

MINUTES OF THE MEETING OF THE HOUSE APPROPRIATIONS
COMMITTEE

March 6, 1981

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The meeting was called to order at 8:00 a.m. by Chairman Lund and all members were present.

HEARINGS:

BOARD OF PUBLIC EDUCATION

REP. DONALDSON stated that there were major changes in travel and per diem in the Board of Public Education budget. He stated that the subcommittee added \$2400 for a high school senior board member to travel and that an additional fee was added for fire training.

PUBLIC SCHOOL SUPPORT FOR SPECIAL EDUCATION.

REP. DONALDSON stated that there was a 10% increase for inflation costs and for the anticipated increase in student enrollment.

REP. MOORE stated that there was \$566,000 in general funds for Boulder River School and Hospital.

VO-TECH CENTERS.

REP. DONALDSON stated that the subcommittee was concerned with the way Vo-Tech Centers had been funded and that the formula was implemented for instruction in Vo-Tech. He stated that each center will receive as a minimum 10% increase and a maximum increase of 15% annually.

REP. DONALDSON stated that a bill would be introduced to request a 2 year study of Vo-Tech. He added that the 25.32% increase basically involves the pay plan.

REP. DONALDSON stated that three centers were underfunded and that two were overfunded and that this was determined by an average of instruction costs. He stated that the Office of Public Instruction and Vo-Tech support this formula, which is not the ultimate plan of the subcommittee.

CHAIRMAN LUND asked if funds for each center were line-itemed.

REP. DONALDSON stated that the funds were channeled through the OPI as it is felt that there is strong leadership in OPI, which

the subcommittee supports. He added that a formula was set up on 750 contract hours per student for each FTE.

REP. BARDANOUE asked if enrollment were to drop, would the appropriation be reduced. REP. DONALDSON stated that this would not happen, as it was not known what enrollment would do and that the subcommittee anticipated constant enrollment and a possible increase.

REP. BENGTON stated that 35 schools in the State have a gifted program and that the districts currently pay \$6.50 per film for audio-visual library aids. The funding is \$33,438 in FY82 and \$38,000 in FY83.

BUS TRANSPORTATION.

REP. DONALDSON stated that the House Bill introduced this session would have cost 70 cents per seat in FY82 and 85 cents in FY83, plus 2 cents per seat or \$13,000,000 in FY83, if the Anderson bill is adopted.

CHAIRMAN LUND stated that Transportation would be pulled from HB500, and that HB655, Anderson's bill, would be used as a vehicle to determine Transportation.

SCHOOL LUNCH.

REP. DONALDSON stated that the subcommittee adopted the LFA recommendation for School Lunch and that participation has increased since 1980 in spite of fewer students. MR. JOHN BEBEE, LFA, stated that he would check on the percentage of students who do not pay for their lunches, on the 1-3 Federal match.

ADULT BASIC EDUCATION.

REP. DONALDSON stated that the subcommittee recommended the LFA figures for current level, plus inflation.

SECONDARY VOCATIONAL EDUCATION.

REP. DONALDSON stated that the subcommittee recommendation was equal to the OBPP recommendation and below the LFA recommendation, for no increase in funding. He added that the School Foundation Program backs secondary to Vo-Tech.

TRAFFIC & SAFETY EDUCATION.

REP. DONALDSON stated that Driver License fees and fines are all reverted to this program.

ADVISORY COUNCIL FOR VO-TECH. ED.

REP. DONALDSON stated that the program was totally funded by Federal monies and that it was increased by 20%, with no change in FTE.

STATE LIBRARY COMMISSION.

REP. DONALDSON explained the subcommittee recommendations for the Commission, as stated on Exhibit_____.

REP. CONROY stated that he was concerned that coal development was on the decrease and that coal funds would not be as plentiful as in the past, in response to the subcommittee recommendation for coal severance tax review allocated for the Washington Library Network (WLN).

REP. DONALDSON stated that the State Library was currently paying its own maintenance costs for the Euclid Street building.

HISTORICAL SOCIETY.

REP. DONALDSON gave the presentation for the Historical Society. He stated that there were some basic needs that were not addressed and the committee would like to address those needs. He also stated that the appropriation for the old Governor's Mansion has nothing to do with whether or not the Governor moves in. As of July 1, the city of Helena gave the Mansion back to the state along with all artifacts.

REP. MOORE asked how many curators there are now.

REP. DONALDSON stated that there are two curators. They need to change the display areas that have not been changed for years. If this is adopted there will be three curators.

REP. MOORE asked if the Merchandising Program is self sustaining.

MR. BRUCE SHIVELY, LFA, stated that yes it is with a approximately \$20,000 profit.

REP. MOORE asked what the General Fund increase in the magazine is.

BOB ARCHIBALD stated that it was a 7% increase.

REP. MOORE asked what rate of progress has been made in the basement of the archives.

BOB ARCHIBALD, Director of the Historical Society stated that they have increased the output in that area from 750 cubic feet to 1,000 cubic feet and have decreased the intake of materials by 35%. Overall we have decreased the backlog by about 15% over the biennium.

REP. BENGTON stated that they raised the subscription rate for the magazine to \$15.

ARTS COUNCIL.

The Montana Arts Council budget includes approximately \$40,000 gen. fu for local community grants. BRUCE SHIVELY stated that the continuation of a grant program is at the 1981 level.

CHAIRMAN LUND asked if it is a hard match.

BRUCE SHIVELY, LFA stated that no, it isn't.

The money for the Artists in the Schools is not to replace Federal funds but is to expand the program to more schools.

REP. MOORE stated that last session they had a separate bill for \$35,000 for the Folklore program and wanted to know what happened to that.

MR. BRUCE SHIVELY, LFA, stated that it is not contained in this budget. They hired Michael Korn and he has traveled the state and has developed radio broadcasts, tapes, etc. For the \$35,000 it seems to have been a productive program.

REP. BENGTON stated that the Artists of the School program said that it was a good program and does generate a lot of student interest.

SCHOOL FOR DEAF AND BLIND

REP. DONALDSON explained the programs within the School for the Deaf and blind.

REP. BARDONAUBE asked how many children there are now.

BRUCE SHIVELY, LFA, stated that there are about 130 on campus. About 70 to 80 reside on campus in Great Falls.

REP. DONALDSON explained the two major areas of concern (1) Montana Tech has one of the largest enrollment increases due to the interest in petroleum engineering. (2) also to address faculty salaries at Montana Tech. REP. DONALDSON explained the funding for the MONTS Program (Montanans on a new track for Science) to be funded from the 15% of the indirect cost revenues.

COMMISSIONER RICHARDSON stated that the increase in the University budget is 36.8% and is a considerable increase but not if you take into account three years of inflation. It should be noted that the proposed budget will raise them to the average peers states used in the interim committee study. The Board of Regents increased tuition to the peer average which will generate about \$6,000,000 back to the state. He also stated that he believes that the recommendations if adopted will improve the services they provide to Montana. There are some things that will remain a problem. The academic area has not been fully funded and it would be hopeful that in the next biennium it could be 100%. The utilities will be inadequate since the allocations are what they are for the present fiscal year. COMMISSIONER RICHARDSON stated that this budget is an improvement from the past.

REP. VINCENT gave his testimony for Higher Education. He stated that he would like the committee to reinstate the idea of a contingency fund and fund it adequately. He stated that if MSU is right about their enrollment increases, there would be a contingency to compensate for that difference. There is a difference of 506 students between the LFA's projections and MSU's projections.

DR. BILL TIETZ stated for the MONTS program, we were selected in Montana as one of the states identified as being non-competitive in the area of basic research in the entire United States. These projects have to do with engaging young scientists to elevate the over all level to put the campuses in a competitive position. DR. TIETZ stated that there will be future obligations in terms of this type of program.

DR. RICHARD BOWERS stated that faculty salaries have not been adjusted to the peer level and the full support has not been provided for the support costs. He also mentioned there are problems in the libraries.

DR. JOHN VAN de WETERING, Eastern Montana College, stated that the computer's trade in value was calculated at \$26,000.

SALARY INCREASES- SCHOOL FOR DEAF AND BLIND

FLOYD MCDOWELL, Superintendent of the School for the Deaf and Blind stated that they have three people who would be on the MA level and seven or eight people who would be on the top of the BA level. The average salary is \$14,500.

REP. BENGTON asked if they are on the state pay plan.

SUPT. MCDOWELL stated that they are not. The contract professionals are exempt from the matrix system and our contract is dependent upon the action of the Legislature.

REP. MOORE stated that it was the Legislature's intention in 1979 to get them as close as possible to be on a comparable level with the school district in Great Falls.

REP. BARDONAUVÉ asked how many more dollars it would take.

REP. MOORE stated that it would cost \$50,000 per year. See EXHIBIT C.

Meeting recessed at 10:55 a.m. and reconvened at 1:05 p.m.

SPECIAL EDUCATION

REP. DONALDSON discussed the contingency fund allocations for Special Education.
(EXHIBIT D)

JUDY JOHNSON, Director of the Special Education stated that the money in the contingency is for an on-going type of thing.

COMMISSIONER OF HIGHER EDUCATION

REP. DONALDSON explained the budget for the Commissioner of Higher Education. (EXHIBIT E) No questions were asked.

The next presentation was on the Community Colleges. REP. DONALDSON was assisted by Bruce Shively, Fiscal Analyst.

COMMUNITY COLLEGES

REP. DONALDSON discussed the three basic sources of funds: General Funds, Tuition, Mandatory levies, in addition, they can also have a voted levy. He explained the adjustments made because the Subcommittee felt not to do so could put Dawson in a precarious state. There were two modifications, one for Flathead Community College to house the Arts program and one at Miles City for the P.E. building's operating costs. A contingency fund in the second year with a 3% enrollment trigger is included.

REP. DONALDSON stated that the reason for the increase is increased enrollments adding \$300,000 and the other two items discussed previously. The Subcommittee decided that House Bill 69, should not specify the percentage of state support for Community Colleges. They were funded at 56% and they want to be continued at that. 51% would be a big cut and 53% would be more appropriate. To go to 51% could cause hardships.

REP. BARDONAUE questioned the high enrollment projections. BRUCE SHIVELY stated that he developed the projections last fall based on fall quarter. When the second quarter came in, it had a picture that they were up which forced us to revise the projections.

REP. QUILICI asked what the actual enrollment figures were for FY81.

BRUCE SHIVELY stated that the spring quarters showed enrollment for Flathead to be 690; Miles City to be 480, and Dawson around 300 to 310.

REP. CONROY asked if the tuitions are uniform.

BRUCE SHIVELY stated that it is about \$250 to \$275, for a resident of the county and goes up for non-resident students.

COOPERATIVE EXTENSION SERVICE

REP. DONALDSON pointed out the salary problem for the Cooperative Extension Service. They are ranked 47th in the states for their salary levels. They are losing extension agents.

FORESTRY EXPERIMENTAL STATION

REP. STOBIE asked what the industry is putting into the Forestry Experiment Station.

REP. DONALDSON stated that the Anaconda Company donated the buildings for the Lubrecht Forestry station, and any research carried on has been from the industry input.

UNIVERSITY SYSTEM

The University System was next presented.

REP. DONALDSON explained the funding formula that the Finance Committee along with CURT NICHOLS, Fiscal Analyst derived.

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DR. FRED DEMONEY, Montana Tech, stated that the increases if you look in terms of student support costs using the appropriate levels of last session, our increase was 5%.

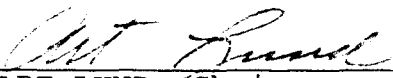
JEFF MORRISON, Board of Regents, stated that they are happy with the budget for the Board.

GORDON MCGOWAN, Care Organization testified in support of the Agricultural Experiment Station and Cooperative Extension Service. He distributed a list of signatures, who are also in support of those two services.

Other testimony see EXHIBIT G.

The meeting adjourned at 3:30 p.m.

Respectfully submitted,



REP. ART LUND, Chairman

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