

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

March 17, 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 were present:

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

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

There was discussion regarding the School Lunch Program and the School Transportation Program.

Curtis Nichols briefed the committee regarding the programs. The Food Service Program is planned on a cost-sharing basis with the federal government and the county. Meals are provided to all school children through high school age. A minimum charge is made for meals. There is also provision made for low-income children who are unable to pay for the meals. In some areas a breakfast program is in operation as well as the lunch program. The state is expected to match the federal with a 3-1 match, but in Montana's case the match requirement is at .275. This is because Montana has less than average per capita income.

Chairman South asked why there was a difference between the recommendation of the fiscal analyst and that of the Executive. Nichols said that one of the major things that the Executive is looking at is the possibility of enrollment increases and the growth of the program. There is a 5% growth allowance which allows for new districts to come into the program.

Rep. Moore pointed out that there is an expected decrease forecast for school enrollment and he wanted to know if that would have an effect upon this program.

John Krutar said that he had gone back as far as the 1972 budget and that any excess or unused state general fund money had always reverted each year to the general fund. He said that he thought the only risk there might be is if not enough general fund monies were

appropriated and because of this there was not sufficient match for federal fund appropriation. In that case more general fund money would revert which would leave the school lunch program short of operating funds for the biennium. According to Krutar's figures, the lunch program used funds amounting to \$401,000 in 1976; \$381,000 in 1977; and their requests for the next biennium are for \$669,000 in 1978 and \$755,000 in 1979.

A motion was made by Sen. Matt Himsl that the committee adopt the OSPI recommendation of \$669,000 for 1978 and \$755,000 for 1979 which would be the State's share of the School Lunch Program for the next biennium.

The voting was as follows:

Rep. Halvorson	- aye
Rep. South	- aye
Sen. Fasbender	- aye
Sen. Himsl	- aye
Rep. Kvaalen	- no
Rep. Moore	- no

Motion carried.

There was discussion regarding the Transportation Program. The cost of transportation was originally to be funded 1/3 by the State General Fund; 1/3 by the school district and 1/3 to come from county mill levy. Last session of legislature the state appropriation was brought up to 35 cents per mile. There is now a bill in the Senate to raise that amount to 52 cents per mile plus 2 cents per seat. Some transportation is provided by district owned vehicles and some is by contract. The costs are lower for transportation in districts where the vehicles are district-owned and operated. In these cases where transportation is by district-owned vehicles, they are not able to accept all of the reimbursement funds given them and in some other cases it is not enough funds.

Chairman South explained that if the bill passes the Senate, any considered motions or appropriations would probably have to be ammended. He asked Nichols how much his recommendation would take out of the foundation program and Nichols said that he did not have those figures with him.

Full reimbursement for transportation would require more funds be appropriated but some can't accept that much reimbursement.

In answer to a question by Rep. Kvaalen, Nichols said that the reimbursement funds were based on statutory increase.

Rep. Moore asked what the OSPI request was. Nichols said that it was about the same. They desired to change the rates to 3.3 percent for 1978 and 3.6 percent for 1979.

A motion was made by Rep. Jack Moore that the Committee approve an increase of 40 cents a mile for 1978 and 45 cents a mile for 1979 for School Transportation. This motion is with the understanding that there must be an attempt to amend the bill down that is in Appropriations should the House Bill pass. Chairman South said that the Committee would have to add the General Fund money to this later.

All voted aye. None opposed. Motion carried.

There is more information regarding the School Lunch Program and the School Transportation Program in the Minutes of the Foundation Program recorded 2-17-77.

A motion was made by Rep. Jack Moore that the Committee not approve the WICHE request for an increase in dues. The amount that is already in the budget for WICHE is \$28,000 each year. This would continue but the \$11,000 request for dues increase would not be granted under this motion.

A substitute motion was made by Rep. Ora Halvorson that the Committee approve the request made by WICHE for an increase of \$11,000 a year in dues.

There was discussion regarding the WICHE Program. They have requested \$11,000 dues increase for each year of biennium. The Governor's recommendation was to give them the requested dues increase for the second year with the understanding that they would get the first year's increase from surplus funds that they now hold in WICHE. Judy Rippingale reported that California and Idaho have increased their dues but that definite action had not been taken as of yet by other states. Rep. Jack Moore reminded the Committee that he had asked the WICHE representative, Dr. Sirotkin, if it would have any effect on admittance of Montana students to the Program if the Committee should decide not to grant the dues increase to WICHE. Dr. Sirotkin had said that it would have no effect on the student participation from this state. Rep. Moore further reminded Committee that there has been an increase in tuition fees for Montana students which is being paid by the state. The increase amounts to about \$3000 for medical students and \$6-9000 for veterinarian students. Rep. Moore said that he felt Montana is already providing for its students who are in the program and that any dues increase would go to increasing administrative salaries which he feels are already adequate. (According to WICHE representatives, there are about 25 officers in the field salaried at about \$34,000 a year and about 50 officers salaried at \$28,000.)

Rep. Ora Halvorson made an amendment to the substitute motion which she had made. The amendment called for the Committee to approve an \$11,000 a year to be taken from the surplus in funds held by WICHE.

The voting on Rep. Ora Halvorson's substitute motion which had been ammended was as follows:

Rep. Halvorson - aye
 Rep. Moore - no
 Rep. Kvaalen - no
 Sen. Himsl - no
 Sen. Fasbender - no
 Rep. South - no

The motion did not carry.

The voting on Rep. Jack Moore's original motion which called for a denial of increase in dues for the WICHE Program for 1978 and 1979 was as follows:

Rep. Moore - aye
 Rep. Kvaalen - aye
 Sen. Himsl - aye
 Sen. Fasbender - aye
 Rep. South - aye
 Rep. Halvorson - no

The motion carried.

There was discussion regarding the five Regional Service Centers under OSPI which provide special education teachers to districts that cannot afford to hire teachers for this function. It was said that there are 84.6 FTE in this program but it is reported by the LFA that the FTE involved in the program number 66.21. These FTE are state personnel hired by the OSPI. It was reported that the FTE were taken under this office because there had been considerable problems when the program was administered by the districts.

Chairman South asked if the OSPI was paying the salaries and Krutar told him that it was. South then asked why the transfer was made and he was told it was because of indirect costs.

There was discussion regarding a bill that is now in the Senate that would change the laws governing special education. If it is passed, it may define special education and gifted child services in a broader sense, lowering the eligibility requirements which would allow more children to be considered in these categories thereby making more children eligible for special education.

A motion was made by Sen. Larry Fasbender that the State General Fund appropriation for the five Regional Centers under OSPI be held at the same level as it was the last biennium. The Committee appropriates the federal funding as well. The amounts would be \$1,508,000 ear marked revenue and \$153,000 federal funds.

All voted aye. None opposed. Motion carried.

Judy Rippingale, LFA, presented figures to the Committee which represented changes which were possible under the motion which Sen. Larry Fasbender had made 3-15-77 which called for a decrease of 1/3 appropriation the first year to UM and 1/3 the second year leaving a balance of appropriation of 1/3 the third year when the Legislature is again in session. This theory being that it would cushion the effect of the decrease and give the unit time to make necessary adjustments for a decrease in faculty and in support personnel necessary because of an enrollment decrease. Using this same rationale an increase in appropriation would be granted to MSU over the same period of time. The increase would be 1/3 the first year, 1/3 the second year leaving 1/3 appropriation for the third year when the Legislature is again in session. The resulting figures were included in the report that Judy Rippingale gave the committee for each of the six units. (The report is attached to these minutes.)

At an earlier meeting Dr. Bowers, UM President, had discussed the loss that had been absorbed by the university unit when the students voted to no longer financially participate in inter-collegiate athletics through the use of student fees. Because of their decision, there was a loss of about \$90,000 with the students making up about \$50,000 of this at the gates by an increase in ticket sales to athletic functions. The balance of \$40,000 was included in the budget base. Dr. Bowers has spent time in conference with Chairman South since the last meeting. It is his feeling that UM has not been treated fairly because they absorbed the loss rather than ask for legislative appropriation as some of the other units did when their students voted to no longer participate in intercollegiate activities. Dr. Bowers has assured the chairman and the committee that if the \$50,000 is made up by the legislative appropriation, the ticket prices will be lowered at the athletic functions.

A motion was made by Rep. Jack Moore that the Committee approve and adopt the motion originally made by Sen. Larry Fasbender which outlined a plan that would appropriate an increase of 1/3 each year to MSU and a decrease of 1/3 each year to UM. This motion would also include \$50,000 in appropriation to UM for loss of athletic fund monies.


All voted aye. None opposed. Motion carried.

Using the same rationale for the smaller units except not comparing them with any other units, the committee made the decision to accept the recommendation of the legislative fiscal analyst. Even though EMC has a decrease in enrollment, their budget would not be decreased because of the computer being added to their budget. The other three units (NMC, WMC and TECH) get an increase in funds because of the enrollment increases which they have experienced over the last biennium.


The attached sheet showing Personal Service Adjustment figures made up by the Legislative Fiscal Analyst shows for EMC, MCMST, WMC and NMC the adjusted figures, the recommendation of the LFA, the difference in totals and the current level change.

There was a motion made by Rep. Jack Moore that the committee accept the adjustment made by the legislative fiscal analyst for all four units, EMC, MCMST (Tech), NMC and WMC for the coming biennium.

All voted aye. None opposed. Motion carried.



CARROLL V. SOUTH, CHAIRMAN



Betsy Clark, Secretary