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MINUTES OF THE MEETING OF
LEGISLATIVE SUB-COMMITTEE ON APPROPRIATIONS FOR EDUCATION

January 10, 1977
8:00 A. M.
Room 132
State Capitol Building
Subject: University Budget

The meeting was called to order by Chairman Carroll South with the following members present:

Sen. Larry Fasbender
Rep. Ora Halvorson ✓
Sen. Matt Himsl
Rep. Oscar Kvaalen ✓
Rep. Jack Moore ✓

Also present in the meeting were staff members, Judy Rippingale, Fiscal Analyst, and John Krutar, Budget Analyst, and Jack Nobel, Deputy from the Office of Commissioner of Higher Education.

Chairman South introduced John Krutar, Education Budget Analyst. He asked Mr. Krutar to explain how he estimated the University Budget and stated that he had some questions regarding this budget. He was sure that the other committee members would also have questions.

Mr. Krutar stated that he used the Board of Regents FY '77 Operation Plan. The Regents used inflationary guidelines on their operations and capital expenditures, and Krutar stated that these were endorsed by the Budget Office. The increases range from 5% per year for telephone expenses to 30% per year for postage and materials, etc., "We did endorse the Regents request for those items. On personnel services, we applied an increase to allow for step-increases for both fiscal years '78 and '79. The executive Budget included recommended modifications of 2.9 million and these were arrived at by analyzing the Regents' request for program improvements, and of those we funded, we maintained the priorities set by the Board of Regents. This is the operating expenses they are not operating on."

The various committee members then asked Krutar questions regarding the Regents proposed budget; questions regarding vacancy savings--how it was used and how they were determined; cost of living increases; health insurance; if monies saved can be used for other purposes; how the increase in operating expenses of the university were reached, and what was done to take care of the same.

Chairman South stated that last year an appropriation was made for the universities of 121 million and 127 million was spent. Where that came from I am not exactly sure--increased enrollments would bring in more money, and; therefore, student fee monies would be higher, but this would not make up the difference.

Krutar explained that a budget with this amount could not come out to the actual amount. The difference was received from monies left over from the 1975 budget, general funds, indirect costs, and the remainder has not been reconciled.

Chairman South understood the Regents' proposed budget was based on monies spent during 1976-1977 and not money that was appropriated for this period. A discussion was held about the 8 million (approximate) which was spent over and above the appropriation and it was felt that the Board of Regents should justify spending this money.

Judy Rippingale explained that the 1.4 million was money that had been collected in the 1975 biennium which had not been used.

Hims1 talked about the ruling of the Supreme Court and there was some discussion about the clearness of the decision and just what limitations are for the Committee, and that the ruling could be taken in different ways.

Representative Moore made a recommendation that the Legislature Finance Committee Lawyer John Northey come in and explain to the Committee the ruling of the Supreme Court in regard to the limitations of the Appropriation Committee.

Chairman South stated we are scheduled to meet with the Board of Regents and that he would like the committee to sit down with them and have a nice talk as to what our authority would be. He asked each committee member to have questions ready for the Board of Regents, as it is the Committee's duty to get together with the Board and have some perfect understanding, thereby getting started off on the right foot, so problems would not occur as they did last Session. The Chairman also stated that he did not know just how much authority the Committee had as far as personnel services were concerned.

Vice-Chairman Hims1 thought the chief concern would be the total sum and that he was not sure how far we could go in breaking that down. A discussion was held in regard to the amount appropriated for community colleges; that it was a 65-35 ratio; that the more we appropriated the tax payers' percentage would be less.

John Northey, Lawyer, was introduced and went through different aspects of the decision of the Supreme Court. A discussion was then held and questions were presented to John Northey.

Chairman South asked the Committee members to have questions written down that they wanted presented to the Board of Regents.

Judy Rippingale stated that the following meetings would be held:

January 11 - Board of Public Education, Room 132, 8:00 a. m.

11 - Board of Regents - Room 132, 9:00 a. m.

12 - Historical Society, Room 132, 10:00 a. m.


13 - Advisory Council for Vo-Ed, Room 132, 8:00 a. m.

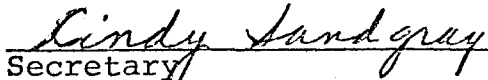
13 - OSPI, Room 132, 9:00 a. m.

14 - Montana Arts Council, Room 132, 8:00 a. m.

14 - Montana School for Deaf & Blind, Room 132, 8:00 a. m.

No further business to be discussed, so meeting was adjourned until tomorrow, January 11, at 8:00 a. m.


CARROLL V. SOUTH, CHAIRMAN


Secretary