

MINUTES OF THE MEETING  
FINANCE AND CLAIMS COMMITTEE  
MONTANA STATE SENATE

March 22, 1979

The twenty-second meeting of the Senate Finance and Claims Committee met on the above date in Room 108 of the State Capitol Building. Roll call was taken, and the Chairman, Senator Himsel, called the meeting to order at 8:10 a.m.

ROLL CALL: All members present except Senators Regan and Thiessen.

CONSIDERATION OF HOUSE BILL 556: Rep. Day explained the bill. He said this bill had been in Long Range Building Committee, but in order to get the money sooner, they had put it through as a separate bill. The reason for the need for the money immediately, was that last summer they had a lot of moisture in Eastern Montana, and the people from Fish and Game can show you what happened there. One of the switch backs was taken out and the debris was spread over another switch back. The county made a temporary road through that is only passable in dry weather. The money for this repair comes one-half from the coal tax earmarked revenue for parks and the other one-half with federal money.

Mr. Koehnke, OBPP, said he would pass out a handout which would explain where the money goes in regard to the coal tax. They have requested too much money, but there is money available for the Parks Program. This would save the requirements, and they could let the bids and get the work done before the adverse weather sets in, and then they can use the park.

Mr. Dick Mayer, Fish and Game, passed around a chart that he took back again and also a handout. He said they have advertised for bids, have a contract that will meet the estimate, and they are ready to go ahead as soon as the board of examiners gives them the go-ahead.

Joe Armstrong, Highway Department, and an expert on slides said the landslide was the topography of the area. He explained the work that would be done in sequence. He said they took an attitude of "live with the slide", do what we could to stabilize the area. He said they would stabilize the land mass by using other points and removing some bulk from the headway - the driving force of the mass, and load up the toe to get some resistance. He said the major cause of the slide was the poor drainage in the area. They would install pipes in the top to take away some of the water before it gets to the slide area. He continued to give more technical information on the stabilization of the area, and the best efforts to reduce the repetition of the process. Pictures of the area and the slide are attached.

Senator Fasbender: In going through and doing the work now, does it preclude the road sliding out somewhere else later on? Mr. Armstrong: No. This work is on the slide itself. Senator Fasbender: Are you taking a look at the rest of it? Is the rest of the road in fairly stable condition? Mr. Mayer: We had looked at building the road in another area, but had problems there.

Senator Lockrem: You say you have decided to live with the slide. What if it just keeps coming - have you looked at any other areas as to the problems there?

Mr. Mayer: We had considered relocation of the road. To go up the same area of distance, we would still wind up with landslides in the same general area.

Senator Etchart: The cost is \$900 an acre to use a stabilizer.

Senator Lockrem: That is a "spray on" stabilizer. It plants the grass, sets the mass, etc., all in one operation. It is quite expensive. but that is actually what they do.

Senator Aklestad: What is the field monitoring? Mr. Mayer: This is not really to determine the slide, but the effect of the slide so that we have some sort of reassurance that what we are doing is the correct thing and something we are able to go on for modifications.

Senator Himsl: Have the bids been opened on this project? Mr. Mayer: Yes. Senator Himsl: You have a definite low bidder? Mr. Mayer: Yes. Senator Himsl: Do you have the bid price? Mr. Mayer: Yes. Senator Himsl: Can you give it to us? Mr. Mayer: I don't have it with me, but it is right on the estimate. His estimate was around \$100,000 for his bid. This would not include the consultant nor the work they did to the horizon drains.

Senator Himsl: Who was your consultant? Mr. Mayer: On any job over \$125,000 we must hire a consultant, by law. We would go to the board of examiners and retain Morrison-Maierle.

Senator Himsl: What is the rationale for that? Mr. Mayer: So that private industry is handling it and we don't have to staff up for any special projects, thus inflating our staff. I don't know for sure, but this is the reasoning for doing it this way.

Rep. Day made his closing statement: If we are going to utilize this, we have to have a road. This is within reason since the contractor has bid somewhere near where the estimate is. We have money available that is earmarked for this, and there is critical need for it.

Senator Himsl, with no further proponents, no opponents, declared the hearing closed.

DISPOSITION OF HOUSE BILL 556: Motion by Senator Smith that we concur in House Bill 556. Voted and passed, Senator Thiessen to carry the bill on the Senate floor.

CONSIDERATION OF HOUSE BILL 437: Senator Himsl said this bill came out of the Select Committee on the Pay Plan. This deals with the establishment of a program to study the proposal of health and medical care, etc., insurance in the state. A fiscal note is in the book; it indicates it may cost \$51,000 to look into it. Several amendments have been presented. Perhaps, Senator Fasbender can explain the bill.

Senator Fasbender: One of the problems we ran into - the Legislative Finance Committee took a look at the insurance. Blue Cross came back with exorbitant price increases. They thought the State should get into a self-insurance program. We were looking at it at that time. This bill is an attempt to get a consolidated insurance program so that everyone is back under the same plan. The various costs being paid by single people and by married people, we should be able to get people insured at less rates than we are getting now. Some of the insurance carriers object. Equitable came in and said they would be willing to do this. Now, it seems that a number of insurance groups are worried that the state will get into a self-insurance so that they have brought the rates down for a time. I don't think the rate for checking this out is why.

Senator Himsl: This is not general fund money. It comes out of premium money.

Senator Lockrem: Do we need this bill, or is there another bill that would consolidate them? Senator Fasbender: We need the bill.

Senator Etcharg: They tried, administratively, to force this thing. Tried to put all the state units on one plan. Some groups have a higher risk than other groups. The Fish and Game and the Highway were being offered a lower rate than they charge for the whole state. The blues down there at the Highway and Fish and Game decided they would rather be on their own with their own plan than have to pay a higher rate.

Senator Fasbender: The low risks take off on their own and the other people get less insurance for a higher rate.

Senator Aklestad: Does the state pick up the tab? Senator Fasbender: No. We pick up the \$30 per month, figure it as an increase in pay - a percentage increase. Those people who both work for the state in a family do not get the break. They cannot utilize it.

Senator Lockrem: The \$50 per month rate covers a family. Then a single man just covers himself. There are a lot of problems.

Senator Himsl: My problem is whether we have to be concerned with the bill because of the \$150,000 or can we leave it in the Select Committee and have it come out that way?

Senator Fasbender: The program is administrative now and I am not sure this is even an increase.

Senator Himsl: If this is the consensus, I think it could stay in the Select Committee and not go through this Committee.

Senator Himsl: The advisory council that worked on this had some 30 people on it from all over the state. They drew up the plan and the proposals. Essentially, the advisory group will go into this and consult ultimately with the Department and create the plan.

Senator Lockrem: The advisory council is almost a mob - isn't this a big bulky to work with?

Senator Fasbender: Now the size will be determined by the Department

This bill was discussed further and it was decided to leave it in the Select Committee on the Pay Plan which is to meet in a few minutes at 9:00 a.m.

The meeting adjourned at 8:48 a.m.

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Senator Himsl, Chairman

# STANDING COMMITTEE REPORT

March 22

19 79

MR. President

We, your committee on Finance and Claims

having had under consideration House Bill No. 556

Respectfully report as follows: That House Bill No. 556

**BE CONCURRED IN**  
**DO PASS**

*Handwritten initials*

AMENDMENTS TO HB 437

FROM THE SELECT COMMITTEE ON EMPLOYEE COMPENSATION

1. Page 2.

Following: line 5

Insert: "(4) "Group benefits" means group hospitalization, health, medical, surgical, disability, life and other similar and related group benefits provided to officers and employees of the state. The term "group benefits" does not include casualty insurance, defined in 33-1-206; marine insurance defined in 33-1-209; property insurance defined in 33-1-210; surety insurance defined in 33-1-211; and title insurance defined in 33-1-212.

2. Page 4.

Following: line 9

Insert: "(5) The department shall, prior to implementation of any alternative to conventional insurance, present to the advisory council the evidence upon which the department has concluded that the alternative method will be more efficient, less costly, or otherwise superior to contracting for conventional insurance. The department may not implement any full self insurance alternative prior to July 1, 1981.

(6) The provisions of title 33 shall not apply to the department when exercising the powers and duties provided for in this section."

ROLL CALL

SENATE FINANCE AND CLAIMS COMMITTEE

46TH LEGISLATIVE SESSION 1979

Date 3-22-79

NAME	PRESENT	ABSENT	EXCUSED
SENATOR HIMSL	✓		
SENATOR STORY	✓		
SENATOR AKLESTAD	✓		
SENATOR LOCKREM	✓		
SENATOR ETCHART	✓		
SENATOR NELSON	✓		
SENATOR SMITH	✓		
SENATOR BOYLAN	✓		
SENATOR REGAN			
SENATOR FASBENDER	✓		
SENATOR THIESSEN			
SENATOR THOMAS	✓		
SENATOR STIMATZ	✓		

SENATE COMMITTEE

FINANCE AND CLAIMS

Date 3-22

H Bill No. 556 Time 8:35

NAME	YES	NO	ABSENT
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SENATOR STORY	<i>ab</i>		
SENATOR AKLESTAD	✓		
SENATOR LOCKREM	✓		
SENATOR ETCHART	✓		
SENATOR NELSON	<i>ab</i>		
SENATOR SMITH	✓		
SENATOR BOYLAN	✓		
SENATOR REGAN	<i>ab</i>		
SENATOR FASBENDER	✓		
SENATOR THIESSEN	<i>ab</i>		
SENATOR THOMAS	✓		
SENATOR STIMATZ	✓		
SENATOR HIMSL	✓		

*JK*  
Secretary

Chairman

Motion: *Carry*

*Carry - S. Thiesen*





MAKOSHIKA  
STATE PARK

GLENDIVE, MT.

Because of these differences in value of electric plant Montana Power maintains two sets of books, one for the Montana PSC for ratemaking purposes, and one for all other financial purposes.

WHY DOES THE PSC NEED \$300,000  
TO INVESTIGATE THIS INVESTMENT?

In the PSC order which Montana Power took to the Supreme Court, the Company was ordered to secure an independent accounting firm to investigate the propriety of the \$15.7 million. The Supreme Court, however, held that the Commission did not have the power to order such an audit. Therefore, it is up to the Commission to investigate this investment, which Montana Power Company told the Supreme Court would cost \$300,000.

The Commission staff cannot perform this investigation:

-- There are only seven professionals on the professional utility staff, and they are responsible for handling all rate cases. They do not have the time to investigate this investment.

-- The investigation will be extensive and difficult. Much of the relevant information will have to be obtained from files located in Washington, D.C.; many of the witnesses who testified in the original 1944 hearings are no longer available; records are at least thirty years old and are incomplete.

-- The staff must be available to the Commission to assist in analyzing the information obtained from the investigation.

-- The Supreme Court indicated that the Commission has only "one shot" at investigating this investment. It must be done right the first time.

-- Nationally recognized legal and accounting experts are required for the investigation because of its importance and complexity.

REVENUE EFFECT

Montana Power has the opportunity to earn, after taxes, approximately \$1,570,000 on the \$15.7 investment. MPC's customers therefore pay approximately \$3.14 million per year because this amount is in the rate base:

$$\begin{aligned} & \text{\$15.7 } \text{\$1.5 million} \times 10\% \text{ (approximate rate of return)} \\ & \times 2 \text{ (federal and state taxes)} = \$3.14 \text{ million} \end{aligned}$$

Comparison of FYFTE Students Generated  
by Different Formulas  
Montana University System  
Fiscal Year 1977-78

The effects of changing the basis for determining graduate and undergraduate student credit hours and/or changing the normal load of full-time graduate students upon FYFTE students and FTE faculty are presented in this paper. Table I summarizes the options.

Table I. Overall effects of recalculating  
graduate and undergraduate student  
credit hours, FY 1977-78

	Method A		Method B		Method C		Method <u>D</u>	
	Change in:		Change in:		Change in:		Change in:	
	FYFTE	FTE	FYFTE	FTE	FYFTE	FTE	FYFTE	FTE
	students	faculty	students	faculty	students	faculty	students	faculty
UM			+ 162	+ <u>9</u>	+ 52	+ 3	+ <u>269</u>	+ <u>14</u>
MSU			+ 101	+ <u>5</u>	+ 51	+ 3	+ <u>203</u>	+ <u>11</u>
EMC			+ 37	+ 2	+ 23	+ 1	+ 82	+ 4
MCMST			+ 1	0	+ 1	0	+ 1	0
NMC			+ 9	+ 1	+ 17	+ 1	+ 43	+ 3
VMC			+ <u>3</u>	+ <u>0</u>	+ <u>10</u>	+ <u>1</u>	+ <u>22</u>	+ <u>1</u>
SYSTEM			+ 314	+ <u>17</u>	+ 155	+ <u>7</u>	+ 623	+ <u>32</u>

(1:10)

The increase in the number of FYFTE students could range from 155 to 623 system-wide depending upon the option chosen and the increase in the number of FTE faculty could range from 7 to 32.

The Council of Presidents requested that calculation be made to determine the effect upon FYFTE enrollments and consequent FTE faculty

Table 4 (Grad load = 11)

<u>Upper divi- sion Load</u>	<u>Uiversity</u>	<u>Bozeman</u>	<u>Eastern</u>
14	8036.6 105.5	9447.8 103.6	2888.6 103.5
13	8248.3 108.3	9679.3 106.2	2957.3 105.9
12	8495.1 111.5	9949.5 109.1	3037.4 108.8

numbers if another method were used to determine graduate and undergraduate student credit hours. It also desired to know the change which might occur if the normal load for graduate students were considered to be 10 rather than 12.

Without considering the effect of any enrollment under restricted fund programs, the following changes for fiscal year 1977-78 student credit hours and FYFTE students would result.

Changing the method of determining whether the credits generated were graduate or undergraduate would increase graduate student credit hours and decrease undergraduate student credit hours by 27,779 throughout the system. Table 2 shows the changes unit by unit.

Table 2. Changes in Student Credit Hours  
Using Two Different Methodologies

<u>Institution</u>	<u>Current Method</u>	<u>New Method</u>	<u>Change</u>
UM			
Graduate	29,410	39,017	+ 9,607
Undergraduate	323,731	314,124	- 9,607
MSU			
Graduate	18,173	27,306	+ 9,133
Undergraduate	409,861	400,728	- 9,133
EMC			
Graduate	6,658	10,709	+ 4,051
Undergraduate	131,424	127,373	- 4,051
MCMST			
Graduate	149	330	+ 181
Undergraduate	31,550	31,369	- 181
NMC			
Graduate	1,651	4,730	+ 3,079
Undergraduate	56,977	53,898	- 3,079

<u>Institution</u>	<u>Current Method</u>	<u>New Method</u>	<u>Change</u>
WMC			
Graduate	508	2,236	+1,728
Undergraduate	28,474	26,746	-1,728
SYSTEM			
Graduate	56,549	84,328	
Undergraduate	982,017	954,238	
	1,038,566	1,038,566	

Assuming no change in the normal load for graduate students, the changes portrayed in Table 2 would result in changes in numbers of FYFTE students and numbers of FTE faculty as shown in Table 3.

Table 3. Changes in FYFTE students and FTE faculty resulting from a change in method of determining graduate and undergraduate student credit hour production, Fiscal Year 1977-78

<u>Unit</u>	<u>Change in FYFTE Students</u>	<u>Change in FTE Faculty</u>
UM	+ 52.4	+ 3 x
MSU	+ 50.8	+ 3 x
EMC	+ 23	+ 1
MCMST	+ 1	0
NMC	+ 17	+ 1
WMC	+ 9.6	+ 1
SYSTEM	+ 154.7	+ 9

not really significant

Thus, the change would range from 0 - 3 FTE faculty and from 1 to 52 FYFTE students.

If the existing method for determining how to count graduate students were retained, but the normal graduate load were set at 10, the effect system-wide would produce 314 additional FYFTE students and 17 FTE faculty as shown in Table 4.

Table 4. Change in FYFTE students and FTE faculty resulting from no change in method for determining graduate and undergraduate student credit hour production with a change in normal load of graduate students, FY 1977-78

METHOD B

<u>Unit</u>	<u>Change in FYFTE Students</u>	<u>Change in FTE Faculty</u>
UM	+ 162.4	+ 9
MSU	+ 101	+ 5
EMC	+ 37	+ 2
MCMST	+ 1	0
NMC	+ 9.1	+ 1
WMC	+ <u>2.8</u>	+ <u>0</u>
SYSTEM	+ 314.4	17

The change would range from 1 to 162 in FYFTE students and from 0 to 9 in FTE faculty among the units.

If the method for determining graduate and undergraduate student credit hours and the normal load were both changed, the effect would be an increase of 625 FYFTE students system-wide and 33 FTE faculty as shown in Table 5.

Table 5. Effects of changing the method  
of determining graduate and  
undergraduate student credit hours  
and changing normal load from 12 to 10  
FY 1977-78

<u>Unit</u>	<u>Change in FYFTE Students</u>	<u>Change in FTE Faculty</u>
UM	+ 269.2	+ 14
MSU	+ 202.5	+ 11
EMC	+ 82.0	+ 4
MCMST	+ 4	0
NMC	+ 43.3	+ 3
WMC	+ 22.0	+ 1
SYSTEM	+ 623.0	+ 33

Data from which the information in this presentation are drawn  
are summarized in the attached tables.

able 1. shows the impact on total full time equivalent student enrollment of changing the definition of a standard graduate student load. Under current practice, FTE enrollments are calculated by dividing total undergraduate student credit hours per quarter by 15 and total graduate credit hours per quarter by 12. Graduate students can be given more "weight" relative to undergrads by reducing the latter number. (Other ways of giving more weight to graduate students are simply multiplying by some factor or by using different student/faculty ratios for grads and undergrads). The table show FTE enrollments both in absolute terms and as a percentage of their value as calculated by the current formula. Data are for fall, 76 through winter, 78 quarters.

*AVG OF 4 QUARTERS (5)*

Table 1

<u>Grad Load</u>	<u>University</u>	<u>Bozeman</u>	<u>Eastern</u>
12	7619.0 100.0	9118.7 100.0	2792.2 100.0
11	7682.9 100.8	9153.4 100.4	2802.3 100.4
10	7795.6 102.3	9195.0 100.8	2802.3 100.8
9	7853.2 103.1	9245.9 101.4	2829.1 101.3

Tables 2, 3, and 4 show the effects of weighting both graduate and upper division credit hours more heavily than lower division.

Table 2 (Grad load = 11)

<u>Upper Division Load</u>	<u>University</u>	<u>Bozeman</u>	<u>Eastern</u>
14	7866.2 103.2	9355.3 102.6	2860.0 102.5
13	8077.8 106.0	9586.8 105.1	2929.6 104.9
12	8324.7 109.3	9857.0 108.1	3009.7 107.8

Table 3 (Grad load = 10)

<u>Upper Division Load</u>	<u>University</u>	<u>Bozeman</u>	<u>Eastern</u>
14	7942.9 104.3	9396.9 103.1	2872.9 102.9
13	8154.6 107.0	9628.4 105.6	2941.6 105.4
12	8401.4 110.3	9898.6 108.6	3021.7 108.2

Faculty Resources per SCH at the Level  
Indicated as a Percentage of Faculty  
Resources per Lower Division SCH:

<u>State</u>	<u>Upper Division</u>	<u>Masters and Professional</u>	<u>Doctoral</u>
Alabama (1)	100	248	868
Arkansas (1)	145	409	808
Colorado (2)	114	171	171
Florida (2)	127	179	179
Georgia (2)	139	273	273
Maryland (2)	150	240	300
Minnesota (3)			
Low Cost	125	154	154
High Cost	120	200	200
Mississippi (3)	144	325	325
Nevada (3)	100	100	100
New York - CUNY (3)	100	125	170
North Dakota (3)	147	208	208
Ohio (3)	100	160	200
Oklahoma (3)			
Colleges	140	233	233
Universities	140	350	350
South Carolina (3)	100	156	350
South Dakota (3)	100	133	133
Tennessee (1)	129	347	747
Texas (1)	100	262	840
Virginia (3)	167	200	250
West Virginia (3)	115	153	153
Washington (3)			
Low Cost	182	286	400
High Cost	171	171	240
Average	120	224	345
Montana System	100	125	125
UIU Proposal	125	167	167

THE MONTANA UNIVERSITY SYSTEM

33 SOUTH LAST CHANCE GULCH

HELENA, MONTANA

59601



COMMISSIONER OF HIGHER EDUCATION

December 11, 1978

TO: Dr. Lawrence K. Pettit  
Commissioner of Higher Education

FROM: Dr. Irving E. Dayton  
Deputy Commissioner for Academic Affairs

SUBJECT: Cutting the Pie

I have taken the data in the last table of Paul Dunham's report on FYFIE Students Generated and computed the percent of the total number of students which each institution has under each method. The results are contained in the following table:

	A	B	C	D	E	F	G
UM	33.74	33.97	33.74	33.98	+23	0	+24
MSU	40.48	40.37	40.43	40.27	-.11	-.05	-.21
EMC	13.08	13.06	13.09	13.08	-.02	+01	0 - minimal
MCST	4.46	4.40	4.43	4.36	-.06	-.03	-.10
NMC	5.53	5.49	5.56	5.56	-.04	+03	+03
WMC	2.72	2.70	2.75	2.75	-.02	+03	+03

0 - minimal (should out how)

In terms of cutting the pie, assuming a constant size pie, UM is the big gainer in going from 12 to 10 credits. MSU would be the biggest loser in budget dollars, but Tech would be the biggest loser in terms of percent of budget lost. NMC and WMC gain if the calculation is based on student classification rather than course classification. MSU and Tech do the best under the present system.

xc: George Bandy  
Jack Noble  
✓ Paul Dunham  
Bill Lannan

IED/b

A - S.Q. (Good Novm = 12) } COURSE LEVEL  
B - (Novm = 10) }  
C - (Novm = 12) } INDIVIDUAL STUDENTEM  
D - (Novm = 10) }  
E: B-A  
F: C-A  
G: D-A

\* E - UM gains 9, MSU gains 5, but MSU loses -.11 / \* F - UM + MSU gain 3, but MSU 2 do -.05 / G - UM gains 5 + MSU 11, but MSU 2 falls -.21)

	Method A	Method B	Method C	Method D	Change E	Change F	Change G
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NMC							
Graduate	45.9	55.03	131.4	157.7	+ 9.1	+ 85.5	+ 111.8
Undergraduate	<u>1,266.2</u>	<u>1,266.2</u>	<u>1,197.7</u>	<u>1,197.7</u>	- 68.5	- 68.5	- 68.5
Total	<u>1,312</u>	<u>1,321</u>	<u>1,329.1</u>	<u>1,355.4</u>	+ 9.1	+ 17	+ 43.3

Change In FTE Faculty

	+ 1	+ 1	+ 1	+ 1	+ 1	+ 1	+ 3
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WMC

Graduate	14.1	16.9	62.1	74.5	+ 2.8	+ 48.0	+ 60.4
Undergraduate	<u>632.8</u>	<u>632.8</u>	<u>594.4</u>	<u>594.4</u>	- 38.4	- 38.4	- 38.4
Total	<u>647</u>	<u>650</u>	<u>656.5</u>	<u>668.9</u>	+ 2.8	+ 9.6	+ 22

Change In FTE Faculty

	0	+ 1	+ 1	+ 1	+ 1	+ 1	+ 1
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SYSTEM

Graduate	1,573	1,887.4	2,347.1	2,816.5	+ 314.4	+ 774.1	+ 1,243.5
Undergraduate	<u>22,173</u>	<u>22,173</u>	<u>21,554.0</u>	<u>21,554.0</u>	- 619.4	- 619.4	- 619.4
Total	<u>23,746</u>	<u>24,060</u>	<u>23,901</u>	<u>24,370.5</u>	+ 314.4	+ 154.7	+ 624.1

Change In FTE Faculty

	+ 17	+ 9	+ 9	+ 32
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Method A - Graduate Student Credit Hours accumulated by course level; NORM = 12  
 Method B - Graduate Student Credit Hours accumulated by course level; NORM = 10  
 Method C - Graduate Student Credit Hours accumulated based upon individual student course enrollments;  
 NORM = 12

Method D - Graduate Student Credit Hours accumulated based upon individual student course enrollments;  
 NORM = 10

Change E - Method B minus Method A  
 Change F - Method C minus Method A  
 Change G - Method D minus Method A

Comparison of Student Credit Hours  
 Generated by Two Different Methodologies  
 Montana University System  
 Fiscal Year 1977-78

Unit	Summer Session 1977		Fall Quarter or Semester 1977		Winter Quarter 1978		Spring Quarter or Semester 1978		Total 1977-78	
	Current Method	New Method	Current Method	New Method	Current Method	New Method	Current Method	New Method	Current Method	New Method
UM										
Graduate	4,504	6,435	7,766	10,355	8,779	11,413	8,361	10,814	29,410	39,017
Undergraduate	18,074	16,143	105,989	103,400	106,489	103,855	93,179	90,726	323,731	314,124
Total										
MSU										
Graduate	5,498	7,075	4,111	6,874	4,408	6,951	4,156	6,406	18,173	27,306
Undergraduate	15,562	13,985	139,977	137,214	135,669	133,126	118,653	116,403	409,861	400,728
Total										
EMC										
Graduate	2,393	5,069	1,290	1,793	1,452	1,938	1,523	1,909	6,658	10,709
Undergraduate	13,292	10,616	41,785	41,282	40,249	39,763	36,098	35,712	131,424	127,373
Total										
MCMST										
Graduate	3	3	57	154			89	173	149	330
Undergraduate	816	816	16,215	16,118			14,519	14,435	31,550	31,369
Total										
NMC										
Graduate	983	3,049	267	451	233	551	168	679	1,651	4,730
Undergraduate	6,661	4,595	17,658	17,474	17,547	17,229	15,111	14,600	56,977	53,898
Total										
WMC										
Graduate	45	1,033	270	444	99	479	94	280	508	2,236
Undergraduate	2,838	1,850	8,808	8,634	8,804	8,424	8,169	7,983	28,474	26,746

FYFTE ENROLLMENT COMPARISONS  
MONTANA UNIVERSITY SYSTEM

Fiscal Year 1977-78

USING FOUR DIFFERENT METHODOLOGIES

(B) (P-A)  
Change

(B) (C-A)  
Change

(B) (D-A)  
Change

	Method A	Method B	Method C	Method D	Change E	Change F	Change G
UM							
Graduate	817.9	980.3	1,083.8	1,300.6	+ 162.4	+ 265.9	+ 482.7
Undergraduate	<u>7,194</u>	<u>7,194</u>	<u>6,980.5</u>	<u>6,980.5</u>		- 213.5	- 213.5
Total	<u>8,012</u>	<u>8,174</u>	<u>8,064.3</u>	<u>8,281.1</u>	+ 162.4	+ 52.4	+ 269.2
Change In FTE Faculty					+ 9	+ 3	+ 14
MSU							
Graduate	504.8	605.8	758.5	910.2	+ 101	+ 253.7	+ 405.4
Undergraduate	<u>9,108</u>	<u>9,108</u>	<u>8,905.1</u>	<u>8,905.1</u>		- 202.9	- 202.9
Total	<u>9,613</u>	<u>9,714</u>	<u>9,663.6</u>	<u>9,815.3</u>	+ 101	+ 50.8	+ 202.5
Change In FTE Faculty					+ 5	+ 3	+ 11
EMC							
Graduate	184.9	221.9	297.5	357	+ 37	+ 112.6	+ 172.1
Undergraduate	<u>2,920.5</u>	<u>2,920.5</u>	<u>2,830.5</u>	<u>2,830.5</u>		- 90	- 90
Total	<u>3,105</u>	<u>3,142</u>	<u>3,128</u>	<u>3,187.5</u>	+ 37	+ 23	+ 82
Change In FTE Faculty					+ 2	+ 1	+ 4
MCMST							
Graduate	6.2	7.5	13.8	16.5	+ 1.3	+ 7.6	+ 10.3
Undergraduate	<u>1,051.7</u>	<u>1,051.7</u>	<u>1,045.6</u>	<u>1,045.6</u>		- 6.1	- 6.1
Total	<u>1,058</u>	<u>1,059</u>	<u>1,059</u>	<u>1,062.1</u>	+ 1	+ 1	+ 4
Change In FTE Faculty					0	0	0

Summary of remarks made by ASUM lobbyist Michael Dahlem before the Education Subcommittee on February 20, 1979

As Mr. Bronson indicated in his testimony, the preservation of academic quality is the chief concern of the Associated Students of the University of Montana. In my testimony, I would like to explore in greater detail some of the concerns expressed by President Bowers and Dr. Barrett. Although I will not specifically address operating budget and program modification requests made by Dr. Bowers we do hope that you will give them serious consideration.

I would like to begin by quoting some statistics cited by Dr. Bowers in a speech to the Missoula Rotary Club last year:

Medical schools accept 53 percent of UM's graduate applicants compared with a national average of 33 percent, dental schools accept 67 percent of UM graduate applicants, compared with 33 percent nationally, and veterinary schools accept 62 percent of UM applicants, compared with only 16.5 percent nationally... In addition, 46 percent of the UM business school graduates who take the Certified Public Accountant examination pass it on their first try, compared with only 11 percent nationally.

I might add that the University of Montana has produced more Rhodes scholars than any other school west of the Mississippi save one, and that historically the quality of the College of Arts and Sciences as well as the professional schools has been outstanding. The overwhelming success of the six mill levy campaign indicates to us that the people of Montana support the preservation of academic quality in this state and are willing to tax themselves in order to do so.

With the passage of HB 145 the 1977 Legislature mandated a drastic reduction in faculty and staff which has crippled the effectiveness of many academic programs. In his presentation yesterday, Dr. Bowers listed six critical programs at the university which need immediate attention. These programs are business administration, economics, computer science, forestry, geology and pharmacy. An additional ten faculty members in these areas would give the university a measure of relief from the traumatic events of the past two years. Additional staff positions are necessary in financial aids, the controller's office, in custodial and computer services. In all, Dr. Bowers identified fifteen faculty and staff positions which are crucial to preserve the integrity of the university.

It is our position that from a purely academic point of view many more positions could be fully justified. However, when considering the enrollment driven funding formula used to budget the university system it may be necessary to reduce faculty by ten and staff by two FTE positions. In our estimation, such an event would require the elimination of one or more academic programs. We urge this committee to weigh this probability carefully before recommending any further cutbacks at the University

of Montana.

Specifically, those departments which Dr. Bowers is recommending for increases are either growing the most rapidly (business administration, computer science, economics) or those which require additional faculty to meet minimal academic standards (forestry, pharmacy, geology). The first three have a combined Student to Faculty Ratio of nearly 30:1 and as a result have been unable to offer many upper division courses which a comprehensive program demands. The Forestry School is seriously threatened with the loss of its accreditation unless it can lower its Student to Faculty Ratio. The Pharmacy School is in desperate need of a clinical pharmacist. And I am sure that you have heard much by now of the legend stratigraphy position.

In the past when it was necessary for the university to transfer faculty lines it was possible to do so without serious difficulty. Ten to fifteen faculty members retire or leave the university during the course of a normal school year. In many instances their lines could be frozen in order to add positions in other departments. However, with the cutback of 60.64 FTE faculty lines over the last two years the necessary flexibility to transfer positions without doing significant damage to academic programs has been lost.

You've probably heard of the division between the College and the professional schools. Because of the problems of accreditation many members of the College fear that they will have to sacrifice in order to meet those accreditation standards. For example, the Law School is in great need of a reference librarian. The Journalism School lost its photography professor last year, making it the only accredited journalism school in the country in the last eight years to lose a faculty line. Business Administration lost 2.33 FTE positions, Education lost 4 FTE, Fine Arts lost 7.15 FTE, Forestry 3.01.

The College, however, suffered cutbacks of 30.35 FTE positions and cannot stand further reductions in most of its departments. In some areas where reductions might be tolerable, tenured faculty members are unlikely to retire or leave in the immediate future. A situation, such as the one facing the Geology department, where a key faculty member cannot be promised a position because there is no guarantee of sufficient funds is indicative of the situation the university faces. We can no longer make internal management decisions regarding the allocation of our resources without tearing the university community asunder.

Just as an example of how serious the situation has become I would like to read to you a few excerpts from a budget analysis prepared by Dr. Richard Solberg, Dean of the College of Arts and Sciences. The departments in question are not in line for any relief even if this committee looks favorably upon our request for assistance.

English The department lost three full-time composition instructors due to their one- and two-year status. The department has increased the size of composition sections to 20 and yet over 100 students were turned away at registration time.

History The department of History has lost over two lines in the last few years and presently has no one specifically trained in the fields of American Colonial, American Intellectual, American Economic, American Constitutional, European Intellectual or Nineteenth Century German History.

Foreign Languages and Literatures The department is deeply involved in the Humanities 151-2-3 sequence. Due to faculty reductions, the department has cut back its involvement from 16 sections last year to 5 sections this year. Additionally, it is essentially impossible to even reach a compromise on the 50 percent graduate credit requirement of 500 level courses... This unit was reduced last year more than any other in the university... The total reduction of 5.66 FTE was comprised of 4.66 FTE cuts, and 1.00 FTE transfer. Further reductions will initiate curtailment of entire sections and/or degree offerings in this complex academic unit.

Many other examples could be given of the destructive impacts created by the massive cutbacks. An effect not mentioned above is the impact on advising, research and service which must be curtailed in order to satisfy greater teaching loads.

We question the rationale behind the theory that these cutbacks are necessary to maintain equity in the system. Over a year ago I testified before the Interim Finance Committee that faculty and staff reductions of the proportions we were facing would only worsen the enrollment trend at the university. Despite intensified recruiting efforts, history has borne this prediction out. With 500 fewer course offerings and many areas of expertise lost, there should be little surprise that many students have found more attractive opportunities elsewhere. At the same time we were witnessing a severe erosion of academic quality, out-of-state students were forced to pay an additional \$400 a year in fees. As Dr. Barrett stated in his testimony, morale is at an all time low. A full forty percent of the faculty claim to be looking for work elsewhere; and the most qualified among them will find it.

We firmly believe that should any further cuts occur, then the University of Montana as we know it will cease to exist. And I must add that the people of Montana will be the poorer for it.

As Mr. Bronson suggested earlier, the funding formula used to determine the university system budget is in need of refinement. We strongly suggest that in addition to an interim study, some modification be made now so that the situation we face will not be worsened. As Dr. Barrett pointed out, among states which use a formula budgeting approach Montana ranks near the bottom in the support it provides for upper division

and graduate teaching loads. This deficiency is felt most accutely at UM due to our large graduate enrollment (see attached study). A second study conducted by Mr. Paul Dunham from the Commissioner of Higher Education's Office outlining the system-wide results from a change in the weighting formula is also included. The final page, submitted by Deputy Commissioner Irving Dayton, offers an insightful statement as to why the Council of Presidents has consistently voted 5 to 1 to recommend no change in the present formula. For, if the ratio is changed for counting graduate credit hours and if the money available is held constant, then the University of Montana would receive more funding at the expense of MSU and Tech. Regardless of whether this would in fact occur, it is our position that the present formula penalizes UM and ought to be changed.

We realize the difficulty of the task before this committee in attempting to work out a fair method to adequately fund the Montana University System. However, unless the method you employ can preserve academic quality then the repercussions which will be felt statewide will far outweigh any advantages of money saved.

Respectfully submitted,

*Michael Dahlem*

Michael Dahlem A.S.U.M.

AMENDMENTS TO HB 437

FROM THE SELECT COMMITTEE ON EMPLOYEE COMPENSATION

1. Page 2.

Following: line 5

Insert: "(4) "Group benefits" means group hospitalization, health, medical, surgical, disability, life and other similar and related group benefits provided to officers and employees of the state. The term "group benefits" does not include casualty insurance, defined in 33-1-206; marine insurance defined in 33-1-209; property insurance defined in 33-1-210; surety insurance defined in 33-1-211; and title insurance defined in 33-1-212.

2. Page 4.

Following: line 9

Insert: "(5) The department shall, prior to implementation of any alternative to conventional insurance, present to the advisory council the evidence upon which the department has concluded that the alternative method will be more efficient, less costly, or otherwise superior to contracting for conventional insurance. The department may not implement any full self insurance alternative prior to July 1, 1981.

(6) The provisions of title 33 shall not apply to the department when exercising the powers and duties provided for in this section."