

MINUTES OF THE MEETING
FINANCE AND CLAIMS COMMITTEE
MONTANA STATE SENATE

March 15, 1970

The Joint hearing of the House Appropriations and the Senate Finance and Claims met in Room 104 at 7:30 p.m. on the above date.

ROLL CALL: All members were present except Senators Thiessen and Lockrem.

The nineteenth meeting was called to order by Chairman Bardanouve at 7:39 p.m. and Mr. Opitz was told he could address the committee on the problems he was having with the budget.

Mr. Opitz, Executive Director for the Public Service Commission, said that on February 21 the Supreme Court made an order in a case that they would have to appear in against Montana Power which involves four issues. He said they prevailed in three, and the other involves the authority of the commission to audit the Montana Power Company. He said \$15.7 million involves property they acquired in 1940-50. He felt the commission needs \$300,000 - a one time appropriation to have the audit performed. The figures come from briefs provided by the company in the lawsuit. He gave an explanation saying the statute dealing with original cost sites 69-109 asserting property valuations, and he read the law to the committee. This law said the valuation cannot exceed the original cost of the property, and the commission feels that the \$15.7 million is in excess of what was first on the books when first committed to public use.

Rep. Bardanouve: Why can't you use the base that the federal power commission has established rather than establish them all over again?
Mr. Opitz: Basically, that record was made in 1944. He said he did not feel they would prevail in court if they did not make this evaluation.

Sen. Himsl: Are you asking for an additional \$300,000 for an audit?
Mr. Opitz: That would be for the biennium to be able to audit the hydro equipment. The savings to the state should be about \$3 million each year in reduced electric rates.

Sen. Himsl: Who will perform the audit? Mr. Opitz: It would be put out for competitive bids. Mr. Bursett will help the agency draw up the specs and contact the various firms to set up what is needed to do this.

Rep. Bardanouve: Did you say you figure there is additional base that is not justified that would save the Montana consumers \$3 million?
Mr. Opitz: The commission would have to amortize this back to the company. The weighted cost of capital has been in the area so far of 3-8 1/2%.

University System: Dr. Eandy, Acting Commissioner of Higher Education, said he had deferred his comments in the interests of time, but had been granted ample time to testify before the subcommittee. The subcommittee had worked very hard; they don't always

are a little bit, but they are doing all they can for education. We are concerned about the level of research as well as the needs. There would address the following: He said the campuses have concerns about the area of operations. These will vary on the campuses under the Regents and the revenue. The high priority in our minds is faculty salaries. The subcommittee has recognized this. We need more information on the pay plan to know what the impact will be. The two universities had submitted a program regarding the MPA program here in Helena. The subcommittee would not approve this. I will submit testimony on this. The subcommittee is using a three year rolling enrollment average to budget the campuses. It provides the lag time to make adjustments. It does not serve the institutions whose enrollment is climbing. Northern is cutting faculty. We would urge you to consider the Regents' budget for research. It was to upgrade the level of research to somewhat near that of MSU. The program modification can stand on its own merits. They will also express concern over the forest experiment station not being removed. My logic is: If you accept the plan that faculty should be entitled to the same pay in any unit of the system with the same degree, if you check EMC it stands somewhat between Western and Northern, if you start with the principle of equal pay, EMC is not being treated accordingly.

Rep. Ellis: Gave an explanation of MPA.

Montana State University: Dr. William J. Tiets, Jr., President of MSU, Bozeman, said they would like to express their thanks to the sub-committee, and extend it also from the experiment station and the coop extension service. He said they wanted to give special thanks for the support they had received in their seeking a new computer. He said they would further thank the committee for their efforts on the salary situation. The salary adjustment should give us better competition with the other universities. MSU has had an increase in enrollment for the last 5 years. Less than anticipated this year. They had held about even, only 211 over the budgeted amount the second year. There are 1700 students in the college of engineering. An increase in business and agriculture of 1300 students more than the budget provided for before 1977. In 1977 they had 497 more than they were budgeted for. Using that amount would be to operate on a budget prior to the 1977 period. They have a 20-21 faculty ratio. Now, it is at 19.5. We would like to have reconsideration here. We would like to hold even, not reduce. The expenditure level of 1977-78 would be at the level of '77-78 expenditure year. He said that on the student revenue - the revenue as provided, is a two-phase issue. He said MPA was Master of Public Administration. That is a grant program. It is offered in the two universities through sciences. They approached 50 students in Helena last year. This was discussed before and the recommendation is before you. It is a pilot program between the two universities in dealing with a program that seems to have a great deal of appeal. He said he would encourage a planning model for Higher Education for all institutions, particularly those of us in the graduate game. A university system - one that is essentially applicable to all the

Rep. South: In regard to the program - are they hesitant to reduce indirect costs. Money came in, and the money was spent in ways the legislature probably would not have approved had they addressed the problem. In regard to student fees - the college has additional enrollment - we would expect you to use the increased fee revenue.

President Tietz: We appreciate the words of Rep. South. We are not requesting the cost recovery - but the reduction. It does present a challenge, however, to meet them. We are seeking a level of funding commensurate with the present enrollment.

Rep. Kvaalen: In regard to the MPA program. It was started up with federal funds. In one of our hearings earlier in the session, I asked the question as to whether they would have started the program if the federal funds had not been there. Now it comes back to the state. That is the reason we are hesitant of the whole thing. This could go on and on.

President Tietz: We are gradually weaning into this. This was a success, and one has to judge whether it is a worthy project to be funded by the public.

Dr. Bowers: The program was actually approved prior to the application for federal funds. It turned out that we were successful in obtaining federal funds. The intent was to inaugurate the program anyway.

Rep. Bengston: As a member of the subcommittee - when we considered the MPA program, you handed out the budget. Is this the budget as it relates to the Helena branch?

President Powers: It is to pay the instructors salaries and their travel costs to get to Helena. No administrative costs are in the budget.

Rep. Bengston: I visited with about three people, and was rather impressed with the job that is being done. How many are enrolled in U of M and MSU in this program? Answer: About 35 enrolled in the U of M and about 25 in the MSU.

Rep. Bardanoue: Does each unit teach a different program? Answer: There is a different emphasis on each. Rep. Bardanoue: By using both facilities they can provide both expertise? Pres. Bowers: By combining the two we are providing a broader program. Dr. Tietz: This is not overlapping, it is complimentary.

Senator Aklestad: I would like to ask the subcommittee a question. Why does MSU, with around 16-17% larger enrollment, have a 10-11% increase in general fund money? Is it that much higher cost to educate a student or what?

Rep. South: It relates to the other sources of revenue available. You build the budget around what you can expect them to spend and then plug the revenue sources in. You can't make a fair comparison by using those figures.

Senator Aklestad: In a word, do the operating expenses of U of M have more money, MSU more students. How does the figure in regard to the general fund?

Rep. South: It is difficult to take general fund out as one item and compare it between campuses. The expenditure level is what is important.

Sen. Aklestad: The other operating appropriations are also high for the biennium each year. Rep. South: Perhaps I just don't understand the question.

Sen. Aklestad: Why are the operating expenses higher at U of M than MSU? Rep. South: What is in a designated fund in one unit is not necessarily what is designated funds in another.

Senator Himsel to Dr. Tietz: Is this program what you would call continuing education plus? Dr. Tietz: The term extension would not apply in this case. Extension is more the dissemination of information. Continuing education does not always have a degree objective. This is a bona fide program for a degree. The intent is to provide a clear organized method to get a masters.

Senator Himsel: I thought continuing education was more self-supporting. Dr. Tietz: This is a net general fund contribution to the program. The fee charge would be the same here in Helena as it would be on the campus.

Senator Himsel: Does the subcommittee have a clear cost understanding of the program?

Senator Fasbender: The whole program is hard to break out. Another component is the cost of operating the program in Helena. We had proposed to raise the fees to \$20 a student, and to require at least 15 students in the program. There would be 8 classes for the 15. This would generate \$2400, add travel costs of about \$11,400; \$9,000 of which would have been put in by the general fund. The subcommittee refused to back up the \$9,000.

Senator Himsel: This is on the continuing education?

Senator Fasbender: This is different.

Rep. Moore: This is a resident center. It is running a course in a location to provide resident courses in education for the people in the Helena area. They will count each FTE. A resident center is set up for the purpose of providing education for the people who can't go out as a campus resident.

Rep. Hand: Isn't this a method of continuing education? Rep. Moore: No.

Rep. Hand: The people cannot leave their jobs and go to the campus. We are bringing it to them. Why can't they pay the cost? We are doing them a good service. I would think they would be willing to pay the cost.

Dr. Bandy: This is not primarily continuing education. It only appears they are learning how rather than on awards. The difference is that the instructors are there out to reach despite of the course which makes it difficult to assign it as a part of the load.

Senator Himsel: These schools are doing this. The faculty is going out and offering courses for people? Dr. Bandy: That does not constitute a whole degree in one place. This does.

Rep. Yardley: If the population is staying the same, there is a reduction of 18 FTE. What is it based on? Senator Fasbender: U of M. There was discussion that they would be reduced. Faculty does not show up necessarily here.

Rep. South: The FTE is for the entire biennium and any variation between the bienniums. It averages out.

University of Montana: Dr. Bowers: I would add our appreciation for the subcommittee work. He would also extend his appreciation to the whole committee for this opportunity to present concerns about the budget. The subcommittee faces difficult decisions because of the scarcity of resources. However, I would be remiss as president of U of M in not telling you of our problems. (1) The Forest Conservation program. We had requested it be a separate fund. There have been three experiment stations created. Each has as its purpose research for the primary industries of Montana. There is the Bureau of Mines, the Forest, and the Agriculture experiment stations. We are being asked to absorb the cost of the forest extension program.

We have concern about the level of our operation budget. It is 2.8% above the current year budget. We have a concern about that. U of M made a number of program requests. In addition to the research budget, there is additional maintenance cost - routine type of maintenance on the campus. \$119,000 in the first year. If this was approved, we would have had adequate money for maintenance. We are concerned about Title 9. This is a difficult problem to address. At U of M, we are going to have a very difficult time if we cannot take funds to meet Title 9 and to meet costs in some other area. Title 9 is a federal law which requires that there be no sex discrimination on the campuses in this country. One of the ways we have not been providing the same service is in athletics. Some guidelines for universities and colleges for compliance with Title 9 will be adopted in March or April. To come into compliance at U of M we will not decrease the men's program. \$150,000 would have to be expended to bring the program into compliance. That is the program for the state of Montana.

We are concerned about faculty positions. The average enrollment would be worse. Average 403 faculty positions compares to 415. A difference of 12. The subcommittee does not recognize that we need to bring up the salaries. U of M will have to be reduced by another 12 or we cannot give the faculty what they deserve on salary increases. The university is aware that we had not reached the 10-1 faculty ratio. We made cuts very near to 10 in the past biennium.

We have reduced our flexibility to zero. These are almost narrative changes. I had to recommend some decreases. Decreases we now make in faculty because we went so deep last year will be very harmful to our university. We need a period of stability. We met the mandate and we need time to stabilize.

In the first year of the biennium the legislature provided funds to retain faculty and allowed the university to get to 19-1 with a little more time.

Rep. Bardanoue: How much faculty would you have if the committee recommendation had been based on present enrollment? Dr. Bowers: About 5 more. U of M's enrollment is still declining slightly. We have our responsibility to the committee. The cuts we made were damaging to our university, and further would be serious.

Rep. Kavalen: The forest experiment station - you did not want to absorb it? You want the present budget plus the forest experiment station?

Dr. Bowers: Over the years we do not want to absorb it. We want to pull it out of our budget and set it aside.

Dick Barrett, President of the Teachers Union, spoke in support of Dr. Bowers' statement. The situation we face is to cut 12 positions or not to raise faculty salaries. This gives us concern. If we have to cut another 12 positions, we are creating another chaotic situation like we had last year. If we face further salary and faculty cuts, the faculty will be going to the grocery store and find the cost of living is higher than their salary increases. The matter of the formula is too simple. We offer a large number of graduate hour. They generate students along side other courses. He said he did not think the possibility of changing the whole formula this year is possible - it is remote. The funds Dr. Bowers has requested might help ease the situation. If we are just to face what we have today we are facing the same thing that led to the attacks on Dr. Bowers that said he was not responsible.

Bill Bronson, Association of Students Union of Missoula, U of M, said he would like to thank the committee, and he felt one of the most important things to come out of the session was to clear up the feeling that many in Missoula had that the subcommittee had a personal vendetta against the university. He said there is a sincere interest on the part of the subcommittee in regard to the university. He said one of the arguments that he has heard is that when you look at the entire budget system, U of M received a hefty increase in general fund money. My response is to take a look at all the increases in general fund - you can't see the trees for the forest. Our budget increased 13%; this does not mean you will increase the quality or the quantity of education at U of M. I am about to receive my masters degree in the MEd program, he said, and would like to see that program ignored by the legislature. It has a lot to contribute to the people of Montana.

for graduate level work. This would say WPI get from other schools. This is only addressing the graduate level of training. We have three MA degrees. We also have the only two-year MA degree among the smaller schools. We have also a larger proportion of our total graduate class committed to the graduate level. Other differences are the level of training. On the average, Eastern is growing with a staffing pattern a good deal larger than the other institutions. If the committee gives 94-96% of the 6 university salaries - the difference between Eastern and the other smaller schools will be granted.

Rep. Waldron: How many business professors did you have in January?
Answer: About 14 now, about the same then. Part of them are hard to get. We are recruiting replacement positions. Rep. Kvaalen: I understand the Society of American Foresters rejected the AUP on Eastern.

President Van de Wetering: This is the only place where they are using the AUP tables. It is not an AUP guideline or an AUP standard.

Senator Blaylock: Eastern has a good point when they say they are significantly different than the other small institutions. Nearly 3,000 students - 1200 for one of the other schools and 500 in the other. A large staffing pattern is needed. We want this for a university system, if we are going to have them attend good schools. We have to keep the faculty level at a high morale. I would ask the committee to give it consideration.

Senator Towe: I am concerned for Eastern Montana College. The student-faculty ratio is put on a 19:1 basis. Salaries are funded at 93% of the other universities. The only consistency is we get the short end in both cases. The longevity - EMC has done a good job of keeping their people. I think there should be some better evaluation of the situation.

Rep. Gerke: I would like to support what President Van de Wetering has stated. We feel we are being discriminated against. We got a 13% increase - that is all we hear. All we are looking for is fair treatment. They have the faculty at Eastern - give them a fighting chance of equal pay for equal work. Give it some serious consideration.

Senator Hager: I would echo in defense of EMC.

Rep. Rameriz: I would go on record as feeling the same.

Rep. Kessler: We want fair treatment. We cannot be treated the same as the smaller schools. This merits the consideration for a little better treatment.

Senator Regan: I have addressed this issue. I don't believe it is equity. 90% funding is improper. Either the question of 90% should be addressed or the faculty-student ratio. You just can't have it both ways.

Montana College of Mineral Science and Technology: Dr. DeMoney would like to thank the subcommittee. The increase in the general fund is appreciated. The other appropriations have gone up likewise. The budget follows along the regents' proposed requests. There are some things I would like to mention, however. The equity enrollment. The three year average - 1056 down from 1141. Less than the 1971 figure. We are short some FTE students in the budgets. That accounts for five faculty members. The history is that in our enrollment there is usually 15% more - we are working against a backlog of instant dollars. The question is: should every student be funded? He said he had a proposal to make the enrollment more equitable - going back to equality and fairness - and enrollment in the system. They should be equal. On a headcount basis, we are \$1100 ahead of par. We are \$1100 lower. You might consider adding to our facility the \$1100. The salaries given do show health insurance. When this is taken away we are left with 4% in the first year. On our operation budget - the subcommittee did reconsider this whole area. There were some serious problems on the campus. Recommendations for 1980 is \$19,000 less than we feel should be budgeted. The expenditure does not include the \$2 million organized sponsor cost. Our facility contributes about \$250,000 on the revenue side of the picture and will be able to take off pressure to fund for that amount. The funds that are so indicated should not be used for other areas. Utility data should be reviewed. Recalculation on the utilities is available. Our utilities will be 21% less than budgeted for this year - we then project short fall about \$72,000 for the bid. Your level of funding does not consider heating the new facility that they will have on stream. It is a 50,000 square foot structure and the calculations are that they will be short \$149,000 for the biennium. I think this is probably an oversight, and not intentional. We appreciate the supplemental. We have to point out that these are the dollars for 1058 students that we are not funded for, by the summer method to compare with actual enrollment for this year. You have listed general fund plus appropriation fund dollars. I am not sure where the other fund dollars are coming from. This supplemental is not on the base. It does not do us any good in the long term to add to the future projection - it is a retroactive offset.

Senator Stimatz: I would like to support Dr. DeMoney in everything he has said.

Northern Montana College: Dr. Erickson, President, NMC, said he has listened to the enrollment difficulties being discussed. Northern has suffered an enrollment decline of 10%. The method of reporting aided clearly by the rolling average concept. This helps those of us in present difficulty. We have reduced 4 positions. These are resignations through not filling vacancies. The remaining two positions - we could have fired two, but fired the last two people not very easy. It would be wrong. We would point out that they can't find diesel technicians to serve the area. One was a giant - not - diesel mechanic we hired last fall. The other is Freshman English teacher. I should would be to engage in program study - we have a declining student population. Northern took the burden of the program study resulted in a drastic decline from 53 to 15 students. That is reflected on five, we took a course. Because of

our faculty labor contract we have to give one year notice. We are asking for \$40,000 appropriation for the staff members plus the benefits for one year. This is a sensible decision. It costs us \$40,000 extra to make it. We want your help in making this a rational decision. A one time only - extra appropriation of \$40,000.

Dr. Erickson said during 1978 NMC changed the method of personnel service. The change in operations requires a change in the budget. An increase of \$9,000, and a decrease of personnel service by a like amount. 1979 is the first complete year the computer has been in operation. The cost was about \$77,000. About 95% of the charges are from the NMC current operating account. \$64,000 the first year and \$39,000 for the second year. About 95% of the budget will be recharged. Our first calculations for the first year were about \$35,000 and for the second about \$37,000. For NMC to properly operate its computer center additional funds are necessary. He said they have been trying to reach Title 9 requirements for women's athletics in the intercollegiate activities within the state funding. The subcommittee has recommended using designated funds as an offset for general fund support. This is a departure from what has been done before. The designated funds are self supporting at Northern. No additional funds are here. There is no guarantee of a continued level of service. We ask the committee not to use these for an offset to general funds.

Mr. Obern, collective bargaining representative: This is a collective bargaining campus. The staff has contracts. It would have been easy to can the two youngest faculty members; now there is a good deal of flack given about this. The Chamber of Commerce is meeting on this. Dr. Erickson needs the \$40,000 to carry out the filed contract. He needs \$1,000 in another contract to carry out the obligation there. There is a lot of promise for Northern. They have the tech needs and the liberal education combined on the one campus.

Rep. Bardanoue: On these contracts - in the face of possible declining enrollment - remember MSU and Montana Tech - should there not be written in all our contracts that should reductions be mandated by the legislature their contract can be terminated. It is an increasingly difficult situation. It is difficult for the legislature it is difficult for the university.

Dr. Erickson: We would suddenly be involved as to non-tenured faculty members. There is a similar retrenchment in the contract; it is such that at least a year notice would have to be given. We don't know what the enrollment will be until we are well into the term. The official enrollment report goes in in October, and it is difficult to break the contract between October and July 1. There is some slack - you can terminate or not contract for people hired in the community. We do not hire for a short term range, our contracts are written a year in advance.

Dr. Landy: One of the reasons we have not jumped to answer your question is that some matters are on the bargaining table that can't be discussed. We know that enrollments are expected to decline; they also fluctuate. We are attempting to bargain into the contract a way to discuss your question. That is one reason we are

minutes of meeting.

Senator Boylan: What if the vetoed law fails? Answer: That is not an appropriation.

Western Montana College: Dr. Tash, President, said that much of his testimony would be done by Mr. Briggs. He would like to mention the athletic program. Athletics is teaching coaches. It is the only program that puts money out, and is a shared program. They do serve a purpose.

He said that operations was a problem. They had \$139,000 plus in Montana Power bills. He said this year's maintenance bills were more than anticipated. The bills that are not paid are more than the entire appropriation for the next year's budget. We have made administrative cuts, but have been promised that some relief will be granted, and hope this is true. The smaller the college is the more varied is the task of administration. Over 200 man-hours were spent in preparing for this session. It was work done by three of them.

Tom Briggs, Business Manager for WMC, said he would first like to answer a remark that had been made earlier in regard to Western taking faculty salaries and upgrading their positions. What was done was a joint decision of the commissioner's office and WMC to make the salaries commensurate with the other two colleges. It is still below, but closer. It was recommended that we cut 7 FTE. Two were put back. The comptroller was not put back. The priority is to control the current unrestricted budget. Putting this in at the same time that you are planning to put in over-expenditures in building is tough. There are some first requirements. What that cut-off line is, is up to the university to establish along with the board of regents. The operating budget level is \$100,000 below the LFA recommendations; \$128,000 below our request, and about \$7,000 less than we expect to spend. It is a 1% decrease. We would spend more than originally appropriated in the 1977 budget. The Natural Heritage and the Computer preventative maintenance program was instituted. It was never done before and it is a program to keep up the buildings. He told of the increase in prices due to inflation on the various aspects of running the school. He said natural gas is up 78%; postage 50%; printing up 20% and subscriptions for the library have gone up 23%. He said they do have an increase in students this year and expect an increase again next year over the current one. We have Industrial Arts also, and feel our administration expenses should be comparable with other schools.

He continued on the Bond Indenture. He said their indenture was not in danger of default. To keep from endangering our debenture, we put money for utilities, etc., into the program. Without any program we could not fund it, and we pushed it into the auxiliary - this to prevent default on the \$5 we put into the other indenture. We are at the board level. The board recommended we take it to the citizens. We are planning on putting more expenses into this year however. We have one issue with the revenue - this is the result of inflation and our fees.

Rep. Hand: I am concerned with the human services programs that was proposed. How does the curricula sales and change with the needs of our society. Rep. Bardanover: The program in question had not been approved by the Regents.

Rep. South: That is essentially what happened - the Regents had not authorized the program. We establish a practice of not funding something the Regents have not authorized. We have no responsibility for curriculum. No programs are funded if not authorized by the Regents.

Dr. Bandy: Technically, that is true. We can approve no new programs now; there is a moratorium on any new programs being started. As soon as the moratorium is lifted, it will be approved. I would point out that through the fall and winter quarters, this is programs which serve the workers at those two institutions.

Rep. Moore: Rep. South and I had a long talk last week. The programs are not approved; and therefore, since they are not approved, we did not fund them.

Rep. Hand: Western's threats of closure are equally as serious. All these things add up to a serious question so far as WMC is concerned. They have requested \$93,000 for FY 80, and \$114,830 for '81. The bottom line on Western is - will Western remain open?

Dr. DeMoney, Montana College of Mineral Science and Technology said he would like to thank the committee and also to thank them for the \$47,000 that was put in for the study.

Dr. Carl Hoffman, Vice president and Director, Cooperative Extension Service, Montana State University, said that area is an agricultural community and it is important. He said that the reason they were concerned is that we are the 4th largest state, and the 7th so far as income is concerned, and in help we are #50. The amount of money going into the extension service in Montana is not much. We rank as the 46th - the only states that provide less on a percentage basis are Massachusetts, New York, Pennsylvania and West Virginia. The agriculture industry is aware of this. They are aware of these facts now. The agriculture industry in the state deserves more support. The sheep specialist has been added, the KESP program and EDEAM have been dropped. It seems to me that one can get into a considerable amount of trouble playing God on actual predictions. We can't tell what Congress is going to do in the next two years. In '76 this was underestimated by \$30,000. The extra funding went back to the general fund. Last year it was \$66,000. 50 salary savings has been pumped into this this year, and further puts us in a bind. We need this offset - the 50 salary savings. The salaries are based on comparable institutions. We would like to have the extension salaries based on such area support. We propose we be on the state pay plan this year. The faculty of the extension service should be compared with those of other states where comparable services are offered.

Rep. Wilson: What sort of priority did the people at the extension service put on the KESP program? Dr. Hoffman: The Agricultural Extension First.

Rep. Harnish: Maybe if we could have a fair increase on croplands, say 10 percent, we might be able to come up with enough money to really fund your program.

Rep. Bardanoue: The "cowboys" probably got the biggest increase that has happened.

Rep. Yardley: This budget does not include any additional employees in the field? Answer: No.

Dr. Aaleson, Agricultural Experiment Station, said that the professional faculty is different than the university faculty.

In regard to the Agricultural Station, Dr. Aaleson said, these are the people who are going to make it go. We are hiring the same people with the same qualifications that the university is hiring. There are several people who came out of the Army after the Second World War and are looking at the retirement in the next few years. This is when the whole character of the institution is going to change. We are not competitive now, but will have to be competitive in the future. We have taken from the operation cost to keep the salaries up. We have the same operation cost for three bienniums now that has been the same. We are getting tight. We will have to cut programs.

Dr. Sandy: Part of the problems of the Extension Service, the Experiment Station and the Forest Service is that they are similar problems. You are paying an individual for different rates during the same year. It is difficult to administer and hard to justify. They should be compared on the same basis as faculty salaries are. They are not.

Rep. Bardanoue said the appropriation committee is meeting as a House Appropriation Committee at 8:00 and beginning to review the appropriation bills. The meeting was adjourned, the Joint Committee was dismissed, and the official adjournment time was 10:47 p.m.

Matt W. Insl, Senate Chairman