

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
51st LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON EDUCATION

Call to Order: By Chairman Peck, on February 13, 1989, at 8:00
a.m.

ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

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

Announcements/Discussion: None

HEARING ON UNIVERSITY SYSTEM

Tape No. B2\1:000

Presentation and Opening Statement:

Dr. Carroll Krause, Commissioner of Higher Education, distributed a handout on Higher Education and Source of Available general fund resources. (See Exhibit 1). Dr. Krause opened by stating that the Board of Regents have attempted to work within the structure of the \$13 million that Governor Stephens has proposed for higher education. Dr. Krause stated that the Board of Regents have tried to identify ways to address the needs of the Vo-Tech Centers, Community Colleges and higher education. He stated that there are several areas that are not funded with tuition that give the Board of Regents some concern, for e.g., the Ag Experiment Co-op, etc. Given the resources that are available, the Board of Regents felt that this presentation is the most appropriate allocation they could make. The budget Committee of the Board of Regents are indorsing this budget with the understanding that it is the minimum amount that is needed for higher education and will allow them to maintain, but he stated that it allows them very little opportunity to close the gap in any substantial way with their peers. Dr. Krause stated that the Board has not taken final action on tuition because they have not had a meeting since the presentation of this information to them. The Board will be meeting with the students this afternoon to go over the tuition proposal with them. Dr. Krause stated that the Board will be making that a part of their agenda when

the Board of Regents have their meeting on March 16.

(052)

Jack Noble, Deputy Commissioner, started with Exhibit 1 on the general fund that is available from the Schwinden budget recommendation. The total general fund recommendation contained was \$197,441,651, prior to the Governor's announcement on the \$13 million, the Subcommittee did take some action in regards to student assistance. Mr. Noble stated that the \$787,303 was comprised of some inadvertent errors in the Schwinden budget in regards to student assistance, e.g. the SSIG match, WICHE slots and Montana Rural Dentistry program. Mr. Noble stated that the Board of Regents had started with a total general fund available then of \$211,228,954 and will distribute those funds between the University System, Vo-Techs and Community Colleges and come back to reconcile to that amount. Included in that total are the supplementals as they now stand and approved by the Subcommittee. Mr. Noble stated that to summarize the funds applied he will work with the Subcommittee and go back through the formula and how the funds were applied.

Mr. Noble stated that the \$17.3 million increase over the biennium went into the formula and was distributed from there to each campus. Mr. Noble stated that the modified requests are listed fairly close in order of priority. The increase in the state work/study program is in response to the level of tuition increase that the Board of Regents is recommending. Mr. Noble stated that the Board of Regents should make a commitment to provide some additional funding in the area of: work/study, MBA program and the new space program that has been cut back. The total modifications in this are \$1,497,913 and the total for the six campuses is \$18,818,661. A portion of this money will come from the general fund of \$12,483,093 and the millage decreases over the previous biennium by \$1.7 million.

The net tuition are the hard dollars that the Board has to expend from the tuition proposal and is slightly over \$8.1 million.

Scholarships and fellowships which are normally incorporated into the tuition and fee proposal along with the fee waiver program are listed as an expenditure program.

(108)

Indirect costs decreases by \$1.1 million and the Board of Regents would not be able to achieve 100 percent release of the indirect costs until the second year of the biennium. The first year costs that are contained in the package are primarily for the formula.

(126)

Other funds will increase by \$283,220. Mr. Noble stated that the Board of Regents used the two years prior actual on the student/faculty ratio and adjusted it slightly downward in

terms of the costs and then adjusted it to the peers by 1/8 of the difference for all of the campuses. The cost of the adjustment in the student/faculty ratio is \$758,722 that adds approximately 18 faculty in the system over the biennium and is \$75,128 less than the previous request.

There are no changes in the faculty salary, but it is still the highest priority on the 6 and 6.

The instruction program stayed in the original formula with an additional cost of \$744,563 the first year and \$1,510,480 the second year.

The support formula factors have been adjusted to close the peer gap by 1/8 difference the first year for \$1,511,302. From that total, the Regents will designate \$1 million to the libraries. The second year the Board will be able to close the peer gap by an additional 1/12 of the difference and would cost \$2,515,093 and \$1 million from that will go to libraries.

Mr. Noble stated that the physical plant adjustments are recommended by the Board to come off of the 1988 actual. There will be a 4 percent increase on actual expenditures from that base for a total of \$923,443 which is \$1,137,623 less than the previous request.

Mr. Noble stated that there is no change in the public service and research programs. In other adjustments there is a \$250,000 per year transition funding added to NMC instruction program and \$100,000 per year added to WMC instruction program.

(235)

Mr. Noble stated that there are salary adjustments to provide equity for the affiliated faculty in the Ag Experiment Station, Co-op Extension Service, Bureau of Mines and the Forestry where they have faculty working on joint appointments. See Exhibit 1, page 9.

Mr. Noble summarized in terms of the original budget versus the Stephens/Regents' budget stating that there is more money in instructional support. The support program is approximately \$500,000 less, the physical plant budget is down \$1.1 million, and scholarships and fellowships net out at an increase of \$675,236 which is caused by tuition adjustments. Under the Stephen/Regent's budget request for 1990, the percentage increases that are contained by expending that amount of money in instructional support range from a low of 3.9 percent at EMC to a high of 12.6 percent at U of M.

(260)

Mr. Noble stated that the grand total excluding mods and supplementals, added to the \$13 million of general fund to the Schwinden recommended budget is below the \$13 million

recommended. The largest source of revenue increase that would flow into this budget would be net tuition and fees. Mr. Noble stated that the Board of Regents would like to spend some time with the LFA, the Executive office and the campuses to try and restructure the scholarship and fellowship programs into mandatory waivers and non-mandatory waivers.

(301)

Mr. Noble gave an overall view on the staff recommendation on tuition. He stated that the Regents would take final action on this in March or April. Mr. Noble stated that the tuition proposal contains both a rate adjustment on the flat per credit hour rate and then begins phasing out what they refer to as a flat spot which is a charge per credit hour on tuition up to 12 credit hours and then there is no charge for credits from 13 to 18, then at the 19th credit they would start paying again. Mr. Noble stated that the Board will phase in the 13th and 14th credit in at $\frac{1}{2}$ the rate for a charge of \$25 per credit up to 12 credits, and \$12.50 for the 13th and 14th credit. Mr. Noble stated that tuition will increase 14.12 percent.

Tape B2\2:000

(044)

Rep. Peck asked Dr. Krause if they have gone over the indirect costs with the budget director in the Governor's office and if they approve it? Dr. Krause stated that they have briefed the Governor's office and had asked him if there was some way they could find additional resources above the \$13 million to accommodate the Ag Center and some of the other areas and the Governor's response was he could only commit the \$13 million.

(085)

Rep. Kadas asked Dr. Krause to give an overall view of the presentation of the Executive's office budget proposal? Dr. Krause stated that the Board of Regents is trying to work within the framework of the Governor's recommendation for higher education. "He stated that the Commissioner's office basically took Governor Stephens' proposals for higher education and tied it into their budget proposals and stated that is what they believe to be Governor Stephen's recommendation that the Board is adopting as this presentation given those parameters".

(102)

Mr. Joe Williams, OBPP, stated that the Governor's office does have a consensus. He stated that "By and large we do agree with the majority, but we still have to address several issues".

(154)

Sen. Jacobson asked Mr. Noble if he would explain the phase down?

Mr. Noble replied that the \$250,000 looks constant, but it is a phase down. There are two adjustments for NMC and WMC, the amount in this formula in the area of instruction would be less than they have today and they would still be held for the 6 percent increases. Mr. Noble stated that if NMC and WMC go the 6 and 6, the \$250,000 would turn into \$500,000 the second year.

(188)

Rep. Marks asked Dr. Krause that now the Commissioner's office has the \$13 million, will they take charge of the modifications? Dr. Krause stated they would. He stated his concern about the Analytical Center, the Bureau of Mines and some of the water projects and the Spring Wheat Breeder program. Dr. Krause stated that given the parameters they have to operate in they had put their priorities in their instructional portion.

(205)

Sen. Hammond asked Dr. Krause if the Spring Wheat Breeder program means so much to them and the State why were they dropping it? Dr. Krause let President Tietz answer. Dr. Tietz stated that the formula and the dollars that are being brought forward in the Regents executive proposal do not cover salary increases for the Ag Experiment Station and Extension Service agencies and stated they deny the old program modifications. Dr. Tietz stated that the agencies would absorb the 6 and 6 each of the two years and would have to incorporate the cost of the Spring Wheat Breeding program. Dr. Tietz stated that in the proposal there is no salary increases for those agencies.

Dr. Krause stated that there is a salary increase built in.

Dr. Tietz stated that the salary increase is built in, but it comes out of their current budget and there is no allocation for that.

(279)

Dr. Krause stated that this program will consolidate about \$1.6 million worth of water modifications that were in the proposal. The Water Center is presently funded by the federal government for \$100,000 and the state of Montana is supporting that with \$15,000. Dr. Krause stated that the only thing they have been able to do is to identify the projects in which the \$100,000 goes to. This modification is intended to staff the Water Center with 1 full-time person who will not only administer the \$100,000 budget, but the primary responsibility is to go out and get financing and contracts for water development and water research. In addition, there will be a Water Policy Board which would be established and have representation in the Legislature and representation in the Executive branch and the three institutions that are involved in water research on that board. They would establish the priorities for that center, and make some major improvements for water research in the

state.

(324)

Mike Craig commented on the tuition issue stating that they are not prepared to endorse the tuition increase at this time. Mr. Craig stated that they are going to meet with their student representatives from the various campuses to meet with Dr. Krause and Chairman Lind. Mr. Craig stated they do have a proposal for a 5 percent tuition increase at this point, but are not prepared to endorse the staff increase. Mr. Craig said the student representatives are willing to sit down at the table and negotiate.

EXECUTIVE ACTION ON COMMUNITY COLLEGES:

Tape B2\2:358

Mr. Wolcott distributed handouts on what the Regents have recommended for the Community Colleges and Vo-Tech Centers. See Exhibit 3.

Mr. Wolcott started with Community Colleges stating that the Subcommittee has already taken action on the CC with the new proposal. Mr. Wolcott stated that the two differences that the Regent's came up with was: 1) the cost factor was increased to \$3,907 compared to the Subcommittee's action of \$3,642. 2) the state support that the Subcommittee had taken action on was 48 percent general fund of the total unrestricted budget and the Regents had proposed 47 percent.

(020)

Motion: Sen. Nathe made the motion to increase the cost factor from \$3,642 that was approved earlier to \$3,907 as recommended by the Regents.

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

(039)

Motion: Sen. Nathe made the motion to decrease the percent of state support from 48 percent to 47 percent.

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

EXECUTIVE ACTION ON VO-TECHS:

(068)

Mr. Wolcott distributed worksheets on the Vo-Techs. Mr. Wolcott stated that the Subcommittee has not taken any action on the Vo-Techs at this time. Mr. Wolcott stated that he compared the LFA current level with the Stephens/Regents' proposal as a base of reference. The total difference between the new proposal and the LFA current level is \$2.6 million in FY

1990 and \$2.577 million in FY 1991. One of the other differences was the replacement of the voted levy which is \$1.6 million. Mr. Wolcott stated that the LFA current level was at a 95 percent funding level, while the Regents came off of the 1988 base. Mr. Wolcott had to reconcile the difference between 100 percent funding versus 95 percent funding. He stated that amount to be \$424,000 in FY 1990 and \$419,000 in FY 1991. See Exhibit 4.

(495)

Mr. Wolcott addressed two issues: 1) the bonding payments, and 2) the funding for FY 1990 and 91 that includes approximately \$807,000 of Carl Perkins funds. Mr. Wolcott stated that even if the Subcommittee adopts the Stephens/Regents proposal and the two mill levy should pass, it would replace the Carl Perkins funds.

Mr. Noble stated that was a part of the transference. Mr. Noble stated that the Commissioner's office grants the Carl Perkins fund out and transfer funds to OPI for Vo-Ed, if the \$807,000 comes out of there it would be included with the amount that they grant out.

Tape C2\2:112

Motion: Rep. Kadas moved to adopt the Stephens\Regents' proposal for FY 1990 and 1991. See Exhibit 4.

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

(129)

Motion: Rep. Marks moved to include making the payroll conversion a biennial appropriation for year to year.

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

Rep. Peck asked Mr. Wolcott about the bond payments that are not in the handout? (See Exhibit 4). Mr. Wolcott stated that it is included in the Regents' recommendation, and he did not include it in, because it is funded out of the Board of Regents at this time.

Mr. Wolcott stated that the Subcommittee needs to determine how to go about funding the bond payments or if they want to fund it, because right now it is funded by the education trust fund.

(159)

Motion: Rep. Marks moved that the Subcommittee budget the bond payments out of the general fund for FY 1990 and FY 1991.

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

Rep. Peck stated that the Subcommittee will be leaving at 7:00 a.m. tomorrow morning to visit the campus of Montana Tech and Western Montana College.

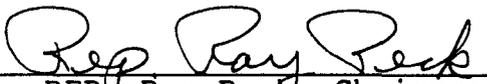
(160)

Mr. Noble stated that he had received a letter from the Great Falls Vo-Tech Center stating that the local school district will be disconnecting their phone service on July 1. Mr. Noble stated that he had the telecommunications bureau confirm that and also had them give them a cost estimate of what it would take to replace the phone system. (See Exhibit 5).

There being no further business the Subcommittee was adjourned.

ADJOURNMENT

Adjournment At: 10:40 a.m.



REP. Ray Peck, Chairman

RP/cj

3721.min

DAILY ROLL CALL

EDUCATION

SUBCOMMITTEE

DATE Feb 13, 1989

NAME	PRESENT	ABSENT	EXCUSED
REP. RAY PECK, CHAIRMAN	✓		
SEN. SWEDE HAMMOND, VICE CHAIRMAN	✓		
SEN. PAUL BOYLAN	✓		
SEN. JUDY JACOBSON	✓		
REP. MIKE KADAS	✓		
REP. BOB MARKS	✓		
SEN. DENNIS NATHE	✓		

EXHIBIT 1
 DATE Feb 13, 1989
 HB _____

HIGHER EDUCATION
 SOURCE OF AVAILABLE GENERAL FUND RESOURCES

<u>General Fund Available:</u>	<u>Total</u>
Schwinden - Total Higher Education	\$194,787,906
Supplemental	1,140,087
Board of Regents	<u>1,513,658</u>
Total Schwinden Recommendation*	\$197,441,651
Agreed Adj Schwinden Budget-CHE Stud Asst**	787,303
Stephens' Recommendation	<u>13,000,000</u>
TOTAL GENERAL FUND AVAILABLE	<u>\$211,228,954</u>

Uses of General Fund:

University System***	\$190,863,298
Vocational Technical System	13,975,694
Community Colleges	<u>6,389,962</u>
TOTAL ALLOCATION	<u>\$211,228,954</u>

* From page 9, Governor Schwinden's Executive Budget in Brief

** Consists of the following:

	<u>FY 90</u>	<u>FY 91</u>
SSIG Match	\$220,000	\$220,000
WICHE Slots	70,000	34,400
MT Rural Dentistry	23,400	23,800
Vo-Tech Workstudy	24,863	24,863
SEOG Match	<u>46,921</u>	<u>99,056</u>
TOTAL STUDENT ASSISTANCE ADJ.	<u>\$385,184</u>	<u>\$402,119</u>

*** Includes the following supplementals:

MSU Non-Resident Tuition Shortfall	\$253,660
UM Non-Resident Tuition Shortfall	258,429
Board of Regents	<u>10,000</u>
TOTAL SUPPLEMENTALS	<u>\$522,089</u>

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STEPHENS' / REGENTS' RECOMMENDATION

UNIVERSITY SYSTEM
FUNDS WERE APPLIED AS FOLLOWS:

BIENNIUM TOTALS

Formula Portion:

MSU	\$ 7,583,020
UM	3,771,112
EMC	2,710,960
NMC	686,673
WMCUM	569,864
TECH	<u>1,999,119</u>

TOTAL FORMULA PORTION - SIX CAMPUSES **\$17,320,748**

Modified Requests:

Increase State Workstudy	\$ 180,547
MBA Program - UM/EMC	298,926
New Space:	
UM	400,000
MSU	100,000
EMC	39,300
Water Research Center	279,140
Law Accreditation	<u>200,000</u>

*Ex Act
Feb 15*

225,000

TOTAL MODIFIEDS **\$ 1,497,913**

TOTAL SIX CAMPUSES **\$18,818,661**

FUNDS WERE PROVIDED BY:

BIENNIUM TOTALS

General Fund	\$12,483,093
Millage	(1,698,200)
Tuition - Net	8,136,761
Scholarships & Fellowships	718,063
Indirect Cost	(1,104,276)
Other	<u>283,220</u>
NET	<u>\$18,818,661</u>

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GENERAL FUND - SUMMARY

TOTAL BIENNIUM

Six Campuses	\$158,846,653
Other Agencies	<u>31,494,556</u>
Total	\$190,341,209
Add: Supplemental - Regents	10,000
Supplemental - Campus	<u>512,089</u>

TOTAL ALLOCATED - UNIVERSITY SYSTEM **\$190,863,298**

210h

Formula Recommendation Continued

- 6) Physical Plant Program
 1990 - Provide 4% on actual expenditures
 1991 - Provide 4% on actual expenditures

The original budget provided for the campus request as submitted to the Executive Branch.

<u>Increase</u>	<u>Biennium</u>
Original Request	\$2,061,066
Stephens'/Regents'	<u>923,443</u>
Difference	<u>\$1,137,623</u>

- 7) Public Service and Research Programs - No change
 Biennium cost increase \$184,874

- 8) Other adjustments
- \$250,000 per year Transition Funding added to NMC Instruction Program.
 - \$100,000 per year Transition Funding added to WMCUM Instruction Program.
 - Salary adjustments to provide equity for affiliated faculty in AES, COOP, B of M, & Forestry:

	<u>1990</u>	<u>1991</u>
Agriculture Experiment Station	\$204,700	\$422,000
Coop Extension Service	147,000	302,500
Bureau of Mines	16,000	49,500
Forestry Experiment Station	<u>13,400</u>	<u>27,500</u>
Total Equity Adjustment	<u>\$381,100</u>	<u>\$801,500</u>

SUMMARY

Net Change In Biennium Cost By Program (Six Campuses)

	<u>Original</u>	<u>Stephens'/ Regents'</u>	<u>Difference</u>
Instruction	\$ 9,541,320	\$10,167,271	\$ 625,951
Support	5,834,608	5,327,097	(507,511)
Research	165,640	165,640	-0-
Public Service	19,234	19,234	-0-
Plant	2,061,066	923,443	(1,137,623)
Scholarships	<u>42,827</u>	<u>718,063</u>	<u>675,236</u>
TOTAL	<u>\$17,664,695</u>	<u>\$17,320,748</u>	<u>\$ 343,947</u>

211h

Enrollments, Student Faculty Ratios, Full-Time Equivalent Faculty

<u>Campus</u>	<u>Two Year FTE Average Enrollment</u>	<u>Current Student/Faculty Ratio</u>	<u>1987 Peer Institution Ratio</u>
MSU	9,476	17.84	16.14
UM	7,759	18.70	16.14
EMC	3,296	19.09	19.16
NMC	1,631	15.45	15.91
WMCUM	877	15.52	15.03
MCMST	<u>1,578</u>	17.32	11.61
TOTAL	<u>24,617</u>		

Regent Budget Request

<u>Campus</u>	<u>1990</u>	<u>Campus/Peer Productivity Comparison</u>	<u>1991</u>	<u>Campus/Peer Productivity Comparison</u>
MSU	17.84	111%	17.63	109%
UM	18.70	116%	18.38	114%
EMC	19.09	100%	19.00	99%
NMC	15.45	97%	15.50	97%
WMCUM	15.52	103%	15.46	103%
MCMST	17.32	149%	16.61	143%

	<u>1990</u>	<u>1991</u>
Cost of Adjustment	-0-	<u>\$758,722</u>

Formula Faculty

<u>Campus</u>	<u>1990</u>	<u>1991</u>	<u>Increase/ Decrease</u>
MSU	531.17	537.49	6.32
UM	414.92	422.14	7.22
EMC	172.66	173.47	.81
NMC	105.57	105.23	(.34)
WMCUM	56.51	56.73	.22
MCMST	<u>91.11</u>	<u>95.00</u>	<u>3.89</u>
TOTAL	<u>1,371.94</u>	<u>1,390.06</u>	<u>18.12</u>

Average Faculty Salaries and Benefits

<u>Campus</u>	<u>1988 Regional Survey</u>	<u>LFA Discipline Index</u>	<u>Regional Survey X Index</u>	<u>Tax Capacity Factor</u>	<u>Tax Effort Factor</u>	<u>Regional Survey Adjusted</u>
MSU	\$38,240	1.05	\$40,152	.86	1.06	\$36,603
UM	\$38,240	1.02	\$39,005	.86	1.06	\$35,557
EMC	\$32,790	1.00	\$32,790	.86	1.06	\$29,891
NMC	\$32,790	.97	\$31,806	.86	1.06	\$28,995
WMCUM	\$32,790	.96	\$31,478	.86	1.06	\$28,696
MCMST	\$35,243	1.14	\$40,177	.86	1.06	\$36,625

Regent Budget Request

<u>Campus</u>	<u>1988 Regional Survey</u>	<u>Regent Request 1990 ¹</u>	<u>Percent of 1988 Survey</u>	<u>Regent Request 1991 ¹</u>	<u>Percent of 1988 Survey</u>
MSU	\$38,240	\$33,100	87%	\$35,086	92%
UM	\$38,240	\$33,100	87%	\$35,086	92%
EMC	\$32,790	\$28,000	85%	\$29,680	91%
NMC	\$32,790	\$27,000	82%	\$28,620	87%
WMCUM	\$32,790	\$27,000	82%	\$28,620	87%
MCMST	\$35,243	\$33,100	94%	\$35,086	99%

¹ The formula request provides 6% increase per year for each campus.
 1990 - Cost of adjustment \$3,163,924
 1991 - Cost of adjustment \$6,304,518

Faculty Benefit Rates

<u>Campus</u>	<u>1990</u>	<u>1991</u>
MSU	19.919%	19.947%
UM	19.994%	20.022%
EMC	20.762%	20.818%
NMC	21.037%	21.037%
WMCUM	21.065%	21.093%
MCMST	19.996%	20.024%

Formula Rates for Instructional Support and Support Programs

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Campus	Instructional Support Rate Per FTE Student			Regent Request				
	1987		Actual as a Percent of Peers	1990	Percent Incr.	1991	Percent Incr.	Percent of 1987 Peer \$
	Peer \$/FTE	Actual \$/FTE						
MSU	\$ 686	\$ 456	67%	\$ 485	6.4%	\$ 514	6.0%	75%
UM	\$ 686	\$ 342	50%	\$ 385	12.6%	\$ 428	11.2%	62%
EMC	\$ 405	\$ 307	76%	\$ 319	3.9%	\$ 331	3.8%	82%
NMC	\$ 463	\$ 312	67%	\$ 331	6.0%	\$ 350	5.7%	76%
WMCUM	\$ 490	\$ 341	70%	\$ 360	5.6%	\$ 379	5.3%	77%
MCMST	\$ 745	\$ 494	66%	\$ 525	6.3%	\$ 557	6.1%	75%

1990 - Cost of adjustment over current \$ 744,563
 1991 - Cost of adjustment over current \$1,510,480

Campus	Support Rate Per FTE Student			Regent Request				
	1987		Actual as a Percent of Peers	1990	Percent Incr.	1991	Percent Incr.	Percent of 1987 Peer \$
	Peer \$/FTE	Actual \$/FTE						
MSU	\$1,874	\$1,321	71%	\$1,390	5.2%	\$1,436	3.3%	77%
UM	\$1,874	\$1,306	70%	\$1,377	5.4%	\$1,424	3.4%	76%
EMC	\$1,648	\$1,443	88%	\$1,469	1.8%	\$1,486	1.2%	90%
NMC	\$1,546	\$1,453	94%	\$1,465	.8%	\$1,473	.5%	95%
WMCUM	\$1,945	\$1,511	78%	\$1,566	3.6%	\$1,602	2.3%	82%
MCMST	\$2,403	\$1,626	68%	\$1,723	6.0%	\$1,788	3.8%	74%

	1990	1991
Amount of adjustment designed for libraries	\$1,000,000	\$1,000,000
Total cost of adjustment (including libraries)	\$1,511,302	\$2,515,093

University System Biennial Comparison

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<u>Campus</u>	1988	1989	Stephens'/ Regents' 1990	Stephens'/ Regents' 1991	<u>Biennial Change</u>	
	<u>Actual</u>	<u>Appropriated</u>	<u>Requested</u>	<u>Requested</u>	<u>Amount</u>	<u>Percent</u>
MSU	\$ 43,835,949	\$ 43,846,721	\$ 46,418,345	\$ 48,847,345	\$ 7,583,020	8.65%
UM	36,169,716	36,759,817	37,270,426	39,430,219	3,771,112	5.17%
EMC	13,360,591	13,428,017	14,489,957	15,009,611	2,710,960	10.12%
NMC	7,783,723	7,995,264	8,110,009	8,355,651	686,673	4.35%
WMCUM	4,333,900	4,343,768	4,544,159	4,703,372	569,864	6.57%
MCMST	<u>8,241,771</u>	<u>8,361,750</u>	<u>9,027,058</u>	<u>9,575,582</u>	<u>1,999,119</u>	<u>12.04%</u>
TOTAL	<u>\$113,725,650</u>	<u>\$114,735,337</u>	<u>\$119,859,954</u>	<u>\$125,921,781</u>	<u>\$ 17,320,748</u>	<u>7.58%</u>

Funding Sources:

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General Fund	\$ 73,051,371	\$ 73,312,189	\$ 75,015,869	\$ 82,332,871	\$ 10,985,180 ¹	7.51%
Millage	12,864,200	12,906,000	12,050,000	12,022,000	(1,698,200)	-6.59%
Tuition and Fees	23,139,768	23,909,257	27,592,893	27,592,893	8,136,761	16.26%
Scholarships & Fellow	2,944,341	3,001,420	3,331,912	3,331,912	718,063	2.41%
Indirect Costs	1,194,980	1,136,471	1,227,175	0	(1,104,276)	-47.36%
Other	<u>530,990</u>	<u>470,000</u>	<u>642,105</u>	<u>642,105</u>	<u>283,220</u>	<u>28.29%</u>
TOTAL	<u>\$113,725,650</u>	<u>\$114,735,337</u>	<u>\$119,859,954</u>	<u>\$125,921,781</u>	<u>\$ 17,320,748</u>	<u>7.58%</u>

¹ Excludes \$1,497,913 in Program Mods.

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University System Biennial Comparison

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Unit	1988	1989	Stephens'/ Regents' 1990	Stephens'/ Regents' 1991	Biennial Change	
	Actual	Appropriated	Requested	Requested	Amount	Percent
Bureau of Mines	\$ 1,278,505	\$ 1,286,523	\$ 1,270,081	\$ 1,308,772	\$ 13,824	0.54%
Ag. Exper. Station	8,552,467	8,641,392	8,847,306	9,076,182	729,630	4.24%
Coop. Ext. Service	3,760,943	4,363,435	4,163,298	4,318,210	357,130	4.40%
Forestry Station	632,550	644,954	643,721	667,196	33,413	2.62%
CHE - Administration	776,894	774,104	@ 820,926	@ 801,330	71,258	4.59%
CHE - GSL	1,129,443	1,416,493	* 1,573,654	* 1,375,389	403,107	15.83%
CHE - SHEEO	0	0	* 46,300	* 0	46,300	
CHE - Talent Search	169,105	173,617	* 179,631	* 180,199	17,108	4.99%
CHE - Group Insurance	8,022,471	9,205,338	* 10,295,000	* 11,750,000	4,817,191	27.96%
CHE - Student Asst.	4,609,293	4,510,839	# 4,806,934	# 4,951,644	638,446	7.00%
CHE - Title II	115,599	161,561	** 161,561	** 161,561	45,962	16.58%
Board of Regents-Admin.	32,947	23,008	** 32,817	** 32,868	9,730	17.39%
Subtotal	29,080,217	31,201,264	32,841,229	34,623,351	7,183,099	
Campuses	113,725,650	114,735,337	119,859,954	125,921,781	17,320,748	
TOTAL UNIV. SYSTEM	\$142,805,867	\$145,936,601	\$152,701,183	\$160,545,132	\$ 24,503,847	8.49%

Funding Sources:

General Fund	\$ 87,467,739	\$ 88,775,590	\$ 90,520,468	\$ 98,322,828	\$ 12,599,967 ¹	7.15%
State Special	1,403,451	1,018,283	1,125,113	1,210,874	(85,747)	-3.54%
Federal Revenue	5,237,927	5,514,242	5,916,517	5,672,520	836,868	7.78%
Tuition and Fees-Net	23,139,768	23,909,257	27,592,893	27,592,893	8,136,761	17.29%
Scholarships & Fellow	2,944,341	3,001,420	3,331,912	3,331,912	718,063	12.08%
Millage	12,864,200	12,906,000	12,050,000	12,022,000	(1,698,200)	-6.59%
Indirect Costs	1,194,980	1,136,471	1,227,175	0	(1,104,276)	-47.36%
Other	8,553,461	9,675,338	10,937,105	12,392,105	5,100,411	27.98%
UNIV. SYSTEM FUNDING	\$142,805,867	\$145,936,601	\$152,701,183	\$160,545,132	\$ 24,503,847	8.49%

** Denotes original Schwinden recommendation

@ Ed Subcommittee recommendation - (\$75,571 less than Schwinden recommendation)

* Ed Subcommittee recommendation - non-general fund sources

Adjusted for errors and increased by Ed Subcommittee (\$787,303 general fund)

¹ Excludes Program Mods (\$1,497,913) and Supplementals (\$522,089).

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UNIVERSITY SYSTEM BIENNIUM COMPARISON
BY PROGRAM

PROGRAM	1987-88	1988-89	1989-90	1990-91	BIENNIUM CHANGE	
	ACTUAL	APPROP	STEPHENS' /REGENTS'	AMOUNT	PERCENT	
INSTRUCTION	\$59,371,002	\$61,091,855	\$62,986,341	\$67,643,787	\$10,167,271	8.44%
SUPPORT	34,025,350	32,272,128	35,441,486	36,183,089	5,327,097	8.04%
RESEARCH	1,115,208	1,088,206	1,184,158	1,184,896	165,640	7.52%
PUBLIC SERVICE	436,449	446,542	449,425	452,800	19,234	2.18%
PLANT OPERATION & MAINTENANCE	15,833,300	16,835,186	16,466,632	17,125,297	923,443	2.83%
SCHOLARSHIPS & FELLOWSHIPS	2,944,341	3,001,420	3,331,912	3,331,912	718,063	12.08%
	<u>\$113,725,650</u>	<u>\$114,735,337</u>	<u>\$119,859,954</u>	<u>\$125,921,781</u>	<u>\$17,320,748</u>	<u>7.58%</u>
FUNDING:						
GENERAL FUND	\$73,051,371	\$73,312,189	\$75,015,869	\$82,332,871	\$10,985,180	7.51%
TUITION & FEES - NET	23,139,768	23,909,257	27,592,893	27,592,893	8,136,761	17.29%
SCHOLARSHIPS & FELLOWSHIPS	2,944,341	3,001,420	3,331,912	3,331,912	718,063	12.08%
6-MILL	12,864,200	12,906,000	12,050,000	12,022,000	(1,698,200)	-6.59%
INDIRECT COSTS	1,194,980	1,136,471	1,227,175	0	(1,104,276)	-47.36%
OTHER	530,990	470,000	642,105	642,105	283,220	28.29%
	<u>\$113,725,650</u>	<u>\$114,735,337</u>	<u>\$119,859,954</u>	<u>\$125,921,781</u>	<u>\$17,320,748</u>	<u>7.58%</u>

Schedule B

MONTANA STATE UNIVERSITY
BIENNIUM BUDGET COMPARISON
BY PROGRAM

PROGRAM	1987-88 ACTUAL	1988-89 APPROP	1989-90 STEPHENS' /REGENTS'	1990-91 STEPHENS' /REGENTS'	BIENNIUM CHANGE AMOUNT	BIENNIUM CHANGE PERCENT
INSTRUCTION	\$23,896,970	\$24,491,863	\$25,679,691	\$27,490,718	\$4,781,576	9.88%
SUPPORT	12,756,214	11,943,588	13,218,682	13,607,536	2,126,416	8.61%
RESEARCH	597,742	597,925	597,759	597,963	55	0.00%
PUBLIC SERVICE	11,876	10,300	10,749	10,752	(675)	-3.04%
PLANT OPERATION & MAINTENANCE	5,502,691	5,696,322	5,722,799	5,951,711	475,497	4.25%
SCHOLARSHIPS & FELLOWSHIPS	1,070,456	1,106,723	1,188,665	1,188,665	200,151	7.19%
	<u>\$43,835,949</u>	<u>\$43,846,721</u>	<u>\$46,418,345</u>	<u>\$48,847,345</u>	<u>\$7,583,020</u>	<u>8.65%</u>
FUNDING:						
GENERAL FUND	\$27,787,146	\$27,628,940	\$28,941,652	\$32,244,678	5,770,244	10.41%
TUITION & FEES - NET	8,860,913	9,036,717	10,472,369	10,472,369	3,047,108	17.03%
SCHOLARSHIPS & FELLOWSHIPS	1,070,456	1,106,723	1,188,665	1,188,665	200,151	9.19%
6-MILL	5,081,359	5,097,870	4,642,923	4,632,133	(904,173)	-8.88%
INDIRECT COSTS	726,471	726,471	863,236	0	(589,706)	-40.59%
OTHER	309,604	250,000	309,500	309,500	59,396	10.61%
	<u>\$43,835,949</u>	<u>\$43,846,721</u>	<u>\$46,418,345</u>	<u>\$48,847,345</u>	<u>\$7,583,020</u>	<u>8.65%</u>

UNIVERSITY OF MONTANA
BIENNIUM BUDGET COMPARISON
BY PROGRAM

PROGRAM	1987-88 ACTUAL	1988-89 APPROP	1989-90 STEPHENS' / REGENENTS'	1990-91 STEPHENS' / REGENENTS'	BIENNIUM CHANGE AMOUNT	BIENNIUM CHANGE PERCENT
INSTRUCTION	\$19,034,131	\$19,203,709	\$19,467,013	\$21,097,555	\$2,326,728	6.08%
SUPPORT	10,472,740	10,397,629	10,731,185	11,048,816	909,632	4.36%
RESEARCH	470,281	446,534	536,137	536,582	155,904	17.00%
PUBLIC SERVICE	165,754	195,904	183,132	183,288	4,762	1.32%
PLANT OPERATION & MAINTENANCE	5,072,560	5,530,823	5,275,462	5,486,481	158,560	1.50%
SCHOLARSHIPS & FELLOWSHIPS	954,250	985,218	1,077,497	1,077,497	215,526	11.11%
	<u>\$36,169,716</u>	<u>\$36,759,817</u>	<u>\$37,270,426</u>	<u>\$39,430,219</u>	<u>\$3,771,112</u>	<u>5.17%</u>
FUNDING:						
GENERAL FUND	\$22,992,616	\$23,132,155	\$22,361,100	\$24,811,015	1,047,344	2.27%
TUITION & FEES - NET	7,877,769	8,338,432	9,619,450	9,619,450	3,022,699	18.64%
SCHOLARSHIPS & FELLOWSHIPS	954,250	985,218	1,077,497	1,077,497	215,526	11.11%
6-MILL	3,910,717	3,923,424	3,775,530	3,766,757	(291,854)	-3.73%
INDIRECT COSTS	358,800	270,588	281,349	0	(348,039)	-55.30%
OTHER	75,564	110,000	155,500	155,500	125,436	67.60%
	<u>\$36,169,716</u>	<u>\$36,759,817</u>	<u>\$37,270,426</u>	<u>\$39,430,219</u>	<u>\$3,771,112</u>	<u>5.17%</u>

EASTERN MONTANA COLLEGE
BIENNIUM BUDGET COMPARISON
BY PROGRAM

PROGRAM	1987-88 ACTUAL	1988-89 APPROP	1989-90 STEPHENS' / REGENTS'	1990-91 STEPHENS' / REGENTS'	BIENNIUM CHANGE AMOUNT	BIENNIUM CHANGE PERCENT
INSTRUCTION	\$6,273,216	\$6,612,129	\$6,889,638	\$7,311,399	\$1,315,692	10.21%
SUPPORT	4,489,342	4,146,548	4,887,482	4,897,856	1,149,448	13.31%
RESEARCH	0	0	0	0	0	0.00%
PUBLIC SERVICE	248,996	231,447	246,653	249,869	16,079	3.35%
PLANT OPERATION & MAINTENANCE	2,026,517	2,084,794	2,107,578	2,191,881	188,148	4.58%
SCHOLARSHIPS & FELLOWSHIPS	322,520	353,099	358,606	358,606	41,593	6.16%
	<u>\$13,360,591</u>	<u>\$13,428,017</u>	<u>\$14,489,957</u>	<u>\$15,009,611</u>	<u>\$2,710,960</u>	<u>10.12%</u>
FUNDING:						
GENERAL FUND	\$8,340,682	\$8,464,391	\$8,945,302	\$9,507,669	\$1,647,898	9.81%
TUITION & FEES - NET	2,970,353	2,845,982	3,458,879	3,458,879	1,101,423	18.94%
SCHOLARSHIPS & FELLOWSHIPS	322,520	353,099	358,606	358,606	41,593	6.16%
6-MILL	1,672,347	1,677,780	1,651,294	1,647,457	(51,376)	-1.53%
INDIRECT COSTS	47,180	61,765	38,876	0	(70,069)	-64.32%
OTHER	7,509	25,000	37,000	37,000	41,491	127.63%
	<u>\$13,360,591</u>	<u>\$13,428,017</u>	<u>\$14,489,957</u>	<u>\$15,009,611</u>	<u>\$2,710,960</u>	<u>10.12%</u>

NORTHERN MONTANA COLLEGE
BIENNIUM BUDGET COMPARISON
BY PROGRAM

PROGRAM	1987-88 ACTUAL	1988-89 APPROP	1989-90 STEPHENS' /REGENTS'	1990-91 STEPHENS' /REGENTS'	BIENNIUM CHANGE AMOUNT	BIENNIUM CHANGE PERCENT
INSTRUCTION	\$3,926,710	\$4,354,686	\$4,239,888	\$4,466,100	\$424,592	5.13%
SUPPORT	2,516,985	2,213,388	2,427,809	2,402,463	99,899	2.11%
RESEARCH	0	0	0	0	0	0.00%
PUBLIC SERVICE	9,823	8,891	8,891	8,891	(932)	-4.98%
PLANT OPERATION & MAINTENANCE	1,076,366	1,146,577	1,119,421	1,164,197	60,675	2.73%
SCHOLARSHIPS & FELLOWSHIPS	253,839	271,722	314,000	314,000	102,439	19.49%
	<u>\$7,783,723</u>	<u>\$7,995,264</u>	<u>\$8,110,009</u>	<u>\$8,355,651</u>	<u>\$686,673</u>	<u>4.35%</u>
FUNDING:						
GENERAL FUND	\$5,500,609	\$5,613,108	\$5,507,469	\$5,759,149	\$152,901	1.38%
TUITION & FEES - NET	1,230,824	1,316,956	1,485,900	1,485,900	424,020	16.64%
SCHOLARSHIPS & FELLOWSHIPS	253,839	271,722	314,000	314,000	102,439	19.49%
6-MILL	771,852	774,360	775,403	773,602	2,793	0.18%
INDIRECT COSTS	4,237	14,118	4,237	0	(14,118)	-76.92%
OTHER	22,362	5,000	23,000	23,000	18,638	68.12%
	<u>\$7,783,723</u>	<u>\$7,995,264</u>	<u>\$8,110,009</u>	<u>\$8,355,651</u>	<u>\$686,673</u>	<u>4.35%</u>

WESTERN MONTANA COLLEGE - U OF M
BIENNIUM BUDGET COMPARISON
BY PROGRAM

PROGRAM	1987-88 ACTUAL	1988-89 APPROP	1989-90 STEPHENS / REGENTS	1990-91 STEPHENS / REGENTS	BIENNIUM CHANGE AMOUNT	BIENNIUM CHANGE PERCENT
INSTRUCTION	\$2,119,189	\$2,344,394	\$2,262,893	\$2,398,465	\$197,775	4.43%
SUPPORT	1,400,878	1,166,375	1,411,776	1,404,954	249,477	9.72%
RESEARCH	0	0	0	0	0	0.00%
PLANT OPERATION & MAINTENANCE	0	0	0	0	0	0.00%
PHYSICAL PLANT	732,309	750,530	761,601	792,065	70,827	4.78%
SCHOLARSHIPS & FELLOWSHIPS	81,524	82,469	107,889	107,889	51,785	31.58%
	<u>\$4,333,900</u>	<u>\$4,343,768</u>	<u>\$4,544,159</u>	<u>\$4,703,373</u>	<u>\$569,864</u>	<u>6.57%</u>
FUNDING:						
GENERAL FUND	\$3,077,611	\$3,048,273	\$3,104,691	\$3,267,745	\$246,552	4.02%
TUITION & FEES - NET	734,394	784,446	890,252	890,252	261,664	17.23%
SCHOLARSHIPS & FELLOWSHIPS	81,524	82,469	107,889	107,889	51,785	31.58%
6-MILL	411,654	412,992	413,948	412,987	2,289	0.28%
INDIRECT COSTS	3,900	10,588	2,879	0	(11,609)	-80.13%
OTHER	24,817	5,000	24,500	24,500	19,183	64.34%
	<u>\$4,333,900</u>	<u>\$4,343,768</u>	<u>\$4,544,159</u>	<u>\$4,703,373</u>	<u>\$569,864</u>	<u>6.57%</u>

MONTANA COLLEGE OF MINERAL SCIENCE & TECHNOLOGY
 BIENNIAL BUDGET COMPARISON
 BY PROGRAM

PROGRAM	1987-88 ACTUAL	1988-89 APPROP	1989-90 STEPHENS' / REGENTS'	1990-91 STEPHENS' / REGENTS'	BIENNIAL CHANGE AMOUNT	PERCENT
INSTRUCTION	\$4,120,786	\$4,085,074	\$4,447,218	\$4,879,550	\$1,120,908	13.66%
SUPPORT	2,389,191	2,404,600	2,764,552	2,821,464	792,225	16.53%
RESEARCH	47,186	43,747	50,262	50,351	9,681	10.65%
PUBLIC SERVICE	0	0	0	0	0	0.00%
PLANT OPERATION & MAINTENANCE	1,422,857	1,626,140	1,479,771	1,538,962	(30,264)	-0.99%
SCHOLARSHIPS & FELLOWSHIPS	261,752	202,189	285,255	285,255	106,569	22.97%
	<u>\$8,241,771</u>	<u>\$8,361,750</u>	<u>\$9,027,058</u>	<u>\$9,575,582</u>	<u>\$1,999,119</u>	<u>12.04%</u>
FUNDING:						
GENERAL FUND	\$5,352,707	\$5,425,322	\$6,155,655	\$6,742,615	\$2,120,241	19.67%
TUITION & FEES - NET	1,465,515	1,586,724	1,666,043	1,666,043	279,847	9.17%
SCHOLARSHIPS & FELLOWSHIPS	261,752	202,189	285,255	285,255	106,569	22.97%
6-MILL	1,016,271	1,019,574	790,902	789,064	(455,879)	-22.39%
INDIRECT COSTS	54,392	52,941	36,598	0	(70,735)	-65.90%
OTHER	91,134	75,000	92,605	92,605	19,076	11.48%
	<u>\$8,241,771</u>	<u>\$8,361,750</u>	<u>\$9,027,058</u>	<u>\$9,575,582</u>	<u>\$1,999,119</u>	<u>12.04%</u>

OTHER AGENCIES - MONTANA UNIVERSITY SYSTEM
BIENNIUM BUDGET COMPARISON

AGENCY	ACTUAL	APPROP	STEPHENS' / REGENTS'	AMOUNT	PERCENT
BUREAU OF MINES	\$1,278,505	\$1,286,523	\$1,270,081	\$13,825	0.54%
AG EXPERIMENT STATION	8,552,467	8,641,392	8,847,306	729,629	4.24%
COOP EXTENSION SERVICE	3,760,943	4,363,435	4,163,298	357,130	4.40%
FOREST CONSERV STATION	632,550	644,954	643,721	33,413	2.62%
CHE - ADMINISTRATION	776,894	774,104	820,926	71,258	4.59%
CHE - GSL	1,129,443	1,416,493	1,573,654	403,107	15.83%
CHE - TALENT SEARCH	169,105	173,617	179,631	17,108	4.99%
CHE - SHEED			46,300	46,300	
CHE - GROUP INSURANCE	8,022,471	9,205,338	10,295,000	4,817,191	27.96%
CHE - STUDENT ASSISTANCE	4,609,293	4,510,839	4,806,934	638,446	7.00%
CHE - TITLE II	115,599	161,561	161,561	45,962	16.58%
BOARD OF REGENTS - ADMIN	32,947	23,008	32,817	9,730	17.39%
	<u>\$29,080,217</u>	<u>\$31,201,264</u>	<u>\$32,841,229</u>	<u>\$7,183,099</u>	<u>11.92%</u>
FUNDING:					
GENERAL FUND	\$14,416,368	\$15,463,401	\$15,504,599	\$1,614,787	5.40%
STATE SPECIAL	1,403,451	1,018,283	1,125,113	(85,747)	-3.54%
FEDERAL	5,237,927	5,514,242	5,916,517	836,868	7.78%
OTHER	8,022,471	9,205,338	10,295,000	4,817,191	27.96%
	<u>\$29,080,217</u>	<u>\$31,201,264</u>	<u>\$32,841,229</u>	<u>\$7,183,099</u>	<u>11.92%</u>



THE MONTANA UNIVERSITY SYSTEM

33 SOUTH LAST CHANCE GULCH
HELENA, MONTANA 59620-2602
(406) 444-6570

EXHIBIT 2
DATE Feb 13, 1989
HB _____

COMMISSIONER OF HIGHER EDUCATION

TO: Board of Regents
Presidents
Associated Student Presidents
Chief Fiscal Officers

FROM: Jack Noble *JHN*
Deputy Commissioner for
Management and Fiscal Affairs

DATE: February 3, 1989

SUBJECT: Staff Recommendation: Tuition Increase - Montana University System

Consistent with Regent policy 506.1, I am forwarding the staff recommendation for increased tuitions in the coming biennium. The recommendation takes into consideration the serious financial needs of the institutions, the projected costs to the students and the comparative costs of peer institutions in the region. While there has been little disagreement about the current and future financial needs of the Montana University System, I believe there will be strong disagreement over the question of "who should pay?" I would assume the Regents and higher education community will consider the proposal over the next several weeks and take final action at the March or April meeting.

The following tables summarize the proposed tuition increase and compares it with the current average of the mandatory fees charged at MSU and UM.

TABLE I - In-State Tuition

	<u>Credits Per Quarter</u>	<u>Current Rate</u>	<u>Annual Increase</u>	<u>Percentage Increase</u>
Academic Year Cost	12	\$1,296	\$108.00	8.33%
Academic Year Cost	13	\$1,296	\$145.50	11.23%
Academic Year Cost	14-18	\$1,296	\$183.00	14.12%

TABLE II - Out-of-State Tuition

	<u>Credits Per Quarter</u>	<u>Current Rate</u>	<u>Annual Increase</u>	<u>Percentage Increase</u>
Academic Year Cost	12	\$3,115	\$198.00	6.36%
Academic Year Cost	13	\$3,115	\$312.00	10.02%
Academic Year Cost	14-18	\$3,115	\$426.00	13.68%

The essential components of the proposed change are as follows:

- Increase in-state rates \$3.00 per quarter hour.
- Increase out-of-state rates \$2.50 per quarter hour.
- Shorten the current tuition flat spot from 12-18 credits to 14-18 credits.
- The 12th and 13th credit would increase at 1/2 the normal credit rate.

The current fee structure of the Montana University System charges students a per credit hour rate for up to 12 credits taken per quarter and then there is no additional charge until the student enrolls for the 19th credit. The staff recommendation proposes to begin to phase out the "free" credits by moving the per credit hour charge up to 14 credits. The 13th and 14th credit charges, however, are phased in at one-half the normal rate. Thus the 13th and 14th credit will cost a student an additional \$12.50 each rather than the full \$25 per credit.

Since tuitions are making up a larger percentage of the total budget, the phase-in will reduce the disparity in the cost a part-time student pays per credit hour versus a full-time student. For instance, under the current practice a student taking 12 credits would pay an average of \$22 per credit while a student taking 18 credits would pay an average of \$14.67 per credit or two-thirds the part-time charge. It will take several years to eliminate the tuition "flat spot" and provide a more equitable ratio between part-time and full-time student charges.

The additional revenue that will be generated under the proposal will be approximately \$4.2 million each year over the revenue estimates contained in the original executive budget book. All of the additional revenue has been directed by the Regents' formula to the instruction program in the form of instructional salaries and instructional support cost. There should be a direct relationship of this tuition effort and the goal of maintaining and improving the quality of our academic programs within the system.

The tuition proposal relative to the revised peer institutions is contained in the following table.

TABLE III

<u>Year</u>	<u>IN-STATE</u>			<u>OUT-OF-STATE</u>		
	<u>Peers</u>	<u>Montana</u>	<u>Percent</u>	<u>Peers</u>	<u>Montana</u>	<u>Percent</u>
1984-85	\$ 960	\$ 910	94.8%	\$2,647	\$2,602	98.0%
1985-86	\$1,007	\$1,086	107.9%	\$2,766	\$2,850	103.0%
1986-87	\$1,096	\$1,256	114.6%	\$3,050	\$3,074	101.0%
1987-88	\$1,158	\$1,273	109.9%	\$3,304	\$3,090	94.0%
1988-89	\$1,234	\$1,296	105.2%	\$3,601	\$3,115	86.5%
Proj. 1989-90	\$1,328	\$1,479	111.4%	\$3,817	\$3,541	92.8%
Proj. 1990-91	\$1,429	\$1,479	103.5%	\$4,046	\$3,541	87.5%

Montana's tuition rates compared to the revised peer institutions would remain higher on the average for in-state students and would be lower than the peer averages for the out-of-state fees. Our relative position with regard to the peers in 1991 will remain approximately the same as the current year.

UNIVERSITIES
RESIDENT UNDERGRADUATE TUITION SURVEY

Fiscal Years 1979 Through 1989
Academic Year Costs

<u>STATE/INSTITUTION</u>	<u>1979-80</u>	<u>1980-81</u>	<u>1981-82</u>	<u>1982-83</u>	<u>1983-84</u>	<u>1984-85</u>	<u>1985-86</u>	<u>1986-87</u>	<u>1987-88</u>	<u>1988-89</u>
Northern Arizona University	\$ 500	\$ 600	\$ 650	\$ 710	\$ 850	\$ 950	\$ 990	\$ 1,136	\$ 1,196	\$ 1,278
University of Idaho	\$ 474	\$ 490	\$ 701	\$ 816	\$ 816	\$ 970	\$ 1,010	\$ 1,040	\$ 1,042	\$ 1,048
University of Nevada - Reno	\$ 690	\$ 720	\$ 840	\$ 930	\$ 1,080	\$ 1,080	\$ 1,080	\$ 1,080	\$ 1,080	\$ 1,200
New Mexico State University	\$ 630	\$ 708	\$ 745	\$ 798	\$ 798	\$ 870	\$ 919	\$ 1,026	\$ 1,152	\$ 1,284
Utah State University	\$ 651	\$ 702	\$ 780	\$ 852	\$ 918	\$ 1,002	\$ 1,071	\$ 1,247	\$ 1,293	\$ 1,374
University of Wyoming	\$ 434	\$ 592	\$ 592	\$ 616	\$ 616	\$ 716	721	\$ 778	\$ 778	\$ 833
University of North Dakota	\$ 645	\$ 645	\$ 764	\$ 804	\$ 1,020	\$ 1,080	\$ 1,167	\$ 1,266	\$ 1,412	\$ 1,472
North Dakota State	\$ 622	\$ 633	\$ 732	\$ 732	\$ 948	\$ 1,008	\$ 1,095	\$ 1,194	\$ 1,311	\$ 1,389
Peer Group Average	\$ 581	\$ 636	\$ 726	\$ 782	\$ 881	\$ 960	\$ 1,007	\$ 1,096	\$ 1,158	\$ 1,234
Montana - MSU, U of M	\$ 600	\$ 604	\$ 710	\$ 782	\$ 850	\$ 910	\$ 1,086	\$ 1,256	\$ 1,273	\$ 1,296
Percent of Montana to Peers	103.3%	95.0%	97.8%	100.0%	96.5%	94.8%	107.9%	114.6%	109.9%	105.2%

Source:

Chronicle of Higher Education - August 10, 1988 (College Board Data)

UNIVERSITIES
NONRESIDENT UNDERGRADUATE TUITION SURVEY

Fiscal Years 1979 Through 1989
Academic Year Costs

<u>TE/INSTITUTION</u>	<u>1979-80</u>	<u>1980-81</u>	<u>1981-82</u>	<u>1982-83</u>	<u>1983-84</u>	<u>1984-85</u>	<u>1985-86</u>	<u>1986-87</u>	<u>1987-88</u>	<u>1988-89</u>
thern Arizona University	\$1,860	\$2,100	\$2,500	\$2,750	\$2,995	\$3,200	\$3,244	\$3,692	\$4,086	\$4,336
iversity of Idaho	\$1,974	\$1,990	\$2,671	\$2,816	\$2,816	\$2,970	\$3,010	\$3,040	\$3,042	\$3,048
iversity of Nevada - Reno	\$2,190	\$2,220	\$2,448	\$2,930	\$3,280	\$3,280	\$3,280	\$3,280	\$3,280	\$3,400
Mexico State University	\$1,888	\$2,082	\$2,257	\$2,482	\$2,587	\$2,838	\$3,067	\$3,652	\$4,320	\$4,980
h State University	\$1,701	\$1,860	\$2,097	\$2,367	\$2,568	\$2,820	\$3,051	\$3,444	\$3,549	\$3,810
iversity of Wyoming	\$1,720	\$1,878	\$1,878	\$2,076	\$2,076	\$2,226	\$2,231	\$2,442	\$2,442	\$2,605
iversity of North Dakota	\$1,413	\$1,413	\$1,534	\$1,572	\$1,926	\$1,986	\$2,160	\$2,460	\$2,906	\$3,356
th Dakota State	\$1,390	\$1,401	\$1,500	\$1,500	\$1,794	\$1,854	\$2,088	\$2,388	\$2,805	\$3,273
Peer Group Average	\$1,767	\$1,868	\$2,111	\$2,312	\$2,505	\$2,647	\$2,766	\$3,050	\$3,304	\$3,601
tana - MSU, U of M	\$1,967	\$1,972	\$2,078	\$2,222	\$2,398	\$2,602	\$2,850	\$3,074	\$3,090	\$3,115
cent of Montana to Peers	111.0%	106.0%	98.0%	96.0%	96.0%	98.0%	103.0%	101.0%	94.0%	86.5%

rice:

Chronicle of Higher Education - August 10, 1988 (College Board Data)

EDUCATION SUBCOMMITTEE
COMMUNITY COLLEGES
COMPARISON OF STEPHEN'S/REGENT'S PROPOSAL TO SUBCOMMITTEE ACTION

EXHIBIT 3
DATE Jul 13, 1990
HB CC

Community College Subcommittee

	Fiscal 1990									
	2 Year Average	Subcom. Adjust.	Subcom. Enroll.	Cost Factor	1. Total Unrestricted Budget	% State Support	General Fund	2. GF Audit Costs	Total General Fund	
Dawson	389	0	389 x	\$3,642	\$1,434,738	x 0.48	\$688,674	\$8,640	\$688,674	
Flathead	931	0	931 x	\$3,642	\$3,408,702	x 0.48	\$1,636,177	\$8,640	\$1,636,177	
Miles	403	10	413 x	\$3,642	\$1,522,146	x 0.48	\$730,630	\$8,640	\$730,630	
	1723	10	1733		\$6,365,586		\$3,055,481	\$25,920	\$3,055,481	

Fiscal 1991										
	2 Year Average	Subcom. Adjust.	Subcom. Enroll.	Cost Factor	1. Total Unrestricted Budget	% State Support	General Fund	2. GF Audit Costs	Total General Fund	
Dawson	389	0	389 x	\$3,642	\$1,416,738	x 0.48	\$680,034		\$680,034	
Flathead	931	0	931 x	\$3,642	\$3,390,702	x 0.48	\$1,627,537		\$1,627,537	
Miles	403	10	413 x	\$3,642	\$1,504,146	x 0.48	\$721,990		\$721,990	
	1723	10	1733		\$6,311,586		\$3,029,561		\$3,029,561	

Community College Regents

Fiscal 1990										
	2 Year Average	Subcom. Adjust.	Subcom. Enroll.	Cost Factor	1. Total Unrestricted Budget	% State Support	General Fund	2. GF Audit Costs	Total General Fund	
Dawson	389	0	389 x	\$3,907	\$1,537,823	x 0.47	\$722,777	\$8,460	\$722,777	
Flathead	931	0	931 x	\$3,907	\$3,655,417	x 0.47	\$1,718,046	\$8,460	\$1,718,046	
Miles	403	10	413 x	\$3,907	\$1,631,591	x 0.47	\$766,848	\$8,460	\$766,848	
	1723	10	1733		\$6,824,831		\$3,207,671	\$25,380	\$3,207,671	

Fiscal 1991										
	2 Year Average	Subcom. Adjust.	Subcom. Enroll.	Cost Factor	1. Total Unrestricted Budget	% State Support	General Fund	2. GF Audit Costs	Total General Fund	
Dawson	389	0	389 x	\$3,907	\$1,519,823	x 0.47	\$714,317		\$714,317	
Flathead	931	0	931 x	\$3,907	\$3,637,417	x 0.47	\$1,709,586		\$1,709,586	
Miles	403	10	413 x	\$3,907	\$1,613,591	x 0.47	\$758,388		\$758,388	
	1723	10	1733		\$6,770,831		\$3,182,291		\$3,182,291	

Difference From Subcommittee

Fiscal 1990										
Dawson	0	0	0	\$265	\$103,085	-0.01	\$34,103	(\$180)	\$34,103	
Flathead	0	0	0	\$265	\$246,715	-0.01	\$81,869	(\$180)	\$81,869	
Miles	0	0	0	\$265	\$109,445	-0.01	\$36,218	(\$180)	\$36,218	
Total Difference	0	0	0		\$459,245		\$152,189	(\$540)	\$152,189	

Fiscal 1991										
Dawson	0	0	0	\$265	\$103,085	-0.01	\$34,283	\$0	\$34,283	
Flathead	0	0	0	\$265	\$246,715	-0.01	\$82,049	\$0	\$82,049	
Miles	0	0	0	\$265	\$109,445	-0.01	\$36,398	\$0	\$36,398	
Total Difference	0	0	0		\$459,245		\$152,729	\$0	\$152,729	

Biennium Differe	0	0	0	\$265	\$918,490	-0.01	\$304,919	(\$540)	\$304,919	
	==	==	==	====	=====	=====	=====	=====	=====	

1. Included are \$18,000 per unit for audit costs or \$54,000 total.
2. This column reflects the amount of audit costs funded with general fund in each unit. This is for information only as the amounts are already in the general fund totals.



STATE OF MONTANA
DEPARTMENT OF ADMINISTRATION

TED SCHWINDEN
GOVERNOR

Memorandum

EXHIBIT 5
DATE Feb 13, 1989
HE

TO: Will Weaver, Director
Great Falls Vo-Tech

FROM: Debbie Foster, Analyst *DF*
Telecommunications Development

DATE: February 13, 1989

SUBJECT: New Phone System

As we discussed on Friday, February 10th, there are many different options available for a new telephone system. Since the Vo-Tech will no longer be able to share the Great Falls School District system (Centron), the purchase of a new telephone system is inevitable.

This model is based on an estimate of 31 telephones, 8 local lines and 2 State Network Lines (STN):

1-Time Installation/Purchase Phone System	\$ 18,600
1-Time Installation for 8 Local Lines	613
Monthly Charges for 8 Local Lines	\$ 409
Monthly Charges for 2 STN Lines	130
(These lines are already installed)	

If you have any questions, please do not hesitate to contact me.

EXHIBIT 4
 DATE Feb 13, 1989
 HB No. techs

EDUCATION SUBCOMMITTEE
 VOCATIONAL TECHNICAL CENTERS
 COMPARISON OF STEPHEN'S/REGENT'S PROPOSAL TO LFA CURRENT LEVEL

Fiscal 1990	Stephen's/ Regent's	LFA Current Level	Total Difference	Indirect Support	Payroll Conversion	Differences		Total Detail Adj.	Voted Levy Replacement	100% Funding vs 95%	Unexplained Other Diff
						Increased Audit	Decreased				
Expenditures											
Billings	\$1,845,772	\$1,537,644	\$308,128	\$70,585	\$6,171	\$3,081	\$79,837	\$83,805	\$80,929	\$63,557	
Butte	\$1,682,279	\$1,359,562	\$322,717	\$72,506	\$4,524	\$3,081	\$80,111	\$223,049	\$71,556	(\$51,999)	
Great Falls	\$1,997,305	\$1,515,164	\$482,141	\$131,369	\$21,441	\$3,081	\$155,891	\$316,985	\$79,745	(\$70,480)	
Helena	\$2,484,920	\$1,903,450	\$581,470	\$83,143	\$1,446	\$4,155	\$88,744	\$297,541	\$100,182	\$95,003	
Missoula	\$2,649,987	\$1,740,545	\$909,442	\$30,205	\$3,180	\$4,155	\$37,540	\$679,570	\$91,608	\$100,724	
Total	\$10,660,263	\$8,056,365	\$2,603,898	\$387,808	\$36,762	\$17,553	\$442,123	\$1,600,950	\$424,019	\$136,806	
Funding											
General Fund	\$6,986,719	\$4,520,651	\$2,466,068	\$387,808	\$36,762	\$17,553	\$442,123	\$1,600,950	\$424,019	(\$1,024)	
Education Trust	\$141,000	\$83,935	\$57,065							\$57,065	
Tuition	\$1,938,070	\$1,796,851	\$141,219							\$141,219	
Federal	\$807,474	\$807,474	\$0							\$0	
Mandatory Millage	\$787,000	\$847,455	(\$60,455)							(\$60,455)	
Total	\$10,660,263	\$8,056,366	\$2,603,897	\$387,808	\$36,762	\$17,553	\$442,123	\$1,600,950	\$424,019	\$136,805	
Fiscal 1991											
Expenditures											
Billings	\$1,823,358	\$1,519,982	\$303,376	\$70,585	\$6,171	\$3,081	\$79,837	\$83,805	\$79,999	\$59,735	
Butte	\$1,659,865	\$1,340,479	\$319,386	\$72,506	\$4,524	\$3,081	\$80,111	\$223,049	\$70,552	(\$54,326)	
Great Falls	\$1,974,891	\$1,497,115	\$477,776	\$131,369	\$21,441	\$3,081	\$155,891	\$316,985	\$78,796	(\$73,896)	
Helena	\$2,462,506	\$1,886,953	\$575,553	\$83,143	\$1,446	\$4,155	\$88,744	\$297,541	\$99,313	\$89,955	
Missoula	\$2,627,573	\$1,726,061	\$901,512	\$30,205	\$3,180	\$4,155	\$37,540	\$679,570	\$90,845	\$93,557	
Total	\$10,548,193	\$7,970,590	\$2,577,603	\$387,808	\$36,762	\$17,553	\$442,123	\$1,600,950	\$419,505	\$115,025	
Funding											
General Fund	\$6,824,649	\$4,392,158	\$2,432,491	\$387,808	\$36,762	\$17,553	\$442,123	\$1,600,950	\$419,505	(\$30,087)	
Education Trust	\$182,000	\$124,111	\$57,889							\$57,889	
Tuition	\$1,938,070	\$1,796,851	\$141,219							\$141,219	
Federal	\$807,474	\$807,474	\$0							\$0	
Mandatory Millage	\$796,000	\$849,995	(\$53,995)							(\$53,995)	
Total	\$10,548,193	\$7,970,589	\$2,577,604	\$387,808	\$36,762	\$17,553	\$442,123	\$1,600,950	\$419,505	\$115,026	