

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

January 22, 1979

8:15 a.m.

Room 104

State Capitol Building

Subject: Advisory Council for
Vocational Education,
Arts Council, Board
of Public Education,
Fire Services Training
School

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

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

Also in attendance were: David Nelson, Montana Arts Council; Bill Ball, Executive Director of the Advisory Council for Vocational Education; Don Archibald, Chairman of the Council; Jo-Anne Mussulman, Montana Arts Council; Harriet Meloy, Board of Public Education; Peggy Warden, Student representative on Board of Public Education; Marilyn Miller, assistant, Board of Public Education; Rick Reese, assistant, Board of Public Education; J. D. Holmes, Montana Institute of the Arts Foundation; Tom Crosser, Executive Budget Office; Mr. Erickson, Montana State Fire Services Training Center; Ira Bryant, Montana Fire Services Training Center, and Miral Garradt, Legislative Fiscal Analyst.

ADVISORY COUNCIL FOR VOCATIONAL EDUCATION

Mr. Ball, Executive Director of the Advisory Council for Vocational Education, introduced Don Archibald, Chairman of the Council. Mr. Ball handed out some materials and reviewed the major functions and responsibilities delegated to the Council. The United States government has appropriated more money, and what the Advisory Council is requesting is that the committee authorize and appropriate the funds the federal government has provided. He said they want authority for the entire \$150,000 for the biennium. In answer to Chairman South's question whether they would spend \$85,000 this year as budgeted, Mr. Ball said he hoped to spend around \$75,000 and to carry \$10,000 over to cover the costs at the beginning of each fiscal year. He said they receive their money usually three times a year. They hope to have the final amount by March 1.

Representative Kvaalen asked whether they would continue with 2 FTE; Mr. Ball said they would because the Council thought they could more effectively do their job by contracting the kinds of special services that need to be done. They would contract in special areas and use graduate students and business consultants.

Representative Moore asked if Mr. Ball knew the rationale used in the OBPP reducing the budget; Mr. Ball suspects that one of the heavy objections is travel of the Council, and this has been reduced in all agencies.

Representative Bengtson asked whether there was an evaluation committee within the Council; and it was stated there is.

Representative Moore stated that several months ago the Council made some recommendations regarding the governance of the vo-tech centers; he asked if that resolution was still current and asked if they would make it available to legislature. Mr. Ball stated they would be happy to do so.

ARTS COUNCIL

David Nelson, Executive director of the Arts Council, introduced Jo-Anne Musselman who is the Grants Officer for the Council. Mr. Nelson submitted a handout. The Arts Council is one of the 55 agencies in the country that exist in all 50 states and 5 territories. Mr. Nelson gave statements on the enduring qualities of arts councils throughout the country; the arts fall into a category of public services which people feel they do receive, and are visible.

Basically what the Council does as an agency is two-level: 1. They re-grant. Last year they regranted funds in the amount of \$215,000, which was matched by \$687,000 by communities. It was indicated the 1,312,000 people were served, thus showing the impact on large numbers of people. 2. Programs are carried on in a number of areas which have been determined to be very important to the arts; this is done through the assistance of the staff (4) and contracts for services with artists and other specialists throughout the state. One program which has been quite successful is the rural community program where the remote communities have been singled out and provided with the assistance of visiting consultants; this program has been strengthened considerably by the \$5,000 which the state has provided over the last two bienniums with state grants to assist these small communities in bringing in touring activities.

The Council would like to encourage the smaller communities to develop a sponsor network with the ability to raise a little more money locally. They have developed an "encouragement grant system, where they take the \$5,000 and underwrite programming. The communities are underwritten against loss. It has been very successful.

The Council also provides an Indian Culture Coordinator who works with reservations, making them aware of specialized grants that are available and bringing to the Council's attention any needs they may have.

The most comprehensive and highest-impact program the Council has is the Artists in the Schools' program. This program provides

artists in the areas of visual arts, poetry, theater and film to schools across the state. The demand for this program far out-reaches the ability to supply.

As goals for the next biennium, the Council is moving to helping the larger communities organize and plan activities in a coordinated effort. Whether the Council provides re-granting, which is an accounting-type procedure, or whether it provides programming depends primarily on what the needs of the communities are. The Council requests that the state general fund provide enough travel monies for the Council to meet four times a year. There is a need for a new xerox machine and service contracts on the typewriters.

There was a controversial comment in last session's fiscal analyst's report. It stated that the Arts Council was increasing its programs by manipulating federal funds. Mr. Nelson said that if it were true it is a grievous fault. They had an accountant take a look at the original appropriations in 1970 which was the first year for the agency. There was \$33,000 in federal money and about \$25,000 in state money. Mr. Nelson asked the accountant to take these figures and project them upwards. In 1970 it cost a total of \$25,058 to operate the agency and it would cost approximately \$67,199 to operate the same agency in 1979 with expanded inflation. Thus there were fewer effective dollars available.

In 1970, Montana ranked 15th in the nation in the general fund commitment; we now rank 49th. The reason for that is that the program was initiated under the concept of partnership and not a mandated federal program; it was an invitation to participate. Mr. Nelson felt that the federal government's commitment would start to reduce, particularly to those states which they did not feel had made a commitment which was honest and sincere. This happened, and a formula for funding has now been adopted. This formula is based on two concepts: need and effort. Need is described as the population which is factored by the average income; effort is basically the state general fund commitment. Montana will receive very little in comparison to other states. The federal government has found that since the states are not required to match dollar for dollar, those which have not made a commitment can be identified as appropriating the minimum amount of money to get the federal dollars, but not making a major commitment to the program. The major states feel that those states which do not make a commitment are receiving federal money which ought to go to them.

Mr. Nelson predicts that the Endowment will make it even easier for these major states to take all the money. Since Montana's commitment is so low and there is increased interest by the public, there has been some encouragement by the interim subcommittee on education which recommended that the states adopt the policy that the arts are essential. The second recommendation is that a stable source of funding be established at the state level with a goal of \$1.00 per person support.

Mr. Nelson stated that if the Fiscal Analyst's report were adopted and the \$51,000 figure from the general fund were agreed upon, the ranking of Montana would again slip.

Mr. J. D. Holmes, a registered lobbyist for the Institute of the Arts Foundation, testified in support of the \$5,000 referred to earlier, plus \$25,000 annually for the Arts Council to use for programming. This would be only 3½ cents per person per year. In its long-range support, the advocacy looks ahead to increasing the support \$25,000 per year for the next two bienniums. He quoted a letter to the editor from a Billings woman who said she hoped the legislators would keep in mind that the arts' function to offer a dimension of beauty to a life which can be pretty dull and routine otherwise.

The Advocacy endorses the original request of the Montana Arts Council for the biennium. Chairman South asked whether it was the Council's request that the state totally provide the funding for the administrative cost of the Council; Mr. Holmes stated this is a primary responsibility but that they request in addition an amount to cover the travel in the state to Council meetings and support of the artists in the schools program which amounted to about \$25,000 per annum.

Chairman South inquired whether \$208,000 was the projected administrative costs of the agency over the biennium. Mr. Nelson said that it would be, and it would consist of the governor's recommendation, \$11,000 for travel and \$5,000 for programming. The travel was based on \$135 per person on the council. The xerox costs, typewriter contracts and the standard 6% interest will bring it up to \$11,000.

Chairman South commented that a lot of travel claims had been paid out of grant clearance accounts which distorts the actual administrative costs. Mr. Nelson stated that originally the Council had taken two positions--one was that there was state general fund money to handle administration and the rest were grant monies. Then the Council realized that without the continued use of federal monies to help the program that they would fall behind. So the accounting system did change. When they were audited there was substantial debate whether that should stay that way or whether any money that was considered operation of state government should come under the operational costs. The Council agreed to the concept that it should come under operational costs. The accounting procedures now reflect what are operational costs, what are program costs, and what are grant costs. The Council feels that administrative costs are those that relate to handling of paperwork and the handling of business. The program costs, they do not feel, are necessarily administrative. Chairman South questioned whether the travel expenses paid out of the grant clearance account were program costs rather than administrative costs, and asked whether they were audited by the federal government. Mr. Nelson said they presently are not audited by the federal government, and they don't know when they will be.

Representative Kvaalen inquired how the Council could serve 1,300,000 people with Montana's population. Mr. Nelson said people participate more than once in arts activities.

The touring groups in the state have increased three-fold in the last five years, and the Council has assisted substantially in this touring. This substantiates the Council's position that Montana is no longer a cultural desert. There has been growth in the local, county, private and federal commitments but there has been no growth in the state commitment. We know that in the next few years there will be a program for direct support to communities; the national endowment has made it known that that system will develop through the state arts agency. A state which does not have a commitment to a state arts agency will not fare very well.

BOARD OF PUBLIC EDUCATION

Harriet Meloy of the Board of Public Education stated that the legislative fiscal analyst has proposed reducing the Board of Public Education's secretarial position from 1 FTE to .5 FTE; it is their contention that 1 FTE cannot generate enough work for a full-time secretary. That is not the case, since most of the duties performed by the secretary are not generated directly by the Board's assistants; they are generated by the Board and by the administrative demands which that existence creates. Mrs. Meloy detailed the duties the secretary performs monthly and daily duties. The situation in the Board is unique; the professional assistant position is shared by two people, and while both of them are frequently in the office together, there are many times when neither is in the office. This requires that the secretary be in the office alone several days each month, thus being entirely responsible for the Board's affairs.

The Board of Public Education feels that the continued employment of a full-time secretary is essential to the performance of its duties and responsibilities.

Peggy Warden from Great Falls testified as the student representative on the Board.

Chairman South inquired whether the travel for the student position was travel to and from Board meetings. This is the travel in question.

Chairman South inquired if the facilities at the Commissioner's office were adequate and harmonious. Mr. Reese said it is working out very well.

Representative Kvaalen inquired who initiated the student on the Board. Mr. Reese said it was the student organization itself. They funded it with monies from the Board's last budget.

The assistant's salary had been estimated high; and there were also some travel funds available from the Board members not being able to attend meetings.

An explanation was given why the assistant position is now shared and why the Board feels it has been successful to divide the position and keep a full-time secretary.

FIRE SERVICES TRAINING SCHOOL

Ira Bryant, Executive Director of the Montana Fire Services Training School, presented the operations and objectives of the Center. The school was under Vo-Tech until 1977; at that time they had an operating budget of about \$40,000. After their removal from Vo-Tech, the operating budget dripped considerably (about 17%). Mr. Bryant stated that he spends 30 - 35% of his time in the field teaching, which is something not previously done; it is an attempt to improve the training in the state at no additional cost.

Mr. Bryant also mentioned that the School affects the insurance rates in the community. About 15 communities had rate reductions in insurance over the past year, and he attributes much of this to the training factor. It is state law at this time that the fire marshall have a two-year associated sciences degree, and there is no institution that provides such a program. He hopes that such a program can be initiated by the School.

Mr. Bryant stated he would like to go back up to at least the 1977 level; he does not feel they can maintain the status quo of the school by losing 50% of their operating budget.

Mr. Erickson representing the Montana Fireman's Association stated his concern. In order to keep current on techniques, they need the training the school provides.

Mr. Bryant stated that the School will receive this year a \$5,000 federal planning grant which will be used to set up and implement a two-year program for public education. He stated the program was not a primary objective of the School, but that since the money was available, they felt it would improve the overall operation of the School.

Chairman South inquired about the 3,550 contact hours in fiscal 1978 used for educating students. The 3,550 hours actually represent 22 classes which are 26 hours of instructor time. He utilized time that would have otherwise been wasted. One of the instructors for the School, gave a further explanation on contact hours and the importance of teaching fire safety.

Mr. Bryant further explained that the \$4,100 which the LFA report showed as returned was rent that was appropriated from the Legislature and not expended. The Fire Services Training School had 1600 square feet and there was \$15,000 available to pay for this. They negotiated for a lesser amount and the balance reverted back to the general fund.


Representative Moore stated that the reason \$15,000 rent monies was appropriated was because the Fire Services Training Center was separated from the Vo-Ed Center; the Vo-Ed Center came up short this amount.

Mr. Reese stated that the rental agreement was negotiated with the Superintendent of the School District; they felt they had no way of assuring that the rent money the Training School paid would go directly back into the Vo-Tech Center budget. They have no way of controlling how the school district spends their rent monies.

Representative Bengtson inquired whether all volunteer fire departments feel an obligation to contract with the Training School for training. Mr. Bryant said the unincorporated departments must have 30 hours of training each year to receive credit for retirement. State law also requires that all fire chiefs in all cities must provide a minimum of 30 hours of training annually. He further stated that they do not concentrate on school training per se, but if they are in an area they will present programs in schools. Actual firefighting experience does apply towards the 30 hours of training.

 3/22/79
CARROLL SOUTH, CHAIRMAN

Transcribed by Linda Berg


Yvonne Borgmann, Acting Secretary