

MINUTES OF THE MEETING
OF THE LEGISLATIVE SUB-COMMITTEE ON EDUCATION APPROPRIATION

January 28, 1977

8:00 A. M.

Room 132

State Capitol Building,

Subject: University System:
(Salary, Inflation, Guidelines,
Scholarships)

Chairman Carroll South called the meeting to order.

Members of committee present were:

Sen. Matt Hims1

Sen. Larry Fasbender

Rep. Ora Halvorson

Rep. Jack K. Moore

Rep. Oscar Kvaalen

Also present in the meeting were Judy Rippingale, Fiscal Analyst,
and John Krutar, Budget Analyst.

The following persons testified:

John Van de Wetering, Eastern Montana College, President

Larry Pettit, Commissioner of Higher Education

Vic Burt, Montana School of Mineral and Science Technology

Koehler Stout, MSMST

Larry Clinton, Northern Montana College

Duane M. Leach, NMC, President

Richard C. Bowers, University of Montana, President

Carl W. McIntosh, Montana State University, President

Mae Nann Ellingson, Montana Student Lobbyist

George R. Bandy, Western Montana College, President

Kev Heikes, Eastern Montana College

Chairman South said that the committee has expressed concern about collective bargaining issues. "We are wondering if the Universities are standing firm at the negotiating table." He read from a contract that MSU had made with the Brotherhood of Carpenters and joiners for July 1, 1977, to July 31, 1978, raising the hourly pay from \$7.00 to \$8.00 per hour. His concern was not with the raise in pay but with the insurance rates. The universities are now paying \$40.00 a month on employee group insurance. He felt that the Legislature is getting locked into a situation where they will be expected to appropriate money for health insurance for anyone connected with the university and into a situation that they can't get out of. Jack Nobel said that there were other things to consider as well in the contract that would make a difference and that they would get the complete contract to the committee to study. He also said that it is expected that the committee will approve all of the contracts or they will go back to the bargaining table.

Chairman South said that he thought it was important to spend some time on pre-budgetary contracts so there will be some guidelines to follow after the legislature has adjourned. Senator Fasbender wanted to know if the persons serving on the negotiating team were experienced in collective bargaining. Dr. Pettit said that Montana is lacking in well-experienced persons in this field but he thought that they had as good a team together as they could expect to have in an urban area. There are two attorneys on the negotiating team and Jeremy Thane, Missoula, who has had some experience in collective bargaining has helped. Chairman South expressed caution regarding collective bargaining. He said that he felt that as an employer you get locked into something you can't get out of. He said that all collective bargaining policies should be determined by the Regents.

Chairman South opened discussion regarding the 20-1 student-faculty ratio recommended by Judy Ripplingale, Fiscal Analyst, for the U of M. Dr. Bowers said that it must be considered that the U of M offers the largest number of graduate courses and doctorates of any unit. He said that in upper-class curriculum, a ratio of 20-1 is not reasonable. He said that they would prefer to take the Board of Regents recommendation of 19-1. There was discussion regarding the comparison made between the U of M and the University of Nevada. Dr. Bowers felt that it is unfair to compare student-faculty ratio of a university without making a full comparison. He said it is unfair to pull any one figure--that they all correspond to one another. He said if they were to have to accept the student-faculty ratio figure for their university, their faculty would have to be decreased by 50.

Dr. McIntosh said the Fiscal Analyst's recommendation for MSU was 20-1. Dr. McIntosh again discussed the off-campus classes for the nursing students and said that because of the patient care involved in this type of training, the figures could not be compared. They would prefer to accept the Regents' recommendation of 12-1. Dr. McIntosh said that "we get a 'feel' as to how low our salaries are when we must replace faculty. Then we know. We'd like to be able to say you will be dealt with as fairly here as in comparable land grant universities in the Rocky Mountain area, but we know it just isn't so."

Dr. Van de Wetering said that the Fiscal Analyst's recommendation for EMC which is 20-1 cannot be achieved because of staffing patterns. He said that they would prefer to use the Regents' recommendation of 18-1. Dr. Van de Wetering spoke of the need for higher salaries for faculty. He said that there is the option of replacing faculty or raising the salaries and not replacing teachers that are actually needed. Senator Fasbender asked what is done when a tenured teacher has no one to teach. Do they keep this teacher? Dr. Van de Wetering said that they didn't have anyone who is without demand for his services and he didn't remember that they had encountered such a situation as Senator Fasbender described.

Vic Burt, Montana Tech, said that they had concluded that the figure of 16-1 recommended by the national scale for schools with similiar curriculum but they did not have that ratio since their

enrollment had increased 20 percent the first year and 40 percent the second year. We haven't had the money to hire the faculty we needed for this enrollment increase. He said that some grants might be available but the school does not have a grants officer and there isn't time available for regular staff. Koehler Stout, also representing the school, spoke. He said that with the emphasis that is presently on energy research, they felt that more time should be spent in this area of concern, too, but that there wasn't faculty or time to engage in this at the present time. He said that it really was the purpose of their college and it is expected of them. He said that their engineering graduates were going out at a higher rate of salary than they could offer so Montana is losing most of these people. He said that the salaries that they could offer were far less than comparable schools and unless a faculty member were willing to forego a higher salary to stay in this state, which usually is not the case, it is impossible to fill our faculty vacancies. He said that they are in the position of decreasing the number of faculty members that they really need in order to pay higher salaries to those who are still there. It gives the school higher student-faculty ratio which is not good but it is the only way that faculty can be attracted with the money that is available. Other mining and technology schools can offer their faculty more money.

The average increase in salary is nine percent the first year and ten percent the second year. Chairman South asked what do you base this on--the cost of living or were they too low to start with? Mr. Stout said they have to use the money that they have--they couldn't offer their faculty any less.

Senator Fasbender asked if it was the decision at Montana Tech not to be on the state pay plan. He said that it didn't appear to him that the salaries were that low that they require a 24% increase. Senator Fasbender questioned the statement that it would be unconstitutional for the faculty to be forced to be on a state pay plan and Dr. Pettit said that he would regard the practice of having the faculty under the state pay plan as a difficult thing since it would give Regents the right to manage the system. Senator Kvaalen said that he thought that this was already being done to a certain extent, but Dr. Pettit said that they had never given them complete control. He said that there must be administrative flexibility.

Dr. Bandy, (WMC), discussed staffing patterns and problems at the school. The fiscal analyst's recommendation for the student-faculty ratio was 17-1. He said that they were presently operating at this figure. The Regents recommendation was 16-1. Dr. Leach, NMC, said that the LFA's recommendation for that school is 16-1 and they would agree with that figure.

There was discussion regarding MSU's decision to raise salaries 15%. Dr. McIntosh said that in accordance with Regents' policy to give highest priority to improvement of faculty salary they decided to take their figures and come as close to them as they could. He said that they are still under national figures.

He said that they took the College and University Personnel Association averages for those various ranges, considered the time that the faculty member had been with the school (they would tend to make higher salaries than entry level) and based decisions on that information. He said that the administrative staff is experienced and salaries have been lower in Montana than for counterparts in other parts of country. Also, unit presidents agreed that salaries were lower for people because they were in the teaching field. With the same education, most people could get higher salaries if they were in business, government, research, etc., Universities are in competition with national market and for those kinds of salary scales, they must offer people a comparable salary in order to get them and keep them.

Dr. Pettit added to this by saying, "We're not claiming superiority but the universities do produce manpower for all other state agencies including the governor's office, schools, and all state offices. When we replace faculty, we must compete on national scale."

The U of M was lower than MSU in salary increases. Dr. Bowers said that the U of M has been seeking an Administrative Vice-President for two years but cannot get one because of salary offered. He said that they decided to hold within the salaries they now had for the present time. He said he suspected that the U of M may have been paying higher salaries than MSU and that is why they could afford to stay where they were for right now. He said, however, that they expect to have to continue to increase salaries.

Chairman South said that this was the difference in managerial decisions of two units. Increases for MSU are about 13 percent and for the U of M about 6 percent. Dr. Pettit commented that all salaries were frozen June 11, 1976.

Chairman South asked if the Regents are going to have a policy for implementing salary increases. Dr. Pettit said that they have directed heads of units to get together and develop an administrative scale. It will be worked out next session.

The faculty salary for each unit represented was discussed with the fiscal analyst's recommendation in mind. Chairman South said that the committee needs to decide why faculty salaries should be increased about 3.4 percent in differential from what Judy Ripplingale, Fiscal Analyst, has recommended. For example: For the U of M, \$16,956.00 is the average faculty salary; \$17,559.00 is the fiscal analyst's recommendation which is 3.6% salary increase; and the Regents guideline for the U of M is \$18,160 which is still lower than other universities in the Rocky Mountain area. Dr. Pettit urged that consideration be given on the difficulty of competing on a national level in recruiting for salaries. He said that he couldn't over-emphasize the seriousness of the situation and just what the different units are up against in this area. He said that the problem was pretty much the same for all units. (Chairman South reminded the committee that there was no cost of living increases in the fiscal analyst's figures.)

Chairman South asked the question; In a free market place where everything is based on supply and demand, can you lower salaries in curriculums where you have more applications and increase salaries in areas where the demand is greater? Dr. McIntosh said there is no uniformity in entry level fields of discipline at the university. There is a regard for market place and this is done to a certain extent. You can have a uniform time scale if you can afford it. There are different levels offered where there is abundance. Dr. Pettit reminded members of committee that in respect to supply and demand, there must be consideration always for quality in hiring. He said that in order to start being specific in talking about names and dollars, there must be a required commitment and if the money isn't there, you're in some trouble. Decisions regarding salaries at the universities are made in the fall. Chairman South urged that salary commitments must be made farther in advance and for a longer period of time so there will be time to approve the budgetary decisions.

Senator Fasbender opened a discussion by saying that it was no secret that he had tried to close the university at Dillon (WMC) last year. He commented that there seems to be quite a few people now on staff with doctorates. Dr. Bandy said that they had tried to upgrade the faculty and that it is necessary for faculty to have as much education as possible. He and other unit presidents said that when students are seeking a doctorate, the faculty members must have at least a doctorate themselves. That is the minimum amount of education that they could get by with, they said.

Representative Halvorson asked if it were not true that within a system there is encouragement to aspire for that higher degree partly for prestige and partly for higher salary. She also said that she thought that with faculty on staff with doctorates, it might attract more students. Rep. Halvorson asked about teachers' aids and if they were used very much. She wondered how they were paid. She said that it seemed to her that there were quite a few of them in schools she had visited.

There was discussion regarding teachers' aids and graduate students working as teaching assistants. This must be done perhaps more than it should be because of salaries. He said that it is important that there be an advanced program. We expect our faculty to go as far as they can in education. He said that their teachers' aids and graduate students were doing a great job and many times their load was heavier than it should be because of lack of faculty. They have various responsibilities and especially in the lower-level, freshman classes, their services are invaluable. They are always working under a faculty member and are usually working part time while they finish a degree. Dr. McIntosh expressed concern over the student-faculty ratio. He said that a level of 20-1 in actual practice is about 25-1. He said that faculty members are spending a much longer week than 40 hours with teaching and preparation time at that ratio.

Chairman South expressed concern that if the Legislative Committee appropriates money it will be used in education and not given away at the bargaining table. He also discussed the fact that fringe benefits are being increased from 12.5% to 15% which is an increase

of 2.5%. This increase will pay for the additional increase in insurance premiums. The university system use to pay \$10.00 toward an employee's insurance premium--now \$40.00 is paid for each one.

Dr. Bandy opened a discussion regarding the pay-off on unused sick leave. Jack Noble said the legislature initiated the quarter severence pay in 1971. He said it does accumulate and has now reached the point that the Legislature may have to provide a separate budget calculation on it. It will probably level out at some time, he said, but he feels that at least through 1980, it may get rather significant. Chairman South asked Jack Noble to get him specific information on the projected cost over the next biennium. Noble said that the Personnel Bureau may have already done this since this affects not only the university system but all state agencies.


Francis Bardanoue asked for an explanation of the sick leave. He asked when it is calculated, is it on the over all pay over the years or on a final salary that was being received at the time of severence. Noble said that the Legislature ammended it so it is based on the final rate. If salary has increased over the years, you will be drawing sick leave on a salary amount that you may not have made consistently over a period of years.

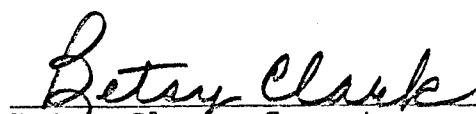
Dr. Bowers said that the U of projects sick leave to be annually \$53,000 and annual leave to be \$35,000. He said that they are currently working on a plan to force employees and faculty to take annual leave so it cannot accumulate. He said that he was not sure that this is legal to do. He said that this projected figure of \$88,000 is based on past history. Chairman South asked Jack Noble if he could get the projected cost for each university.

Dr. McIntosh added that he feels that teaching salaries have for years been at a survival level. He said that in management and government, there have been fringe benefits and other compensations. He said that many of their deans and heads of departments are working at salaries far below a level that they should be and he cautioned when we start replacing some of these people who have been there for years, we are not even going to be in the market because of salary offers we are able to make.

There is a tape of this meeting on file in the office of the Fiscal Analyst.

The meeting adjourned at 12:00 noon.


 CARROLL V. SOUTH, CHAIRMAN


 Betsy Clark, Secretary