

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
51st LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON EDUCATION

Call to Order: By Chairman Peck, on January 26, 1989, at 8:00
a.m.

ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

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

Announcements/Discussion: Sen. Nathe gave a brief preliminary
report from the funding study committee on the University
System. See Exhibit 1.

HEARING ON FUNDING OF THE UNIVERSITY SYSTEM

Tape No. E\1:000

Presentation and Opening Statement:

Keith Wolcott, LFA, gave a summary of the funding study of
the 51st Legislature on the University System. Mr. Wolcott
went over the funding method that had been developed in July
1, 1988 by the Committee to implement a uniform personnel
and class enrollment system. Mr. Wolcott went over the
historical spending patterns and how the staff of the
offices of the Commissioner of Higher Education, Budget and
Program Planning and Legislative Fiscal Analyst visited each
campus to gather the information. See Exhibit 1.

Mr. Wolcott stated that the meeting of the funding study
Committee in September of 1987 adopted a study outline which
included the goals for the study: 1) Review higher
education expenditures and funding. 2) Analyze the
adequacy and consistency of the university financing. 3)
Address cost-effective methods of developing a class
enrollment system. 5) Address consistency in the use of
the state-wide budgeting and accounting system by the
university system, and the consistency of the SBAS reports.
The tasks for each goal were identified and placed in
priority order, (See Exhibit 1 that outlines the study and
prioritizes the tasks). The university funding study
committee activities are presented in the following

categories: 1) role review, 2) peer comparisons, 3) funding methods, 4) data systems, 5) historical spending patterns, 6) new formula, 7) university data presentations, and 8) expert testimony. See Exhibit 1. Mr. Wolcott gave a synopsis of the programs that 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, and 6) Support Program Costs. Mr. Wolcott stated that the Subcommittee recommends that the 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, relationship of instructional support and support costs, taxpayer ability to pay, and availability of funds. (See Exhibit 1). (205) Mr. Wolcott distributed handouts on the formula calculation. Mr. Wolcott went through the actual and average enrollments for the six units. (See Exhibit 2, page F-68, Table 7). Mr. Wolcott on instruction and support program formula stated that the instructional compensation amount is divided by the compensation average percent to calculate the total instruction and support programs for each unit. The support average percent is applied to the total instruction and support program. The instruction program amount is the remainder after the support program amount is subtracted from the total instruction and support amount. Mr. Wolcott stated that the new formula factors that need to be considered is the student faculty ratio and faculty salaries level, Mr. Wolcott stated that is basically all that is needed to consider the expenditures.

(435)

Mr. Noble commented that being involved with the funding study, he thought that in terms of the revised formula that they traded some applications in the old formula for simplicity in the new formula. Mr. Noble stated that higher education needs the new format and can be better understood by Legislators, Regents and members of the public. Mr. Noble stated it would be easier to update and evaluate but recommended to the Subcommittee Members the need to de-couple the student faculty formulas from the faculty compensation.

(567)

Dr. Tietz, President of MSU, stated that time and inflation rates change significantly when comparing chemistry versus art versus political science. Dr. Tietz stated he did not deny the data relative to the constancy of the program, but there has been very little change in the budgeting per student basis over the period of time that had been examined. Dr. Tietz stated that from a management point of view, he would like some consideration of a mechanism for adjusting the cost of instruction to meet the inflationary problems that are before the institutions.

Tape E\2:000

Rep. Marks asked Mr. Wolcott how they arrived at the compensation average? Mr. Wolcott stated it is a calculation of what the actual faculty compensation expenditures were as a percentage of total instruction and support program expenditures. Mr. Wolcott stated that is based on a three year average, but everything else is based on a two year average now instead of estimated averages.

Mr. Wolcott asked Mr. Noble where some of their instructional support operating cost for expenditures went? Mr. Noble stated that it was in supplies and materials, contracted services, equipment and some utilities were involved.

(060)

Rep. Kadas asked Mr. Noble how instructional support is different from the support program? Mr. Noble replied that instructional support are all those costs related to the instruction program. Support is a combination of three separate programs: 1) academic support; library costs, deans costs, and academic overhead costs. 2) student services; registration, admissions, financial aid, athletics. 3) institutional support; accounting, president's office, and administration costs.

Rep. Peck asked Ms. Judy Rippengale if she had any observation on the study proposal? Ms. Rippengale commented that hers was not on the technicality of the study, but she felt that it showed the Universities that the Legislative branch of government showed fairness in the numbers that were laid out on the table even though they did not show Montana's funding in a favorable position in comparison to peers.

(140)

Rep. Peck stated that Chairman Lind had indicated the need to present the funding study in open public.

(155)

Mr. Wolcott stated the need to go over the funding study with the Legislators as far as the organization of the report itself and where the public could find different items within the report.

Rep. Peck asked Mr. Wolcott what specific decisions would he like see at this point relative to the study? Mr. Wolcott replied that if the Subcommittee is going to begin work session on the individual units of the University System, then he felt that the decision needed to be made as to what formula they will use.

(248)

Rep. Peck asked the Subcommittee Members in general to indicate the acceptance of the new formula proposal or if they want to remain with the old one.

EXECUTIVE ACTION:

Tape E\2:280

Disposition of the new formula factors for the University System:

Motion: Motion is to accept the new formula in terms of the outline that has been presented this morning or remain with the old one. Sen. Boylan moved to adopt the new formula.

(341)

Amendments, Discussion, and Votes: Sen. Nathe called the question. The motion CARRIED unanimously.

Sen. Jacobson addressed her concerns with the Subcommittee Members on the issue of the renovation of buildings on the campuses using student funds and asked to explore the possibility of these decisions coming through Legislature for the funding of the buildings to be renovated. Dr. Krause replied the need to have the ability to utilize that space and supported the process to go through the Subcommittee/Legislature to make those funds available. Dr. Krause did state that a lot of the money comes from outside funding.

Tape F\1:000

Mr. Wolcott distributed action sheets on the Commissioner of Higher Education. Mr. Wolcott stated that he added a column of numbers that will show the Subcommittee the current level change based on the action that may be taken on each issue. (See Exhibit 4). Mr. Wolcott went through the seven issues: ISSUE 1) the difference between LFA and the executive with a .50 FTE removed out of the LFA current level and was left in the executive for a total of \$29,536 for FY 1990 and \$29,632 in FY 1991. ISSUE 2) Mr. Wolcott stated they have contacted the Tort Claims division of Dept. of Administration about the 600 percent increase in insurance rates, and have been told that if they could not provide documentation for the increase that it would not be included in the budget. The Executive budget includes the total for insurance where LFA current level does not. the Executive is \$29,816 for FY 1990 and \$29,532 for FY 1991. ISSUE 3) Mr. Wolcott on contracted services stated they did not issue a base because of the transfer of vacancy savings into the operating costs during FY 1988 which has to do with issues 3-6 and the transfer of funds. ISSUE 7) Equipment, Mr. Wolcott stated that LFA included more equipment than the executive. See Exhibit 4.

EXECUTIVE ACTION:Disposition of funds for the Administration Program:

Motion: Sen. Hammond moved the adoption of current level for FY 1990 and FY 1991.

Amendments, Discussion, and Votes: Sen. Nathe called the question. The motion CARRIED unanimously.

Disposition of Issue 1:

Motion: None

Amendments, Discussions, and Votes: Rep. Peck asked if this was a $\frac{1}{2}$ time attorney or specialist? Mr. Wolcott stated it is a specialist.

Mr. Noble asked if this position could be added back in to the operating cost budget?

(160)

No motion was made on issue 1 at this time.

Disposition of Issue 2:

Rep. Peck stated that was the insurance claims explained by Mr. Wolcott. The \$29,000 increase in Tort Claims who have now backed down and stated that it is not needed, and is no longer a consideration.

(170)

Mr. Noble asked that clarification be made after Legislation is adjourned, that the minutes reflect the will of the Subcommittee so when Tort Claims re-present the bill they will know where the money is coming from. Rep. Peck stated that the minutes will reflect the agreement that Tort Claims made with the analysts in the in LFA office that their (Tort Claims) initial figure was incorrect and the proper amount is in the budget.

No motion was made on issue 2 at this time.

Disposition of Issue 3:

(180)

Rep. Peck stated that the executive includes \$8,500 in contracted services in FY 1990 and \$8,000 more in FY 1991 than the LFA current level. Rep. Peck asked Mr. Wolcott why it had been removed? Mr. Wolcott stated it is a base reduction in the operating costs because of the transfer of vacancy savings to operation costs.

Rep. Peck asked Mr. Noble if he could itemize the operating costs? Mr. Noble stated that he could not see into the future what costs they would have, but in the past when they have had an attorney in the office, but if a case came up that he did not have expertise in they would have to go outside of the office and contract an attorney.

(224)

Mr. Wolcott stated that the LFA office had removed standard procedure from the LFA office that was funded by the transfer of vacancy savings. Mr. Wolcott stated that the Commissioner's office had generated about \$85,000 worth of vacancy savings in this program alone in FY 1988. A total of \$41,000 of vacancy savings had been transferred in to the operating budget.

(260)

No motion was made on issue 3 at this time.

Disposition of Issue 4:

(265)

In Issue 4, the executive includes \$2,400 each year of the biennium for employee parking permits that are not in the LFA current level.

(285)

No motion was made on issue 4 at this time.

(289)

Disposition of Issue 5:

Rep. Peck stated that the executive includes \$4,000 more each year of the biennium for repair and maintenance of office equipment than the LFA current level.

(410)

Motion: Rep. Kadas made the motion to adopt \$19,000 for each year of the biennium above the LFA current level for maintenance of computers.

Amendments, Discussion, and Votes: Question was called. The motion CARRIED unanimously.

Disposition of Issue 6:

(438)

Issue 6 deals with dues and relocation/moving costs. The dues are for the Association Governor's Boards, American Association of the States Higher Education Executive Board, etc.

Rep. Peck stated that the \$2,500 is not included in LFA current level and a motion would have to be made to put it back in.

No motion was made at this time on issue 6.

Disposition of Issue 7:

(485)

The LFA current level equipment is included at the agency requested level. Rep. Peck stated a motion would have to be made to take it out of current level, if not, it would stay as is.

No motion on issue 7 at this time.

Tape F1\2:000

Disposition of funding:

(016)

Motion: Rep. Kadas moved the adoption of the funding subject to the amendments having been passed for FY 1990 and FY 1991.

Amendments, Discussion, and Votes: The question was called. The motion CARRIED unanimously.

EXECUTIVE ACTION:

Disposition of Funding:

Mr. Wolcott distributed a handout on the student assistance program. See Exhibit 5.

(043)

Motion: Sen. Jacobson moved to adopt LFA current level for FY 1990 and FY 1991.

Amendments, Discussion, and Votes: Rep. Kadas called the question. The motion CARRIED unanimously.

Rep. Peck stated a motion needed to be made for funding.

(100)

Motion: Sen. Jacobson moved to add \$24,863 of the modified level to add the Vo-Tech Centers in the Work Study Program.

Amendments, Discussion, and Votes: Rep. Kadas called the question. The motion CARRIED unanimously.

Disposition of Student Assistance Program:

Mr. Noble stated that the federal requirement needed to be addressed on the matching requirement for the SEOG program and should be dealt with as a separate issue. Mr. Noble stated that the amounts on that would be \$46,921 for FY 1990 and \$99,056 for FY 1991.

Rep. Kadas asked Mr. Noble what the SEOG program is and how it works? Mr. Noble asked Mr. Bill Lannon if he could reply? Mr. Lannon stated that the SEOG program is an allocation that provides grant money to students that are the most needy. Mr. Lannon stated they have to have a PELL grant that is an entitlement grant to be able to receive the SEOG. Mr. Lannon stated the requirement of the SEOG is the matching money, and if the campus can not match it, Mr. Lannon stated they are looking at a magnitude of \$900,000.

SEOG GRANT PROGRAM

(170)

Motion: Rep. Kadas moved to adopt the funds for SEOG for \$46,921 for FY 1990 and \$99,056 for FY 1991.

Amendments, Discussions, and Votes: Rep. Kadas added to the motion that any excess of non used matching dollars will be reverted back to the general fund.

The question was called. The motion CARRIED unanimously.

STUDENT ASSISTANCE PROGRAM

Motion: Sen Jacobson moved to adopt the funding level for FY 1990 and FY 1991 in the student assistance program subject to the correction of the amendments passed.

Amendments, Discussion, and Votes: The question was called. The motion CARRIED unanimously.

EDUCATION FOR ECONOMIC SECURITY

Mr. Wolcott stated there are not any issues because executive level and LFA current level are the same. Mr. Wolcott stated this is all federal revenue and if the Subcommittee agrees with the no issues that just a motion would be needed to accept current level. See Exhibit 6.

Motion: Rep. Marks made the motion to adopt the current level and the funding.

Amendments, Discussions, and Votes: The question was called. The motion CARRIED unanimously.

MUS GROUP INSURANCE PROGRAM

Mr. Wolcott stated that the executive and LFA were in agreement on the insurance with exception of some vacancy savings, but with the Appropriation Committee Policy it will be zero vacancy savings. Mr. Wolcott went through the revised issues. See Exhibit 7.

(280)

Motion: Sen. Hammond moved to adopt current level and accept the necessary changes at the bottom of Exhibit 7. For FY 1991 it should be \$972,207 not the \$927,207 that is showing there. See Exhibit 7.

Amendments, Discussions, and Votes: The question was called. The motion CARRIED unanimously.

Motion: Rep. Marks moved to adopt the "Other Funding" (See

Exhibit 7).

Amendments, Discussions, and Votes: The question was called.
The motion CARRIED unanimously.

TALENT SEARCH PROGRAM

(300)

Mr. Wolcott stated that the LFA included the equity of \$14,700 each year that are not in the executive budget. Mr. Wolcott stated this came out of the federal government that funds this program, and the fiscal adjustment came out of FY 1988 and continues into the next biennium. See Exhibit 8.

Motion: Rep. Kadas moved the adoption of LFA current level for FY 1990 and 1991.

Amendments, Discussions, and Votes: The motion CARRIED unanimously.

VO-TECH ADMINISTRATION

(350)

Mr. Wolcott stated there are two issues; one in current level and one is for other expenses. Current level in LFA includes \$2,149 more for printing and \$2,614 more for other expenses each year than the executive budget. In other expenses, the addition is to bring the Commissioner's office up to current level in Carl D. Perkins funds. Mr. Wolcott stated there would be an increase of \$528,187 each year of the biennium that will increase non-operating costs to \$4,584,497 each year and federal revenue to \$4,728,187 each year of the biennium. Mr. Wolcott stated that the funds would be split between OPI and the Vo-Tech Centers, 56 percent to OPI and the rest to Vo-Tech Centers. See Exhibit 9.

ISSUE 1:

(430)

Motion: Sen. Jacobson moved to adopt LFA current level and the addition of \$528,187 each year of the biennium for FY 1990 and 91 in non-operating costs. See Exhibit 9.

Amendments, Discussionis, and Votes: Sen. Hammond called the question. The motion CARRIED unanimously.

ISSUE 2:

(445)

Motion: Sen. Jacobson moved to accept the additional funding with the Carl D. Perkins funds. See Exhibit 9.

Amendments, Discussion, and Votes: The question was called. The motion CARRIED unanimously.

GUARANTEED STUDENT LOAN PROGRAM

(458)

Mr. Wolcott stated that there is one current level issue and one modified; LFA current level includes telephone add/move/change costs of \$8,087 for FY 1990 and \$8,458 in FY 1991 that are not in the executive budget. The modified level request is for a loan processing costing \$850,267 in FY 1990 and \$821,589 in FY 1991. The LFA current level analysis presents the loan processing as an issue on pages F-22 and F-23 in the LFA Volume II. Mr. Wolcott stated that is to move the loan processing from Indiana to Helena. See Exhibit 10.

ISSUE 1:

(493)

Motion: Rep. Kadas moved to adopt LFA current level for FY 1990 and 91, that would include the telephone add/move/change.

Amendments, Discussions, and Votes: The question was called.
The motion CARRIED unanimously.

(540)

ISSUE 2:

Motion: Sen. Jacobson moved to adopt the modified level and approve the transfer of the loan processing to Helena from Indiana.

Amendments, Discussions, and Votes: The question was called.
The motion CARRIED unanimously.

(590)

FUNDING:

Motion: Rep. Kadas moved to adopt funding levels for FY 1990 and 91 subject to all the amendments approved by the Subcommittee.

Amendments, Discussions, and Votes: The question was called.
The motion CARRIED unanimously.

SHEO GRANT PROGRAM

(594)

Rep. Peck went back to SHEO grant that Mr. Noble had spoken of earlier in the meeting and that they wanted to include it in the Talent Search program.

Dr. Krause stated that they need \$15,000 for FY 1989 and \$31,300 for FY 1990.

(625)

Motion: Sen. Hammond moved to adopt the SHEO grant in the amount of \$31,300 for FY 1990 and a budget amendment for \$15,000

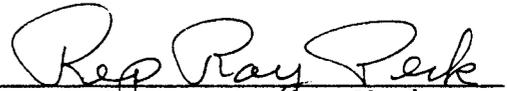
for FY 1989.

Amendments, Discussions, and Votes: The question was called.
The motion CARRIED unanimously.

There being no further business the Subcommittee was adjourned
until 9:00 a.m. January 26 to act on OPI.

ADJOURNMENT

Adjournment At: 11:00 a.m.



REP. Ray Peck, Chairman

RP/cj

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Exhibit 1

1/26/89

Table 7
University System 1991 Biennium Formula Calculation
for Fiscal 1990

1988-1989

----- Formula Factors -----

Unit	Average Student Enrollment	÷	Student/Faculty Ratio	=	FTE Faculty	x	Faculty Salary	+	Employee Benefits	=	Instructional Compensation
MSU	9,476		17.84		531.17		\$31,043		19.91%		\$19,773,576
UM	7,759		18.70		414.92		31,221		19.994%		15,544,284
EMC	3,296		19.09		172.66		26,375		20.762%		5,499,390
NMC	1,631		15.45		105.57		25,185		21.037%		3,218,108
WMCUM	877		15.52		56.51		24,490		21.065%		1,675,455
MCMST	<u>1,578</u>		17.32		<u>91.11</u>		31,493		19.996%		<u>3,443,078</u>
Total	<u>24,617</u>				<u>1,371.94</u>						<u>\$49,153,891</u>

----- Instruction and Support Program Calculation -----

Unit	Instructional Compensation	÷	Compensation Average	=	Total Instr. and Support Programs	x	Support Average	=	Support Program
MSU	\$19,773,576		54.0%		\$36,617,733		35.1%		\$12,852,824
UM	15,544,284		54.0%		28,785,711		35.1%		10,103,785
EMC	5,499,390		46.9%		11,725,778		41.1%		4,819,295
NMC	3,218,108		46.9%		6,861,638		41.1%		2,820,133
WMCUM	1,675,455		46.9%		3,572,399		41.1%		1,468,256
MCMST	<u>3,443,078</u>		51.5%		<u>6,685,588</u>		37.8%		<u>2,527,152</u>
Total	<u>\$49,153,891</u>				<u>\$94,248,847</u>				<u>\$34,591,445</u>

Unit	Total Instruction and Support Programs	-	Support Program	=	Instruction Program
MSU	\$36,617,733		\$12,852,824		\$23,764,909
UM	28,785,711		10,103,785		18,681,926
EMC	11,725,778		4,819,295		6,906,483
NMC	6,861,638		2,820,133		4,041,505
WMCUM	3,572,399		1,468,256		2,104,143
MCMST	<u>6,685,588</u>		<u>2,527,152</u>		<u>4,158,436</u>
	<u>\$94,248,847</u>		<u>\$34,591,445</u>		<u>\$59,657,402</u>

Special fees charged to law school students at the University of Montana are added to the instruction program for UM. The fees for this graduate level program are anticipated to be \$262,200 annually in the 1991 biennium.

goes w/ Ex 2

The three colleges average 41.1 percent, and Montana Tech averages 37.8 percent. The current level formula calculations utilize a three-year average of the percentage relationships of instructional compensation expenditures to total instruction and support expenditures. A three-year average of support program expenditures as a percent of total instruction and support expenditures is used to calculate support program costs.

Table 6
University System Instructional Support and Support Program Percentages
1991 Biennium

Unit	Faculty Compensation Expenditures as a Percent of				Support Program Expenditures as a Percent of			
	Instruction and Support Program Exp.				Instruction and Support Program Exp.			
	FY86	FY87	FY88	Average	FY86	FY87	FY88	Average
MSU	53.8	53.6	53.5	53.6	35.0	34.4	34.8	34.7
UM	54.9	54.4	53.9	54.4	34.6	36.2	35.3	35.4
EMC	46.0	47.2	45.8	46.3	40.9	42.2	41.7	41.6
NMC	47.3	50.0	45.8	47.7	39.3	39.7	39.1	39.4
WICUM	45.3	47.0	47.8	46.7	43.6	43.4	39.8	42.3
MCMST	49.6	52.0	52.9	51.5	39.2	37.5	36.7	37.8
Average By:	- - - Compensation Average - - -				- - - Support Average - - -			
Universities	54.0				35.1			
Colleges	46.9				41.1			
Tech	51.5				37.8			

Instruction and Support Program Formula

Table 7 shows the university system formula calculation for the 1991 biennium using the formula factors for the fiscal 1990 instruction and support programs. The formula data elements (enrollment, student faculty ratio, faculty compensation, and faculty benefits) produce the instructional compensation for each unit as presented in the top portion of Table 7. The instructional compensation amount is then divided by the compensation average percent to calculate the total instruction and support programs for each unit. The support average percent is applied to the total instruction and support program amount to determine the portion that represents the support program. The instruction program amount is the remainder after the support program amount is subtracted from the total instruction and support amount.

MONTANA UNIVERSITY SYSTEM - Legislative Funding Formula 3

DATE JAN 26, 1989

HB _____

BUDGET FACTORS

Student Enrollment	Headcount Enrollment
Student Faculty Ratio	Instruction Base Year Expenditures
Average Faculty Salary & Benefits	Support Base Year Expenditures
Summer School Ratio	Plant O&M Base Year Expenditures
Instruction Support Rate Per FYFTE Student	Research Program Base Year Expenditures
Other Support Rate per FYFTE Student	Public Service Base Year Expenditures
	Adjustments to Base Year Expenditures
	Fee Waivers in Base Year
	Tuition Rates

CALCULATION OF PROGRAM EXPENDITURES

Instruction Program -

1. $\frac{\text{Estimated student enrollment}}{\text{student faculty ratio}} = \# \text{ faculty} \times \text{average salary \& benefits} = \$ \text{ Faculty Personal Services}$
 2. $\text{Estimated student enrollment} \times \text{instruction support rate} = \$ \text{ Instruction Support Cost}$
- Instruction Program Costs = \$ Sum of above factors**

Support Program -

1. $\text{Estimated student enrollment} \times \text{support rate} = \$ \text{ Support Costs}$
 2. $\text{Number of 5 percent increments (headcount/FYFTE)} \times .0033 \text{ of total faculty compen.} = \$ \text{ High Headcount Adjustment}$
- Support Program Costs = \$ Sum of above factors**

Plant, Research, and Public Service Programs -

$(\text{Base year expenditures} + \text{Base Adjustments}) \times \text{inflation} = \$ \text{ Program Costs}$

Scholarships & Fellowships Program -

1. $\text{Mandatory waivers} \times \text{tuition and enrollment changes} = \$ \text{ Mandatory Waivers}$
 2. $5.75 \text{ percent of registration \& resident incidental fees plus } 18.45 \text{ percent of non-resident incidental fees} = \$ \text{ Discretionary Waivers}$
- Scholarship & Fellowship Costs = \$ Sum of above factors**

LEGISLATIVE FUNDING LEVEL

Since the implementation of the formula in the 1981 session, the legislature has chosen to fund the Instruction and Support Programs at levels lower than the calculated cost. The Instruction Program was funded at 99 percent for fiscal 1988 and 1989, and the Support Program at 91 percent for fiscal 1988 and 92 percent for fiscal 1989. These percentages are applied after the program costs are calculated.

AGENCY: COMMISSIONER OF HIGHER EDUCATION

LEGISLATIVE ACTION

PROGRAM: ADMINISTRATION PROGRAM

DATE Jan 26, 1989
 HB _____

BUDGET ITEM	FY 1988 Actual	Executive	Fiscal 1990 LFA Curr Lvl	Difference	Executive	Fiscal 1991 LFA Curr Lvl	Difference	FY 88-90 % Change
FTE	14.40	14.40	13.90	0.50	14.40	13.90	0.50	-3.47%
Personal Services	\$510,086	\$578,827	\$537,377	\$41,450	\$579,910	\$538,345	\$41,565	5.35%
Operating Expenses	260,315	276,911	231,706	45,205	261,539	216,841	44,698	-10.99%
Equipment	6,493	320	7,465	(7,145)	320	1,629	(1,309)	14.97%
TOTAL EXPENSES	\$776,894	\$856,058	\$776,548	\$79,510	\$841,769	\$756,815	\$84,954	-0.04%
FUNDING								
General Fund	\$776,894	\$856,058	\$776,548	\$79,510	\$841,769	\$756,815	\$84,954	-0.04%
TOTAL FUNDING	\$776,894	\$856,058	\$776,548	\$79,510	\$841,769	\$756,815	\$84,954	-0.04%

Current Level

ISSUE 1: The LFA current level is 0.50 FTE lower than the executive for a difference of \$29,536 in fiscal 1990 and \$29,632 in fiscal 1991. A 0.50 FTE professional position left vacant in fiscal 1988 was deleted in the LFA current level.

ISSUE 2: Insurance costs of \$29,816 in fiscal 1990 and \$29,532 in fiscal 1991 were included in the executive that are not in current level.

ISSUE 3: The executive includes \$8,500 more contracted services in fiscal 1990 and \$8,000 more in fiscal 1991 than LFA current level. A total of \$5,000 of this difference is in consultant and professional services while the balance of the difference in each fiscal year is in contracted printing costs.

ISSUE 4: The executive includes \$2,400 each year of the biennium for employee parking permits that are not in the LFA current level.

BUDGET ITEM	FY 1988 Actual	Executive	Fiscal 1990 LFA Curr Lvl	Difference	Executive	Fiscal 1991 LFA Curr Lvl	Difference	FY 88-90 % Change
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Non-Operating	\$4,609,294	\$4,421,750	\$4,735,150	(\$313,400)	\$4,549,525	\$4,827,725	(\$278,200)	2.73%
TOTAL EXPENSES	\$4,609,294	\$4,421,750	\$4,735,150	(\$313,400)	\$4,549,525	\$4,827,725	(\$278,200)	2.73%
FUNDING								
General Fund	\$3,671,126	\$3,838,022	\$4,108,422	(\$270,400)	\$3,967,797	\$4,114,997	(\$147,200)	11.91%
State Special Rev	683,164	281,000	324,000	(43,000)	279,000	410,000	(131,000)	-52.57%
Federal Revenue	255,004	302,728	302,728	0	302,728	302,728	0	18.72%
TOTAL FUNDING	\$4,609,294	\$4,421,750	\$4,735,150	(\$313,400)	\$4,549,525	\$4,827,725	(\$278,200)	2.73%

Current Level

ISSUE 1: The State Student Incentive Grant (SSIG) is a federally funded student assistance program that requires a dollar-for-dollar state match. The federal portion of the SSIG is estimated at \$220,000 each year of the 1991 biennium. The executive budget does not include general fund match for State Student Incentive Grants (SSIG) of \$220,000 each year of the 1991 biennium.

ISSUE 2: The LFA current level includes five more new WICHE slots costing \$70,000 in fiscal 1990 and \$34,400 in fiscal 1991.

ISSUE 3: The LFA current level includes two new slots in Montana Rural Dentistry costing \$23,400 in fiscal 1990 and \$23,800 in fiscal 1991 that are not in the executive.

Funding

ISSUE 4: The executive uses \$171,000 less coal tax funds over the biennium than the LFA current level.

Just State need

5102 03 00000

EXHIBIT 6
DATE Jan 26, 1989

08:11 PM 23-Jan-89

AGENCY: COMMISSIONER OF HIGHER EDUCATN LEGISLATIVE ACTION HB PROGRAM: EDUCATION FOR ECONOMIC SECUR

BUDGET ITEM	FY 1988 Actual	Executive	Fiscal 1990 LFA Curr Lvl	Difference	Executive	Fiscal 1991 LFA Curr Lvl	Difference	FY 88-90 % Change
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Operating Expenses	\$176	\$1,576	\$1,576	\$0	\$1,576	\$1,576	\$0	795.45%
Non-Operating	115,423	159,985	159,985	0	159,985	159,985	0	38.61%
TOTAL EXPENSES	\$115,599	\$161,561	\$161,561	\$0	\$161,561	\$161,561	\$0	39.76%
=====								
FUNDING								
Federal Revenue	\$115,599	\$161,561	\$161,561	\$0	\$161,561	\$161,561	\$0	39.76%
TOTAL FUNDING	\$115,599	\$161,561	\$161,561	\$0	\$161,561	\$161,561	\$0	39.76%
=====								

DATE Jan 26, 1989

HB

AGENCY: COMMISSIONER OF HIGHER EDUCATION LEGISLATIVE ACTION PROGRAM: MUS GROUP INSURANCE PROGRAM

BUDGET ITEM	FY 1988 Actual	Fiscal 1990		Fiscal 1991		FY 88-90 % Change
		Executive	LFA Curr Lvl	Executive	LFA Curr Lvl	
FTE	2.50	2.50	2.50	2.50	2.50	0.00%
Personal Services	\$64,165	\$68,356	\$66,961	\$68,420	\$67,023	4.36%
Operating Expenses	338,799	308,039	308,039	307,977	307,977	-9.08%
Equipment	1,174	0	0	0	0	-100.00%
Non-Operating	7,618,333	9,100,000	9,100,000	10,400,000	10,400,000	19.45%
TOTAL EXPENSES	\$8,022,471	\$9,476,395	\$9,475,000	\$10,776,397	\$10,775,000	18.11%
Other Revenue	\$8,022,471	\$9,476,395	\$9,475,000	\$10,776,397	\$10,775,000	18.11%
TOTAL FUNDING	\$8,022,471	\$9,476,395	\$9,475,000	\$10,776,397	\$10,775,000	18.11%

Appropriations Committee Policy

Vacancy savings of \$2,790 each year will be added back to the LFA current level.

- Changes From Current Level -
Fiscal 1990 Fiscal 1991

Additional Issues	
Issue 1: Revised Estimates	\$ 17,210
Operating Expenses	800,000
Non-Operating Expenses	\$817,210
Total	\$817,210
Funding	
Other Revenue	\$972,207

~~\$927,207~~ 972,207

EXHIBIT B
 DATE Jan 26, 1989
 HB

PROGRAM: TALENT SEARCH

LEGISLATIVE ACTION

AGENCY: COMMISSIONER OF HIGHER EDUCATION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990		Fiscal 1991		Difference	FY 88-90 % Change
		Executive	LFA Curr Lvl	Executive	LFA Curr Lvl		
FTE	6.00	6.15	6.15	6.15	6.15	0.00	2.50%
Personal Services	\$130,368	\$123,361	\$136,067	\$123,428	\$136,141	(\$12,713)	4.37%
Operating Expenses	38,737	43,495	43,564	45,702	44,058	1,644	12.46%
TOTAL EXPENSES	\$169,105	\$166,856	\$179,631	\$169,130	\$180,199	(\$11,069)	6.22%
=====							
FUNDING							
Federal Revenue	\$169,105	\$166,856	\$179,631	\$169,130	\$180,199	(\$11,069)	6.22%
TOTAL FUNDING	\$169,105	\$166,856	\$179,631	\$169,130	\$180,199	(\$11,069)	6.22%
=====							

Current Level

ISSUE 1: The LFA includes equity increases of \$14,700 each year that are not in the executive budget.

Appropriations Committee Policy

Vacancy savings of \$4,208 in fiscal 1990 and \$4,210 in fiscal 1991 will be added back to the LFA current level.

Current Level	
Issue 1: Equity Increases	\$ (14,700)
Funding	\$ (14,700)
Federal Revenue	\$ (14,700)

..BIT 9
 DATE JAN 26, 1989
 HB

AGENCY: COMMISSIONER OF HIGHER EDUCATION

LEGISLATIVE ACTION

PROGRAM: VO-TECH ADMINISTRATION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990		Fiscal 1991		FY 88-90 % Change
		Executive	LFA Curr Lvl	Executive	LFA Curr Lvl	
FTE	0.00	5.00	5.00	5.00	5.00	0.00%
Personal Services	\$144,168	\$183,371	\$187,113	\$183,632	\$187,380	29.79%
Operating Expenses	25,510	28,635	33,687	28,761	33,894	32.05%
Equipment	8,861	6,579	6,579	0	0	-25.75%
Non-Operating	2,158,861	4,056,310	4,056,310	4,059,363	4,059,363	87.89%
TOTAL EXPENSES	\$2,337,400	\$4,274,895	\$4,283,689	\$4,271,756	\$4,280,637	83.27%
=====						
General Fund	\$70,459	\$74,895	\$83,689	\$71,756	\$80,637	18.78%
Federal Revenue	2,266,941	4,200,000	4,200,000	4,200,000	4,200,000	85.27%
TOTAL FUNDING	\$2,337,400	\$4,274,895	\$4,283,689	\$4,271,756	\$4,280,637	83.27%
=====						

FUNDING

Current Level

ISSUE 1: The LFA includes \$2,149 more for printing and \$2,614 more for other expenses each year than the executive budget.

Appropriations Committee Policy

The LFA current level did not apply vacancy savings in this program.

Additional Issues

ISSUE 2: The commissioner's office has updated its projections of federal Carl D. Perkins funds to a total of \$4,728,187 for an increase of \$528,187 each year of the biennium. The above totals have not been adjusted pending committee action. The addition of \$528,187 each year of the biennium will increase non-operating costs to \$4,584,497 each year and federal revenue to \$4,728,187 each year of the biennium.

- Changes From Current Level -
Fiscal 1990 Fiscal 1991

Current Level		
Issue 1: Printing Costs	\$ (2,149)	\$ (2,149)
Other Expenses	<u>(2,614)</u>	<u>(2,614)</u>
Total Expenses	\$ (4,763)	\$ (4,763)
Funding		
General Fund	\$ (4,763)	\$ (4,763)
Additional Issues		
Issue 2: Additional Carl Perkins Funding		
Non-Operating Costs	\$528,187	\$528,187
Funding		
Federal Revenue	\$528,187	\$528,187

*non operating costs
 provided by
 State of N.Y. Trust
 for the
 d. [unclear]*

DATE JUN 6, 1984
HB

PROGRAM: GUARANTEED STUDENT LOAN

LEGISLATIVE ACTION

AGENCY: COMMISSIONER OF HIGHER EDUCATION

BUDGET ITEM	FY 1988 Actual	FTE	5.95	32.95	5.95	27.00	Executive LFA Curr Lvl	Difference	Executive LFA Curr Lvl	5.95	27.00	Difference	Fiscal 1991 LFA Curr Lvl	5.95	27.00	Difference	FY 88-90 % Change
Personal Services	\$168,980		\$190,304	\$695,435	\$190,304	\$505,131	807,038	\$505,131	\$190,548	5.95	\$505,459	\$505,459	\$190,548	5.95	\$505,459	\$505,459	12.62%
Operating Expenses	905,551		521,025	807,038	521,025	286,013	57,087	286,013	351,188	5.95	288,642	288,642	351,188	5.95	288,642	288,642	-42.46%
Equipment	54,912		2,087	57,087	2,087	55,000		55,000	2,087	5.95	23,000	23,000	2,087	5.95	23,000	23,000	-96.20%
TOTAL EXPENSES	\$1,129,443		\$713,416	\$1,559,560	\$713,416	\$846,144		\$846,144	\$543,823		\$817,101	\$817,101	\$543,823		\$817,101	\$817,101	-36.83%
FUNDING																	
Federal Revenue	\$1,129,443		\$713,416	\$1,559,560	\$713,416	\$846,144		\$846,144	\$543,823		\$817,101	\$817,101	\$543,823		\$817,101	\$817,101	-36.83%
TOTAL FUNDING	\$1,129,443		\$713,416	\$1,559,560	\$713,416	\$846,144		\$846,144	\$543,823		\$817,101	\$817,101	\$543,823		\$817,101	\$817,101	-36.83%

Current Level

ISSUE 1: The LFA current level includes telephone add/move/change costs of \$8,087 in fiscal 1990 and \$8,458 in fiscal 1991 that are not in the executive budget.

Modified Level

ISSUE 2: The executive includes a modified request for loan processing costing \$850,267 in fiscal 1990 and \$821,589 in fiscal 1991. The LFA current level analysis presents the loan processing as an issue on pages F-22 and F-23 in the LFA Volume II.

- Change From Current Level -
Fiscal 1990 Fiscal 1991

Current Level		
Issue 1: Telephone Add/Move/Change	\$ (8,087)	\$ (8,458)
Funding		
Federal and Other Revenue	(8,087)	(8,458)
Modified Level		
Issue 2: Loan Processing	27.00	27.00
FTE		
Personal Services	\$511,138	\$511,466
Operating Expenses	294,100	297,100
Equipment	<u>55,000</u>	<u>23,000</u>
Total Expansion	<u>\$860,238</u>	<u>\$831,566</u>
Funding		
Federal and Other Revenue	<u>\$860,238</u>	<u>\$831,566</u>