

**MINUTES**

**MONTANA HOUSE OF REPRESENTATIVES  
54th LEGISLATURE - REGULAR SESSION**

**JOINT SUBCOMMITTEE ON EDUCATION & CULTURAL RESOURCES**

**Call to Order:** By Royal C. Johnson, on February 1, 1995, at  
8:00 AM

**ROLL CALL**

**Members Present:**

Rep. Royal C. Johnson, Chairman (R)  
Sen. Daryl Toews, Vice Chairman (R)  
Rep. Don Holland (R)  
Sen. Greg Jergeson (D)  
Rep. Mike Kadas (D)  
Sen. Arnie A. Mohl (R)

**Members Excused:** None

**Members Absent:** None

**Staff Present:** Skip Culver, Legislative Fiscal Analyst  
Sandy Whitney, Legislative Fiscal Analyst  
Amy Carlson, Office of Budget & Program Planning  
Curtis Nichols, Office of Budget & Program  
Planning  
Paula Clawson, Committee Secretary

**Please Note:** These are summary minutes. Testimony and  
discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing: None  
Executive Action: Montana University System;  
Agricultural Experiment Station;  
Montana Extension Service;  
Fire Services Training School  
Bureau of Mines  
Forest & Conservation Experiment Station

**EXECUTIVE ACTION ON HIGHER EDUCATION ISSUES**

*{Tape: 1; Side: A; Approx. Counter: 40}*

**Sandy Whitney, Legislative Fiscal Analyst (LFA),** provided the subcommittee with adjustments to actual expenditures in affected units (**EXHIBIT 1**) and a comparison of cost between the community colleges and the colleges of technology (**EXHIBIT 2**).

**REP. DON HOLLAND** said he was not comfortable including the Commissioner of Higher Education (CHE) in the lump-sum funding, as had been accepted in Executive Action on February 1, 1995. CHE should not be effected by tuition increases and would more appropriately be included with the agencies.

**CHAIRMAN ROYAL JOHNSON** suggested CHE be considered separately, but still be included in lump-sum funding.

**REP. MIKE KADAS** commented that it would not be practical to prohibit CHE from using tuition money if it is included in the lump, since general fund and tuition would be hard to separate out of lump-sum funding. A concern about pulling CHE out of the lump is it could more easily open CHE as a target for specific funding cuts.

**REP. DARYL TOEWS** commented that trying to "track" where tuition is spent is distracting. When a lump-sum distribution is determined, there should not be specific restrictions or tracking of tuition dollars.

**SEN. GREG JERGESON** said he is not comfortable including community colleges in the lump-sum funding. If the subcommittee reconsiders the lump-sum funding motion, it may involve separating out more than CHE.

**Motion/Vote:** **REP. HOLLAND** moved to reconsider the vote of 1/31/95 which approved the Commissioner of Higher Education, the 6-Units, the colleges of technology and the community colleges to be considered together in lump-sum funding. Motion **CARRIED** 4-2 with **REP KADAS** and **SEN. MOHL** voting no.

**Motion/Vote:** **REP. HOLLAND** moved for the subcommittee to consider lump-sum funding for the 6-units and the colleges of technology with the Commissioner of Higher Education and the community colleges being considered as two separate budgets. Motion **CARRIED** 5-1 with **SEN. ARNIE MOHL** voting no.

**REP. KADAS** commented that the decision to put the other units, such as community colleges and agencies, into the lump-sum funding should remain open after these units have been considered individually.

*{Tape: 1; Side: B}*

**Motion:** **SEN. JERGESON** moved the five agencies of the Montana University System (Agricultural Experiment Stations; Forest and Conservation Experiment Stations; Fires Services Training School; Bureau of Mines; Montana Extension Services) be considered as lump-sum funding.

**Discussion:** **SEN. MOHL** asked if the agencies would be discussed individually or just in terms of one amount of funding. **CHAIRMAN JOHNSON** said each agency would be discussed individually.

**REP. HOLLAND** asked who would make the distribution decisions for the lump-sum. **REP. KADAS** explained that the Board of Regents would make these decisions. He commented that the advantage of looking at the agencies individually is that the subcommittee can then give the Board of Regents direction in how the funds should be distributed. Lump-sum funding supports the "element of trust" that is being established between the legislature and the MUS; the legislature trusts the Regents to closely follow their direction and the Regents trust the legislature will accept the need for flexibility in some areas.

**SEN. JERGESON** said the agencies should be considered as lump-sum funded on their own because the Regents will need some flexibility as salary negotiations take place in all the units.

**CHAIRMAN JOHNSON** said that the subcommittee can express its "desires" for how the funds should be distributed, but lump-sum funding leaves the responsibility for managing the budget to the Board of Regents.

**SEN. MOHL** said he would like the colleges of technology also considered in a separate lump-sum because they also have salary concerns that are outside of the scope of tuition increases.

**CHAIRMAN JOHNSON** responded that because the Colleges of Technology are actually programs of some of the 6-units, it is not appropriate to break their budget away from the 6-units.

**REP. KADAS** expressed concern that lump-sum funding for the agencies created a grouping that does not really exist. The agencies have more in common with the four-year institutions they are affiliated with than with the other agencies.

**SEN. JERGESON** commented that the intent is not to blur the lines of authority between the 6-units and the agencies. The agencies serve the entire state, which is a larger population than the campuses serve, which does create a common grouping of the agencies.

**Vote:** Motion **FAILED** 3-3.

**REP. KADAS** commented that the purpose of lump-sum funding is to give the Board of Regents guidance and direction while allowing them the flexibility to make decisions within the general area of legislative intent.

**CHAIRMAN JOHNSON** said he wants the Regents to be allowed considerable flexibility with the lump-sum funding.

**SEN. TOEWS** agreed with **REP. KADAS** that the Regents should stay closely within the guidelines set by the legislature.

**REP. HOLLAND** commented that regardless of the intent of the subcommittee, lump-sum funding would result in the same effect.

**SEN. MOHL** feels it is important to give the Board of Regents pretty clear guidelines for legislative intent.

**Jeff Baker, Ph.D., Commissioner of Higher Education**, said that the Board of Regents has similar concerns as it allows more flexibility for financial management at the campus level. The flexibility issue hinges on the trust relationship that is evolving between the Legislature and the Board of Regents. Provided this trust relationship continues to move forward, the Board of Regents is comfortable moving as quickly or slowly as the Legislature allows.

**REP. KADAS** asked how seriously the Board of Regents would take legislative intent, particularly in budget areas that fail in committee motion. **Dr. Baker** responded that the Regents take legislative intent very seriously, but are concerned about micromanagement. The Regents would like the opportunity during subcommittee and committee action to address any areas of particular concern.

**EXECUTIVE ACTION ON AGRICULTURAL EXPERIMENT STATION:**  
**ORGANIZED RESEARCH**

*{Tape: 1; Side: B; Approx. Counter: 14}*

**Ms. Whitney** explained that the only new proposal for the agricultural experiment station is a personal services reduction. Personal services at the Range Station were included in this new proposal. The narrative under Executive New Proposals (page E-91) should read "The Executive Budget includes a 2.5 percent personal services reduction, resulting in general fund and proprietary fund reductions of \$210,293 (\$197,967 Organized Research and \$12,326 Range Station) and \$210,744 (\$198,335 Organized Research and \$12,409 Range Station) in FY96 and FY97, respectively.

In Debt Services most of the \$10,082 actual expenditure was on equipment (a combine) with the interest payments on agricultural land.

**SEN. MOHL** asked was the payment on the land. **Tom McCoy, Montana State University Agricultural Experiment Station**, answered that the total purchase cost was \$500,000 which is being paid at the rate of \$128,000 per year, including interest, for the next three years. The sale of another piece of land paid the principal on this purchase and the debt service is for interest only. Prior to this purchase, land was being leased at the rate of \$17,000 per year. The interest payments on the new land are \$11,000 per year and will be finished at the end of three years.

*{Tape: 2; Side: A; Approx. Counter: 514;}*

**BUDGET ITEM: Personal Services; Inflation/Deflation; Fixed Costs**

**Motion/Vote:** REP. KADAS moved to approve the Executive for (1.00) FTE and \$62,625 in FY96 and (1.00) FTE and \$77,344 in FY97 for personal services; \$23,594 in FY96 and \$39,968 in FY97 for Inflation/Deflation; and \$38,234 in FY96 and \$38,381 in FY97 for fixed costs. Motion **CARRIED** unanimously.

*{Tape: 2; Side: A; Approx. Counter: 536}*

**BUDGET ITEM: Equipment**

**Motion/Vote:** REP. KADAS moved to approve the Executive for \$862 in FY96 and \$492 in FY97 for equipment. Motion **CARRIED** unanimously.

*{Tape: 2; Side: A; Approx. Counter: 560}*

**BUDGET ITEM: Capital Outlay**

**Motion/Vote:** SEN. JERGESON moved to approve the Executive for (\$11,665) each year of the biennium for capital outlay. Motion **CARRIED** unanimously.

*{Tape: 2; Side: A; Approx. Counter: 575}*

**BUDGET ITEM: Debt Service**

**Motion/Vote:** SEN. JERGESON moved to approve the Executive for \$1,774 each year of the biennium for debt service. Motion **CARRIED** unanimously.

*{Tape: 2; Side: A; Approx. Counter: 580}*

**BUDGET ITEM: Miscellaneous**

**Motion/Vote:** REP. KADAS moved to approve the Executive for (\$6,265) each year of the biennium for miscellaneous. Motion **CARRIED** unanimously.

*{Tape: 2; Side: A; Approx. Counter: 598}*

SEN. JERGESON commented that he was concerned that the agencies were getting a "double whammy" through vacancy savings and the expectation of faculty adjustments through negotiated settlements, since there is no tuition offset in these areas.

Michael Malone, Ph.D., President, Montana State University-Bozeman, said that salary increases in the Agricultural Experiment Station are met through vacancy savings, cutting staff, and in part through tuition. Using tuition is a concern because there are eight stations throughout the state, not all of which are directly associated with a campus.

REP. KADAS asked what the additional costs for the Agricultural Experimental Station salaries will be in the biennium. Rod

**Sundsted, Associate Commissioner for Fiscal Affairs, Commissioner of Higher Education Office**, said assuming the executive budget pay plan, the increase funded through the Station (not using tuition) would be \$178,976 in FY96 and \$327,537 in FY97. The full impact of the negotiated salary agreement plus vacancy savings would be \$927,950 total for the biennium.

*{Tape: 2; Side: A; Approx. Counter: 951; Comments: Continue on Tape 2; Side B}*

**SEN. JERGESON** asked what would happen if the budget was not adjusted for vacancy savings and there is a negotiated salary increase. **Dr. Malone** responded that the system would try to move tuition to offset some of the increase. Worst case would be having to close some of the stations.

**SEN. JERGESON** said that if the legislature fails to offset the potential cuts of \$927,950 and stations have to be closed, the legislature must acknowledge responsibility for those closures. The agricultural experiment stations are too important for that magnitude of cuts and the salary issues should be offset from the general funds.

**SEN. TOEWS** said reducing the six-units and colleges of technology by the \$927,950 should be considered since the agencies do not have tuition to offset cuts.

**SEN. JERGESON** said that action would create a tuition offset because tuition would increase to cover the cut.

**SEN. TOEWS** said he is not making the assumption that the six-units and colleges of technology are entitled to the Governor's recommendation.

**REP. KADAS** said that all state programs are taking the 2.5% vacancy savings and the agencies should not be exempted from this. It is important to learn the specifics of the negotiated salary agreements to understand each agency.

**Dr. Malone** said that Montana State University (MSU) is not assuming that all increases will be the same across the system. The majority of staff at the agencies have some faculty duties and should be treated comparably to other university faculty. The earliest specific figures on salary increases will be available is in March, 1995.

**CHAIRMAN JOHNSON** asked how agency salaries are currently determined. **Dr. Malone** said salaries for the agency are set the same as faculty salary and are performance based. **Dr. Baker** explained that the negotiated salary process, similar to the University of Montana-Missoula (UM-M) agreement.

**REP. KADAS** commented that salary increases at UM-M don't come only from tuition, but also from the shifting of resources from administration to instructional areas.

**Curt Nichols, Office of Budget and Program Planning (OBPP)**, said that in 1994 the agencies had an unusually large number of payouts, which raised the historical trend of vacancy savings.

**SEN. JERGESON** said that it is not yet possible to know how negotiated salaries will turn out, which is why he wanted lump-sum funding of the agencies - to allow the Board of Regents the flexibility to address the salary outcomes.

**REP. KADAS** said action should be taken on vacancy savings, since all state agencies are taking these savings. Other personal services issues can be considered in a collective light with the six-units since the agencies are closely tied to the campuses.

**REP. KADAS** asked what "Funding" in the New Proposals meant. **Ms. Whitney** explained it was a technical issue to switch funding from "current unrestricted" to appropriate funds, i.e. general fund; federal fund; special state fund, etc. This proposal doesn't have to be acted on by the subcommittee.

*{Tape: 2; Side: B; Approx. Counter: 878}*

**BUDGET ITEM: Personal Services Reductions**

**Motion:** **REP. KADAS** moved to approve the Executive for (\$210,293) in FY96 and (\$210,744) in FY97 for personal services reductions.

**Discussion:** **SEN. JERGESON** said he is willing to wait to make a motion to discuss other salary issues after all five of the agencies have been considered. He is not sure waiting until after the 6-units and colleges of technology have been discussed is the best approach.

**SEN. TOEWS** responded that he believes the salary issues should wait until after the 6-units and colleges of technology have been considered.

**Vote:** Motion **CARRIED** 5-1 with **SEN. JERGESON** voting no.

**EXECUTIVE ACTION ON AGRICULTURAL EXPERIMENT STATION:**

**U.S. RANGE STATION**

*{Tape: 3; Side: A}*

**BUDGET ITEM: Personal Services; Inflation/Deflation**

**Motion/Vote:** **REP. KADAS** moved to approve the Executive for 0.99 FTE and \$19,911 in FY96 and 0.99 FTE and \$23,259 in FY97 for personal services; and \$16 in FY96 and \$29 in FY97 for inflation/deflation. Motion **CARRIED** unanimously.

**EXECUTIVE ACTION ON MONTANA EXTENSION SERVICE**

{Tape: 3; Side: A; Approx. Counter: 80}

**SEN. JERGESON** asked what impact happens in this budget when salaries are raised with no tuition infusion.

**Andrea Pagenkopf, Ph.D., Dean, Montana Extension Services,** responded that the Extension Service would probably have to leave positions vacant to accumulate savings. These vacancies would try to be limited to campus staff and counties with more than one extension agent. County extension agents are not mandated and some counties that are struggling fiscally may choose to not support their share of the extension agent if the state is not committed to supporting the agent. The counties support 50% of the staff cost. Some counties, by choice, have more than one agent, while other counties share agents with each other.

**REP. HOLLAND** asked if the state supports 50% of additional staff if a wealthy county chooses to support more staff. **Dr. Pagenkopf,** answered the Extension Service can only support staff as allowed by their FTE allotment.

**SEN. MOHL** commented that it might be fair to ask counties to pay 100% of costs for additional staff beyond one. **Dr. Pagenkopf** said it is an approach that has not been pursued because the counties are also paying all operating costs of the extension service, which makes the county share much larger than the state and federal support.

**REP. KADAS** asked how many of the Extension Service staff are faculty and how they are effected by salary negotiations. **Mr. Sundsted** answered that 86 of the 117 staff are faculty and provided the subcommittee with funding information. **EXHIBIT 3**

{Tape: 3; Side: A; Approx. Counter: 353}

**BUDGET ITEM: Personal Services; Inflation/Deflation; Fixed Costs; Debt Service**

**Motion:** **REP. KADAS** moved to approve the Executive for (0.09) FTE and \$248,374 in FY96 and (0.09) FTE and \$251,837 for FY97 in personal services; (\$832) in FY96 and (\$1,096) in FY97 for inflation/deflation; \$22,003 in FY96 and \$22,114 in FY97 for fixed costs; and (\$7,939) each year of the biennium for debt service.

**Discussion:** **SEN. TOEWS** asked why the personal services increase was so large. **Ms. Whitney** explained that this represents full funding of 117 FTE and the continuation of the pay plan. In 1994 there were relatively high vacancy savings and the Extension Service didn't have tuition to backfill salary increases.

**REP. KADAS** asked why some of the Extension Service staff is considered faculty and how land grant funding works into the

agency. **Dr. Pagenkopf** explained that outreach is a primary function of land grant universities, which is why the extension agents are considered faculty. **Clyde Carroll, Administrative Fiscal Officer, Montana Extension Service**, explained that Smith Lever Act of 1914 established the USDA appropriation for state extension, which is based on population with adjustments for inflation. This funding is part of the unrestricted funds the legislature appropriates.

**REP. HOLLAND** asked if an increase in the pay plan is in effect an unfunded mandate to the counties since the county share of the extension agent is 50%. **Dr. Pagenkopf** said the county portion of the salary is based on the salaries of that county's elected officials. Salary increases from the county are given to the university, which then includes this money when university salary increases take effect. In any ten year period, the increases between the county and the university evens out.

**Vote:** Motion **CARRIED** 4-2 with **SEN. MOHL** and **SEN. TOEWS** voting no.

*{Tape: 3; Side: A; Approx. Counter: 753}*

**Mr. Sundsted** explained that the Bureau of Mines does not classify its staff as faculty, although some of the staff has tenure. If the Bureau of Mines staff were included in the faculty salary increases, it would add \$107,000 for the biennium. **EXHIBIT 3**

*{Tape: 3; Side: B; Approx. Counter: 20}*

**BUDGET ITEM: Personal Services Reductions**

**Motion/Vote:** **REP. KADAS** moved to approve the Executive proposal for the Extension Service for (\$117,463) for FY96 and (\$117,549) for FY97 for personal services reductions. Motion **CARRIED** 5-1 with **SEN. JERGSON** voting no.

**EXECUTIVE ACTION ON FOREST AND CONSERVATION EXPERIMENT STATION**

*{Tape: 3; Side: B; Approx. Counter: 40}*

**BUDGET ITEM: Personal Services; inflation/Deflation; Fixed Costs**

**Motion/Vote:** **REP. KADAS** moved to approve the Executive for 0.03 FTE and \$38,760 for FY96 and 0.03 FTE and \$39,371 for FY97 for personal services; \$408 for FY96 and \$734 for FY97 for inflation/deflation; and (\$855) each year of the biennium for fixed costs. Motion **CARRIED** unanimously.

**SEN. JERGSON** asked what strategies the Forest and Conservation Experiment Station has to address salary issues. **Perry Brown,**

Dean, Forest and Conservation Experiment Station, said staff would probably be laid off, which could cause some program closing since each staff person is a specialist in a different area. Adjusting staff appointments through: 1) additional teaching duties if the University can absorb them; 2) finding ways to raise more in grants and contracts; and 3) shifting staff through the continuing education programs.

**EXECUTIVE ACTION ON BUREAU OF MINES**

*{Tape: 3; Side: B; Approx. Counter: 144}*

Ms. Whitney informed the subcommittee that the "Federal Special" shown on page E-99 for the Bureau of Mines is actually "State Special" funds. These funds are Resource Indemnity Trust fund (RIT) money for the ground water protection program.

*{Tape: 3; Side: B; Approx. Counter: 206}*

**BUDGET ITEM: Personal Services; Inflation/Deflation**

**Motion/Vote:** REP. KADAS moved approval of 0.60 FTE and \$138,650 in FY96 and 0.60 FTE and \$139,572 in FY97 for personal services; and \$6,160 in FY96 and \$10,086 in FY97 for inflation/deflation. Motion CARRIED 5-1 with SEN. TOEWS voting no.

*{Tape: 3; Side: B; Approx. Counter: 781}*

**BUDGET ITEM: Groundwater Assessment**

Ms. Whitney spoke to the LFA funding issues in the Bureau of Mines. The RIT account is not going to have enough money to fund the full \$666,000 each year. A portion of the funding that would be available is dependent on the passage of a bill that corrects mistakes concerning the flow of money into the trust. The ramifications of passage or failure of this bill is discussed on page E-101.

Curt Nichols, Office of Budget and Program Planning (OBPP), said that if the bill does pass, the estimates provided are correct. If the bill does not pass, OBPP does not recommend any general fund back-fill.

CHAIRMAN JOHNSON asked how the Bureau of Mines will react if full RIT funding is not available. Lindsay Norman, Chancellor, Ph.D., Chancellor, University of Montana-Montana Tech, answered that the groundwater assessment projects can be stretched out over a longer period of time if staff layoffs are required. The Groundwater Assessment Advisory group has a plan based on full funding, but can scale back the plan to be flexible with available funds.

**Martin Miller, Bureau of Mines**, explained that in 1994 the program took a tremendous cut. At one point there was only \$200,000 available. \$230,000 from the Governor's contingency fund brought the FY94 total to \$430,000. Seven FTE's were laid off and the program was delayed six months. **Ms. Whitney** explained that the Governor's contingency covered the costs of funds already committed before the Bureau of Mines knew about the shortfall. Actual expenditures for FY94 were \$529,000.

**SEN. JERGESON** said that the bill recently considered in the Senate to cut back RIT funding will not effect the groundwater program until at least the 1999 biennium. It is unclear exactly how the groundwater assessment program will be effected in the future if this bill passes.

**Motion:** **SEN. JERGESON** moved to approve the Executive for \$85,131 for FY96 and \$82,145 for FY97 for groundwater assessment.

**Discussion:** **SEN. JERGESON** said this motion provides authority for expenditure of revenues that come in from the RIT fund; it does not allow for any revenues from general fund.

**Vote:** Motion **CARRIED** 5-1 with **SEN. TOEWS** voting no.

*{Tape: 3; Side: B; Approx. Counter: 889}*

**BUDGET ITEM: Miscellaneous Adjustments; Equipment**

**Motion/Vote:** **REP. KADAS** moved to approve the Executive for \$426 each year of the biennium for miscellaneous adjustments; and (\$41,347) each year of the biennium for equipment. Motion **CARRIED** unanimously.

*{Tape: 3; Side: B; Approx. Counter: 910; Comments: Continue on Tape 4; Side A}*

**BUDGET ITEM: Personal Services Reduction**

**Motion:** **REP. KADAS** moved to approve the Executive for (\$27,143) for FY96 and (\$27,166) for FY97 for personal services reduction.

**Discussion:** **SEN. JERGESON** asked how the Bureau of Mines meets salary increases since none of the staff are classified as faculty. **Lindsay Norman, Ph.D., Chancellor, University of Montana - Montana Tech**, responded that even though some Bureau of Mine staff do have teaching duties, the staff is separated from faculty for administrative ease. UM-Montana Tech uses the same salary negotiation process for Bureau of Mines staff as for the faculty, with 2.5% of increases funded by the pay plan and the additional 3.5% funded through other sources. To meet the \$107,000 salary increase for the 25 staff members, the Bureau of Mines is highly dependent on new dollars from the legislature.

**Curt Nichols, Office of Budget & Program Planning**, explained that contract professionals, which are how Bureau of Mine staff are

classified, are not considered in salary negotiations. The Board of Regents would have to specifically bring the Bureau of Mine staff into the negotiations. **Jeff Baker, Commission of Higher Education**, said that the Board of Regents has not considered the Bureau of Mine staff as part of the faculty in negotiations.

Dr. Norman said UM-Montana Technology considers the Bureau of Mine staff to fall under the classification of research faculty as staff at the other units are considered.

**Vote:** Motion **CARRIED** 5-1 with **SEN. JERGESON** voting no.

**EXECUTIVE ACTION ON FIRE SERVICES TRAINING SCHOOL**

*{Tape: 4; Side: A; Approx. Counter: 187}*

**SEN. JERGESON** commented that the Fires Services Training School (FSTS) faces faculty salary issues with no vacancy savings. He asked if all 2.44 FTE's of FSTS are faculty and how will FSTS meet pay increases. **Butch Weedon, Fire Services Training School**, said the 2.44 FTE covers the two full time educators in the department. If the salary issue isn't met, FSTS would have to increase fees charged to local fire districts.

**REP. KADAS** asked why FSTS staff is classified as faculty. **Mr. Weedon** explained it is because they are considered educators, along the same line as extension service agents. This classification happened when FSTS came under the Montana University System in 1991.

*{Tape: 4; Side: A; Approx. Counter: 310}*

**BUDGET ITEM: Personal Service; Inflation/Deflation; Fixed Costs**

**Motion/Vote:** **REP. KADAS** moved to approve the Executive for \$4,974 in FY96 and \$5,227 in FY97 for personal services; (\$320) in FY96 and (\$539) in FY97 for inflation/deflation; and \$3,758 in FY96 and \$679 in FY97 for fixed costs. Motion **CARRIED** 5-0 with **CHAIRMAN JOHNSON** abstaining.

*{Tape: 4; Side: A; Approx. Counter: 322}*

**BUDGET ITEM: Miscellaneous**

**Motion/Vote:** **REP. KADAS** moved to approve the Executive for \$559 in FY96 and \$1,656 in FY97 for miscellaneous. Motion **CARRIED** 5-0 with **CHAIRMAN JOHNSON** abstaining.

*{Tape: 4; Side: A; Approx. Counter: 338}*

**Motion:** **SEN. JERGESON** moved to provide funding to Fire Services Training School to add one (1) FTE in FY96 and to add an

additional one (1) FTE in FY97, along with associated increases in operating costs.

**Discussion:** SEN. JERGESON said that FSTS not only provides a very important service throughout Montana but also helps taxpayers get insurance savings as their district fire ratings improve.

SEN. TOEWS agrees that FSTS provides valuable service, but opposes increases in FTE's. He believes current staff can be utilized more efficiently if video and other training resources are expanded.

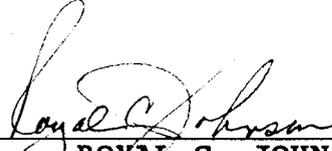
SEN. JERGESON stated that actual hands-on experience which can not be gleaned from video tapes is the most effective training tool. FSTS is moving towards more hands-on training.

SEN. MOHL and REP. HOLLAND are not willing to vote on the motion until they have received budget information from the Legislative Fiscal Analyst as to the actual cost of these increases.

**Vote:** SEN. JERGESON withdrew the motion until the requested budget figures are presented to the subcommittee.

ADJOURNMENT

**Adjournment:** This meeting adjourned at 11:42 AM.



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ROYAL C. JOHNSON, CHAIRMAN



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PAULA CLAWSON, SECRETARY

RJC/pc

[THIS MEETING WAS RECORDED ON FOUR 60-MINUTE TAPES]

# EDUCATION

## Joint Appropriations Subcommittee

ROLL CALL

DATE 2/1/95

NAME	PRESENT	ABSENT	EXCUSED
Rep. Royal Johnson, Chairman	✓		
Rep. Mike Kadas	✓		
Rep. Don Holland	✓		
Sen. Daryl Toews	✓		
Sen. Greg Jergeson	✓		
Sen. Arnie Mohl	✓		

Adjustments to Actual Expenditures									
	Actual Fiscal 1994	Approp. Transfer	Budget Amendment	One Time Approp.	Language Approp.	Non-Budget Expenditure	Statutory Approp.	All Other Approp.	Base Level Fiscal 1994
FTE	139.23								139.23
Expenditure	512,017,032		128,080	440,251	1,237,778	24,464	401,474,690	51,589	108,660,180
		General Fund	State Special Fund	Federal Fund	Cap Projects Fund	Proprietary Fund	Other Fund	Current Unrestricted	
Funding	512,017,032	8,437	403,144,282	179,669		20,762	3,702		108,660,180

Agency Description

The Superintendent of Public Instruction is an elected official mandated by Section 1, Article VI, of the Montana constitution. Section 20-3-106, MCA, states that the Superintendent "...has the general supervision of the public schools and districts of the state." Section 20-7-301, MCA, names the Superintendent as "the governing agent and executive officer" for vocational education in Montana. The Office of Public Instruction (OPI) provides services to Montana's school-age children and to teachers in the state's more than 500 school districts. The staff provides technical assistance in planning, implementing, and evaluating educational programs in such areas as teacher preparation, teacher certification, school accreditation, school curriculum, school finance, and school law. The staff administers a number of federally-funded programs and provides a variety of information services.

Adjustments to Actual Expenditures

The difference between the actual fiscal 1994 FTE and expenditures and the fiscal 1994 base budget is the result of the following deductions from actual expenditures.

- Budget Amendments - Two fiscal 1994 budget amendments authorizing the use of federal grants were approved during the interim: 1) \$79,590 to develop a model school curricula which integrates the teaching of English and the arts; and 2) \$48,490 for the federal school nutrition handbook for school officials.
- One-Time Appropriations - The following one-time appropriations (appropriations for non-recurring purposes) were removed from the actual fiscal 1994 expenditures: 1) legal fees of \$8,436 general fund to fund a suit brought against Phillips County and local school districts regarding the proper dissemination of tax revenue; 2) expenditures of \$109,448 from the earmarked appropriation for traffic education administration (with the passage of HB 89, beginning in fiscal 1995, all revenue to the traffic safety education account is distributed to school districts); and 3) \$322,366 associated with the implementation of HB 667 (the school funding bill).
- Language Appropriations - Traffic safety funds distributed to school districts (\$1,237,778) were removed from actual expenditures as a language appropriation. This appropriation is retained as a language appropriation for the 1997 biennium.
- Statutory Appropriations - State Base Amount for School Equity (BASE) funding of \$401,474,690 is the state appropriation from the school equalization aid account used to provide financial support to Montana's public school districts. The BASE funding appropriation is authorized in statute and is administered and accounted for by OPI. However, as a statutory appropriation it is removed from actual expenditures in determining the base budget for OPI.
- All Other Appropriations - Administrative appropriations totalling \$51,589 were removed from the actual fiscal 1994 expenditures. These administrative appropriations were established to allow OPI to expend funds received from other state agencies. Expenditures from administrative appropriations are removed from the base budget of OPI, and are included in the base budgets of those agencies from which the funds were transferred.

c) Non-Budgeted Expenditures - Non-budgeted expenditures of \$24,464 proprietary and other funds are various accounting adjustments required by Generally Accepted Accounting Principles (GAAP), such as for accrued leave and compensated absences.

Adjustments to Appropriated								
	<u>Approp.</u> <u>Fiscal 1995</u>	<u>Pay Plan</u>	<u>Continuing</u> <u>Approp.</u>	<u>Supple.</u> <u>Request</u>				<u>Total</u> <u>Approp.</u>
FTE	134.73		2.00					136.73
Approp.	52,499,175	104,605	111,782,531	1,720,000				166,106,311
	<u>General</u> <u>Fund</u>	<u>State Special</u> <u>Fund</u>	<u>Federal</u> <u>Fund</u>	<u>Cap. Projects</u> <u>Fund</u>	<u>Proprietary</u> <u>Fund</u>	<u>Other</u> <u>Fund</u>	<u>Current</u> <u>Unrestricted</u>	
Funding	148,825,245	4,533,997	11,650,889		1,096,180			166,106,311

Adjustments to Fiscal 1995 Appropriations

Fiscal 1995 appropriations are as appropriated by the 1993 legislature during the November 1993 Special Session. Adjustments to fiscal 1995 appropriations include program transfers, agency transfers, the addition of on-going other appropriations and continuing appropriations, and the removal of one-time appropriations.

Adjustments to Actual Expenditures									
	<u>Actual Fiscal 1994</u>	<u>Approp. Transfer</u>	<u>Budget Amendment</u>	<u>One Time Approp.</u>	<u>Language Approp.</u>	<u>Non-Budget Expenditure</u>	<u>Statutory Approp.</u>	<u>All Other Approp.</u>	<u>Base Level Fiscal 1994</u>
FTE	82.68		1.00						81.68
Expenditure	2,883,890		36,538	43,326	4,076				2,799,950
		<u>General Fund</u>	<u>State Special Fund</u>	<u>Federal Fund</u>	<u>Cap Projects Fund</u>	<u>Proprietary Fund</u>	<u>Other Fund</u>	<u>Current Unrestricted</u>	
Funding	2,883,890	43,326	4,076	36,538					2,799,950

### Agency Description

The Montana School for the Deaf and Blind's goal is to offer a quality, comprehensive education that will enable its students to achieve their greatest potential. Authority for the school is contained in Title 20, Chapter 8, Part 1, MCA. As of the fall of 1994, 96 students attended the school, of which 50 were residing on campus and 46 were from residences in the Great Falls area. To attend the school, students must be diagnosed as being deaf and/or blind or must have such a significant hearing or sight impairment that they are unable to receive a proper education in the public schools of the state. Additionally, the school serves 34 students statewide through a resource consultant outreach program.

### Adjustments to Actual Expenditures

Actual fiscal 1994 expenditures are reduced by \$83,940 to arrive at the base budget. These reductions consist of: 1) \$36,538 of federal expenditures approved by budget amendment during fiscal 1994; 2) \$43,326 one-time general fund expenditures from tuition paid to the general fund for non-resident students attending MSDB; and 3) expenditure of \$4,076 from facilities rental income authorized by a language appropriation in HB 2.

Adjustments to Appropriated								
	<u>Approp. Fiscal 1995</u>	<u>Pay Plan</u>	<u>Continuing Approp.</u>	<u>Supple. Request</u>	<u>Total Approp.</u>			
FTE	81.68				81.68			
Approp.	3,043,292	117,555	24,175		3,185,022			
		<u>General Fund</u>	<u>State Special Fund</u>	<u>Federal Fund</u>	<u>Cap. Projects Fund</u>	<u>Proprietary Fund</u>	<u>Other Fund</u>	<u>Current Unrestricted</u>
Funding	2,608,731	466,232	110,059					3,185,022

### Adjustments to Fiscal 1995 Appropriations

Fiscal 1995 appropriations are as appropriated by the 1993 legislature during the November 1993 Special Session. Adjustments to fiscal 1995 appropriations include program transfers, agency transfers, the addition of on-going other appropriations and continuing appropriations, and the removal of one-time appropriations.

Adjustments to Actual Expenditures									
	Actual Fiscal 1994	Approp. Transfer	Budget Amendment	One Time Approp.	Language Approp.	Non-Budget Expenditure	Statutory Approp.	All Other Approp.	Base Level Fiscal 1994
FTE	2.50								2.50
Expenditure	153,509								153,509
		General Fund	State Special Fund	Federal Fund	Cap Projects Fund	Proprietary Fund	Other Fund	Current Unrestricted	
Funding	153,509								153,509

Agency Description

The Vocational Education Council was created in 1985 to comply with the Carl D. Perkins Vocational Education Act of 1984. The purposes of the thirteen-member council are to: 1) analyze and evaluate the vocational education program delivery system assisted under the Perkins Act and under the Job Training Partnership Act; and 2) report to and advise the Governor, State Board of Regents of Higher Education, Department of Education, business community, and general public on how well the state's needs for vocational education are being met.

Adjustments to Actual Expenditures

No adjustments to actual expenditures are required.

Adjustments to Appropriated								
	Approp. Fiscal 1995	Pay Plan	Continuing Approp.	Supple. Request	Total Approp.			
FTE	2.50				2.50			
Approp.	165,781	2,109	100		167,990			
		General Fund	State Special Fund	Federal Fund	Cap. Projects Fund	Proprietary Fund	Other Fund	Current Unrestricted
Funding				167,990				167,990

Adjustments to Fiscal 1995 Appropriations

Fiscal 1995 appropriations are as appropriated by the 1993 legislature during the November 1993 Special Session. Adjustments to fiscal 1995 appropriations include program transfers, agency transfers, the addition of on-going other appropriations and continuing appropriations, and the removal of one-time appropriations.

Adjustments to Actual Expenditures									
	Actual Fiscal 1994	Approp. Transfer	Budget Amendment	One Time Approp.	Language Approp.	Non-Budget Expenditure	Statutory Approp.	All Other Approp.	Base Level Fiscal 1994
FTE	85.50		0.55						84.95
Expenditure	154,318,656	117,019,933	23,382	32,090		7,851	508,220	4,667	36,722,513
		General Fund	State Special Fund	Federal Fund	Cap Projects Fund	Proprietary Fund	Other Fund	Current Unrestricted	
Funding	154,318,656	98,762,646	18,802,264	30,450		783			36,722,513

## Agency Description

The Commissioner of Higher Education is the chief administrative officer of the Montana University System (MUS). Article X, Section 9 of the Montana constitution requires that the Board of Regents appoint the commissioner and prescribe his powers and duties. The commissioner and agency personnel are responsible for providing leadership, technical assistance, and staff support to the Board of Regents and postsecondary education agencies to enable coordination, consistent regulations and management, evaluation of policies and programs, and long-range planning. The agency provides budgetary planning and funds distribution for the postsecondary education agencies under its control, as well as administration for both state and federal student assistance programs.

## Adjustments to Actual Expenditures

The difference between the actual expenditures and the fiscal 1994 base is due to the removal of the following fiscal 1994 expenditures: 1) a budget amendment for 0.55 FTE and federal funds totalling \$23,382 for the School to Work program; 2) a one-time expenditure of \$32,090 state special funds (fees, grants, and other revenue) appropriated by the 1993 legislature in HB 11 for the Montana Educational Telecommunications Network (METNET); 3) non-budgeted expenditures of \$7,068 federal funds in the Guaranteed Student Loan program and \$783 of proprietary funds in the MUS Group Insurance program; 4) statutory appropriations of \$196,814 from the accommodations tax for the University travel research program, \$253,256 of reversions from the six units, and \$58,150 of reversions from the colleges of technology; 5) miscellaneous appropriations of \$4,667 not included in the fiscal 1994 base; and 6) state special revenue (local and state mill levies) of \$18,257,287 and general fund of \$98,762,646, which were transfers through the Commissioner of Higher Education (CHE) budget to the six units and the colleges of technology in fiscal 1994. The executive budget includes these funds in the individual tables for the six units and the colleges of technology for fiscal 1996 and 1997.

Adjustments to Appropriated								
	Approp. Fiscal 1995	Approp. Transfers	Pay Plan	Continuing Approp.	Supple. Request	Total Approp.		
FTE	87.95					87.95		
Approp.	150,603,822	(110,565,018)	58,625	180,334		40,277,763		
		General Fund	State Special Fund	Federal Fund	Cap. Projects Fund	Proprietary Fund	Other Fund	Current Unrestricted
Funding		10,460,465		9,821,329		19,995,969		40,277,763

## Adjustments to Fiscal 1995 Appropriations

Fiscal 1995 appropriations are as appropriated by the 1993 legislature during the November 1993 Special Session. Adjustments to fiscal 1995 appropriations include program transfers, agency transfers, the addition of on-going other appropriations and continuing appropriations, and the removal of one-time appropriations.

## Adjustments to Actual Expenditures

	Actual Fiscal 1994	Approp. Transfer	Budget Amendment	One Time Approp.	Language Approp.	Non-Budget Expenditure	Statutory Approp.	All Other Approp.	Base Level Fiscal 1994
FTE	2994.46								2994.46
Expenditure	153,090,354		2,364,381			237,705	204,442	2,179,937	148,103,889
Funding	153,090,354							4,986,465	148,103,889

### System Description

The six university units of the Montana University System (MUS) are composed of Montana State University - Bozeman (MSU), the University of Montana - Missoula (UM), Montana State University - Billings (MSUB), Montana State University - Northern (MSUN) in Havre, Western Montana College of the University of Montana (WMCUM) in Dillon, and Montana Tech of the University of Montana (MTUM) in Butte. The system serves approximately 26,000 full-time equivalent (FTE) students annually. The system offers certificates and associate, baccalaureate, masters', and doctorate degrees in several different fields, including agriculture, architecture, business and management, communications, education, engineering and engineering technology, foreign languages, health services, law, letters, life sciences, mathematics, philosophy and religion, physical science, psychology, public affairs, social science, and visual and performing arts.

### Adjustments to Actual Expenditures

The difference between the "Actual Expenditures" column and the fiscal 1994 base is due to the removal of the following fiscal 1994 expenditures from current unrestricted funds. As the table above shows, the adjustments include: 1) budget amendments for \$2,364,381 tuition received in excess of that appropriated and used for retirements, supplies and materials, other expenses, and equipment; 2) net non-budgeted accounting entries of \$237,705 required under Generally Accepted Accounting Principles (GAAP); 3) a statutory appropriation of \$204,442 for travel research; and 4) other appropriations of \$2,179,937, which are continuing appropriations of funds carried forward from fiscal 1993. The totals in the table above may not match the totals in the main table due to rounding. Table 1 details the same adjustments by unit.

Table 1 University Units Fiscal 1994 Adjustments to Actual Expenditures				
Unit	Budget Amendment	Non- Budget	Statutory	Other
UM - Missoula	\$1,602,149	(\$286,454)	\$204,442	\$660,000
MSU - Bozeman	499,627	(216,108)		1,300,810
UM - MT Tech	65,244	253,003		15,000
MSU - Billings		120,176		160,675
MSU - Northern	92,677	296,283		20,704
UM - Western	<u>104,684</u>	<u>70,805</u>	<u>0</u>	<u>22,748</u>
Total	<u>\$2,364,381</u>	<u>\$237,705</u>	<u>\$204,442</u>	<u>\$2,179,937</u>

Adjustments to Appropriated							
	<u>Approp. Fiscal 1995</u>	<u>Pay Plan</u>	<u>Continuing Approp.</u>	<u>Supple. Request</u>	<u>Total Approp.</u>		
FTE	2923.57				2923.57		
Approp.	143,647,615	2,250,531	157,723		146,055,869		
	<u>General Fund</u>	<u>State Special Fund</u>	<u>Federal Fund</u>	<u>Cap. Projects Fund</u>	<u>Proprietary Fund</u>	<u>Other Fund</u>	<u>Current Unrestricted</u>
Funding							146,055,869 146,055,869

Adjustments to Fiscal 1995 Appropriations

Fiscal 1995 appropriations are as appropriated by the 1993 legislature during the November 1993 Special Session, less the university share of the \$6 million general fund reduction allocated by the Office of the Commissioner of Higher Education in fiscal 1995. Adjustments to fiscal 1995 appropriations include program transfers, agency transfers, the addition of on-going other appropriations and continuing appropriations, and the removal of one-time appropriations.

Adjustments to Actual Expenditures									
	Actual Fiscal 1994	Approp. Transfer	Budget Amendment	One Time Approp.	Language Approp.	Non-Budget Expenditure	Statutory Approp.	All Other Approp.	Base Level Fiscal 1994
FTE	117.67								117.67
Expenditure	5,015,160					49,583			4,965,577
		General Fund	State Special Fund	Federal Fund	Cap Projects Fund	Proprietary Fund	Other Fund	Current Unrestricted	
Funding	5,015,160							49,583	4,965,577

### Agency Description

The Montana Cooperative Extension Service (CES) was established in 1914 as a result of the federal Smith-Lever Act. The CES is dedicated to disseminating and encouraging practical use of research about agricultural production and marketing, human resource development, and home economics. The CES serves 53 of the 56 counties through 49 county extension offices. Two additional counties (Petroleum and Wheatland) contract for some services with neighboring counties. (Meagher County currently has no services). The CES has four area offices, with its main operations housed in Bozeman on the Montana State University (MSU) campus. Background materials for the CES educational efforts are developed: 1) by the Extension Service, the Agricultural Experiment Station, and other MSU faculty; and 2) from research information available through faculty from other public and private universities and colleges, researchers and other state and federal agency personnel, and researchers in the private sector.

### Adjustments to Actual Expenditures

Of the \$5.0 million expended in fiscal 1994, non-budgeted expenditures of \$49,583 for compensated absences were excluded from the base.

Adjustments to Appropriated								
	Approp. Fiscal 1995	Pay Plan	Continuing Approp.	Supple. Request	Total Approp.			
FTE	117.67				117.67			
Approp.	4,913,424	86,555			4,999,979			
		General Fund	State Special Fund	Federal Fund	Cap. Projects Fund	Proprietary Fund	Other Fund	Current Unrestricted
Funding								4,999,979 4,999,979

### Adjustments to Fiscal 1995 Appropriations

Fiscal 1995 appropriations are as appropriated by the 1993 legislature during the November 1993 Special Session. Adjustments to fiscal 1995 appropriations include program transfers, agency transfers, the addition of on-going other appropriations and continuing appropriations, and the removal of one-time appropriations.

Adjustments to Actual Expenditures									
	<u>Actual Fiscal 1994</u>	<u>Approp. Transfer</u>	<u>Budget Amendment</u>	<u>One Time Approp.</u>	<u>Language Approp.</u>	<u>Non-Budget Expenditure</u>	<u>Statutory Approp.</u>	<u>All Other Approp.</u>	<u>Base Level Fiscal 1994</u>
FTE	231.80								231.80
Expenditure	10,236,391		171,275			(15,233)		9,038	10,071,311
		<u>General Fund</u>	<u>State Special Fund</u>	<u>Federal Fund</u>	<u>Cap Projects Fund</u>	<u>Proprietary Fund</u>	<u>Other Fund</u>	<u>Current Unrestricted</u>	
Funding	10,236,391							165,080	10,071,311

### Agency Description

The Montana Agricultural Experiment Station (MAES) was established at Montana State University by the legislature in 1893 under Hatch Act authorization enacted by the U.S. Congress. Its mission, as provided in section 20-25-222, MCA, is to conduct research relating to agriculture, natural resources, and rural life and to distribute the resulting information among the people of Montana. The MAES is the agricultural research component of the land-grant university's three-part mission of teaching, research, and service. The goal of the MAES is to enhance the social and economic well-being of the state, national, and international communities through research programs addressing problems facing crop and livestock producers and consumers of agricultural products.

### Adjustments to Actual Expenditures

Of the \$10.2 million expended in fiscal 1994, a total of \$165,080 in current unrestricted expenditures was excluded from the adjusted base. The exclusions are: 1) \$171,275 of expenditures from a budget amendment for sales revenue and federal funds authority for retirement payouts; 2) elimination of a \$15,233 offset to non-budget expenditures; and 3) a continuing appropriation of federal funds used to renovate a laboratory.

Adjustments to Appropriated								
	<u>Approp. Fiscal 1995</u>	<u>Pay Plan</u>	<u>Continuing Approp.</u>	<u>Supple. Request</u>	<u>Total Approp.</u>			
FTE	230.80				230.80			
Approp.	9,959,844	168,774			10,128,618			
		<u>General Fund</u>	<u>State Special Fund</u>	<u>Federal Fund</u>	<u>Cap. Projects Fund</u>	<u>Proprietary Fund</u>	<u>Other Fund</u>	<u>Current Unrestricted</u>
Funding								10,128,618 10,128,618

### Adjustments to Fiscal 1995 Appropriations

Fiscal 1995 appropriations are as appropriated by the 1993 legislature during the November 1993 Special Session. Adjustments to fiscal 1995 appropriations include program transfers, agency transfers, the addition of on-going other appropriations and continuing appropriations, and the removal of one-time appropriations.

### Adjustments to Actual Expenditures

	<u>Actual Fiscal 1994</u>	<u>Approp. Transfer</u>	<u>Budget Amendment</u>	<u>One Time Approp.</u>	<u>Language Approp.</u>	<u>Non-Budget Expenditure</u>	<u>Statutory Approp.</u>	<u>All Other Approp.</u>	<u>Base Level Fiscal 1994</u>
FTE	5.44								5.44
Expenditure	249,022					4,490			244,532
		<u>General Fund</u>	<u>State Special Fund</u>	<u>Federal Fund</u>	<u>Cap Projects Fund</u>	<u>Proprietary Fund</u>	<u>Other Fund</u>	<u>Current Unrestricted</u>	
Funding	249,022							4,490	244,532

### Agency Description

As authorized in section 20-31-102, MCA, the Fire Services Training School (FSTS) exists to organize, supervise, and coordinate training and education for fire service personnel in the state in accordance with local needs and the standards established by the Board of Regents. The Fire Services Training School, which is located in Great Falls at the vocational-technical center, administers and maintains a resource center for use by localities; provides regional, local, and state-wide training programs for fire services personnel; develops courses and training materials; maintains a network of unsalaried field instructors; and offers a fire service professional certification program. The school is attached to the Extension Service for administrative purposes.

### Adjustments to Actual Expenditures

Of the \$249,022 expended in fiscal 1994, non-budgeted expenditures of \$4,490 were excluded from the base. The totals in the table may not match the totals in the main table due to rounding.

### Adjustments to Appropriated

	<u>Approp. Fiscal 1995</u>	<u>Pay Plan</u>	<u>Continuing Approp.</u>	<u>Supple. Request</u>	<u>Total Approp.</u>				
FTE	5.44				5.44				
Approp.	230,853	3,977	3,056		237,886				
		<u>General Fund</u>	<u>State Special Fund</u>	<u>Federal Fund</u>	<u>Cap. Projects Fund</u>	<u>Proprietary Fund</u>	<u>Other Fund</u>	<u>Current Unrestricted</u>	
Funding								237,886	237,886

### Adjustments to Fiscal 1995 Appropriations

Fiscal 1995 appropriations are as appropriated by the 1993 legislature during the November 1993 Special Session. Adjustments to fiscal 1995 appropriations include program transfers, agency transfers, the addition of on-going other appropriations and continuing appropriations, and the removal of one-time appropriations.

Adjustments to Actual Expenditures									
	<u>Actual Fiscal 1994</u>	<u>Approp. Transfer</u>	<u>Budget Amendment</u>	<u>One Time Approp.</u>	<u>Language Approp.</u>	<u>Non-Budget Expenditure</u>	<u>Statutory Approp.</u>	<u>All Other Approp.</u>	<u>Base Level Fiscal 1994</u>
FTE	15.27								15.27
Expenditure	684,608								684,608
		<u>General Fund</u>	<u>State Special Fund</u>	<u>Federal Fund</u>	<u>Cap Projects Fund</u>	<u>Proprietary Fund</u>	<u>Other Fund</u>	<u>Current Unrestricted</u>	
Funding	684,608								684,608

### Agency Description

The Montana Forest and Conservation Experiment Station (FCES) was established by the legislature in 1937 as a non-profit organization devoted to the scientific investigation of natural resource problems. The station serves as the research unit of the University of Montana School of Forestry with the Dean of the School of Forestry functioning as the station director. The FCES's purposes include the study of relationships between forests and other dimensions of the environment, the discovery of ways to improve the products of forest lands, and the completion and publication of reports about forestry research. Research is carried on at Lubrecht Experimental Forest and at other locations in Montana in cooperation with private, state, and federal agencies.

### Adjustments to Actual Expenditures

There are no adjustments to actual expenditures to arrive at the base budget in this agency.

Adjustments to Appropriated									
	<u>Approp. Fiscal 1995</u>	<u>Pay Plan</u>	<u>Continuing Approp.</u>	<u>Supple. Request</u>	<u>Total Approp.</u>				
FTE	15.03				15.03				
Approp.	693,427	11,728			705,155				
		<u>General Fund</u>	<u>State Special Fund</u>	<u>Federal Fund</u>	<u>Cap. Projects Fund</u>	<u>Proprietary Fund</u>	<u>Other Fund</u>	<u>Current Unrestricted</u>	
Funding								705,155	705,155

### Adjustments to Fiscal 1995 Appropriations

Fiscal 1995 appropriations are as appropriated by the 1993 legislature during the November 1993 Special Session. Adjustments to fiscal 1995 appropriations include program transfers, agency transfers, the addition of on-going other appropriations and continuing appropriations, and the removal of one-time appropriations.

## Adjustments to Actual Expenditures

	Actual Fiscal 1994	Approp. Transfer	Budget Amendment	One Time Approp.	Language Approp.	Non-Budget Expenditure	Statutory Approp.	All Other Approp.	Base Level Fiscal 1994
FTE	37.56								37.56
Expenditure	1,812,035					(60,000)			1,872,035
		General Fund	State Special Fund	Federal Fund	Cap Projects Fund	Proprietary Fund	Other Fund	Current Unrestricted	
Funding	1,812,035							(60,000)	1,872,035

## Agency Description

The Bureau of Mines and Geology is a public service and research agency at Montana Tech of the University of Montana in Butte. The bureau is charged with promoting the effective use of mineral resources through investigation of their geology, production, treatment, and economics. It disseminates information through publications and replies to individual inquiries. The bureau's work includes field and laboratory study, collection of samples and information, interpretation of data, and compilation of statistics on all mineral resources--metallic and non-metallic minerals, fuels, and groundwater. Projects are undertaken in cooperation with the U.S. Geological Survey, the U.S. Bureau of Mines, and other agencies.

## Adjustments to Actual Expenditures

Of the \$1.8 million expended in fiscal 1994, a non-budgeted negative accounting entry of \$60,000 was excluded from the base. The totals in the table may not match the totals in the main table due to rounding.

## Adjustments to Appropriated

	Approp. Fiscal 1995	Pay Plan	Continuing Approp.	Supple. Request	Total Approp.				
FTE					0.00				
Approp.	1,984,349	28,141			2,012,490				
		General Fund	State Special Fund	Federal Fund	Cap. Projects Fund	Proprietary Fund	Other Fund	Current Unrestricted	
Funding								2,012,490	2,012,490

## Adjustments to Fiscal 1995 Appropriations

Fiscal 1995 appropriations are as appropriated by the 1993 legislature during the November 1993 Special Session. Adjustments to fiscal 1995 appropriations include program transfers, agency transfers, the addition of on-going other appropriations and continuing appropriations, and the removal of one-time appropriations.

### Adjustments to Actual Expenditures

	Actual Fiscal 1994	Approp. Transfer	Budget Amendment	One Time Approp.	Language Approp.	Non-Budget Expenditure	Statutory Approp.	All Other Approp.	Base Level Fiscal 1994
FTE	245.05								245.05
Expenditure	11,996,127		173,786			(113,447)		47,677	11,888,111
		General Fund	State Special Fund	Federal Fund	Cap Projects Fund	Proprietary Fund	Other Fund	Current Unrestricted	
Funding	11,996,127							108,016	11,888,111

### System Description

Montana's five colleges of technology in Billings, Butte, Great Falls, Helena and Missoula collectively serve over 2,000 students. In fiscal 1990, total costs of operating the schools were assumed by the state of Montana under the direction of the Board of Regents. Staff at the five schools became employees of the state, rather than employees of the local school districts. The primary role of vocational technical education is to provide individuals preparing to enter, advance, or change their careers with vocational and technical competencies and life skills. Training is offered in a variety of disciplines in the major areas of agriculture, health and nursing, office, marketing, home economics, and trade and technical. The schools award certificates of completion and, with the approval of the Board of Regents, award the Associate of Applied Science degree for appropriate programs.

### Adjustments to Actual Expenditures

The difference between the "Actual Expenditures" column and the fiscal 1994 base is due to the removal of the following fiscal 1994 expenditures. As Table 1 shows, the adjustments include: 1) budget amendments for \$173,786 of tuition received in excess of that appropriated, which was used for retirements, supplies, and computers; 2) net non budgeted negative accounting entries of \$113,447 required under Generally Accepted Accounting Principles (GAAP), and 3) miscellaneous appropriations of \$47,677.

Table 1 Vocational Technical Centers Fiscal 1994 Adjustments to Actual Expenditures			
Vo-Tech	Budget Amendment	Non- Budget	Other
Billings	\$34,000	(\$66,634)	
Butte	64,400	(10,900)	
Great Falls	75,386	(2,490)	
Helena		(69,175)	
Missoula	_____	35,752	47,677
<b>Total</b>	<b>\$173,786</b>	<b>(\$113,447)</b>	<b>\$47,677</b>

## Adjustments to Appropriated

	<u>Approp. Fiscal 1995</u>	<u>Pay Plan</u>	<u>Continuing Approp.</u>	<u>Supple. Request</u>	<u>Total Approp.</u>				
FTE	250.37				250.37				
Approp.	11,331,170	183,489	81,906		11,596,565				
		<u>General Fund</u>	<u>State Special Fund</u>	<u>Federal Fund</u>	<u>Cap. Projects Fund</u>	<u>Proprietary Fund</u>	<u>Other Fund</u>	<u>Current Unrestricted</u>	
Funding								11,596,565	11,596,565

## Adjustments to Fiscal 1995 Appropriations

Fiscal 1995 appropriations are as appropriated by the 1993 legislature during the November 1993 Special Session, less the College of Technology share of the \$6 million general fund reduction allocated by the Office of the Commissioner of Higher Education in fiscal 1994. Adjustments to fiscal 1995 appropriations include program transfers, agency transfers, the addition of on-going other appropriations and continuing appropriations, and the removal of one-time appropriations.

### Adjustments to Actual Expenditures

	Actual Fiscal 1994	Approp. Transfer	Budget Amendment	One Time Approp.	Language Approp.	Non-Budget Expenditure	Statutory Approp.	All Other Approp.	Base Level Fiscal 1994
FTE	139.23								139.23
Expenditure	512,017,032		128,080	440,251	1,237,778	24,464	401,474,690	51,589	108,660,180
		General Fund	State Fund	Special Fund	Federal Fund	Cap Projects Fund	Proprietary Fund	Other Fund	Current Unrestricted
Funding	512,017,032	8,437	403,144,282	179,669			20,762	3,702	108,660,180

### Agency Description

The Superintendent of Public Instruction is an elected official mandated by Section 1, Article VI, of the Montana constitution. Section 20-3-106, MCA, states that the Superintendent "...has the general supervision of the public schools and districts of the state." Section 20-7-301, MCA, names the Superintendent as "the governing agent and executive officer" for vocational education in Montana. The Office of Public Instruction (OPI) provides services to Montana's school-age children and to teachers in the state's more than 500 school districts. The staff provides technical assistance in planning, implementing, and evaluating educational programs in such areas as teacher preparation, teacher certification, school accreditation, school curriculum, school finance, and school law. The staff administers a number of federally-funded programs and provides a variety of information services.

### Adjustments to Actual Expenditures

The difference between the actual fiscal 1994 FTE and expenditures and the fiscal 1994 base budget is the result of the following deductions from actual expenditures.

- 1) Budget Amendments - Two fiscal 1994 budget amendments authorizing the use of federal grants were approved during the interim: 1) \$79,590 to develop a model school curricula which integrates the teaching of English and the arts; and 2) \$48,490 for the federal school nutrition handbook for school officials.
- 2) One-Time Appropriations - The following one-time appropriations (appropriations for non-recurring purposes) were removed from the actual fiscal 1994 expenditures: 1) legal fees of \$8,436 general fund to fund a suit brought against Phillips County and local school districts regarding the proper dissemination of tax revenue; 2) expenditures of \$109,448 from the earmarked appropriation for traffic education administration (with the passage of HB 89, beginning in fiscal 1995, all revenue to the traffic safety education account is distributed to school districts); and 3) \$322.36 associated with the implementation of HB 667 (the school funding bill).
- 3) Language Appropriations - Traffic safety funds distributed to school districts (\$1,237,778) were removed from actual expenditures as a language appropriation. This appropriation is retained as a language appropriation for the 1997 biennium.
- 4) Statutory Appropriations - State Base Amount for School Equity (BASE) funding of \$401,474,690 is the statutory appropriation from the school equalization aid account used to provide financial support to Montana's public school districts. The BASE funding appropriation is authorized in statute and is administered and accounted for by OPI. However, as a statutory appropriation it is removed from actual expenditures in determining the base budget for OPI.
- 5) All Other Appropriations - Administrative appropriations totalling \$51,589 were removed from the actual fiscal 1994 expenditures. These administrative appropriations were established to allow OPI to expend funds received from other state agencies. Expenditures from administrative appropriations are removed from the base budget of OPI, and are included in the base budgets of those agencies from which the funds were transferred.

**Adjustments to Actual Expenditures**

	<u>Actual Fiscal 1994</u>	<u>Approp. Transfer</u>	<u>Budget Amendment</u>	<u>One Time Approp.</u>	<u>Language Approp.</u>	<u>Non-Budget Expenditure</u>	<u>Statutory Approp.</u>	<u>All Other Approp.</u>	<u>Base Level Fiscal 1994</u>
FTE	4.00								4.00
Expenditure	269,346						71,560		197,786
		<u>General Fund</u>	<u>State Special Fund</u>	<u>Federal Fund</u>	<u>Cap Projects Fund</u>	<u>Proprietary Fund</u>	<u>Other Fund</u>	<u>Current Unrestricted</u>	
Funding	269,346		71,560						197,786

**Agency Description**

The Board of Public Education, created by Article X, Section 9 of the Montana constitution, consists of seven voting members appointed by the Governor. The board is charged with exercising "general supervision over the public school system." The board is also designated by statute as the governing board of the Montana School for the Deaf and Blind. Together with the Board of Regents, the board does the general planning, coordinating, and evaluation of the state's educational system (Title 20, Chapter 2, MCA). The board accredits schools, certifies teachers, adopts policies and standards for various educational programs, and orders the distribution of state equalization aid. The board's accreditation standards are the basis for eligibility for local school districts to receive state funds. The board hears cases regarding denial, suspension, and revocation of teacher certificates and reviews teacher education programs leading to interstate reciprocity.

**Adjustments to Actual Expenditures**

The difference between the actual fiscal 1994 expenditures and the base budget is the removal of \$71,560, which is statutorily appropriated for use by the Advisory Council to fund teacher development programs.

**Adjustments to Appropriated**

	<u>Approp. Fiscal 1995</u>	<u>Pay Plan</u>	<u>Continuing Approp.</u>	<u>Supple. Request</u>	<u>Total Approp.</u>			
FTE	4.00				4.00			
Approp.	188,372	2,849	2,265		193,486			
		<u>General Fund</u>	<u>State Special Fund</u>	<u>Federal Fund</u>	<u>Cap. Projects Fund</u>	<u>Proprietary Fund</u>	<u>Other Fund</u>	<u>Current Unrestricted</u>
Funding		107,941	85,545					193,486

**Adjustments to Fiscal 1995 Appropriations**

Fiscal 1995 appropriations are as appropriated by the 1993 legislature during the November 1993 Special Session. Adjustments to fiscal 1995 appropriations include program transfers, agency transfers, the addition of on-going other appropriations and continuing appropriations, and the removal of one-time appropriations.

6) Non-Budgeted Expenditures - Non-budgeted expenditures of \$24,464 proprietary and other funds are various accounting adjustments required by Generally Accepted Accounting Principles (GAAP), such as for accrued leave and compensated absences.

Adjustments to Appropriated							
	<u>Approp. Fiscal 1995</u>	<u>Pay Plan</u>	<u>Continuing Approp.</u>	<u>Supple. Request</u>	<u>Total Approp.</u>		
FTE	134.73		2.00		136.73		
Approp.	52,499,175	104,605	111,782,531	1,720,000	166,106,311		
	<u>General Fund</u>	<u>State Special Fund</u>	<u>Federal Fund</u>	<u>Cap. Projects Fund</u>	<u>Proprietary Fund</u>	<u>Other Fund</u>	<u>Current Unrestricted</u>
Funding	148,825,245	4,533,997	11,650,889		1,096,180		166,106,311

Adjustments to Fiscal 1995 Appropriations

Fiscal 1995 appropriations are as appropriated by the 1993 legislature during the November 1993 Special Session. Adjustments to fiscal 1995 appropriations include program transfers, agency transfers, the addition of on-going other appropriations and continuing appropriations, and the removal of one-time appropriations.

### Adjustments to Actual Expenditures

	<u>Actual Fiscal 1994</u>	<u>Approp. Transfer</u>	<u>Budget Amendment</u>	<u>One Time Approp.</u>	<u>Language Approp.</u>	<u>Non-Budget Expenditure</u>	<u>Statutory Approp.</u>	<u>All Other Approp.</u>	<u>Base Level Fiscal 1994</u>
FTE	82.68		1.00						81.68
Expenditure	2,883,890		36,538	43,326	4,076				2,799,950
		<u>General Fund</u>	<u>State Special Fund</u>	<u>Federal Fund</u>	<u>Cap Projects Fund</u>	<u>Proprietary Fund</u>	<u>Other Fund</u>	<u>Current Unrestricted</u>	
Funding	2,883,890	43,326	4,076	36,538					2,799,950

### Agency Description

The Montana School for the Deaf and Blind's goal is to offer a quality, comprehensive education that will enable its students to achieve their greatest potential. Authority for the school is contained in Title 20, Chapter 8, Part 1, MCA. As of the fall of 1994, 96 students attended the school, of which 50 were residing on campus and 46 were from residences in the Great Falls area. To attend the school, students must be diagnosed as being deaf and/or blind or must have such a significant hearing or sight impairment that they are unable to receive a proper education in the public schools of the state. Additionally, the school serves 34 students statewide through a resource consultant outreach program.

### Adjustments to Actual Expenditures

Actual fiscal 1994 expenditures are reduced by \$83,940 to arrive at the base budget. These reductions consist of: 1) \$36,538 of federal expenditures approved by budget amendment during fiscal 1994; 2) \$43,326 one-time general fund expenditures from tuition paid to the general fund for non-resident students attending MSDB; and 3) expenditures of \$4,076 from facilities rental income authorized by a language appropriation in HB 2.

### Adjustments to Appropriated

	<u>Approp. Fiscal 1995</u>	<u>Pay Plan</u>	<u>Continuing Approp.</u>	<u>Supple. Request</u>	<u>Total Approp.</u>		
FTE	81.68				81.68		
Approp.	3,043,292	117,555	24,175		3,185,022		
	<u>General Fund</u>	<u>State Special Fund</u>	<u>Federal Fund</u>	<u>Cap. Projects Fund</u>	<u>Proprietary Fund</u>	<u>Other Fund</u>	<u>Current Unrestricted</u>
Funding	2,608,731	466,232	110,059				3,185,022

### Adjustments to Fiscal 1995 Appropriations

Fiscal 1995 appropriations are as appropriated by the 1993 legislature during the November 1993 Special Session. Adjustments to fiscal 1995 appropriations include program transfers, agency transfers, the addition of on-going other appropriations and continuing appropriations, and the removal of one-time appropriations.

Adjustments to Actual Expenditures										
	<u>Actual Fiscal 1994</u>	<u>Approp. Transfer</u>	<u>Budget Amendment</u>	<u>One Time Approp.</u>	<u>Language Approp.</u>	<u>Non-Budget Expenditure</u>	<u>Statutory Approp.</u>	<u>All Other Approp.</u>	<u>Base Leve. Fiscal 1994</u>	
FTE	2.50									2.50
Expenditure	153,509									153,509
		<u>General Fund</u>	<u>State Special Fund</u>	<u>Federal Fund</u>	<u>Cap Projects Fund</u>	<u>Proprietary Fund</u>	<u>Other Fund</u>	<u>Current Unrestricted</u>		
Funding	153,509									153,509

### Agency Description

The Vocational Education Council was created in 1985 to comply with the Carl D. Perkins Vocational Education Act of 1984. The purposes of the thirteen-member council are to: 1) analyze and evaluate the vocational education program delivery system assisted under the Perkins Act and under the Job Training Partnership Act; and 2) report to and advise the Governor, State Board of Regents of Higher Education, Department of Education, business community, and general public on how well the state's needs for vocational education are being met.

### Adjustments to Actual Expenditures

No adjustments to actual expenditures are required.

Adjustments to Appropriated										
	<u>Approp. Fiscal 1995</u>	<u>Pay Plan</u>	<u>Continuing Approp.</u>	<u>Supple. Request</u>	<u>Total Approp.</u>					
FTE	2.50				2.50					
Approp.	165,781	2,109	100		167,990					
		<u>General Fund</u>	<u>State Special Fund</u>	<u>Federal Fund</u>	<u>Cap. Projects Fund</u>	<u>Proprietary Fund</u>	<u>Other Fund</u>	<u>Current Unrestricted</u>		
Funding				167,990						167,990

### Adjustments to Fiscal 1995 Appropriations

Fiscal 1995 appropriations are as appropriated by the 1993 legislature during the November 1993 Special Session. Adjustments to fiscal 1995 appropriations include program transfers, agency transfers, the addition of on-going other appropriations and continuing appropriations, and the removal of one-time appropriations.

Legislative Fiscal Analyst  
LAYTON SCHENCK



EXHIBIT 2  
DATE 2/1/95  
SB \_\_\_\_\_

Room 105 - State Capitol  
P.O. Box 201711  
Helena, Montana 59620-1711  
(406) 444-2986  
FAX (406) 444-3036

STATE OF MONTANA  
Office of the Legislative Fiscal Analyst

DATE: September 23, 1994

TO: Members of the Joint Committee on Postsecondary Education Policy and Budget (PEPB)

FROM: Taryn Purdy, Office of the Legislative Fiscal Analyst  
Laurie Neils, Office of the Commissioner of Higher Education  
Rod Sundsted, Office of the Commissioner of Higher Education

RE: Comparison of Costs Between the Community Colleges and the Colleges of Technology

At its March 4 meeting, the Joint Committee on Postsecondary Education Policy and Budget (PEPB) heard a report on the state's community colleges and vocational-technical centers (Colleges of Technology). The committee asked staff of the Office of the Legislative Fiscal Analyst (LFA) and the Office of the Commissioner of Higher Education (CHE) to report on why costs at the colleges of technology exceeded costs at the community colleges. This report outlines some of the reasons for this difference.

Individual units within either the community colleges or colleges of technology show (at times) wide variation. Consequently, aggregate totals for each type, rather than individual units' totals, are used in this comparison. Budgeted fiscal 1994 expenditures as approved by the Board of Regents are used unless otherwise noted.

## Costs at the Institutions

Table 1 shows the costs per student at the community colleges and the colleges of technology. As shown, budgeted fiscal 1994 expenditures are significantly higher at the colleges of technology. It should be noted that fiscal 1994 enrollments are used in the table. If budgeted enrollments were used, the colleges of technology would not show a material change, but the costs per student at the community colleges would total \$4,487.

TABLE 1  
Total Costs Per Student  
Fiscal 1994

<u>Type of Institution</u>	<u>Costs Per Student*</u>
Community Colleges	\$3,854
Colleges of Technology	5,144

\*Based upon fiscal 1994 Board of Regents approved operating plans and actual fiscal 1994 enrollments. Current unrestricted funding, only. Does not include scholarships and fellowships at the community colleges. •

There are three primary expenditure components at both the community colleges and the colleges of technology: 1) instruction; 2) support; and 3) plant operation and maintenance. Because plant operation and maintenance is not a significant expenditure in comparison, and therefore not a significant contributor to cost differences, this report focuses on instruction and support.

## Reasons for the Difference in Costs

Table 2 shows the per student costs in the instruction and support (which consists of academic support, student services, and institutional support) programs at the community colleges and colleges of technology. As shown, support expenditures are similar between the two types of institutions, while instruction differs significantly.

Total institutional equipment costs per student are included in the table for reference. While equipment expenditures per student in fiscal 1993 show a difference of almost 100 percent, this difference does not materially contribute to overall cost differences.

**TABLE 2**  
**Support and Instruction Costs Per Student**  
**Community Colleges and Colleges of Technology**  
**Fiscal 1994**

<u>Type of Institution</u>	<u>Support* Per Student</u>	<u>Instruction Per Student</u>	<u>Equipment Per Student**</u>
Community Colleges	\$1,488	\$1,823	\$69
Colleges of Technology	1,509	2,934	136

\*Consists of Academic Support, Student Services, and Institutional Support.  
 \*\*Actual fiscal 1993 expenditures divided by fiscal 1993 enrollment.

## Support

Table 3 shows that the support cost per student is very similar at both types of institutions. While the number of students per employee is similar, average salaries are 16 percent higher at the colleges of technology. However, the small number of support FTE (75.4 at the community colleges and 74.9 at the colleges of technology) means that the difference does not materially impact cost per student.

**TABLE 3**  
**Support Costs**  
**Community Colleges and Colleges of Technology**  
**Fiscal 1994**

<u>Type of Institution</u>	<u>Student/Support Staff Ratio</u>	<u>Average Salaries*</u>	<u>Benefits Percent of Support Salaries</u>	<u>Support Percent of Total</u>
Community Colleges	31.80	\$25,469	28.9%	38.6%
Colleges of Technology	31.11	29,543	24.0%	29.3%

\*Total support salaries divided by support FTE as included in the fiscal 1994 Regents' approved operating plans.

Table 3 also compares the percent of total costs consisting of support expenditures. While total support costs per student are very similar, the variation in total instructional costs per student means that a larger proportion of total costs consist of support expenditures at the community colleges than at the colleges of technology.

## Instructional Costs

As shown in Table 2, the primary reason for the difference in total costs per student between the two types of institutions is due to differences in per student instructional costs. Because the community colleges are on neither the Statewide Budgeting and Accounting System (SBAS) nor the Regents' Employee Reporting System (RERS), the LFA and CHE asked the community colleges to submit a detailed list of faculty FTE and salaries, as well as the programs in which the faculty teach. The survey revealed that the difference in instruction costs is due to differences in both average faculty salaries and student/faculty ratios. Average faculty salaries are higher and student/faculty ratios lower at the colleges of technology than at the community colleges, as shown in Table 4.

The survey also revealed that the community colleges appear to utilize a greater number of part-time instructors as defined by the units than do the colleges of technology. Utilization of part-time faculty could result in two things: 1) lower average salaries; and 2) lower average benefits in total and as a percentage of total instructional salaries. The top half of Table 4 shows the difference between average faculty salaries and student/faculty ratios at the community colleges and colleges of technology using each units' definition of part-time. However, conversion of part-time faculty into a common definition reduces this difference. Part-time faculty is defined differently at each community college, but each base the number on either credit hours or contact hours. The number of full-time equivalent part-time faculty at the colleges of technology is derived by dividing total part-time salaries by a commonly defined benchmark of \$33,878. If community college part-time faculty are converted using this definition, average faculty salaries are considerably closer, but student/faculty ratios show significant disparity. The bottom half of Table 4 makes this comparison. The table also compares total benefits as a percent of total instructional salaries at each type of institution. As shown, benefits as a percent of total instructional salaries does not differ significantly.

TABLE 4  
Instructional Costs  
Community Colleges and Colleges of Technology  
Fiscal 1994

---- Current Part-Time Definition ----		
<u>Type of Institution</u>	<u>Average Faculty Salaries</u>	<u>Student/ Faculty Ratio</u>
Community Colleges	\$23,369	17.63
Colleges of Technology	34,007	16.85
;      ---- Standardized Part-Time Definition ----		
Community Colleges	\$31,169	23.51
Colleges of Technology	34,007	16.85

## Summary

Differences in cost per student between the community colleges and the colleges of technology are due to differences in instructional costs. Instructional cost differences are due to both higher average salaries and lower student/faculty ratios at the colleges of technology than at the community colleges. Differences in support costs per student are minimal, and show little disparity in the number of students per support staff, although average salaries are higher at the colleges of technology.

# APPENDIX A

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## Average Faculty Salaries

One method of gauging reasons for differences in average faculty salary is differences in salary matrices. Faculty at both the community colleges and the colleges of technology are paid based upon a salary matrix consisting of both experience and education factors. However, while the colleges of technology employ a uniform pay matrix, this matrix is not shared among the community colleges, who each have a unique matrix. Attachments 1, 2, and 3 compare selected components of the matrices, and the average difference. As shown, Miles and Dawson Community Colleges matrices are on average \$3,366 and \$2,216, respectively, below the college of technology matrix. However, the Flathead Valley Community College matrix is \$1,068 higher on average.

When examining experience and education, current placement of faculty on the pay matrices shows an overall higher average education level at the community colleges. This difference is due primarily to the relatively high number of faculty with bachelor's degrees at the colleges of technology. Conversely, the colleges of technology show an overall higher average experience level.

## Student/Faculty Ratios

The primary reason for the difference in costs between the community colleges and the colleges of technology is the difference in student/faculty ratio. Differences in student/faculty ratios can be caused by a number of factors, including each unit's mix of programs and program enrollment over time.

Examination of individual program student/faculty ratios or faculty pay rates was not done for this report. The number of programs, and the size and variability of enrollment by unit and by program, makes comparisons tentative, and potentially without validity. This lack of appropriate comparison was noted when examining the vocational-technical centers in fiscal 1990, when no basis for a conclusion that differences in programs either required or caused differences in overall costs could be found.

VO-TECH PAY SCHEDULE OVER (UNDER) DCC PAY SCHEDULE

EXPERIENCE	B	B+15	M	M+15	M+30	D
1	927	2,247	2,524	3,653	4,781	4,068
2	736	2,056	2,333	3,461	4,590	3,877
3	544	1,864	2,141	3,270	4,398	3,685
4	353	1,673	1,950	3,078	4,207	3,494
5	161	1,481	1,758	2,887	4,015	3,302
6	(31)	1,290	1,567	2,695	3,824	3,111
7	(222)	1,098	1,375	2,504	3,632	2,919
8			1,184	2,312	3,441	2,728
9			992	2,121	3,249	2,536
10			801	1,929	3,058	2,345
11			609	1,738	2,866	2,153
12			418	1,546	2,675	1,962
13			226	1,355	2,483	1,770
14					2,292	1,579
15					2,100	1,387
16					1,579	866

AVERAGE DOLLAR VO-TECH OVER (UNDER) DCC 2,216  
 AVERAGE PERCENT VO-TECH OVER (UNDER) DCC 8.34%

Attache.

VO-TECH PAY SCHEDULE OVER (UNDER) FVCC PAY SCHEDULE

EXPERIENCE	B	B+15	M	M+15	M+30	D
1	(1,107)	(805)	(862)	.99	1,061	15
2	(1,262)	(960)	(1,017)	(55)	907	(139)
3	(1,417)	(1,115)	(1,173)	(211)	751	(294)
4	(1,572)	(1,271)	(1,326)	(365)	598	(448)
5	(1,726)	(1,425)	(1,481)	(518)	443	(603)
6	(1,881)	(1,579)	(1,635)	(672)	290	(758)
7	(2,035)	(1,733)	(1,789)	(827)	134	(912)
8			(1,944)	(983)	(21)	(1,068)
9			(2,098)	(1,138)	(176)	(1,221)
10			(2,253)	(1,291)	(330)	(1,376)
11			(2,408)	(1,446)	(485)	(1,529)
12			(2,562)	(1,600)	(638)	(1,684)
13			(2,718)	(1,756)	(794)	(1,840)
14				(1,910)	(947)	(1,995)
15				(2,064)	(1,103)	(2,148)
16				(2,096)	(1,146)	(2,633)

AVERAGE DOLLAR VO-TECH OVER (UNDER) FVCC  
 AVERAGE PERCENT VO-TECH OVER (UNDER) FVCC

(1,068)  
 -3.55%

VO-TECH PAY SCHEDULE OVER (UNDER) MCC PAY SCHEDULE

EXPERIENCE	B	B+15	M	M+15	M+30	D
1	1,910	3,230	4,410			
2	1,770	3,090	4,270			
3	1,630	2,950	4,130			
4	1,490	2,810	3,990	5,170		
5	1,350	2,670	3,850	5,030	6,210	
6	1,110	2,430	3,610	4,790	5,970	
7	870	2,190	3,370	4,550	5,730	
8			3,130	4,310	5,490	
9			2,890	4,070	5,250	
10			2,650	3,830	5,010	
11			2,310	3,490	4,670	
12			1,970	3,150	4,330	
13			1,630	2,810	3,990	
14				2,470	3,650	
15				2,130	3,310	
16				1,360	2,540	

AVERAGE DOLLAR VO-TECH OVER (UNDER) MCC  
 AVERAGE PERCENT VO-TECH OVER (UNDER) MCC

3,366  
 13.61%

ATTACHED AGENCIES  
FUNDING OF FACULTY SALARY INCREASES

EXHIBIT 3  
DATE 2/1/95  
SB \_\_\_\_\_

ASSUMPTIONS:

1. Salary increases apply to faculty only and are based on the UTU increases of 6.9% in FY96 and 6.9% in FY97.
2. The executive pay plan is assumed to be 2.2% in FY96 and 3.4% in FY97 and is fully funded.
3. The annualization of the FY95 1.5% increase is included in the executive recommended present law base budget.

	AES	CES	FSTS	FCES	Bureau
FTE Faculty	80.36	86.7	2.44	8.9	0
FY95 Budgeted Faculty Salaries	\$3,258,498	\$2,808,320	\$61,060	\$341,797	
Annualization of FY95 1.5% Increase	\$24,257	\$20,906	\$455	\$2,544	
Total Faculty Base Salary	\$3,282,755	\$2,829,226	\$61,515	\$344,341	
Executive Vacancy Savings					
FY96 - Total Agency	\$210,293	\$117,463	\$0	\$0	\$27,143
FY97 - Total Agency	\$210,744	\$117,549	\$0	\$0	\$27,166
Biennium Total - VS - Agency	\$421,037	\$235,012	\$0	\$0	\$54,309
<b>FY96</b>					
FY96 Increase Percent	6.9%	6.9%	6.9%	6.9%	
FY96 Increase Amount	\$226,510	\$195,217	\$4,245	\$23,760	
FY96 Estimated Pay Plan Offset	\$72,221	\$62,243	\$1,353	\$7,576	
FY96 Incremental Salary Increase	\$154,289	\$132,974	\$2,891	\$16,184	
Benefits @ 16%	\$24,686	\$21,276	\$463	\$2,589	
Total FY96 Cost	\$178,976	\$154,249	\$3,354	\$18,773	
<b>FY97</b>					
FY97 Increase Percent	6.9%	6.9%	6.9%	6.9%	
FY97 Increase Amount	\$242,139	\$208,687	\$4,537	\$25,399	
FY97 Estimated Pay Plan Offset	\$114,069	\$98,310	\$2,138	\$11,965	
FY97 Incremental Salary Increase	\$128,070	\$110,377	\$2,400	\$13,434	
Benefits @ 16%	\$20,491	\$17,660	\$384	\$2,149	
FY97 Incremental Cost	\$148,561	\$128,037	\$2,784	\$15,583	
Total FY 97 Cost	\$327,537	\$282,286	\$6,138	\$34,357	
Biennium Total	\$506,513	\$436,536	\$9,491	\$53,130	

HOUSE OF REPRESENTATIVES  
VISITORS REGISTER

Education

SUB-COMMITTEE

DATE Feb 17 1995

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Pete Joseph	MFT		
Everett L. Ly			
Don Kellum	Damon c/c		

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