

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

February 21, 1979
8:20 A.M.
Room 104
State Capitol Building
Subject: Budget of Montana
State University

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

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

Also present in the meeting were staff member, Judy Rippingale, Fiscal Analyst; Bill Tietz, President of MSU; Jack Noble, CHE; Rick Boylan, Associated Students of MSU; and Tom Nopper.

Chairman South announced the purpose of the meeting, that being, to take care of unfinished business pertaining to the budget of MSU. He then gave the floor to Bill Tietz, President of MSU.

President Tietz stated that they had already covered the important areas and he had a few things to comment on, but this meeting was mostly for the committee to ask any questions they wish, and we might be able to answer them. He then started a discussion on the computer and its funding. He repeated what Chairman South stated last meeting, about the committee raising 1 million dollars and MSU raising the other 1.3 million dollars. He asked the committee if MSU could have flexibilities in the wording so MSU could work it out with the Board of Regents and the students.

Chairman South replied that within the bill we authorize plant funds remaining at the end of the fiscal year. Is this the type of language you are speaking about. President Tietz said he would like the language as broad as possible.

Judy Rippingale, Fiscal Analyst, stated that President Tietz said that they were going to expand the computer center and mentioned some references about the student union. Are you still planning to leave your computer system in the basement of the library. He answered that their intention is to move to the student union as quickly as possible. In time we anticipate that library space will no longer be adequate. We feel that the demands of the computer will make this room no longer big enough. We would consider moving the computer system to the student center.

Judy then stated that in a HJR that you have in, one of them was basically to remodel the student center. Within that amount of money, is there money to remodel the student union for the computer. President Tietz answered that their plan at the present time involves 3 changes to the proposed complex.

1. Student function
2. Student service
3. Computer center

We are not sure if it is going to work out in the matter of space and time. Several possibilities are as follows:

1. Payment for occupancy - rental
2. Computer itself can be a heat source.

We are considering all options. One other option would be that we put the computer system in the basement of the student center.

Chairman South then asked if that is what the \$250,000 is for. Tom Nopper answered no; its needed for side preparation to get the current place in which MSU will put the computer in the manner in which we want it. Such as; air conditioning and raising the floor, etc.

Judy asked a question about the bonding. She said in MSU's 54 bond issue which is close ended, there is land grant revenue going into that bond issue and it has been making a considerable amount of profit. The student union is really part of the 54 bond indenture. In all of your bonding you have previously told me that you have thought about breaking up the 54 indenture in smaller segments. In breaking it up, would you anticipate giving the land grant money back to the state to use for the current unrestricted operating cost. Mr. Nopper replied that he would like to do that if we can. But, I don't think we can. We would like to undo that 54 bond indenture if possible. Now would be the time, if we can, to work up some type of bond exchange. The only way to get rid of that land grant pledge is get the bond indenture taken apart. But, it would be very difficult.

President Tietz then went on with his presentation. He started talking about the student faculty ratio. He asked Chairman South if they will still be operating on the 19 to 1 student faculty ratio. Chairman South stated that it was still 19 to 1.

President Tietz asked the committee if there was any desire to pursue designated funds. Chairman South stated that they had asked for a response and he thought that it had given the response they were looking for.

President Tietz asked if the committee had a mechanism in which you might visualize setting rates in some of these areas.

Chairman South replied that it is rather difficult on any designated funds that have been in operation for less than a year. Those that have been in operation for over 2 or 3 years are being looked at.

President Tietz then asked if it would be reasonable to ask that before the rates are finally established that we might be able to interact and discuss this with the committee. Chairman South said that they could.

Chairman South said it was important for the committee to know what percent of the total sub-funds revenue is generated by charges to the current operating account. Unless the committee knows the revenue source, it is difficult to know how much to increase the current operating account for designated rate changes.

Chairman South asked President Tietz to tell the committee what they would like to have done with the supplemental. President Tietz estimated \$95,000 in operations and the remainder, \$249,121, for personal services.

Rep Bengtson stated that MSU has not said that the 19 to 1 student to faculty ratio was a problem, and the University of Montana had. What are your views on this, considering graduate students. President Tietz said that in dealing with a student body the size of MSU, we feel there are certain trade-offs with graduate students. The graduate courses require a great deal of concentration. However, the lower division courses have large numbers of students and the schools utilized graduate teaching assistants.

Chairman South then asked President Tietz if they could talk a little more about Nursing Capitation. He said that MSU had indicated they may not receive the nursing capitation this biennium. President Tietz replied that unless there is a new legislature, they will not receive it.

Chairman South asked if they would have any objection to specific language that would require a reversion to the general fund if the capitation did come through. President Tietz said they would have no objections at all.

Chairman South stated that another question that he has been asking all the compuses was, if whether the current unrestricted account has been maintaining your P.E. complex. Mr. Nopper answered that the new P.E. complex includes part of the feild house. He said that they pay for the use of it our of their operating expense budget. The utility and custodial expenses are paid out of operating expense budget also. One exception is when there is an event or something in our field house, then that event has to pay for the custodial and security expenses.

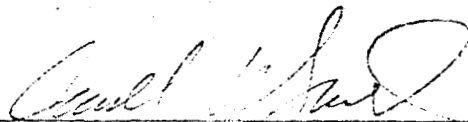
Rick Boylan, Associated Students of MSU, gave a presentation. He talked about MSU being the largest University in the state of Montana. They have established a reputation of assuring a job after graduation. He asked the committee to view education as a high priority.

Rep. Bengtson asked about Title IX. She said that UM would rather have more money for academic functions than for athletic functions.


Rick Boylan answered that the students at MSU funded the inter-collegiate athletics and the regents said that students did not have to fund it. So we withdrew our student activity fees and hoped athletics would still be able to operate.

Chairman South asked if the total deficiency is \$160,000 a year. President Tietz answered yes, but at the present time it would be \$260,000 because we are running behind. Chairman South asked what areas did they take the money from to fund the womens athletics. President Tietz answered that by gate receipts, boosters, and T.V. funds, but boosters had been most helpful.

There being no further business, the meeting was adjourned at 9:50.



CARROLL SOUTH, CHAIRMAN



Jeanne Glennon, Secretary

VISITORS' REGISTER

HOUSE _____ Education Sub- COMMITTEE

Date February 21, 1979

SPONSOR _____

Montana State University

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPOS
Glen Leavitt	Helena	OBPP		
George Bandy	Helena	CHE		
Jack Noble	Helena	CHE		
James Ness	Bozeman	MSU		
George Singiannis	Helena	Univ. Sergeant		
Rock Boylan	Bozeman/Helena	Associated students of MSU		
Gene Huntington	Helena	OBPP		
Clart Johnson	Helena	Mt. Student Lobby		
Victor Worksman	Helena	Ken Nordvelt		
Bruce Shivet	Helena	Fiscal Analyst office		
Jack Lucas	Helena	OBPP		
James Gosnorn	Bozeman	MSU - Council		
Tom Nopper	Bozeman	MSU		
Bill Tietz	Bozemen	MSU		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.