenan answered yes.

Sen. Hammond asked Supt. Keenan if the people had not been in those positions? Supt. Keenan stated the positions were there but had not been filled.

Mr. Groepper, OPI, stated what they are suggesting to the Subcommittee is within their personal services budget that OPI currently has, they have to put back in the vacancy savings money that the LFA had taken out, about \$107,000 general fund and \$46,000 in federal dollars and Mr. Haubein's figures are correct. Mr. Groepper commented if the Subcommittee could give back the FTE positions, they

would not ask for additional money.

EXECUTIVE ACTION:

DISPOSITION ON OFFICE OF PUBLIC INSTRUCTION

Tape T\2:023

Motion: Rep. Kadas moved to reinstate the 7.95 FTE positions in OPI.

Amendments, Discussion, and Votes: Sen. Hammond asked if this motion carried if it would remain in the budget? Rep. Peck replied that it must remain in the budget deficit and stated explicit notation be made of this comment. No vote was taken at this time.

(035)

Motion: Rep. Marks made a motion to delete the position of the legislative assistant.

Amendments, Discussion, and Votes: Rep. Peck asked Rep. Marks if he was stipulating to change the FTE to 6.95 instead of the 7.95? Rep. Marks replied that was what he meant and stated he felt that there was an extra one in there that wasn't needed.

(045)

Sen. Jacobson stated that she would resist the motion. She stated when Supt. Argenbright came into the office in 1981 had made a number of cuts and felt the positions were vital to OPI and to leave it at 7.95.

Motion: Rep. Marks withdrew his motion.

Rep. Peck stated that the motion is back to Rep. Kadas' motion of reinstating the 7.95 FTE with the understanding that it is to be funded out of the current funds with the balance of this year in this position and the proposed budget of the next biennium.

(190)

Amendments, Discussions, and Votes: The question was called. The motion CARRIED 3/2. Sen. Hammond and Rep. Marks voted no. Sen. Boylan and Sen. Nathe were excused.

Rep. Peck informed Supt. Keenan that on the basis of that vote, suggested that Supt. Keenan would be wise to retitle that one position because it will be a very short term position on her organization.

Hearing on Travel for OPI

Tape T\2:230

Issue 13. Exhibit 2.

Mr. Haubein stated that OPI is requesting additional travel

budget over the LFA current level by \$183,747 in FY 1990 and \$184,362 in FY 1991.

Mr. Williams commented that the executive budget office did approve a travel upgrade of approximately 15 percent of the current level in FY 1988. Mr. Williams stated that most of the increase comes from federal or other funds for state special. The executive office is recommending to not fund the additional \$37,000 in general funding for each year.

(275)

Rep. Peck asked Mr. Groepper if OPI does not appropriate the general fund, can they actually realize the Federal fund? Mr. Groepper replied that if they do not use federal travel, they endanger their grants. Mr. Groepper stated that his office has redone the travel budget from scratch sorting out what they need for travel from federal and what is required by state law to travel to monitor special ed, etc. Mr. Groepper stated if the Subcommittee does not approve the general funding for travel, he thought there was some in-house general fund that LFA had presented in the Governor's budget so they would still have some general fund money for travel.

Tape U\1:000

Rep. Peck adjourned the meeting stating the Subcommittee will finish discussing and executive action on OPI at 7:00 a.m. tomorrow morning.

Tape U ends at (023) and starts at (024) for Jan. 20 meeting at 7:00 a.m.

#### ADJOURNMENT

Adjournment At: 11:00 a.m.

  
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REP. Ray Peck, Chairman

RP/cj

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The Big Sky Country

EXHIBIT 1  
DATE Jan 19 1989  
HE OPI

## MONTANA HOUSE OF REPRESENTATIVES

REPRESENTATIVE RAY PECK

January 18, 1989

HOUSE DISTRICT 15

HOME ADDRESS:  
E20 FOURTH AVENUE  
HAVRE, MONTANA 59501

COMMITTEES:  
APPROPRIATIONS  
LEGISLATIVE FINANCE

TO: Nancy Kennan  
Superintendent of Public Instruction

FROM: Representative Ray Peck, Chairman  
Education Subcommittee of the Appropriations Committee

SUBJECT: Executive Action on the Budget of The Office of The  
Superintendent of Public Instruction

The purpose of this memo is to clarify the process and expectations of the subcommittee concerning the executive action on the budget for your office.

The subcommittee hopes to take executive action on the budget sometime Thursday morning January 19, 1989. This action will be taken on the budget at the agency level addressing the issues in a global manner rather than by program as is presented in both the Governor's Executive Budget and the LFA Budget Analysis.

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\* After the executive action, your office is to develop program budgets reflecting the new organization. This information should be provided to the Legislative Fiscal Analyst for review by February 11, 1989. The LFA staff will review the program budgets during the week of February 13 and prepare for a report to the subcommittee for the week of February 20.

The following information should be provided to the LFA staff for their review:

1. First level expenditures for each program.

2. A listing of FTE by position number and budgeted salaries for each program. Also include the benefits for each program.

3. For each program, the specific source and amount of state special revenue from each source is to be identified. A cash flow analysis for fiscal 1989, 1990, and 1991 is needed. For each program, the amount of money to be expended from each federal grant is to be identified. It is preferred that for each federal grant all carryover funds (or remaining grant authority), the estimated grant awards for fiscal 1990 and 1991, and the grant award time period be identified. A grant authority flow schedule for each federal grant would be appreciated.

4. By July 1, an organization chart of the SBAS responsibility and reporting centers which reflect the fiscal 1990 and 1991 organization structure.

DATE Jan 19, 1989  
 HB OPF

LEGISLATIVE ACTION

AGENCY: SUPERINTENDENT OF PUB INSTRUCT

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990		Fiscal 1991		FY 88-90 % Change
		Executive	LFA Curr Lvl	Executive	LFA Curr Lvl	
FTE	121.90	118.40	121.90	118.40	121.90	0.00%
Personal Services	\$5,290,078	\$3,423,221	\$5,375,278	\$3,429,054	\$3,380,723	2.59%
Operating Expenses	1,717,116	1,918,937	1,660,227	1,871,977	1,614,292	-3.31%
Equipment	109,595	91,065	60,631	88,890	60,631	-44.68%
Non-Operating	336,450	387,912	359,208	387,912	359,208	6.76%
TOTAL EXPENSES	\$5,453,239	\$5,821,135	\$5,455,344	\$5,777,833	\$5,414,854	0.04%
FUNDING						
General Fund	\$2,503,522	\$2,593,622	\$2,513,947	\$2,567,255	\$2,545,473	0.42%
State Special Rev	552,829	557,679	640,272	557,688	583,033	15.82%
Federal Revenue	2,396,888	2,669,834	2,301,125	2,652,890	2,286,348	-4.00%
TOTAL FUNDING	\$5,453,239	\$5,821,135	\$5,455,344	\$5,777,833	\$5,414,854	0.04%

Current Level

ISSUE 1: Deleted Positions

The executive budget deleted 6.0 FTE which are in LFA current level. Four of these FTE are positions which were deleted by the Appropriations Committee and will be included under Appropriation Committee Policy. The other two, which are position #18 Administrative Officer IV and position #167 Personal Staff result in the Executive Budget being lower by \$77,802 in fiscal 1990 and \$77,843 in fiscal 1991.

ISSUE 2: Position Upgrade

The executive budget includes an upgrade of a grade 12 Personnel Specialist to a grade 18 Career Executive Assignment which is not included in LFA current level. The difference is \$13,837 in fiscal 1990 and \$13,840 in fiscal 1991.

Pg 1.

ISSUE 3: Travel

LFA current level has included travel at the fiscal 1988 budgeted level with an inflationary increase applied to motor pool travel costs. The executive budget was based on fiscal 1988 actual expenditures and adjusted per the agency request. The executive budget is higher by \$78,746 in fiscal 1990 and \$77,034 in fiscal 1991. The subcommittee should consider this issue with Issue 13. *judicial from LFA*

ISSUE 4: Other Operating Expenses

The executive budget is higher than LFA current level in all other operating expenses by \$7,970 each fiscal year. This difference is primarily in the Driver's Training Program in which the executive budget includes base adjustments for additional training and insurance costs.

ISSUE 5: Equipment

LFA current level based the equipment budget on the previous three years' budgeted equipment levels. The executive budget is higher than the LFA current level by \$28,334 in fiscal 1990 and \$26,159 in fiscal 1991. The subcommittee should consider this with Issue 14.

ISSUE 6: Audio/Visual Library

LFA current level raises the issue of continuing the Audio/Visual Program (see page E-26, LFA Budget Analysis). The current level points out the declining use, revenues, and increasing general fund support for this program as reasons for legislative consideration of this issue. LFA current level funds the program using revenues at fiscal 1988 levels. This includes \$28,900 less general fund than the executive and \$28,900 more in state special revenue than the executive in the program for each fiscal year of the biennium.

ISSUE 7: Excess Fund Balance in Driver Education Program

The issue of an excess fund balance in the Driver's Education Program fund is raised on page E-26 of the LFA Budget Analysis. This excess fund balance of \$100,596 could be used as a funding source in fiscal 1990 on a one-time basis.

**Modified Requests**

ISSUE 8: ESEA Title II Grant

The executive budget includes a modified request for ESEA Title II math/science grant at \$80,000 for each fiscal year (Page 31 Governor's Education Budget).

ISSUE 9: Byrd Scholarship Grant

A modified request of \$36,000 each fiscal year is included in the executive budget for the Byrd Scholarship Program (Page 33 Governor's Education Budget). 2

ISSUE 10: ECIA Chapter I Grant

This modified request in the executive budget is for increased spending authority in Chapter I funds. This would add 1.50 FTE and cost \$99,311 in fiscal 1990 and \$99,309 in fiscal 1991 (Page 33 Governor's Executive Budget).

ISSUE 11: McKinney Homeless Grant

The executive budget includes a modified request for authority to spend McKinney Homeless Grant funds. This request is for 1.0 FTE and \$49,397 in fiscal 1990 and \$29,402 in fiscal 1991. (Page 33 Governor's Executive Budget).

ISSUE 12: Adult Basic Education - School Distribution

The modified request is for \$53,905 in fiscal 1990 and \$103,905 in fiscal 1991 as additional matching funds for the Adult Basic Education Program. This modified will be funded with state special revenue funds.

**Appropriation Committee Policy**

**Vacancy Savings**

Add for LFA Current Level  
Add for Executive Budget

Fiscal 1990  
\$212,431  
67,433

Fiscal 1991  
\$212,971  
67,551

**Position Deletions (Each Fiscal Year of the Biennium)**

<u>Position Number</u>	<u>Title</u>	<u>FTE</u>	<u>General Fund</u>	<u>Other</u>
00076	Accounting Clerk III	1.00	\$ -0-	\$16,265
90001	Office Clerk I	0.25	3,125	-0-
00058	Education Program Rep.	1.00	30,403	-0-
00189	Admin. Clerk II	0.50	8,759	-0-
00032	Education Program Rep.	0.50	-0-	15,202
00142	Program Spec. II	1.00	26,628	-0-
90002	Office Clerk II	0.10	1,332	-0-
90006	Film Library Clerk I	0.10	1,421	-0-
00097	Mail Clerk III	1.00	-0-	16,624
00145	Program Officer II	1.00	27,874	-0-
00154	Data Entry Officer III	0.50	7,600	-0-
00068	Film Library Clerk	1.00	-0-	14,208

Total Deleted

\$107,142

\$62,299

**Additional Issues**

ISSUE 13: Travel

The Office of Public Instruction is requesting additional travel budget in excess of the LFA current level by \$183,747 in fiscal 1990 and \$184,362 in fiscal 1991.

ISSUE 14: Equipment

The agency is requesting additional equipment budget of \$60,808 in fiscal 1990 and \$23,422 in fiscal 1991 over LFA current level.

ISSUE 15: Request for Additional Special Education Funding

The Office of Public Instruction is requesting and additional \$7.7 million each fiscal year of the 1991 biennium in the Distribution to Public Schools Program.

ISSUE 16: Request for Additional Vocational Education Funding

The Office of Public Instruction is requesting an additional \$900,000 each fiscal year of the biennium in the Distribution to Public Schools Program.

ISSUE 17: Changes in Federal Discretionary Funds

The Office of Public Instruction is requesting that the amounts in some of the Federal Discretionary Funds be changed to reflect more current revenue projections.

- - - - - Change From Current Level - - - - -

	<u>General Fund</u>	<u>Other Funds</u>	
	- - - - - Fiscal 1990 - - - - -		
	<u>General Fund</u>	<u>Other Funds</u>	<u>Fiscal 1991 - - - - -</u>

Issue 1: Deleted Positions	\$(77,802)		
Issue 2: Position Upgrade	13,837		
Issue 3: Travel (Refer to Issue 13)	78,746		
Issue 4: Operating Expenses	7,970		
Issue 5: Equipment (Refer to Issue 14)	28,334		
Issue 6: Audio Visual	28,900	\$(28,900)	
Issue 7: Excess Funds Driver's Ed.	(100,596)	100,596	-0-

Modified Requests

Issue 8: ESEA Title II			80,000
Issue 9: Byrd Scholarship			36,000
Issue 10: ECIA Chapter I			99,309
Issue 11: McKinney Homeless			29,402
Issue 12: ABE			103,905

Additional Requests

Issue 13: Travel	183,747		
Issue 14: Equipment	60,808		
Issue 15: Special Education	7,700,000		
Issue 16: Voc-Ed	900,000		
Issue 17: Federal Discretionary		(338,984)	(367,426)

EXHIBIT 3  
 DATE Jan 19, 1989  
 HB OPI

OFFICE OF PUBLIC INSTRUCTION  
 1991 Biennium

Concerns for budget work session.

1. Restore the 7.95 FTE positions that were in the LFA current level but were deteted by action of the Appropriations Committee.

a. 3.50 FTE positions filled

00075	Secretary	1.00 FTE
00058	Legislative Assistant	1.00 FTE
11189	Attorney	1.00 FTE
90001	Mailroom Clerk	.50 FTE

b. 4.45 FTE positions - immediate needs.

Elementary Reading Specialist	1.00 FTE
Language Arts Specialist	1.00 FTE
Elementary Curriculum Specialist	1.00 FTE
Assessment Specialist	1.00 FTE
Home Economics Specialist	.45 FTE

c. other critical needs

Personnel Officer  
 Chapter II Accountant  
 Reading Specialist (Secondary)  
 Federal Grants Coordinator  
 At-Risk Specialist

d. Do not apply vacancy savings.

2. Request increase in travel budget over LFA current level.

- - - Budget Increase - - -			- - - Funding Increase - - -				
<u>LFA</u>	<u>OPI</u>	<u>Difference</u>	<u>General Fund</u>	<u>State Special</u>	<u>Federal/Other</u>	<u>Total</u>	
FY90	\$306,524	\$490,271	\$183,747	\$36,695	\$671	\$146,381	\$183,747
FY91	305,919	490,271	184,362	36,986	515	146,861	184,362

520 \*

3. Request revised equipment budget.

	- - -Budget- - -		- - - Funding - - -			
	<u>LFA</u>	<u>OPI</u>	<u>General Fund</u>	<u>State Special</u>	<u>Federal/Other</u>	<u>Total</u>
FY90	\$60,631	\$121,439	\$70,296	\$6,738	\$44,405	\$121,439
FY91	60,631	83,352	68,334	5,184	10,535	83,352

a. The revised OPI equipment budget is an increase of \$35,214 over the LPA for the 1991 biennium; the increase is \$10,214 general funds and \$25,000 other funds from the Lewistown Drivers' Training revenue.

b. Maintain the existing fund balance in the Lewistown Drivers' Training account (Option B, page E-27). Use the fund balance for planned equipment purchases in the next biennium.

4. Revise audio-visual rental revenue from the LFA estimate of \$91,423 annually to \$62,500 annually (Option A on page E-26).

5. Change the publications special revenue account (School Law) to a general fund account.

	Funding Adjustment	
	<u>General Fund</u>	<u>Special Revenue</u>
FY 90	\$87,239	(\$87,239)
FY 91	13,500	(\$13,500)

6. Accept updated distribution to schools (sheet attached).

7. Accept modified requests.

<u>Agency:</u>	<u>FY90</u>	<u>FY91</u>
	Federal Funds	
a. ESEA Title II Math/Science Grant	\$49,852	\$49,852
b. Byrd Scholarships (Gifted and Talented)	36,000	36,000
c. ECIA Chapter I Grant (1.5 FTE)	100,000	100,000
d. McKinney Homeless Grant (1.0 FTE)	50,000	50,000
 <u>Distribution</u>		
	General Funds	
e. Adult Basic Education	\$53,905	\$103,905
f. Special Education	7,700,000	7,700,000
g. Vocational Education	900,000	900,000

EXHIBIT 1  
DATE Jan 19, 1989  
HB 20



Glendive, MT 59330

EDUCATION SUBCOMMITTEE (Appropriations)

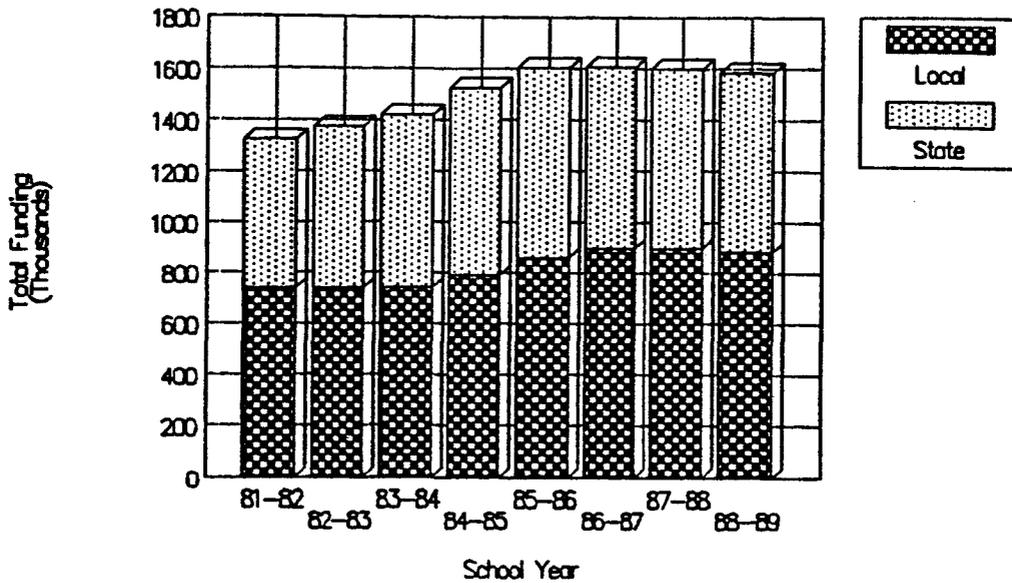
Representative Ray Peck Chm.  
Representative Bob Marks  
Representative Mike Kadas

Senator Swede Hammond, V Chm.  
Senator Judy Jacobson  
Senator Dennis Nathe  
Senator Paul Boylan

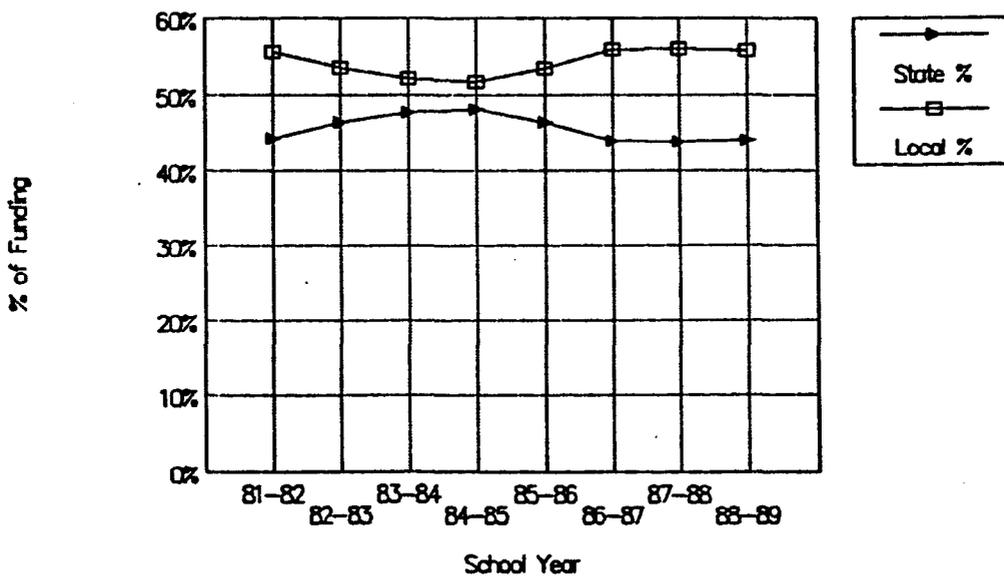
LFA: Keith Wolcott  
Sandy Whitney

January 19, 1989

# Dawson Community College 1980's Budget History



# Dawson Community College 1980's Budget History



## 1980's BUDGET HISTORY

Year	Budget	State Share	Percent
1981-82	\$1,323,165	\$587,208	44%
1982-83	1,376,069	639,498	46%
1983-84	1,419,578	678,627	48%
*1984-85	1,527,116	736,200	48%
1985-86	1,604,247	746,478	47%
1986-87	1,608,459	709,293	44%
1987-88	1,600,800	704,064	44%
*1988-89	1,584,300	699,264	44%

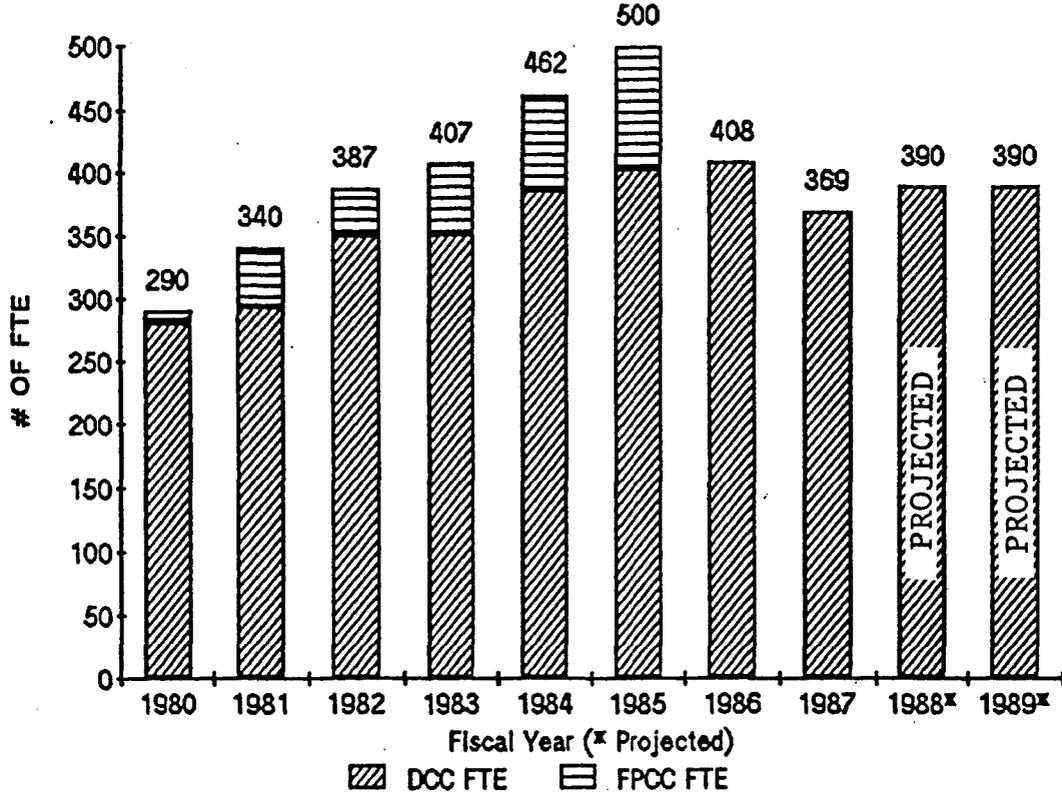
\* Budget only 3.7% more than 5 years ago: .7% per year increase

--State share includes audit and pay plan monies

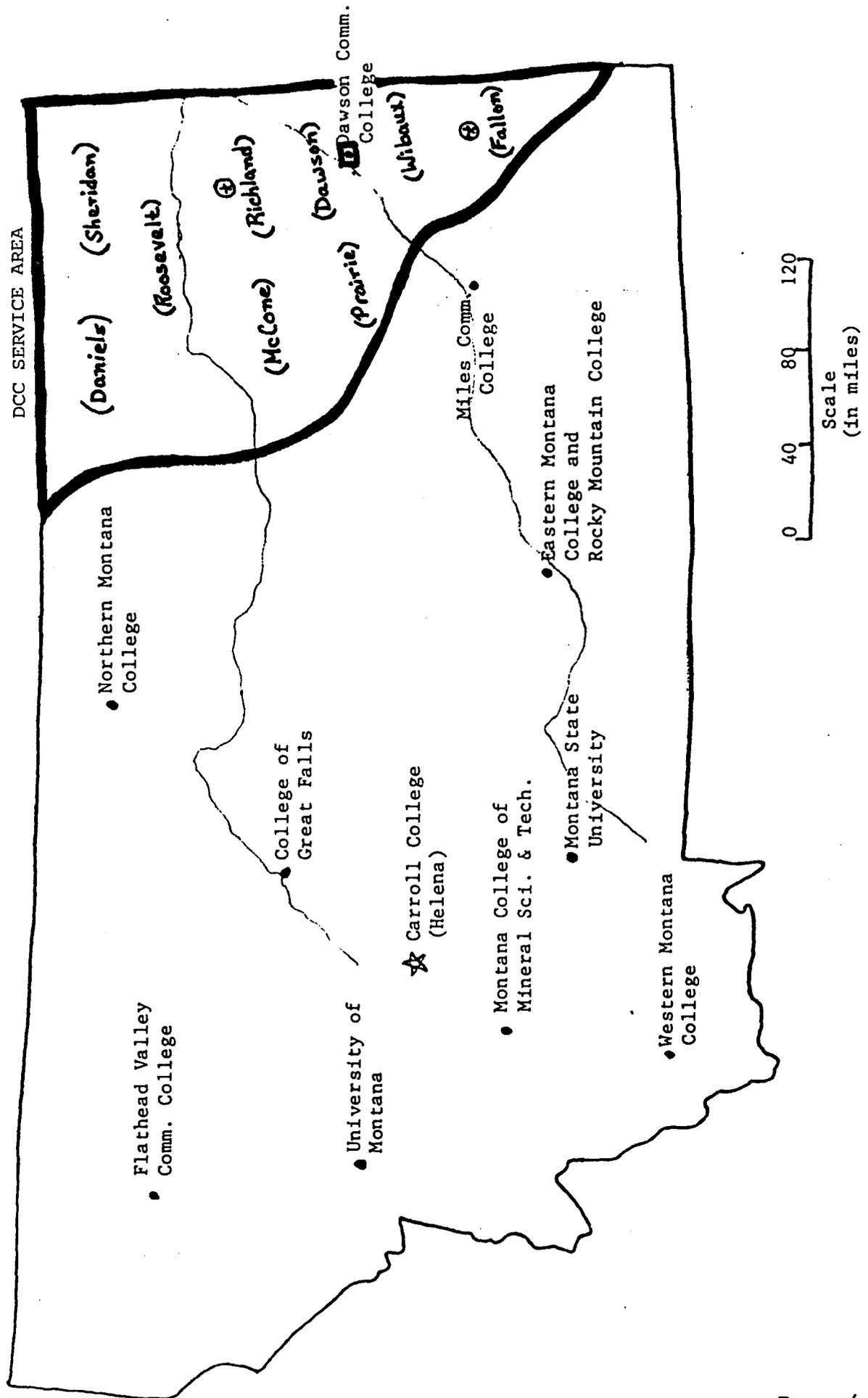
--From 1981 to 1988, the budget has increased only an average of 2.4% per year

# DAWSON COMMUNITY COLLEGE

## FTE SUMMARY

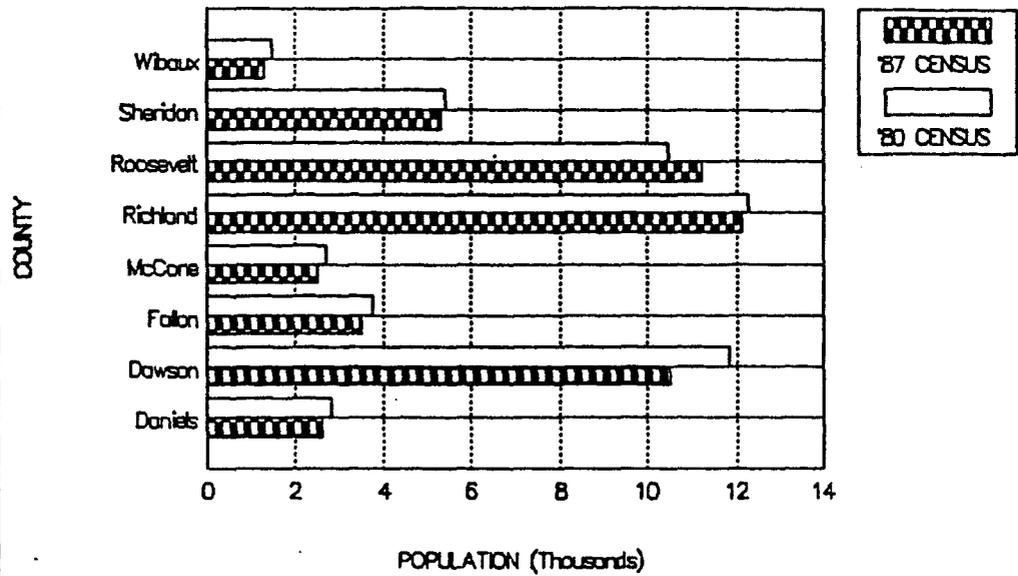


POSTSECONDARY INSTITUTIONS IN MONTANA



# Dawson Community College

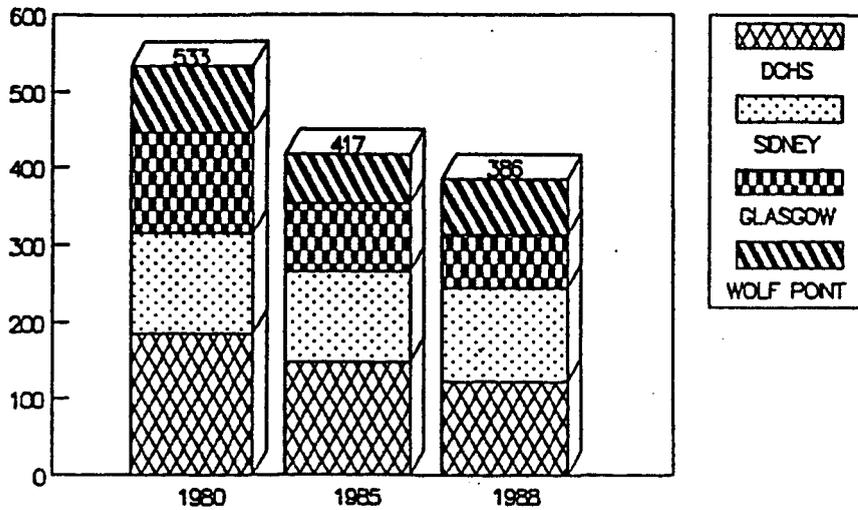
## Census of Eight County Service Area



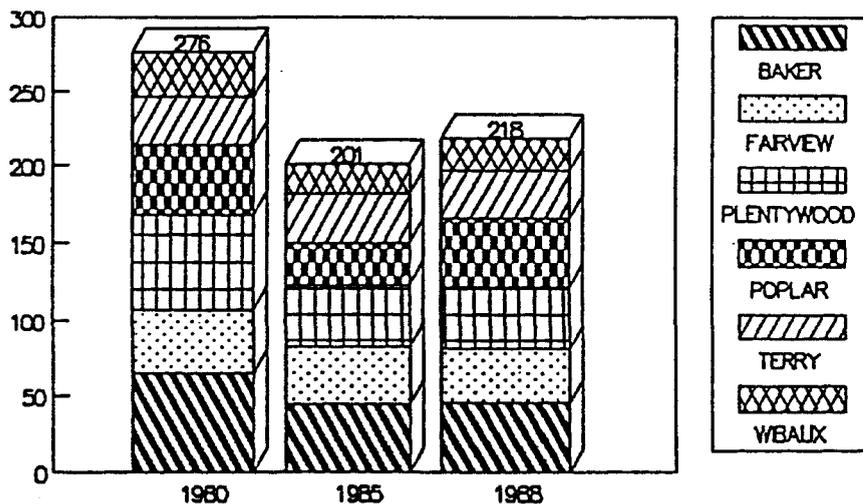
### EIGHT-COUNTY CENSUS (DCC Service Area)

	<u>1980</u>	<u>1987</u>	<u>Difference</u>
Daniels	2,835	2,600	- 235 (-8.3%)
*Dawson	11,805	10,500	-1,305 (-11%)
Fallon	3,763	3,500	- 263 (-7%)
McCone	2,702	2,500	- 202 (-6%)
Richland	12,243	12,100	- 143 (-1%)
Roosevelt	10,467	11,200	(+ 733) (+7%)
Sheridan	5,415	5,300	- 115 (-2%)
Wibaux	1,476	1,300	- 176 (-12%)
	<u>50,706</u>	<u>49,000</u>	<u>-1,706</u>

# EASTERN MONTANA H.S. GRADUATES LARGER SCHOOLS



# EASTERN MONTANA H.S. GRADUATES SMALLER SCHOOLS





# Flathead Valley Community College

Number One First Street East, Kalispell, Montana 59901 (406) 752-5222

EXHIBIT 2

DATE Jan 19, 1989

HB CC

## 1991 BIENNIUM BUDGET CONSIDERATIONS

### Overview

- Flathead Valley Community College is a successful community college with steadily increasing enrollments every year.
- Flathead County residents have recently shown their strong support for the College by approving a \$6.495 million general obligation bond for a new campus, which will be ready for occupancy in the Fall of 1990. The FVCC students have purchased the land and will be paying for almost 40% of the repayment of the bond.

### Past and Present Funding

- FVCC is educating more and more students on fewer dollars. For the last two years, FVCC has been funded at 928 FTE; last year's enrollment was 956 FTE.
- FVCC staff has had a wage freeze for three years, and all financial reserves have been exhausted.
- The State has reduced its percentage of funding from 65% to 48%, and the full 52% funded from property taxes, tuitions and fees cannot be appropriated because of the restrictions of I-105.
- The proposed funding formula does not allow for projected enrollment increases or limitations caused by I-105. As a result, the existing gap between funding and a necessary operating budget continues to widen.

### The LFA Proposed 1989-91 Biennium Budget

- This budget is not based on any past practice method. Instead, enrollments have been averaged from fiscal years in two bienniums.
- This budget bases funding on 931 FTE; FVCC projections are 1000 and 1030 FTE for the next two years.

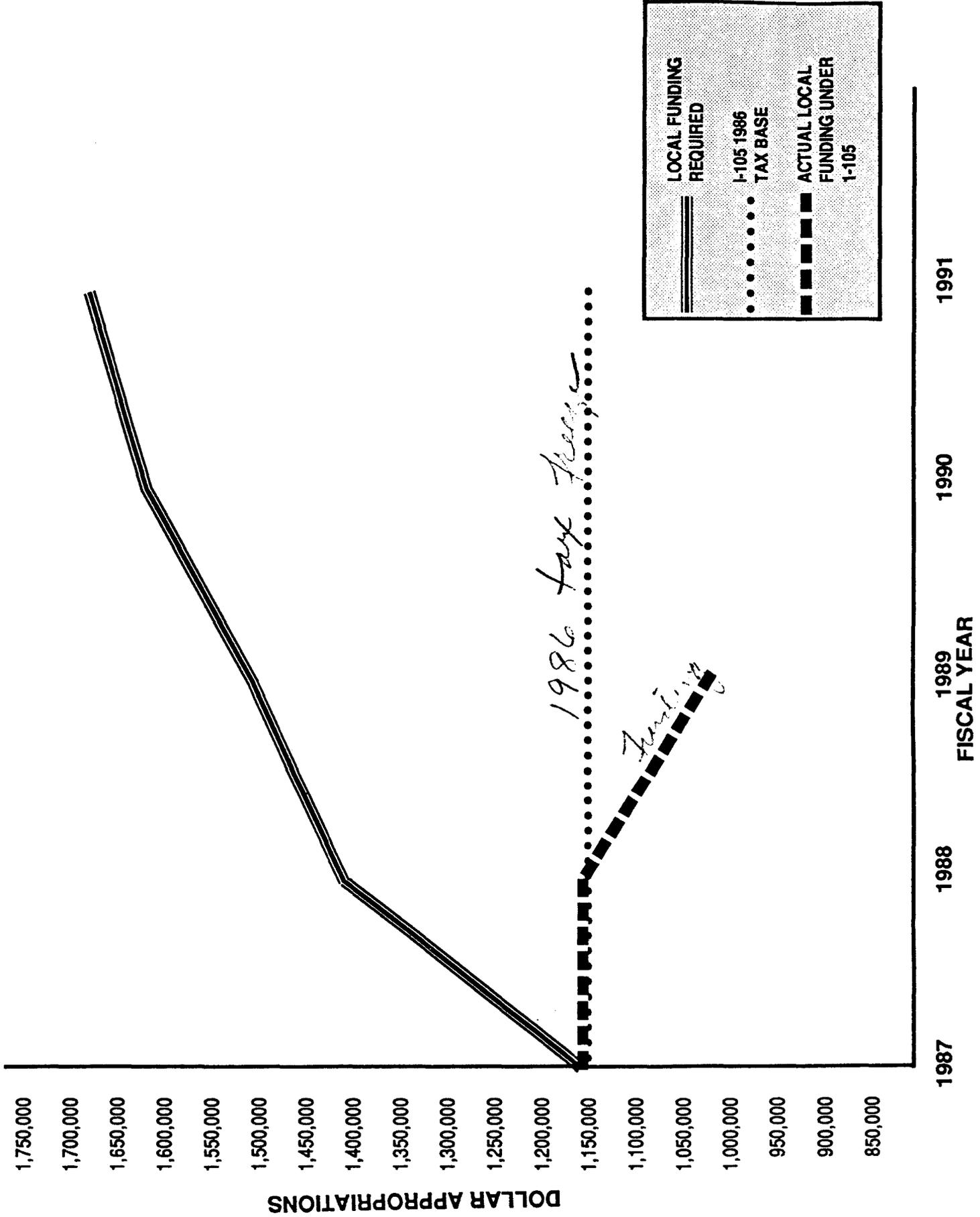
- The FTE student cost factor of \$3,642 does not reflect an inflationary increase; the full amount cannot be collected because of I-105; and it does not reflect the dollars required to support a quality institution today.
- FVCC will be operating at a \$543,353 deficit by 1991, given the proposed budget and no repeal of I-105.
- The residents of Flathead County have indicated their support of FVCC; they deserve increased assistance and support in funding it.

#### Recommendations

- A minimum budget based on past practice and 956 FTE is recommended.
- Consideration of an increased budget based on projected enrollments is requested.
- An upwards revision of \$3,642 for the student cost factor is recommended.

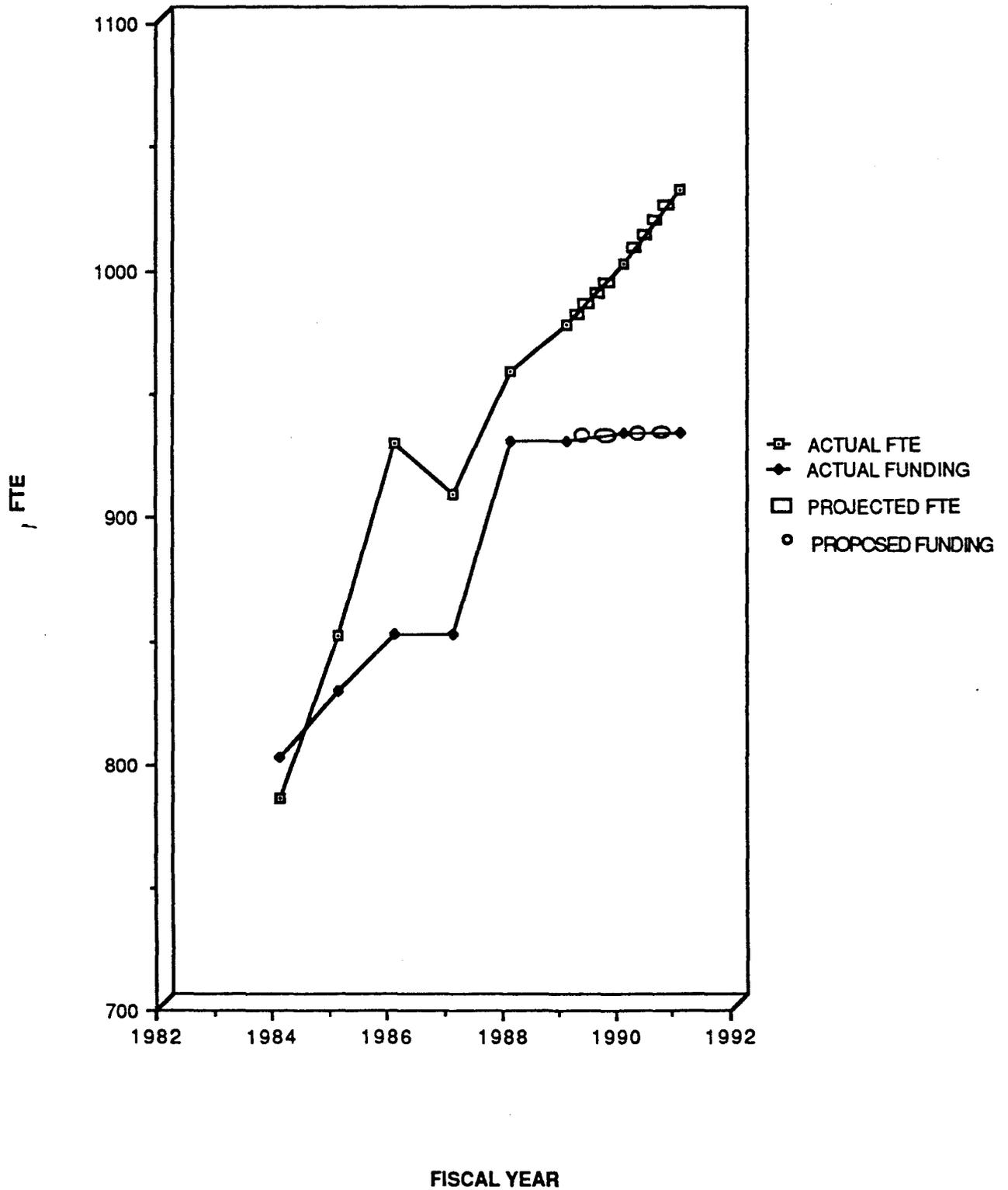
THANK YOU VERY MUCH.

# FLATHEAD VALLEY COMMUNITY COLLEGE



1987 1988 1989 1990 1991  
FISCAL YEAR

# FLATHEAD VALLEY COMMUNITY COLLEGE





# MILES COMMUNITY COLLEGE

2715 Dickinson

MILES CITY, MONTANA 59301

Telephone (406) 232-3031

EXHIBIT 3  
DATE Jan 19, 1989  
HB 100

## MILES COMMUNITY COLLEGE

### UNRESTRICTED FTE ENROLLMENT SUMMARY

	1985-86	1986-87	1987-88	1988-89
SUMMER SESSION	41.1	32.8	28.7	34.7
FALL QUARTER	422.8	388.8	403.8	451.5 -1
WINTER QUARTER	445.0	414.5	406.0	473.2 -1
SPRING QUARTER	363.9	367.5	376.7	413.7*
<u>1984-85</u> 453 FYFTE	<u>424.3</u>	<u>401.2</u>	<u>405.0</u>	<u>457.7*</u>
0-yr. Avg →	439	412	403	431

### Computation of 1988-89 Spring Quarter Projection

Spring Quarter as % of FYFTE	85.76	91.60	93.01
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...is very consistent with...

Spring Quarter as % of Average of Fall and Winter Quarters	83.67	91.50	93.04	= 89.47% avg
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\*Fall/Winter average 462.35 FTE x 89.47% = 413.7 Spring Quarter Projection

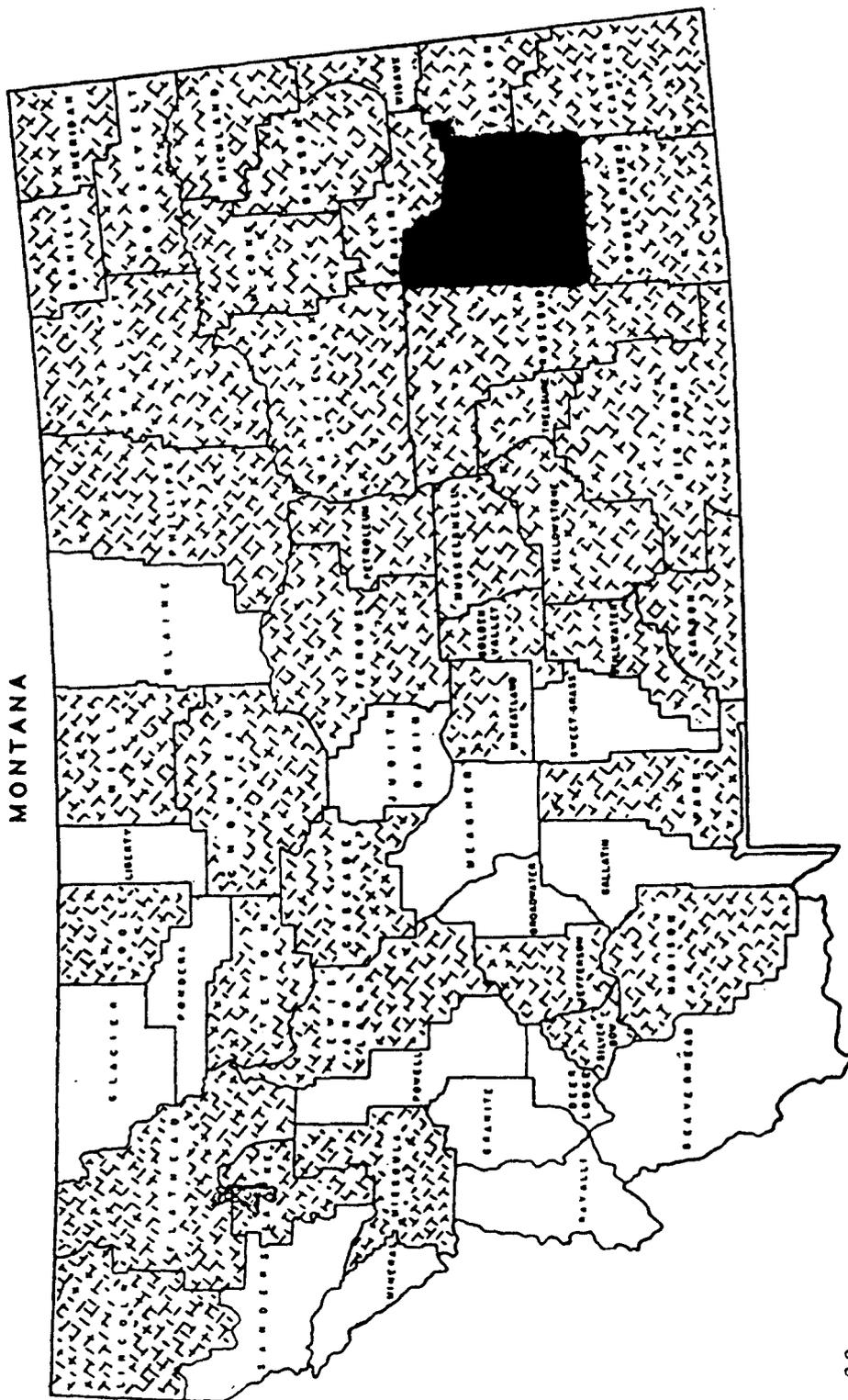
1987-88 FYFTE Enrollment.....	405.0
1988-89 Projected FYFTE Enrollment.....	457.7
	-----
Total 2 years	862.7

Average 2-yr enrollment for 1987-89 biennium... 431.35 -- should be the minimum base FTE for 1989-91 biennium.



# MILES COMMUNITY COLLEGE

MONTANA



1987-88

FULL-TIME STUDENTS  
 ENROLLED FROM  
 OUT-OF-DISTRICT  
 MONTANA COUNTIES

FALL QTR -	165 Students	from	36 Counties
WINTER QTR-	172 Students	from	37 Counties
SPRING QTR-	131 Students	from	35 Counties
AVERAGE -	156 Students	from	36 Counties

1987-1988

OUT-OF-DISTRICT ENROLLMENT

FULL-TIME STUDENTS ENROLLED IN MILES COMMUNITY COLLEGE FROM OUT-OF-DISTRICT MONTANA COUNTIES DURING THE 1987-88 YEAR (THE LAST YEAR FOR WHICH FULL-YEAR FIGURES ARE AVAILABLE):

FALL QUARTER	-	165 STUDENTS	FROM	36 COUNTIES
WINTER QUARTER	-	172 STUDENTS	FROM	37 COUNTIES
SPRING QUARTER	-	131 STUDENTS	FROM	35 COUNTIES
AVERAGE	-	<u>156 STUDENTS</u>		<u>36 COUNTIES</u>

156 STUDENTS = 37.86% OF 412 FUNDED 87-88 FTE ENROLLMENT

156 (37.86%) OF FTE STUDENTS WERE FROM OUT-OF-DISTRICT COUNTIES WHICH BEAR NO PART OF THE LOCAL MANDATORY TAX BURDEN FOR THE OPERATION OF THE COLLEGE.

1987-88 LOCAL MANDATORY TAX ..... \$ 642,838

37.86% OF LOCAL MANDATORY TAX ..... \$ 243,378

CUSTER COUNTY TAXPAYERS WERE THUS REQUIRED TO BEAR A BURDEN OF \$243,378 (14.32 MILLS) IN 1987-88 LOCAL SUPPORT OF STUDENTS WHO CAME FROM OTHER MONTANA COUNTIES.

OUT-OF-DISTRICT STUDENTS ARE CHARGED A HIGHER TUITION RATE -- \$150 PER YEAR MORE THAN IN-DISTRICT STUDENTS-- BUT IT IS ONLY A TOKEN OFFSET OF THE LOCAL \$ 1,894 (52% OF \$3,642 PER FTE) REQUIRED TO BE RAISED BY THE LOCAL COMMUNITY COLLEGE DISTRICT UNDER THE CURRENT STATUTE AND FUNDING FORMULA.

IN VIEW OF THE CONCERN THE VO-ED CENTER COMMUNITIES ARE EXPRESSING OVER THEIR "EXCESSIVE" LOCAL TAX BURDEN -- AS WELL AS A GENERALLY NEGATIVE RESPONSE TO THE SUGGESTION OF A STATE-WIDE TWO MILL LEVY FOR VOCATIONAL EDUCATION -- IT SEEMS STRANGE THAT THERE IS LITTLE OR NO RELUCTANCE TO PLACE A TRULY BURDENSOME TAX LOAD ON THE COMMUNITY COLLEGE DISTRICTS WHICH SERVE STUDENTS FROM ALL ACROSS THE STATE AS DO THE VO-ED CENTERS.

IT IS ALSO TROUBLING THAT THE LEGISLATURE HAS CONSISTENTLY INCREASED THE LOCAL COMMUNITY COLLEGE TAX BURDEN IN RECENT SESSIONS -- FROM AN INITIAL 47% WHEN THE FUNDING FORMULA WAS ORIGINALLY ADOPTED, TO 52% FOR THE 1987-1989 BIENNIUM.



# MILES COMMUNITY COLLEGE

2715 Dickinson

MILES CITY, MONTANA 59301

Telephone (406) 232-3031



## ROLE AND SCOPE STATEMENT

On March 11, 1939, the Legislative Assembly of the State of Montana approved Senate Bill 127: "An Act providing for the Establishment of Junior Colleges...." Acting under the authority of SB 127, the voters of Custer County, in a special election held July 22, 1939, approved the establishment of Custer County Junior College, later renamed Miles Community College. The first class of students was enrolled Fall Quarter, 1939.

Classes were initially held in a wing of the local public high school set aside for use by the college. In 1957 the college moved into the former Milwaukee Railroad Depot, remodeled to meet college needs and later augmented by additional classroom space in nearby buildings. Following voter approval of a Bond Issue to match federal construction funds, a new building facility was completed and the college moved to its present campus site in 1967. Five major buildings have been added to the campus since 1972.

Prior to 1970 the college was governed by the local high school Board of Trustees. That year, in an election overwhelmingly approved by district voters, an Independent Community College District and Board of Trustees was established. In December, 1971, the college was granted full accreditation by the Northwest Association of Schools and Colleges.

As an independent and fully accredited institution, MCC has become a strong comprehensive community college, with high quality programs in Liberal Arts/Transfer, Occupational Training, and Community Services.

The Transfer curriculum provides a broad base of "Core" General Education and Liberal Arts course offerings which are transferred to 4-year colleges and universities by students who wish to pursue a Bachelor's Degree.

Occupational programs are primarily designed to prepare students for in-state employment opportunities. Current occupational programs include: Automotive Technology, Business/Mid-Management, Data Processing, Electronics Technology, Nursing (Associate Degree RN), Power Plant Technology, and Secretarial Science. The ADRN Nursing Program is especially significant as the major source of Registered Nurses who are indispensable to the operation of hospitals and health care facilities throughout Eastern Montana.

Community Services span the wide range of activities and services that enhance the quality of life for the citizens and communities of Southeastern Montana. These include non-credit courses, workshops, planning meetings, provision of technical assistance and expertise, fine arts and cultural events, recreational and avocational activities, and continuing education opportunities.

Miles Community College is primarily a teaching institution, providing lower division instruction across the Transfer and Occupational curricula. The Associate in Arts Degree, Associate in Applied Science Degree, and Certificates are awarded for completion of appropriate program requirements. The college also provides non-degree instruction to students who require an improved educational preparation to enable them to successfully undertake college-level studies. This instructional mission, couched in the comfortable environment of a small institution, provides an effective social and scholastic transition to higher education for graduates of small rural high schools in our service region, and increasingly from across the state.

Governance and tax-base definitions of the college district are limited to Custer County, and approximately two-thirds of the students who attend Miles Community College are from Custer County. Over the past two decades a broadened awareness of programs and educational opportunities has extended the primary service area of the college to include the larger region of Southeastern Montana. A Regent-approved Community College Education Center is located in Colstrip. Advances in telecommunications "distance learning" technology hold promise for expanded delivery of instructional programs to place-bound citizens throughout the MCC service region. Miles Community College is prepared with telecommunications equipment and trained faculty to assume a significant role in this developing instructional delivery system.

Students attracted by the quality, variety, and economy of program offerings are extending the Role and Scope of Miles Community College beyond Southeastern Montana. Figures for Fall Quarters 1986-87-88 show an average enrollment of 155 full-time students from 35 Montana counties outside the college district--a clear indication that sizeable numbers of students from across the entire state are being served by Miles Community College.

(REVISED SEPTEMBER, 1988)

