

LEGISLATIVE SUBCOMMITTEE ON APPROPRIATIONS
FOR EDUCATION

February 12, 1979 - 8:15 a.m.
Room 104 - Capitol

SUBJECT: Eastern Montana College Budget

The meeting was called to order by Chairman Carroll South with the following members present: Sen. Larry Fasbender, Sen. Harold Nelson, Rep. Jack Moore, Rep. Oscar Kvaalen, and Rep. Esther Bengtson.

Among those present were Judy Ripplingale, Legislative Fiscal Analyst; Glen Levitt, Budget Office; John E. VanDeWetering, President, Eastern Montana College; Ken Heikes, Administrative Vice President, Eastern, Larry Jones, Glen Williams, Kirk Peterson, Grant Adams, Bruce Parker, Jerry Nelson and Maurie Evans.

President VanDeWetering presented each member of the committee with supporting material for his presentation and said there were two issues of particular importance--the problem of faculty salaries, and redirection of the operations money for the P.E. Building.

President V. said that the percentage of students attending Eastern on a part-time basis is growing very rapidly, and they are paying much more attention to the evening program. He said there is more paper work involved with part-time students.

INDIRECT COSTS: With regard to "indirect costs" President V. said their figures are significantly lower than the LFA. Administrative costs of federal grants are supported by Eastern. Eligibility of indirect costs for grants depend on a complex formula. Research and counseling are available out of grants, but space for office is, in effect, the match for the grant. Chairman South asked that a breakdown of these costs be provided the committee.

ATHLETICS: President V. said that Eastern has withdrawn from football and a drop in gate receipts will result. The only revenue producing sport is basketball. Eastern has an obligation to one of the coaches who is covered by collective bargaining, and until he finds other employment, the budget will reflect this.

Also under the ATHLETIC REPORT, President V. said the Vending Account does not really belong there. It involves washers, dryers and refrigerators furnished in various halls. All revenue from these machines is directed back into repairs, maintenance and replacement, and this fund has not been used for athletics.

Chairman South asked for specific figures on the phasing out of the football program, and the reallocation of that fund.

LAND GRANT REVIEW: A brief discussion about land grant revenue followed. Half of the land grant money is pledged to the dorm bonds. There were excess funds available over the debt retirement however, and land has been bought. So although the land grant money is not really needed for the dorm payment, it must pay the land off. This land was purchased from the Mental Health organization about a year ago.

UTILITY COSTS: The budget for utilities showed an increase due to increased rates, snow removal and climate problems. President V. was asked to provide more detailed costs, such as increase in cost of per unit items instead of total amounts used, and utilities--what percentage these costs are in

the entire operation budget. This should go back three years. Fasbender asked if they had transferred any programs in restricted accounts to unrestricted accounts. Mr. Heikes said the P.E. Building utilities had been transferred from auxiliary to current unrestricted in fiscal 1978.

Heikes asked the committee if they would furnish a letter confirming their request in last Friday's telephone call for information on certain accounts.

SALARIES: Discussion of salaries and comparison of Eastern's faculty with other universities in the state and neighboring states followed. President V. felt faculty members at Eastern should be entitled to the same salary as other university people in the state. Significant differences appear between Eastern and Northern or Western.

KIRK PETERSON, a student at Eastern, spoke to the committee saying the building fee of \$20 will continue, but the fee is going for operation. The building was designed for 1800 students; now there are 3500. A survey was made recently and 87% of the students polled felt it was necessary that student fees go to the P.E. annex. The general fund should pick up total maintenance. The new annex would contain gym space and handball courts.

ACQUISITIONS LIBRARIAN: A request for acquisitions librarian for 1981 biennium was made; President V. commented that they would be looking to the need of a computer in the future.

FIXED ASSET & INVENTORY CONTROL: The college will take over new facilities, the Oil & Gas Commission Building, about July 1, 1979, and other houses. South said he has a problem with this, since these house purchases were not authorized by the legislature, and he asked for information on how this was accomplished. Both Heikes and President V. said it was authorized by the Board of Regents.

South questioned the necessity to expand when enrollment actually is decreasing. President V. said space is needed for projected increase 20 years from now. The Billings community is expected to grow, and it seems prudent to acquire property and rent it until it is paid for. At present five residences are rented with this income going into an auxiliary account.

Class scheduling is difficult because of the volume of students; also two cooperative programs are located at Eastern--a nursing program and social work program for the University of Montana, with dorms and libraries being used by these programs. South asked for specific information on the residences which were purchased and are currently being rented.

President V. was asked if he anticipated using any more federal land grant moneys--he said no, and expressed doubt that they could float the maximum bond authorization.

Jerry Nelson (faculty) spoke to the committee saying they lend full support to Eastern and urge that money be appropriated.

This portion of the meeting adjourned at 10:40 a.m. Reconvened at 11:00 a.m. Discussion ensued about a piece of equipment which was requested by the Bureau of Mines.

Representative Moore moved that the piece of equipment asked for by the Bureau of Mines be approved, at a total cost of \$105,000. The other revenue funds projection for 1980-81 will be increased \$25,000 per year. The motion carried unanimously.

A discussion of policy options followed. A recommendation was made that the geological study be continued, the only portion being carried over from HJR 54.

Senator Fasbender moved that \$15,000 each year be added to the U.S. Geological Study. The motion carried unanimously.

Representative Moore moved that the committee adopt the current level of FTE funding for the Bureau of Mines. This too carried unanimously.

In discussion of the appropriation of Bureau of Mines, the legislative intent is very difficult. The LFA had to determine the FTE differently than others in the university system. It was agreed that the same broad categories be used so this problem doesn't come up again.

It was agreed that separate line items on major purchases authorized by the committee would remain, so that it will be easy to trace a one-time capital purchase, also insuring that the equipment is actually bought. The machine for Bureau of Mines is to be line-itemed, and not lumped in with capital.

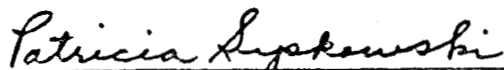
Upon motion by Representative Moore, capital expenditures for 1980 are \$42,982 and 1981 \$45,561 for the Bureau of Mines. Motion carried unanimously.

Chairman South said that further discussion on whether funding operating costs of a physical education building at Eastern would be considered. Judy will provide information on this, as he was sure the committee had supported physical education complexes at Western and Northern and the University of Montana. If so, an adjustment might be in order for Eastern if this is the case.

Meeting adjourned at 11:30 a.m. until February 13 at 8:15 a.m.



CARROLL V. SOUTH, CHAIRMAN



PATRICIA SYSKOWSKI, Acting Secretary