

MINUTES OF THE MEETING
LEGISLATIVE SUBCOMMITTEE ON APPROPRIATIONS FOR EDUCATION

January 12, 1979
8:30 a.m.
Room 104
State Capitol Building
Subject: Presentation by
University Presidents

The meeting was called to order by Chairman Carroll South, with the following members being present:

Sen. Larry Fasbender
Sen. Harold Nelson
Rep. Oscar Kvaalen
Rep. Jack Moore
Rep. Esther Bengtson

Also present in the meeting were the following university presidents: Mr. Erickson, Northern Montana College; Mr. Demoney, Montana Tech; Mr. Tash, Acting President of Western Montana College; Mr. Bowers, University of Montana; and Mr. Tietz, Montana State University. Mr. Bandy, Commissioner of Higher Education, was also in attendance, as was Judy Rippingale, Fiscal Analyst.

Chairman South had the presidents introduce themselves; he then introduced the committee members and fiscal analyst. Mr. Bandy expressed appreciation to the committee for the opportunity to testify. He felt the main issues are quality of instruction, research and services offered to the State of Montana.

Speaking for the presidents, Mr. Bandy expressed two major concerns. The first was accountability. He feels that the universities must be held accountable and that they have been. They have accurate audit reports to substantiate their expenditures. The second concern is over what they see as "disincentives" being introduced into the system; it appears to them that there are external management factors in existence which do not seem efficient in the long run. He stated that there were some issues presented in previous committee meetings to which the presidents could not immediately respond. They were concerned about the "mind-set" which could result if they are not present to dispute an issue when it arises. One of the examples given was that insinuations were made that one of the smaller colleges was not cooperative in giving information on administrative salaries. He said that adequate records did exist to show the number and salaries of administrators and that the insinuations were false. He also stated that there was no evidence that enrollment projections were being jockeyed and that they are underpaying faculty to pay administrators. The presidents also felt that Table 12 of the Legislative Fiscal Analyst analysis on Administrative Salaries was grossly misleading. Mr. Bandy stated that his concern was that there was no chance to set the record straight immediately.

President Bowers stated that he too appreciates having opportunities to testify and hopes that they will have a chance to discuss some of the major issues such as academic programs and services provided the state and the students.

Western's President extended an invitation to the committee to visit the campus on February 22, 1979, because he felt the impact of some of the committee's suggestions is drastic and that the college deserves a hearing.

Chairman South stated that the fiscal analyst is the Legislature's main source of information and that the subcommittee had not had a chance to thoroughly go over all the material presented. He also stated that there are always some things discussed which will appear different to the public than they are in the book. He is sympathetic to the fiscal analyst's position and stated that if it can be proven that any of the figures are incorrect, the committee is completely open to obtaining the accurate information so that rational decisions can eventually be made.

Chairman South responded to the area on faculty numbers and how much they are paid by stating that the actual dollars were one million less than what could have been spent. He feels that there is a problem only if it can be proven that some of this money went to contract professional instead of to faculty.

Chairman South stressed the importance enrollment plays in budgeting; he presented four methods of computing enrollment which could possibly be used to determine budgets. They are as follows:

- a. Projections for the next biennium from the Commission's Office.
- b. Enrollment projections from the fiscal analyst's office which are quite low.
- c. Using the current enrollment as it exists and basing the budget on what the universities presently have.
- d. Averaging the enrollment over the past three years.

President Tietz felt that it would be terribly important to work out some method of computing enrollment so that minor variations would not have the significant impact they do now--some kind of rolling average would be beneficial for stability purposes.

The fourth method could possibly penalize the University of Montana again, as enrollments were low over this period and are now on an upswing. President Erickson agreed that the fourth method would be beneficial to his smaller institution. It was brought out that it would possibly expedite the bills' approval by the legislature if averages were used. It was felt that it might be helpful if the Commissioner's office could determine how the appropriations would have gone last session had the three-year averages been used.

At Representative Bengtson's suggestion, each President gave a brief statement about his institution and how it fits into the university system.

Montana State University at Bozeman is currently operating with 9,900-10,000 students with its stress being on professional schools.

There is great emphasis on research and it has several extended campuses throughout the state.

The University of Montana has strong programs in Liberal Arts and Sciences, as well as the fine arts. Its professional schools such as business administration, education, journalism and forestry relate closely to the liberal arts programs. It puts great emphasis on research and public service. He also mentioned that the Forest Experiment Station has previously been in the University of Montana's budget and that they would like it budgeted separately since it is a separate entity.

Eastern emerged from a teaching college environment. Its enrollment is increasing primarily in the area of business administration and it has a large percentage of part-time students.

Western is historically a teacher training institution. It is presently having a problem with the media's implications that the college will be closed.

Tech is primarily an engineering and science school, as well as having three bachelor of arts programs. With regard to its problem areas, its main problem is of a fiscal nature: a new graduate from the school receives approximately the same salary as a faculty member at the institution and it is difficult to attract faculty for the salaries that can be offered. They are also having trouble getting enough resources for the sophisticated types of equipment that are needed. They have requested that a gym building be remodeled so academic space may be expanded; this is a high priority. One of Northern's unique qualities is its isolation. It has a broad spread of programs, with its specialty being in technology. Northern is also the only unit which has not received a new library.

Chairman South had an Information Request form distributed to the Presidents, and each item was gone over to explain why the information was needed. They are as follows:

(1) Inventory of funds of all dollars available for student financial assistance in fiscal 1978. The intention is to segregate those scholarships which the regents grant from those which the Legislature grants and analyze the expenditures.

(2) Capital equipment justification. The subcommittee would like to establish some priority for universities' requests for equipment.

(3) Designated subfund. The committee feels that adequate rates must be built in to cover replacement of the computers at the units. The committee would like to see that all subfunds meet the criteria established.

The dates for the return of information requested are as follows:

(1) Financial aid inventory--January 29, 1979

(2) Capital equipment justification--February 19, 1979

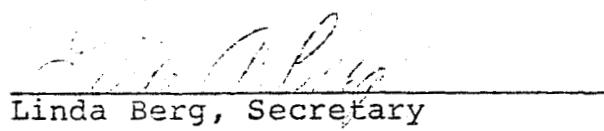
(3) Designated subfunds--February 12, 1979

(4) Auxiliary subfunds--February 12, 1979

Representative Moore also would like a breakdown of all athletic scholarships at Eastern with regard to number, type, cost, whether out-of-state, etc. The Presidents stated that there may be some conflict in the schedule. Chairman South suggested that if they would like any changes made, the committee should be notified and arrangements made.



CARROLL SOUTH, CHAIRMAN



Linda Berg, Secretary