

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

March 15, 1977
8:00 A. M.
Room 132
State Capitol Building

Subject: Work Session

The meeting was called to order by Chairman Carroll South.
The following members of committee were present:

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

Also present for the meeting were Judy Rippingale, Fiscal Analyst, and John Krutar, Office of Budget and Planning.

Present for testimony:

Dr. Phillip Sirotkin, Executive Director, WICHE
Dr. Herman C. Ross, Commissioner, Montana Branch, WICHE
Jack Noble, Office of Commissioner of Higher Education
Marshall Cook, Commissioner's Office
John La Favor, Fiscal Analyst

Chairman South said that the Committee would need to make a decision regarding the WICHE request for increase in dues.

Jack Noble introduced Dr. Sirotkin to the committee. He gave a brief statement about the organization and handed out printed material to members of committee describing the function and program of WICHE. A copy is attached.

Dr. Sirotkin said that Montana was one of the first states to ratify the interstate compact and become involved with WICHE. Today Montana sends more students into the region. Eight states are participating. The organization doesn't seek an increase each biennium but rather every four to six years. In the twenty years of service, they have had four increases. Primarily, the increase will be for cost of living.

Chairman South asked exactly what the dues are spent on. Sirotkin said that they are used for operations and student programs, exchange students, and student nursing. Also it will be used to finance meetings and travel for executive meetings. The money contributed by states is about 9% in terms of total budget. Chairman South asked if dues go mostly to salaries and travel and Sirotkin said that was true.

Chairman South said that the Legislative Fiscal Analyst recommends that dues not be increased.

John La Favor said that he had met with budget personnel from five or six states about a year ago for a two-day meeting. He said that from the figures available to them, it appeared that they had not been paying their way for actual student exchanges but it was their decision that an increase was not warranted at this time. One of the reasons was the high salary that is already being paid officers in the WICHE program. The top 25 staff members averaged \$34,000 in salary; the next 50 averaged \$24,000. There had been an operating cost increase of 45% in recent years.

Dr. Sirotkin said that the increase was either in the governor's budget or has been approved by budget committees of eight states and two others may approve. He said that it would be accurate to say that ten states have increased the dues. He said that he felt the salary structure is not out of line. Several states have viewed the program in depth and reports have been favorable.

Sen. Hims1 asked what the increase would be in terms of dollars. Sirotkin said that the increase would be about \$11,000 per year bringing it to \$39,000.

Rep. Kvaalen noted in the WICHE report that the staff had been reduced from 221 persons to 165 and would further be reduced to 85 on July 1, 1977. He said that he wondered why they would need an increase in salary funds if the program is being reduced. Sirotkin said that two programs, NCHEMS, (The National Center for Higher Education Management Systems) and WILCO, (Western Interstate Library Coordinating Organization) are both scheduled to separate from WICHE on July 1, 1977. They will become separate organizations. We still have some costs in operations that we have to fund. Part of it has been funded from individual cost reimbursements and from grants.

Rep. Kvaalen asked if WICHE retains any funds. Sirotkin said that support funds go directly to institutions. It has been supported from indirect cost and grants.

Sen. Fasbender wanted to know if any of the states that have passed approval set up contingency funds. Sirotkin said that the decision as to whether to set up contingency funds was left up to the governors of each state. He said that in two states they are not funding the mental health program. They are Nevada and Utah.

Rep. Moore wanted to know if Montana refused to grant increases, would this have a negative feasible effect on students in nursing, veterinarian medicine or any of the programs.

Sirotkin said that he had asked this question when he was in California regarding their state's increase. He said that he couldn't speak for the commission but only for himself. He said that it is WICHE's commission to continue to serve students. He said that he couldn't speak for the commission because they might feel differently. He said that he would hope that they would continue to provide service to Montana students. He said that once the Commission has voted unanimously, it is the assumption that the state will fund the increase. At this point, the state would be in arrears if it didn't. He said that this is a question that the Commission would have to address.

Sen. Himsl said that he had the impression from reading about WICHE in the past that the organization was doing alot of contract work. Sirotkin said that some contract work is done especially in the nursing program.

Rep. Kvaalen asked what the due structure is and if it is the same from every state. Sirotkin said that most dues are based on the basis of population. However, in the case of California the dues are the same as those of Montana. There was discussion regarding this. California had voted to continue taking students from Montana so this is why the dues are the same. Washington will no longer accept Montana students because of pressure from their own population to take their students first.

Rep. Kvaalen wanted to know if Sirotkin's office is involved when a student makes application for medical school. Sirotkin said that their office arranges for spaces in the receiving institution as well as working with the sending officer and that all contracts go through their office. Kvaalen asked if there are more students accepted from Montana than other states. Sirotkin said that he would like to say that they are giving equal treatment to all states.

Dr. Ross, Commissioner from Montana, was introduced. He spoke briefly, saying that he had been concerned because Montana students had not been able to get into schools in other states. He said that he had been able to get a \$4000 grant from Swanson Frozen Foods. With this money he was able to meet with other people to study the situation. The cost of organization of medical school was the topic of concern since Colorado was at the point where they could no longer take any veterinarian students from Montana unless they built a new teaching hospital. The Colorado legislature came within one vote of not taking any more outside students. They broke ground for a new teaching hospital last week. They will be able to take 135 more students with space for about 12 from Montana which will be adequate for this state.

Chairman South thanked Drs. Sirotkin and Ross for coming in and said that the matter would be taken under advisement and a decision made in the near future.

There was discussion regarding the Community Colleges. The Legislative Fiscal Analyst recommends that the same support be given to the colleges that has been given. Judy Rippingale's figures are based upon 1977. She briefed the committee on the budget and how she had arrived at figures for recommendation.

A motion was made by Rep. Kvaalen that the committee come off the local/state 1976 base of actual expenditures and adjust Flathead Community College accordingly as to their exact enrollment figures. Included in this motion is that 8/4 percent will be used for operating and 10/6 percent used for capital and adjusting personal services accordingly. The Fiscal Analyst asked permission to have the flexibility to make the budgets of the three schools consistent. The motion was to take a look at the new figures as adjusted by the fiscal analyst.

All voted aye. None opposed. Motion carried.

There was discussion regarding the decision that must be made by the Committee regarding the increase in support staff at MSU and the decrease in support staff at UM based upon increasing and declining enrollment. During the past six years the enrollment has been steadily increasing at MSU and has been decreasing at UM. There is about 1200 difference in students at MSU and about 1000 fewer in number at UM. At the present time each student at UM costs about \$2500; at MSU about \$2100.

A motion was made by Sen. Fasbender that whatever amount of money agreed upon by the committee be divided three ways for expenditure. That only 1/3 be given to MSU the first year; 1/3 the second year and that the next legislative committee review the results at the end of the next two years before the rest of the money is given to MSU. In addition, the motion is that the decrease for UM be taken care of in the same manner, i. e., 1/3 be taken from the support staff budget at UM the first year, 1/3 the second year and the committee review the results before they take the final step in decreasing the final 1/3 from the support staff budget at UM. This motion was voted on with the understanding that the exact amount that would be considered has not yet been determined. A report will be given on this for further consideration.

All voted aye. None opposed. Motion carried.

A motion was made by Sen. Fasbender that it be made known to the Commissioner of Higher Education that there are positions on his staff that the Legislative Committee considers vital and must be filled. The Committee plans to make known by letter of intent that they want the positions of Deputy Commissioner and Auditor filled. In addition, they plan to make known that they do not think there should be a salaried position for Special Assistant or Deputy of Information.

All voted aye. None opposed. Motion carried.

There was discussion regarding the position of a Deputy Commissioner. It was felt that the job description of this person should include negotiation and collective bargaining as well as a knowledge of budget and what impact the negotiating would have.


A motion was made by Sen. Fasbender that the committee no longer pay the \$275.00 monthly rent or approximately \$40.00 monthly utilities on the private residence of the commissioner.

All voted aye. None opposed. Motion carried.

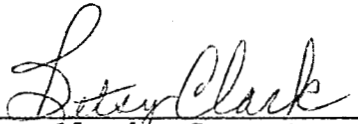
A motion was made by Rep. Moore that the committee take the 1977 base in consideration of both classified and unclassified employees and that all salary increases be commensurate with those other state employees of the executive branch.

All voted aye. None opposed. Motion carried.

The meeting adjourned at 11:00 A. M.



CARROLL V. SOUTH, CHAIRMAN



Betsy Clark, Secretary