

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

March 28, 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. Jack Moore

Rep. Oscar Kvaalen was absent.

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

A motion was made by Sen. Fasbender that spending authority for the sequestered funds of \$1,459,471 is recommended by the agency to which they are sequestered.

The voting was as follows:

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

Motion carried.

A motion was made by Rep. Moore to subtract \$219,397.00 from the total judgment request at Montana State University and fund the remainder with general fund.

All voted aye. None opposed. Motion carried.

Sen. Himsl requested the committee to reconsider the dues for WICHE. He said that he had a report on the reserve they have. The reserve will be wiped out this coming year if they don't get an increase in dues this year from the legislature. These dues that are being requested will be used for federal cost disallowances. Sen. Himsl said that the reserve is not very meaningful but more than that we have 156 students involved from this state in this program. The Montana Commission is chairman. Himsl said that he felt somewhat embarrassed over this. How can the Montana Commission chair this committee when Montana won't

support the program. Considering we are one of the chief exponents in this program, I find this most difficult, he said. I think that we should consider the approval of the request that WICHE has made for an increase in yearly dues. This amount would be \$11,000 each year.

A motion was made by Sen. Hims1 that the Committee approve the payment of the WICHE dues at \$11,000 yearly. This is an increase over the amount that is already built into the budget for WICHE of \$36,000 yearly.

Chairman South said the Governor's recommendation is that we appropriate the money contingent on what is decided at the time of the meeting of the Western Governors' Conference.

An amendment to Sen. Hims1's motion was made by Sen. Fasbender which would make it contingent upon the Governors' Western Policy Council's affirmative recommendation.

All voted aye. None opposed. Motion carried.

Chairman South discussed the supplemental with the committee. He said that they have not requested it and would not request it because by doing so it would indicate that they have done something wrong. He said that he would like to give them spending authority for the amount of 2.4 million of indirect cost which was above and beyond what should have been reverted pursuant to House Bill 271 in the last session. He said that he had talked to two or three lawyers about this and they have indicated that if any court cases should arise in the future that such a violation of the section of the Appropriation Bill would set a very bad precedent so it would be my recommendation that we give them the authority to spend the 2.4 million dollars. If a court case should arise in the future, I think it may look bad for us, South said. Spending authority to go over the \$980,000 is all we would be doing.

A motion was made by Rep. Halvorson to give the six university units spending authority for indirect cost earned above the amount of \$983,000 appropriated in House Bill 271 in the 1977 biennium.

All voted aye. None opposed. Motion carried.

There was discussion regarding the total school lunch program and the possible lowering of the appropriation. Rep. Moore said if they needed money later on, they can come in for a supplemental. Chairman South said that it is still a substantial increase over their request.

A motion was made by Rep. Jack Moore that the school lunch appropriation be reduced to the figure originally recommended by the Fiscal Analyst and that the corrections be made to the Bureau of Mines and the Commissioner's office.

All voted aye. None opposed. Motion carried.

Chairman South said that there should be some language written into the budget of the Community College to indicate that the amount of money we have appropriated is to be 65% of the budget approved by the Board of Regents. The language should read "the above appropriations provides 65% of the perspective operating budgets that shall be approved by the Board of Regents pursuant to 75-8128." Chairman South said that if we do not have something in the bill to indicate that it should be 65% of the total budget, everything we will have done here is to no avail. Then the money we have approved will be 65% of the operating budget. They will have to abide by that and it would limit the mandatory mill levy. South said that it would primarily set a ceiling on their budget. The way it now appears there would be nothing to show what action the committee has taken.

There was some discussion between Rep. Moore and Sen. Hims1 on the difference between manditory levy and permissive levy.

A motion was made by Rep. Moore that the committee accept and approve the language being included as outlined above since it does indicate legislative intent.

All voted aye. None opposed. Motion carried.

Chairman South said he would like to discuss the State Library Commission budget. We need a language change in there that would specify all cost of living increases will be borne by federal funds. South said that Mr. Conklin, State Library Commission, had contacted some of the committee to see about using some of the money that would go in the form of grants to federations to begin a system of networks for state agencies. They want to start it and see how it goes and how much it costs. In that wya it can be determined how much they would have to charge state agencies for it to become a self-sustaining operation. All we would need to do is have the intent of the committee if we want to let them do it. The motion would require the language be changed.

A motion was made by Sen. Fasbender that the committee rewrite the language and limit it to the one project.

After some discussion, the question was called.

All voted aye. None opposed. Motion carried.

Chairman South said that he had been contacted to see if the committee would appropriate \$5000 to start a memorial scholarship fund for a geologist who died. The money would be placed in a bank in Missoula and the proceeds go for a scholarship for a worthy student. Chairman South said that he felt if they did something like this, it would be something that had never been done before and they would be using general fund money. He said that he really felt it was not a good idea but he had promised that he would talk it over with the committee.

After some discussion it was decided that this should not be started by the committee as it is usually done privately, not using general fund money. No motion was necessary.

Chairman South said that some students from Eastern Montana College had contacted him three weeks ago and made a complaint that the student fee money was being used for the entire operation of the Physical Education complexes. South said that he has asked for information about what all of the six units are doing. He said that he had determined from talking to people from all units that general operating money is used for the maintenance of the Physical Education complexes.

Chairman South said that he had discussed this with Sen. Fasbender. If we want to make any decision in this area, what we would do, and realizing, of course, that this would be built into the base, any amount we would want to put into their current unrestricted operating account to offset the student fees now going in there in their long-range building program. We would take out what otherwise would have been general fund money and plug the student fees in for repair and renovating. This is what we will no doubt do with some of the other university units.

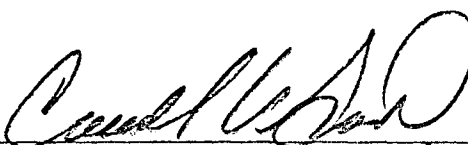
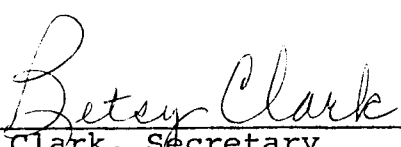
Sen. Fasbender asked Ken Heikes, EMC, what their intent would be if the building fees were freed-up. Heikes said that the students are putting pressure on them for additional buildings that might be used in the recreation program. He talked to the committee regarding needs in this area.

Chairman South said in the long-range building request there is about 1.4 million dollar appropriation for repair and maintenance on the six campuses. Heikes said at EMC they have always used the reserve on the Physical Education complex. The students are now putting up \$20.00 a quarter in fees for a building program and it would be used for that. Operating costs are the hang-up on the campuses.

Chairman South reminded Ken Heikes that the legislative committee does not have totally accurate information on all six campuses and their financial activities. Sen. Fasbender said that he thought they have legitimate grounds on which to make a claim. Until we really know what is going on at all six units, Fasbender said, I don't think we are ready to start moving the money around. I think we should probably leave it alone for now.

There was some discussion between Ken Heikes and the committee. Chairman South said the cause is just, but here again he said that he thinks that it is best for the committee not to make a decision at this particular time. Chairman South said what we need more than anything else at this particular time is as much uniformity as possible between the six units and the ability to collect data and information needed by the committee. South said, with no motion on this, the committee can make a decision on this two years from now.

The meeting adjourned at 10:30 A. M.

  
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CARROLL V. SOUTH, CHAIRMAN  
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Betsy Clark, Secretary