

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
51st LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON EDUCATION

Call to Order: By Chairman Peck, on February 16, 1989, at 8:00
a.m.

ROLL CALL

Members Present: All with exception of:

Members Excused: Rep. Kadas

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 RESEARCH EXPERIMENT STATIONS
Tape No. G2\1:000

Presentation and Opening Statement:

Mr. Keith Wolcott opened by distributing handouts on the Research Experiment Stations. See Exhibits 1-4.

Mr. Wolcott referred to the Stephens/Regents' handout from February 13. (See Exhibit 1, Feb. 13). On page 4 of the Stephens/Regents' handout, under item 8 reflects the 4 research stations. Mr. Wolcott stated that the other 4 exhibits reflects the original Executive recommendation and the action that the Subcommittee has already taken. Mr. Wolcott stated that the Agriculture Experiment Station is requesting the adjustment of \$204,700 in FY 1990 and \$422,000 in FY 1991. The Cooperative Extension Service are requesting \$147,000 in FY 1990 and \$302,500 for FY 1991. The Bureau of Mines is requesting \$16,000 for FY 1990 and \$49,5000 in FY 1991. Mr. Wolcott stated that these adjustments are a part of the \$13 million increase proposed by the Governor.

Sen. Boylan asked Mr. Wolcott if there is any inflation figured in these adjustments? Mr. Wolcott stated that under Legislative action the Ag station was put back to the fiscal 1988 level, and there would not be any inflation over the 1988 level.

Rep. Peck asked Mr. Wolcott if he needed consideration for salary adjustments regarding the motions that had been taken

yesterday? Mr. Wolcott stated that he did.

EXECUTIVE ACTION:

Disposition for the Agriculture Experiment Station:

Issue I, See Exhibit 1. Salary Adjustment for affiliated faculty in the Agricultural Experiment Station.

(115)

Motion: Sen. Hammond moved to adopt the Stephens/Regents' revised budget request for salary adjustment of \$204,700 for FY 1990 and \$422,000 in FY 1991

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

Disposition for the Cooperative Extension Service:

Issue I, See Exhibit 2. Salary Adjustment for affiliated faculty in the Cooperative Extension Service.

(125)

Motion: Rep. Marks moved to adopt the Stephens/Regents' revised budget request for salary adjustment of \$147,000 in FY 1990 and \$302,500 for FY 1991.

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

(134)

Disposition for the Forestry and Conservation Experiment Station:

Issue I, See Exhibit 3. Salary Adjustment for affiliated faculty in the Forestry and Conservation Experiment Station.

(136)

Motion: Sen. Nathe moved to adopt the Stephens/Regents' revised budget request for salary adjustment of \$13,400 for FY 1990 and \$27,500 for FY 1991.

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

(140)

Disposition for Bureau of Mines:

Issue I, See Exhibit 4. Salary Adjustment for affiliated faculty in the Bureau of Mines.

Mr. Noble stated that there is an error for FY 1991, it should be \$33,500 instead of \$49,500.

(149)

Motion: Sen. Nathe moved to adopt the corrected figures for

\$16,000 in FY 1990 and \$33,500 for FY 1991.

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

(155)

Mr. Wolcott distributed a handout on some language that Sen. Jacobson had been concerned about for HB 100. See Exhibit 5.

Rep. Peck explained what the language means. The spread between the peer institutions compared in 1991, they take 1/8 of the differences and move that direction to catch up with their peers. The movement is not considered to be permanent, it is just a first step. Rep. Marks commented that it will continue.

(186)

Disposition for Proposed Language in HB 100:

Motion: Rep. Marks moved the adoption of the proposed language in the boiler plate section F for student/faculty ratios.

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

(220)

Sen. Jacobson expressed her concern about U of M regarding the student/faculty ratio and asked Mr. Erickson if he would address those concerns.

(228)

Dr. Erickson distributed a handout which shows some analysis that Richard Barrett of the Economics Department of U of M has done about this question and there are two separate questions about the student/faculty ratios. See Exhibit 6. 1) the question that was talked about in the hand-out (See Exhibit 6), is the issue of the distribution of those faculty over the two years of the biennium. Dr. Erickson stated that it was his understanding that the budget is set and there is no more money. Dr. Erickson referred to (See Exhibit 6) under the Additional Cost Options #1, what has been calculated out as to how much it would cost to actually get U of M even with MSU. Dr. Erickson stated that it is a fairly large amount of money - \$763,000 which would get them back to the student/faculty ratio that the Regents have proposed for the second year biennium for MSU at 17.63 to 1. Dr. Erickson stated that their problem is this: the funding study that the Subcommittee has commissioned, suggested that U of M should have the same student/faculty ratio as MSU. Dr. Erickson stated that U of M should approach MSU's student/faculty ratio more rapidly and they need some changes made to allow that to happen. Dr. Erickson stated that the proposals that U of M has under Zero Additional Cost Options (See Exhibit 6), allows MSU to have a better

student/faculty ratio then U of M have now. The present ratio is 17.84 (See Exhibit 6). Dr. Erickson stated that the three options listed on Exhibit 6 will close the gap more rapidly.

(275)

Dr. Erickson went to his second item and gave four numbers that are not listed on Exhibit 6: 1) how many faculty U of M would have if they were equivalent to their peers would be 474 faculty. 2) what the Subcommittee had funded U of M from last session for this biennium is 422 faculty. 3) the number that was funded for FY 1989 is 414, and 4) the number they were funded for FY 1990 is 422. Dr. Erickson stated that what he would like to propose is that the Subcommittee give U of M permission to transfer money from the second year of the biennium for those four positions so they could go from 422 to 418 the first year and 418 the second year. Dr. Erickson stated that when the budget comes in the next time it would show 422 as the starting point as that resolution that the Subcommittee just passed.

(328)

Rep. Peck asked Dr. Erickson if he had spoken with Dr. Koch about this? Dr. Erickson replied that he had not, but had just talked with the former Acting Deputy Commissioner Habbe in the hall.

(340)

Dr. Carroll Krause commented that he understands what Dr. Erickson is proposing is a biennial appropriation and then U of M could come in for a supplemental if they are short. Dr. Krause felt that the institution could adapt without having to terminate those people by forgoing some other things to accommodate what Dr. Erickson talked about. Dr. Krause commented to Rep. Peck that they had talked about carry-over money earlier on but never got to that particular point. Dr. Krause stated that it would require a very substantial number of calculations to determine how much this would involve and although it is entirely possible, if Legislature would wish to consider a biennial appropriation for the system he would be available for that. Dr. Krause stated that a tremendous amount of time has gone into trying to be as fair as they can to the system. Dr. Krause asked the Subcommittee to hold what they have approved at this point and stated that if there is more money that comes down the road and the Subcommittee can improve U of M's position that is fine, but to redistribute any of the money that they have now would be the wrong course of action.

(500)

Sen. Jacobson referring to page 5, (See Exhibit 1, Feb. 13) of the Stephens/Regents' budget, stated that MSU has a 8.65 percent change and U of M is 5.17 percent. On the back of schedule E on the MSU biennium change the percentage is about \$7.5 million and about 8.65 percent. U of M is about

\$3.7 million and 5.17 percent change which is a smaller percentage change if you do not look at just the student/faculty ratios.

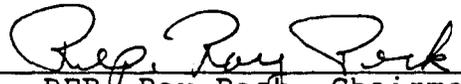
(538)

Rep. Peck thanked Dr. Erickson for presenting his concern to the Subcommittee and stated that the Subcommittee had talked about this yesterday. Rep. Peck stated that he does not hear a motion at this time to reconsider the Subcommittee's action and stated that this problem will be presented before the full Appropriation's Committee.

There being no further business the Subcommittee was adjourned.

ADJOURNMENT

Adjournment At: 10:30 a.m.



REP. Ray Peck, Chairman

RP/cj

4021.min

DAILY ROLL CALL

EDUCATION

SUBCOMMITTEE

DATE Feb 16 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
DATE Feb 16, 1989

PROGRAM: ORGANIZED RESEARCH

LEGISLATIVE ACTION

AGENCY: AGRICULTURAL EXPERIMENT STN

HB

BUDGET ITEM	FY 1988 Actual	Fiscal 1990			Fiscal 1991			FY 88-90 % Change
		Executive	Legislature	Difference	Executive	Legislature	Difference	
FTE	243.00	257.27	242.00	15.27	257.27	242.00	15.27	-0.41%
Personal Services	\$6,563,256	\$6,594,529	\$6,780,450	(\$185,921)	\$6,595,353	\$6,781,306	(\$185,953)	3.31%
Operating Expenses	1,483,699	1,500,999	1,439,664	61,335	1,511,991	1,439,661	72,330	-2.97%
Equipment	155,213	123,965	116,000	7,965	123,965	116,000	7,965	-25.26%
Non-Operating	979	0	0	0	0	0	0	-100.00%
TOTAL EXPENSES	\$8,203,147	\$8,219,493	\$8,336,114	(\$116,621)	\$8,231,309	\$8,336,967	(\$105,658)	1.62%
UNDING								
General Fund	\$6,204,844	\$6,188,358	\$6,304,979	(\$116,621)	\$6,200,174	\$6,305,832	(\$105,658)	1.61%
State Special	\$325,000	\$325,000	\$325,000	\$0	\$325,000	\$325,000	\$0	0.00%
Federal Revenue	\$1,673,303	\$1,706,135	\$1,706,135	\$0	\$1,706,135	\$1,706,135	\$0	1.96%
TOTAL FUNDING	\$8,203,147	\$8,219,493	\$8,336,114	(\$116,621)	\$8,231,309	\$8,336,967	(\$105,658)	1.62%

ISSUE 1: Salary Adjustment

The Stephen's/Regent's revised budget request includes salary adjustments for affiliated faculty in the Agricultural Experiment Station. The requested adjustments total \$204,700 in fiscal 1990 and \$422,000 in fiscal 1991.

CHIL
DATE Feb 16, 1989

AGENCY: COOPERATIVE EXTENSION SERVICE LEGISLATIVE ACTION HB PROGRAM: PUBLIC SERVICE

BUDGET ITEM	FY 1988 Actual	Executive	Fiscal 1990	Difference	Executive	Fiscal 1991	Difference	FY 88-90 % Change
FTE	115.77	101.08	115.77	-14.69	101.08	115.77	-14.69	0.00%
Personal Services	\$3,227,201	\$3,470,181	\$3,549,236	(\$79,055)	\$3,471,756	\$3,576,401	(\$104,645)	9.98%
Operating Expenses	520,610	520,421	483,304	37,117	521,204	484,372	36,832	-7.17%
Equipment	13,132	25,696	20,000	5,696	22,750	20,000	2,750	52.30%
TOTAL EXPENSES	\$3,760,943	\$4,016,298	\$4,052,540	(\$36,242)	\$4,015,710	\$4,080,773	(\$65,063)	7.75%
FUNDING								
General Fund	\$1,865,470	\$2,069,790	\$1,999,188	\$70,602	\$2,069,202	\$2,001,198	\$68,004	7.17%
Federal Revenue	\$1,895,473	\$1,946,508	\$2,053,352	(\$106,844)	\$1,946,508	\$2,079,575	(\$133,067)	8.33%
TOTAL FUNDING	\$3,760,943	\$4,016,298	\$4,052,540	(\$36,242)	\$4,015,710	\$4,080,773	(\$65,063)	7.75%

ISSUE 1: Salary Adjustment

The Stephen's/Regent's revised budget request includes salary adjustments for affiliated faculty in the Extension Service. The requested adjustments total \$147,000 in fiscal 1990 and \$302,500 in fiscal 1991.

3
Feb 16, 1989

HB

AGENCY: FORESTRY & CONSERV EXP STATION LEGISLATIVE ACTION PROGRAM: RESEARCH

BUDGET ITEM	FY 1988 Actual	Executive	Fiscal 1990 Legislature	Difference	Executive	Fiscal 1991 Legislature	Difference	FY 88-90 % Change
FTE	16.09	15.82	16.09 34.21	-0.27 -18.59	15.82	34.21	-18.39	112.62%
Personal Services	\$494,495	\$489,212	\$499,196	(\$9,984)	\$489,389	\$499,196	(\$9,807)	0.95%
Operating Expenses	125,373	126,109	126,486	(377)	126,807	127,184	(377)	0.89%
Equipment	12,682	15,000	15,000	0	23,500	13,000	10,500	18.28%
TOTAL EXPENSES	\$632,550	\$630,321	\$640,682	(\$10,361)	\$639,696	\$639,380	\$316	1.29%
FUNDING								
General Fund	\$632,550	\$630,321	\$640,682	(\$10,361)	\$639,696	\$639,380	\$316	1.29%
TOTAL FUNDING	\$632,550	\$630,321	\$640,682	(\$10,361)	\$639,696	\$639,380	\$316	1.29%

ISSUE 1: Salary Adjustment

The Stephen's/Regent's revised budget request includes salary adjustments for affiliated faculty in the Forestry and Conservation Experiment Station. The requested adjustments total \$13,400 in fiscal 1990 and \$27,500 in fiscal 1991.

EXHIBIT 7
DATE Feb 16, 1989

AGENCY: BUREAU OF MINES PROGRAM: BUREAU OF MINES

LEGISLATIVE ACTION HB

BUDGET ITEM	FY 1988 Actual	Fiscal 1990			Fiscal 1991			FY 88-90 % Change
		Executive	Legislature	Difference	Executive	Legislature	Difference	
FTE	26.43	25.44	26.82	-1.38	25.44	26.82	-1.38	1.48%
Personal Services	\$885,962	\$880,164	\$898,863	(\$18,699)	\$880,753	\$899,457	(\$18,704)	1.46%
Operating Expenses	331,694	332,517	365,651	(33,134)	333,518	366,652	(33,134)	10.24%
Equipment	60,849	41,400	26,500	14,900	45,000	28,500	16,500	-56.45%
TOTAL EXPENSES	\$1,278,505	\$1,254,081	\$1,291,014	(\$36,933)	\$1,259,271	\$1,294,609	(\$35,338)	0.98%
=====								
FUNDING								
General Fund	\$1,232,538	\$1,201,081	\$1,238,014	(\$36,933)	\$1,206,271	\$1,241,609	(\$35,338)	0.44%
State Special	\$45,967	\$53,000	\$53,000	\$0	\$53,000	\$53,000	\$0	15.30%
TOTAL FUNDING	\$1,278,505	\$1,254,081	\$1,291,014	(\$36,933)	\$1,259,271	\$1,294,609	(\$35,338)	0.98%
=====								

33,900

33,500

ISSUE 1: Salary Adjustment

The Stephen's/Regent's revised budget request includes salary adjustments for affiliated faculty in the Bureau of Mines. The requested adjustments total \$16,000 in fiscal 1990 and \$49,500 in fiscal 1991.

EXHIBIT 5
DATE Feb 16, 1989
HB _____

House Bill 100 Language
Insert in Section F Boiler Plate:

"The legislature has adopted student/faculty ratios in the formula budgets for fiscal 1991 that begin to reduce the difference between the student/faculty ratios of the units of the Montana University System and the average student/faculty ratios of the peer institutions."

EXHIBIT ⁶
 DATE Feb 16, 1989
 HB _____

1990-91 Options

	<u>UM</u>		<u>MSU</u>		<u>Total Faculty</u>	<u>Additional Cost</u>
	<u>S/F</u>	<u>Faculty</u>	<u>S/F</u>	<u>Faculty</u>		
<u>Regents Proposal</u>	18.38	422.14	17.63	537.49	959.63	0
 <u>Zero Additional Cost Options*</u>						
1	18.32	423.63	17.68	536.00	959.63	0
2	18.23	425.63	17.75	534.00	959.63	0
3	18.14	427.63	17.81	532.00	959.63	0
 <u>Additional Cost Options</u>						
1	17.63	440.10	17.63	537.49	977.59	\$756,134
2	17.82	435.41	17.63	537.49	972.90	\$558,680
3	18.01	430.82	17.63	537.49	968.31	\$365,437
4	18.19	426.56	17.63	537.49	964.05	\$186,086

* All these options provide for an increase in funded positions at MSU over t 531.17 for 1989-90 proposed by the Regents, with a S/F ratio of 17.84.