

MINUTES OF THE MEETING FOR THE APPROPRIATIONS ON EDUCATION
SUBCOMMITTEE January 9, 1981

A meeting on Agency Supplemental Requests of the Appropriation on Education Subcommittee was called to order by Chairman Donaldson at 7:30 a.m. on Friday, January 9, 1981 in Room 104, Capitol Bldg., Helena, Montana.

Roll call was taken. All members were present including Fiscal Analysts Bruce Shively and John Bebee.

Testimony was given by Tom Crosser, Superintendent Floyd McDowell assisted by Miral Gamradt, Dr. Larry Key assisted by William Bahl, Dr. Bob Archibald assisted by Linda Gamble.

Tom Crosser discussed the supplemental request for the School for the Deaf and Blind. There are six items which would be under this request.

First, the Interpreter Tutor Program for \$124,095. This program is to place students in vocational programs in the Great Falls School System assisted by a tutor. In the past this program has been funded with Special Education funds and Federal Vocational Education funds. This funding has stopped, and representatives from school indicated that without this funding the program will terminate.

Second, the VI-C Program for \$20,133. This program is to replace lost Federal funding for the Deaf/Blind children.

Third, the Payroll Accrual Program for \$100,000. This would accrue teacher's salaries and would be a one time appropriation.

Fourth, the Student Travel Program for \$6,000. This program would provide transportation to those students living outside the Great Falls area. The Legislature appropriated \$25,000 for FY 80 and FY 81 for student travel. This amount was set at a rate of 12.5¢ per mile. Travel costs in FY 80 amounts to \$31,000 and was anticipated to approach that level in FY 81.

The fifth item is for Superintendent Floyd McDowell's retirement pay. This amount would be \$11,000 for annual and sick leave. The sixth is that the school requested \$5,000 for a Superintendent's search. This search would be to replace Floyd McDowell after retiring. It will take place nationally. These six items amount to \$266,228. Tom Crosser recommended appropriations on all six requests.

Mr. Floyd McDowell, Superintendent of the Blind School assisted by Miral Gamradt spoke. They made the determination that the students would be better off to use existing facilities. In order to do this, a special tutor would need to assist these children. This also successfully offers 50 to 60 courses as compared to basic courses offered by the Special Education Center. This tutor has skill to communicate with Deaf/Blind children. There are 36 to 48 children and there are eight to ten tutors and they work from six to eight hours per day. Miral Gamradt indicated that these tutors are on contract and make approximately \$8,000 per year. On the average Jr. High students receive tutoring two hours per day and High school students three hours per day.

If the amount for the search is not used, the remainder will revert to the general fund. The committee expressed interest in a possible line item application for this purpose. This will be used to advertise and to assist travel costs for interviews.

John Bebee, Fiscal Analyst explained how the Vo-Tech budget is determined. (EXHIBIT A)

- A 1. FY 80 actual expenditure base year
 2. Base year inflated with predetermined inflation factors
 3. Adjustment made for enrollment increases
 4. Bottom line total expenditures level for Vo-Tech is calculated
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- B 1. Four sources of funds: federal, tuition, millage, and general fund
 2. Estimate tuition, millage, and federal funds
 3. What the difference is between the estimate in number two above and total expenditure already determined will be the general fund

Tom Crosser made a supplemental request for \$132,524 to cover the actual supplemental request transferred from FY 81 to FY 80 to cover a millage and tuition deficiency for 1980. The second portion of the recommendation for general fund is for the anticipated millage deficiency for 1981 which amounts to \$84,508. This was not added back in since different Vo-Tech centers had \$40,026 in cash that should have reverted back to general funds, but since the centers were not on the State Wide Budgeting and Accounting System (SBAS), it did not revert. This is subtracted to come up with a total of \$44,482 for FY 81. The tuition deficiency in 1980 was approximately \$79,216 and the millage

was approximately \$61,000. (EXHIBIT C) The total appropriation for general funds would be \$177,006 for the 1981 executive budget request. The \$19,784 is what the centers will generate in tuition revenue in excess of what was appropriated. Because of increased enrollment, the supplement would authorize increased spending authority.

Dr. Larry Key, Coordinator of Vocational Technical Centers, gave his testimony. Vo-Techs have a maximum expenditure authority, so if they collect more tuition than is appropriated by the Legislature they have no authority to spend it. Even though the \$40,026 is there, it will be picked up by the State Wide Budgeting and Accounting System (SBAS) and will revert back into general funds. "We had centers cut back on expenditures, equipment, supplies, and materials." There was a 15% increase in enrollment during the fall quarter of FY 81. There is \$19,784 for that increase. There is no windfall, the enrollment increase would make it up. There will be a major problem spring quarter with supplies and materials.

Tom Crosser discussed the Historical Society's requests. The first item is the Governor's Mansion. It is a state building. There are two items dealing with the request. The first deals with the balance of a loan for \$19,169 that the city, while leasing this building from the state, made to replace a boiler for the heating system.

The second are operational costs associated with the upkeep of the mansion. The Society is absorbing these costs out of the administrative budget. They are requesting \$7,000 for replacement of these funds.

The second request deals with the Publication Program which publishes and distributes the Montana Magazine of Western History. It has been a problem estimating revenue expenses. These expenses were more than what was generated. They had to transfer \$11,320 from FY 81 to FY 80 to cover the cost of the magazine, and this is the total request for appropriation to replenish these funds.

Dr. Bob Archibald assisted by Linda Gamble gave testimony to back the requests for the Historical Society. The city could no longer afford the mansion and were giving up their lease. Transfers have been made. The original loan was for \$33,000 for the installation of the boiler. The balance is \$20,000. The city gave the Historical Society a grant for \$13,000.

We adopted a proposal by the Governor's Advisory Board, a firm figure of \$17,000. No decision has been made by the Governor to move into the old mansion. The budget office's recommendation for the upkeep is approximately \$35,000. This cost would not be included if the Governor did move in.

Representative Bengtson questioned the publication overrun of \$11,320. Dr. Bob Archibald responded with the fact that there is a problem with projecting revenue. This fall they raised the subscription rate. Notices were sent out one month ahead of that raise and subscribers are given a chance to get it at the old rate. This tacks on one year at the old rate. Roughly it costs \$50,000 per year to publish this magazine. Representative Bengtson stated that this was a great magazine; a well-done magazine. The circulation is approximately 9 000. About 500 go to schools and universities. Circulation is approximately 5,000 out of state and 4,000 in state. The magazine's primary rational is for education resource and to be promotional for Montana would be secondary. The expenditure for 1981 is estimated to be \$144,000. They are cutting the size of the magazine and service costs. Without the supplemental it could not be published at the same level. To change the quality of the magazine too much could result in a severe drop of subscriptions.

At 10 a.m. the meeting adjourned.

Executive Session took place thereafter.



GENE DONALDSON, CHAIRMAN

MINUTES OF MEETING OF THE APPROPRIATION ON EDUCATION SUBCOMMITTEE
January 9, 1981

CHAIRMAN GENE DONALDSON called the Executive Session for supplemental funding for the Historical Society to order at 10:00 a.m.

All Committee members were present including fiscal analysts.

Bruce Shively gave recommendation to support supplementals for full appropriation of \$11,320 for the magazine. They have made every effort to control costs. The entire supplemental for Administration for \$26,169 is also recommended in full support.

Senator Haffey moved that the adoption of the recommendation of the fiscal analyst be approved.

Representative Bengtson seconded that motion.

The motion passed unanimously.

Discussion concerning a hearing previous to Vo-Tech hearing was held.

Representative Bengtson moved to set a date sometime late January for a hearing to explore and requesting a better method of funding for Vo-Tech systems from Dr. Key, John Bebee and Tom Crosser and others to generate a formula that is FTE driven with a weighted A & B plus involvement of tuition and a contingency for unanticipated enrollments.

Senator Nelson second the motion.

The motion passed unanimously.

Curt Nichols described possible involvement by the University personnel on the University Systems in deriving a budget for the University.

Executive Session adjourned at 10:40 a.m.



GENE DONALDSON, Chairman

WITNESS STATEMENT

Name Lois Mc Donald Date 1/9/21
Address 11 School St. Dept + Bldg Support ?
Representing _____ Oppose ? _____
Which Bill ? _____ Amend ? _____

Comments:

~~See in hand
I signed Busby's
Party of 3~~
Patricia A. Wood
Cynthia S. Johnson
James B. Bickler

Please leave prepared statement with the committee secretary.

WITNESS STATEMENT

Name Larry C. King Date 1-9-80
Address _____ Support ? _____
Representing O.P.I. Oppose ? _____
Which Bill ? Va-Tech Funding Amend ? _____

Comments:

Please leave prepared statement with the committee secretary.