

MINUTES OF THE MEETING OF THE JOINT APPROPRIATION SUBCOMMITTEE  
ON EDUCATION

February 10, 1981

The meeting of the Joint Appropriation Subcommittee on Education was called to order at 7:35 a.m. on Tuesday, February 10, 1981 by Chairman Donaldson in Room 104, Capitol Bldg., Helena, Montana.

All members were present including Curt Nichols and Bruce Shively, Fiscal Analysts. The LFA recommendation is contained in EXHIBIT A.

JOHN RICHARDSON, Commissioner of Higher Education, gave his presentation. (EXHIBIT B) He gave an overview of the agenda for the week. The Board of Regent's modifications are a systemwide request of all six units.

The first is the MONTS PROGRAM (Montanan's on a New Track for Science). This is a request for \$200,000 for FY 82 and \$300,000 for FY 83. The participants in this program are Montana Tech, Montana State University, and University of Montana.

The second is LIBRARY ACQUISITIONS. The Universities put very high priorities on this. The total requests amounted to \$2,990,801 for the biennium. This amount was cut to \$1,400,000.

The third modification that is requested is for the participation in the Washington Library Network (WLN). A computerized library network throughout the Northwest. This amounts to \$221,837 for FY 82 and \$145,458 for FY 83 for all six units.

The fourth modification is to add a Masters of Business Administration Program to Billings. It would be a cooperative program between the two Universities and Eastern Montana College. This program is estimated to cost \$167,565 for FY 82 and \$169,540 for FY 83. The LFA recommends \$2.3 million during the biennium for repair and maintenance. The Commissioner's Office was directed to prepare an allocation model for your consideration. This will be presented on Thursday.

The final matter is that the Board of Regents, by action of December of 1980 have proposed tuition increases for the coming biennium. Commissioner Richardson stated that they estimate that the additional revenues will amount to approximately \$6,000,000. The Regent's actions require no further action by this subcommittee.

WESTERN MONTANA COLLEGE

DR. BOB THOMAS, President of Western Montana College assisted by Tom Briggs, Fiscal Officer, gave his presentation. (EXHIBIT C) President Thomas stated that they are the smallest institution of the system and are relatively small to the peer institutions. They are confident that this year they will enjoy an enrollment of 820 FTE's. The projected enrollment for this year by the LFA is 750 FTE's.

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PRESIDENT THOMAS stated that he cannot believe this will be the case. We talk in terms of tens of students rather than hundreds of students. The margin we operate on is narrow enough that a few students does make a difference with us. We believe that funding is related to the student level. We are reinforced and grateful of the contingency fund. We understand the argument that if we enjoy more than what is projected that a contingency fund will cover us. We do have some concerns about that. It leaves me in a difficult management position. If we are funded for 750 FTE's and I budget realistically, I must cut back on services or programs. I request this of the committee and the LFA that with the winter quarter enrollment picture in, there be a reevaluation of enrollment projections.

PRESIDENT THOMAS stated that the second request is for the salaries for the faculty. The peer institutions are in the states of Nebraska, North Dakota, South Dakota, New Mexico. Utah, and Idaho. Half of these are 2-B schools. These are colleges that do not offer graduate degrees. The other five are 2-A colleges which are institutions which do offer degrees. Western is a 2-A college. Among 2-A institutions the average enrollment is in excess of 2,600 students. The 2-A institutions are receiving 93% of what the 1-A institutions are receiving in salaries. We would strongly request that the committee give consideration to show equity between colleges and relating to that in some kind of way which is equitable on a national basis.

PRESIDENT THOMAS stated that the Intercollegiate Athletic Program is recommended to be funded on a per student basis rather than a program basis. Any kind of funding on a per capita basis affects us least advantageously. Especially with the responsibility of teaching the students to be coaches of the state. The principle of supporting on a program basis is one we would like you to consider. He also stated that his enrollment has been up eight and nine percent this year. They have added some programs with the approval of the Regents for Human Resource Management and Natural Heritage. Which means that students who we used to transfer because they were not interested in training as teachers have other options. This year they had an all record high for the Freshman enrollment.

REP. BENGTON asked if he had the additional faculty staff and personnel added to the unit.

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PRESIDENT THOMAS answered that using the 750 FTE's of necessity they would have to plan for. You will actually decrease from our present level with the formula. In the last biennium Western approached the committee for 34.85 FTE faculty. He stated that they have on board at this time 40.53 full-time faculty. This is the difference in growth they have enjoyed in the new programs that have been initiated. They will be serving more than 800 students at this point. If this drops down to 39.29 FTE faculty they would reduce part-time faculty if they experienced an enrollment decline. However, if their projections are realistic they may have to add five full-time faculty.

REP. BENGTON asked why he did not use some of the increased allocations for increasing faculty salaries.

PRESIDENT THOMAS stated that first of all they addressed the faculty salaries presented by the study. They have to hire according to that faculty salary. Secondly they are a small institution and do have a different mix of overhead. He stated that if you will notice their faculty salaries, academic support level, and maintenance are somewhat different than what is indicated with a little more emphasis on the academic support levels.

PRESIDENT THOMAS stated that they would like the LFA to use the AAUP charts for the peer institutions.

CURT NICHOLS stated that when the letter went out for the units to submit their budgets, they recommended that the units use the faculty salaries included in that budget. Rather than to say they want a 12% increase and allocate the money to get it, they could allocate more money for faculty salaries to add faculty. Western decided to increase support costs much more than faculty. They could have gone the other way. Those are the adjustments they could have made. We recommend that they use the 9% and the peer adjustment as written up. The Board of Regents always have the authority to give salary increases different than what the Legislature gives by reducing or expanding staff and adjusting salaries accordingly.

TOM BRIGGS, Executive of Fiscal Affairs for Western stated that the average faculty salaries used to derive with the bottom line for Western with employee benefits is \$24,336. That figure is a 9% increase above peer average, but is over the rate in HB483.

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DR. JOHN VAN de WETERING, President of Eastern Montana College was assisted by Ken Hikes, Administrative Vice President in giving his presentation. (EXHIBIT D) He stated that they have calculated a 12% figure the first year and tried to use a 9% inflation factor the second year. They used 30% for utilities the first year and 15% for the second year. The second year of the biennium presented a problem for them when they tried to use the 9%. The second year it would be 8.6%.

DR. VAN de WETERING stated that their most critical modified need is for \$551,000 for a one-time expenditure for a replacement of the computer. Eastern bought a second hand computer from the University of Montana. Now it is no longer capable of doing all that has to be done. It is not cost effective. There is no way to absorb this amount. In addition, there is \$150,000 for replacement of bleachers and carpeting in buildings. We support the Regent's modified recommendations. We also support the WLN system. He did express a concern about faculty salaries and did not think that what the formula is generating would give a great latitude of money in and out of a category. Without the catch up factor, the salary average is below the actual increase. One of our major problems is hanging on to people and paying adequately. Especially in fields like business where the demand makes it difficult. We urge that the 93% generated by the AAUP table be applied to the faculty salaries at Eastern.

DR. VAN de WETERING stated that the public service at the University is a radio station and the elementary school. In the academic support we are looking at adding two librarians. He also stated that he felt the academic support will be strengthened by this formula. As far as student services, we are proposing some modest additions. We plan to have a women's coach in compliance with our Title 9 position. And a financial aid counselor to observe the increased load that comes about, and a part-time data entry technician. We are reducing the capital budget in this area the second part of the biennium in order to allow the 9% factor.

REP. BENGTON asked how the business school is being handled now.

PRESIDENT VAN de WETERING stated that currently the Academic Vice President is doubling as Dean of Business as well. That is really an impossible function that cannot continue.

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CHAIRMAN DONALDSON asked if the computer is used for primary aspects for education or for business procedures.

PRESIDENT VAN de WETERING stated that it is used for both reasons. We have an old IBM, DEC 10, and DEC 2020. We use the DEC 2020 for administrative purposes but there is also overlap with DEC 10. One of the things that has happened is there is a tremendous demand for the computer. We will dedicate the new facility to the academic side. The computer we hope to get is the 1091 and should last about seven to ten years.

GLEN LEAVITT stated that it was his understanding that it was traditional in the past that we replace a computer on one campus each biennium. We feel it is Eastern's turn.

DR. RICHARD BOWERS, President of the University of Montana gave his presentation. (EXHIBIT E) From 1977 to this past year the University has reduced its faculty and staff by approximately 110. And this formula funding would not allow recovery for these cuts made. There are two major differences between the LFA and the Board of Regents:

- (1) the Regents are requesting 12% for increased salaries, and
- (2) the Regents are requesting modifications in four areas.

DR. BOWERS also stated that their revenue estimates differ from the LFA's by approximately \$200,000 in each year of the biennium. He stated that they have had a serious erosion in the real dollars that they have put into operations. That is non-personnel, non-capital expenditures. We feel we are 25% behind in that area. We increased operation expenditures throughout the University in enrollment driven areas. Excluding the physical plant, personal services, and research. We added 25% to our library acquisition budget. Which is the largest academic increase of 56%. The program improvement request includes deferred maintenance for \$465,000. We think this is critical to restore some of the buildings. The formula does not address organized research. The University of Montana has four activities in this area: the bureau of business and economic research, wood chemistry lab, earthquake research, and the Stella-Duncan Program. We have a request for \$364,000 for computer and data equipment.

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DR. BOWERS continued to say that they are leasing a DEC 20 and it serves them well. He stated that they do need some additional equipment on that to adequately provide communication with the campus users and other campuses. In addition, they need a DEC drive controller channel to increase the compacity. There is a request for \$200,000 the first year of the biennium for a computer for the Computing Science Department. The Masters of Social Program will need six additional faculty.

STEVE CAREY, Lobbyist for the Associates of the University gave his testimony. He stated that they feel the requests are fair ones. Class offerings have been reduced in the past as a result of faculty cutbacks. They also support the Regent's recommendation for faculty salaries. They would like the committee to take a closer look at the financial money available to students. Specifically they would like the committee to consider an allocation for work study moneys under the Scholarships and Fellowships provision of the LFA budget. Work study moneys is one of the three or four ways students get financial aid. They get loans, grants, and fee waivers. Most of the fee waivers are taken up through the mandatory fee waivers for various groups. Presently they are experiencing severe cutbacks on the federal level for work study. They had 200 more students who qualified for work study. They had a \$130,000 decrease in federal funding last summer. Since then they had to take actions which would reduce the amount of time a student could work by 25%. They eliminated extentions. They are considering eliminating work study programs for students over the summer which employs 500 students. At Montana State University they turned away 300 to 400 students who qualified but they did not have the money. At Eastern and Northern they turned away at least 100. If these moneys get reduced significantly it could end up demanding an increase in support cost for the University. Presently we have an appropriation request with over 40 signatures on it asking for \$600,000 over the biennium to help us get through this problem. He stated that it is important to the students as it will curtail the ability for many students to make it through school.

Testimonies were given at this time in support of the University of Montana by:

Howard Reinhardt, Professor of Mathematics (EXHIBIT F), Gene Peterson, Hal Stearns, Ward Shanahan, Rep. Daniel Kemmis, Bob Holding, Peter Philips, Howard Deschamps

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Testimony was given at this time in support of Eastern Montana  
College by Wayne Thares.

Meeting adjourned at 10:30 a.m.

  
REP. GENE DONALDSON, Chairman

pb

2-10-81

System Summary (with out pay increases)

Actual	Fiscal 1980
MISU	26292552
UM	22413038
EMC	7984594
NMC	3439516
WMC	2097958
MCMST	3852946
Sub Total	66086604
MANDATORY FEE WAIVERS (in commissioners Budget)	
Repair and Maintenance Base Increase	
MONTS (in regents budget)	
System Library Acquisitions (in regents budget)	
Operational Base Adjustment (in regents budget)	
ToTnL	66086604
Contingency Fund	
Grand ToTnL without pay hikes	66086604
"Peer" catch up	
Grand ToTnL with "Peer" Catchup	66086604

Regents	Executive	Formula
34185996	30921777	32554724
28844717	25841232	27634837
10400029	9965782	9498754
5044240	4360506	4626634
2646863	2638645	2485088
5689032	5499430	5416004
86810877	79227372	82216041
		440000
		1090000
200000	200000	
1400000	700000	
	750000	
88410877	8877372	83746041
		1000000
88410877	8877372	84746041
1953826	-0-	1601493
90364703	8,517,372	86347534

Regents	Executive	Formula
34208663	31868120	33141040
28874439	26521886	28395460
9703749	9874477	9716205
4947252	4597293	4740105
2715573	2733383	2535260
6073025	5626866	5649395
86522701	81222025	84177465
		500000
		1188100
300000	300000	
-0-	700000	
	750000	
86822701	82972025	85865565
		1620000
86822701	82972025	87485565
1950506		1599617
88773207	82972025	89085182

Fiscal 1983



# UM Summary (without Pay Increase or Peer Catch Up)

	Actual	Fiscal 1981	Fiscal 1982	Regents	Executive	Formula	Regents	Executive	Formula
Instruction	12728732	14676420	13846553	14597660			14799819	13851530	14787626
Research	282097	427883	353936	352956			438692	364745	364580
Public Service	157524	161360	161800	161769			167677	168117	167978
Academic Support	2289149	8873485	2541198	3320447			8796580	2654711	3443590
Student Services	1778812		2005107	2370278					
Institutional Support	1969034	3962571	2792331	2854428			3816671	2855601	2918044
Physical Plant	2639743	668000	3490307	3432221			780000	3799542	3692168
Scholarships	567747	75000	650000	545078			75000	750000	578212
Disregarded Indirect Costs				-0-					
TOTAL	22413038	28844717	25841232	27634837			28874439	26521886	28395460
General Fund		18426124	15434139	17038865			17751803	15320750	17013426
Millage		4023593	4023593	4023593			4307636	4307636	4307636
Tuition and Fees		5670000	5550000	5614379			6080000	6080000	6045398
Indirect Costs		500000	648000	657000			500000	652000	714000
Land Grant		225000	135000	155000			235000	135000	169000
Other			50500	146000				26500	146000
"Peer" Salary Adjustment (NOT included above)		517888		508772			517888		509371
MAINTENANCE (included in Physical Plant)		465000							
Computer Equipment (included in Support)		316740					47950		
Organized Research Expenses (included in research)		75000					75000		
"Start Up" for Masters in Social Work (included in instruction)		131102					141246		
TOTAL Support	6036995	8873483	7338636	8545153			8796580	7587952	8804896

EMC - Summary (without Pay Increases or Peer Catchup)

ACTUAL  
FISCAL 80

FISCAL 1982

FISCAL 1983

	ACTUAL FISCAL 80	FISCAL 1982	FISCAL 1983
	Regents	Executive	Formula
Instruction	\$3942615	\$4714674	\$4706177
Research	-0-	-0-	-0-
Public Service	32416	22666	22755
Academic Support	807367	\$3975682	1462958
Student Services	823926		931241
Institutional Support	1124740	1312914	1312914
Physical Plant	1077438	1314737	1314737
Scholarships & Fellowships	176092	210000	215000
Disregarded Indirects		15000	-0-
TOTAL	\$7984594	\$10400029	\$9965782
General Fund		6977711	6403464
Millage		1607318	1607318
Tuition and Fees		1610000	1735000
Indirect Costs		100000	80000
Land Grant		105000	72000
Other			68000
Peer Salary Adjustment (not included Above)		302610	-0-
Computer (included in Academic Support)		711000	551000
Repair Bleachers/Floor Surface (included in Physical Plant)		150000	
TOTAL Support	\$2756033	\$3975682	\$3707113
			\$3221770
			\$180511
			-0-
			551000
			300776
			-0-
			179412
			\$3270413
			\$3289772
			\$4907538
			-0-
			23143
			942834
			970053
			1357561
			1413293
			260000
			-0-
			15000
			\$9874177
			\$9716205
			6000152
			5941820
			1783597
			1783597
			1710000
			1920000
			1720255
			100000
			80000
			99000
			72000
			76000
			67000
			4624688
			-0-
			34862
			978587
			1014597
			1228586
			1507297
			110137
			-0-
			\$9498754
			6037513
			1607318
			1626923
			91000
			69000
			67000

WMC Summary (without pay increases or peer catch up)

Fiscal 1983

Fiscal 1982

Fiscal 80

	Actual	Regents	Executive	Formula	Regents	Executive	Formula	Regents	Executive	Formula
Instruction	918169	1327814	1274417	1069702	1349381	1292449	1076150			
Research	-0-	-0-	-0-	-0-	-0-	-0-	-0-			
Public Service	-0-	-0-	-0-	-0-	-0-	-0-	-0-			
Academic Support	185408	787631	212864	250152	781629	217435	258925			
Student Services	329336		299603	369693		304638	376887			
Institutional Support	248527		331707	339529		347662	418548			
Physical Plant	37870	479168	470054	428957	525313	516199	449458			
Scholarships	38648	50000	50000	27055	57000	55000	28024			
Disregarded Indirects		2250			2250					
TOTAL	2097958	2646863	2638645	2485088	2715573	2733383	2535260			
General Fund		1803746	1793528	1633595	1823485	1806275	1629917			
Millage		363117	363117	363117	393088	393088	393088			
Tuition and Fees		390000	390000	392376	407000	435000	408255			
Indirect Costs		15000	16000	19000	15000	16000	21000			
Land Grant		75000	64000	69000	77000	64000	75000			
Other			12000	8000		19000	8000			
"Peer" Salary Adjustment (NOT included Above)		78862		-0-	78862		-0-			
Computer Printer (Included in Institutional Support)		7250	7250							
Human Resource Management (Included in Instruction)		74565			79686					
Natural Heritage Program (Included in Instruction)		13810			15007					
Vehicle Maintenance/Bus Driver (Included in Physical Plant)		10000			10000					
+ Total Support	763271	787631	344174	959374	781629	869735	981628			

MSU Summary (without pay increases or peer catchup)

A. J. WELBY

	Fiscal 80	Fiscal 1982	Fiscal 1983	
		Regents	Executive	Formula
Instruction	15123678	18185206	17860689	17828514
Research	404906	497888	440990	500122
Public Service	32518	9063	33429	8728
Academic Support	3170011		3550704	4602216
Student Services	2353861		2601932	2948556
Inst. Tuition Support	2187353	10570233	2543476	2803178
Physical Plant	2515895	4018606	3265557	3142133
Scholarships	504330	700000	625000	565077
Disregarded Indirect Costs		205000		256200
TOTAL	26292552	34185996	30921777	32554724
GENERAL FUND				
Millage		20021367	7256648	18730956
Tuition and Fees		5074629	5074629	5074629
Indirect Costs		6400000	6395000	6200680
Land Grant		1366667	1315000	1708000
Federal			375000	450000
Other		1323333	211500	211459
"Peer" Salary Adjustment (NOT included Above)			294000	179000
Nursing Formula Adjustment (Included in Instruction)		610368		641825
Learning Resource Center (Included in Support)		190000		
Maintenance (Included in Physical Plant)		175000		
Energy Conservation (Included in Physical Plant)		340500		
TOTAL Support	7711225	10570233	826112	10353950
		10555969	8937284	10540444
		18255727	18071703	17861622
		500497	443579	502734
		9347	33713	8640
		10555969	3689074	4672701
		3832123	2672586	2994477
		850000	2575624	2853246
		205000	3631821	3361970
		34208663	750000	586710
				278700
		19268496	2474153	18375911
		5490167	5490167	5490167
		6750000	7650000	6536503
		1366667	1380000	1858000
		1333333	375000	490000
			211500	211459
			267000	179000
		605744		637268
		210000		
		100000		

MCMST Summary (without pay increases or peer cn/chup)

ACTUAL Fiscal 1982

Fiscal 1983

	Fiscal 80	Regents	Executive	Formula	Regents	Executive	Formula
Instruction	1817239	2561222	2917141	2691698	2622471	3103412	2770566
Research	-0-	-0-	-0-	39688	-0-	-0-	43586
Public Service	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Academic Support	276803	2038349	302434	428401	307201	307201	446026
Student Services	385814		463923	549898	476706	476706	578561
Inst. Tutorial Support	627771		778272	639150	617041	617041	671658
Physical Plant	632490	866464	867660	959470	932516	932516	1020866
Scholarships	118829	175000	170000	107699	198000	190000	118132
Disregarded Indirect Costs		48000		-0-	48000		-0-
TOTAL	3858946	5689032	5499430	5416004	6073025	5626866	5649395
General Fund		3396179	3298277	3095818	3497071	3273412	3069787
Millage		715653	715653	715653	807954	807954	807954
Tuition and Fees		1050000	985000	1047424	1238000	1040000	1166755
Indirect Costs		320000	370000	321000	320000	275000	349000
Bureau Transfer		207200	190500	220109	205350	190500	239919
Other			40000	16000	4650	40000	16000
"Peer" Salary Adjustment (NOT included Above)		269868		270385	273006		273566
Computer Equipment (included in inst. support)		17000	177000		320000		
Automatic Powder Diffraction (incl. supp.)		125000			4650		
TOTAL Support	1290388	1544629	1544629	1617449	2271128	1400948	1696245

NMC Summary (without pay increase or peer catch up)

	Actual			Fiscal 1982			Fiscal 1983			
	Fiscal Bq	Regents	Executive	Formula	Regents	Executive	Formula	Regents	Executive	Formula
Instruction	1727833	2883927	2216380	2631351	2710175	2374332	2670959	2710175	2374332	2670959
Research	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Public Service	7502	9435	9463	8981	9779	9807	9233	9779	9807	9233
Academic Support	416788	1733785	498123	488621	1458612	505450	519379	1458612	505450	519379
Student Services	356037	586843	432259	438190	629436	444511	453189	629436	444511	453189
Institutional Support	374047	128000	488454	451136	137000	487441	449177	137000	487441	449177
Physical Plant	446117	575827	575827	568263	2250	620622	595269	2250	620622	595269
Scholarships	111192	4000	140000	40092	4947252	155000	42899	4947252	155000	42899
Disregarded Indirect costs										
TOTAL	3439516	5044240	4360506	4626639	4947252	4597273	4740105	4947252	4597273	4740105
General Fund		3703100	2912366	3265545	3422241	2994053	3249626	3422241	2994053	3249626
Millage		714140	714140	714140	797011	797011	797011	797011	797011	797011
Tuition and Fees		608000	710000	633949	707000	788244	679463	707000	788244	679463
Indirect Costs		15000	8000	11000	15000	10000	12000	15000	10000	12000
Other		4000	16000	2000	6000	8000	2000	6000	8000	2000
"Peer" Salary Adjustment (NOT included in above)		174230			174230			174230		
New Library Staff (included in support)		38997	39610		36607			36607		
Security Personnel (included in support)		11447			12477			12477		
Custodial Services (included in physical plant)		10821			10846			10846		
Instructional Equipment (included in instruction)		200000								
TOTAL Support	1146872	1433785	1418836	1377947	1458612	1437132	1421745	1458612	1437132	1421745

B



# THE MONTANA UNIVERSITY SYSTEM

33 SOUTH LAST CHANCE GULCH

HELENA, MONTANA 59620

(406) 449-3024

COMMISSIONER OF HIGHER EDUCATION

February 2, 1981

Chairman Donaldson and members of  
the Education Subcommittee

We are pleased to respond herein to Chairman Donaldson's request of January 12, 1981 that the six colleges and universities comprising the Montana University System indicate to the subcommittee how they would propose to internally allocate the resources provided to each institution under the revised formula approach recommended by the Legislative Finance Committee. As I earlier indicated to the subcommittee, the proposed allocations are tentative at this time pending actions by the subcommittee, the completion of collective bargaining negotiations, action by the Board of Regents on the fiscal year budgets for each year of the 1981-1983 biennium, and the possibility of circumstances unanticipated at this time which conceivably could alter the institutions' allocation plans. In spite of these limitations, however, the following tentative allocation plans will, we believe, provide the subcommittee with sufficient information to assess each of the institutions' plans for the coming biennium.

Several issues relating to the formula concepts adopted by the Legislative Finance Committee and the Legislative Fiscal Analyst's recommendations stemming therefrom are more appropriately addressed from a systemwide perspective. Therefore, I would like to take this opportunity to address those issues. They include: systemwide program modification requests, faculty compensation, the allocation among the colleges and universities of additional resources for maintenance, indirect costs, and tuition increases approved by the Board of Regents for each year of the 1981-1983 biennium.

1. Board of Regents Program Modification Requests: Each of the colleges and universities has its unique program modification requests which it will be presenting to the subcommittee for consideration. In reviewing the institutions' original program modifications submitted to the Board of Regents the Regents concluded that several requests, because of their nature, should more appropriately be presented as systemwide requests. These will be presented when the Regents' proposals are reviewed by the subcommittee later this month. However, the subcommittee needs to be aware of these requests, and take them into consideration while it is considering the budgets proposed by each of the institutions. The systemwide requests are as follows:

- State Matching Funds to Expand Research in the Montana University System. The National Science Foundation awarded \$125,000 to Montana in 1979 to study how the ability of Montana scientists to compete successfully for federal research funds might be enhanced. In competition with six other states, Montana's program, called MONTS (Montanan's on a New Track for Science), was subsequently awarded a \$2,335,000 grant for a five-year

period by NSF. At present, the MONTS program involves faculty at Montana College of Mineral Science and Technology, Montana State University, and the University of Montana. The Board of Regents has approved \$200,000 for FY 82 and \$300,000 for FY 83 for inclusion in the University System's budget requests to provide state matching funds for the NSF grant.

- Library Acquisitions. The six institutions requested a total of \$2,990,801 for library acquisitions to partially restore existing deficiencies. The Commissioner of Higher Education recommended and the Board of Regents approved a systemwide program modification request of \$1,400,000 for this purpose. A proposal for allocating this amount to the institutions will be presented to the subcommittee. Insufficient resources for library acquisitions is one of the most pressing problems confronting Montana's colleges and universities. As the following narratives indicate, the institutions plan to allocate additional resources generated by the revised formula to this activity. However, even with such an increased effort, the program modification request and the funds to join the Washington Library Network (following statement) are considered necessary to ameliorate existing library deficiencies on the six campuses.
- Participation in the Washington Library Network (WLN). The WLN is a computerized network developed at a cost of five million dollars over a ten-year period by the Washington State Library. If the University System libraries join the network, the data base will serve as a union catalog for the System, inter-library loans will be greatly facilitated, and direct access to the holdings of major research libraries in the Northwest will be achieved. It is also expected that WLN membership will minimize duplication of costly library holdings within the University System, thus providing partial relief to library acquisition budgets. Ultimately, membership could also result in substantial savings in cataloging costs. It is estimated that operations and capital costs for membership by the six institutions will amount to \$221,837 for FY 82, and \$145,458 for FY 83.
- Billings MBA Program - UM, EMC, MSU. The Role and Scope document adopted by the Regents charges the University of Montana to ". . . move to develop an MBA or combined MBA/MPA program in Billings, coordinating with and using resources from Eastern Montana College and Montana State University as appropriate.



The degree would be conferred only by the University of Montana." There is evidence of a strong demand in Billings for such an MBA program. The estimated cost of the Billings MBA program is \$167,565 for FY 82, and \$169,540 for FY 83.

2. Faculty Compensation: Four groups of peer institutions from rural western states were used by the fiscal analyst in developing his compensation recommendations for the 1981-83 biennium: one group for the two universities, a different group for Montana Tech, a group for EMC, and a single group for NMC and WMC. Data collected by the American Association of University Professors (AAUP) were used to make the comparisons. We have accepted the peer comparisons for MSU, UM and Montana Tech.

The differential between the universities and EMC under the analyst's recommendation is about 10 per cent (EMC faculty compensation equals 90 per cent of university compensation). The differential at NMC and WMC is greater, approximating 19.3 per cent (NMC and WMC faculty compensation equals 80.7 per cent of university compensation). We believe Montana should not adopt a divisive salary guideline for faculty, but should attempt to provide comparable compensation for comparable faculty.

The same AAUP report used by the analyst provides the difference in average compensation between universities (Category I) and colleges (Category II) for 404 institutions throughout the country. The average compensation for all ranks for universities is \$27,400. The average for colleges is \$25,410. The college average is 93 per cent of the university average.

We request that the guideline for EMC, NMC and WMC be .93 of \$25,020, or \$23,268. Our recommendation would be based on a much broader sample of institutions and would not be biased by the state mix of peer group location. The approximate annual cost of the change would be \$508,000 out of an estimated budget level of over \$105 million per year for the University System.

3. Repair and Maintenance Program. The LFA recommendation includes \$2.3 million during the biennium to increase funds for repair and maintenance programs in the operating budgets of the six institutions. In accordance with the finance committee's decision that the Commissioner of Higher Education should develop a distribution plan for these funds, the analyst did not recommend how this amount would be distributed. We will be presenting our plan to the subcommittee.

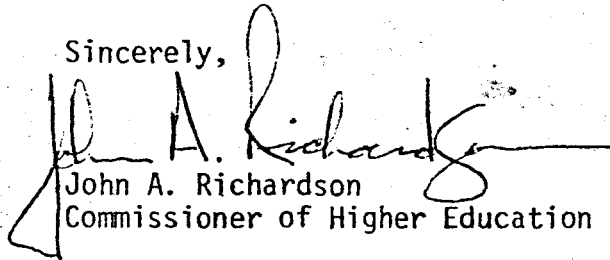
4. Indirect Cost Reimbursement. These reimbursements cover the actual costs to the institution of performing research grants and contracts. After hearing extensive testimony, the Legislative Finance Committee came to the recognition that 100 per cent of indirect cost reimbursements should not be appropriated to meet the enrollment-related formula budget. The committee

Chairman Donaldson and members of  
the Education Subcommittee  
February 2, 1981  
Page 4

decided that 15 per cent of such reimbursements should not be appropriated in the formula budget for this biennium. While we would prefer that a greater percentage not be appropriated as enrollment-related revenue, we recognize that the magnitude of cost is so great that such an equitable distribution probably cannot be achieved this biennium. However, we respectfully request that University System personnel be directed to work in conjunction with the Legislative Fiscal Analyst during the 1981-83 interim period to develop an equitable and agreed-upon target of indirect cost allocations toward which we can strive in future biennia.

5. Tuition Increases. It should be noted that in December 1980 the Board of Regents adopted tuition increases which will result in approximately \$6 million of increased revenue during the coming biennium. These increases require no action on the part of the subcommittee.

Sincerely,



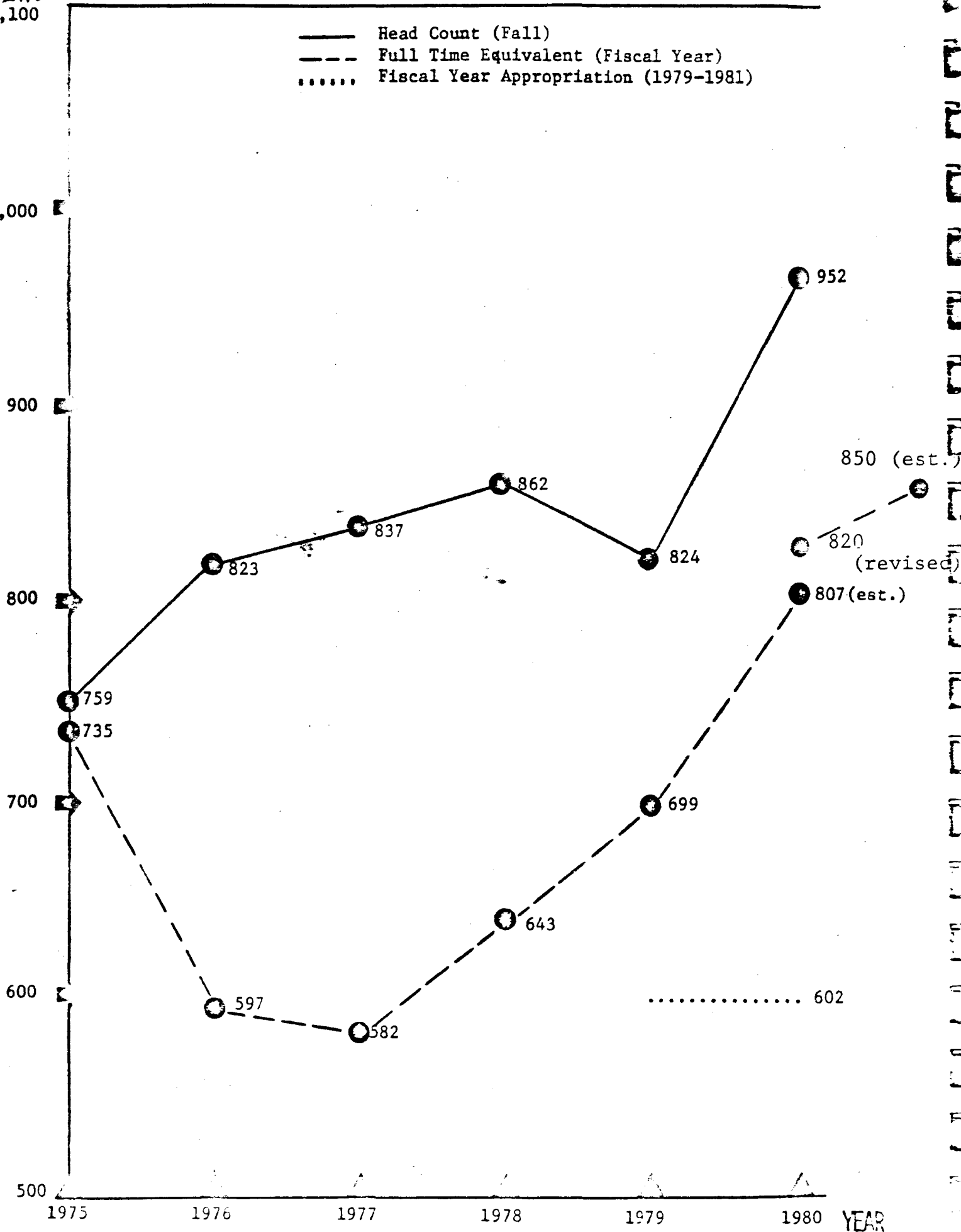
John A. Richardson  
Commissioner of Higher Education

# WMC Enrollment 1975-80

C

STUDENTS  
1,100

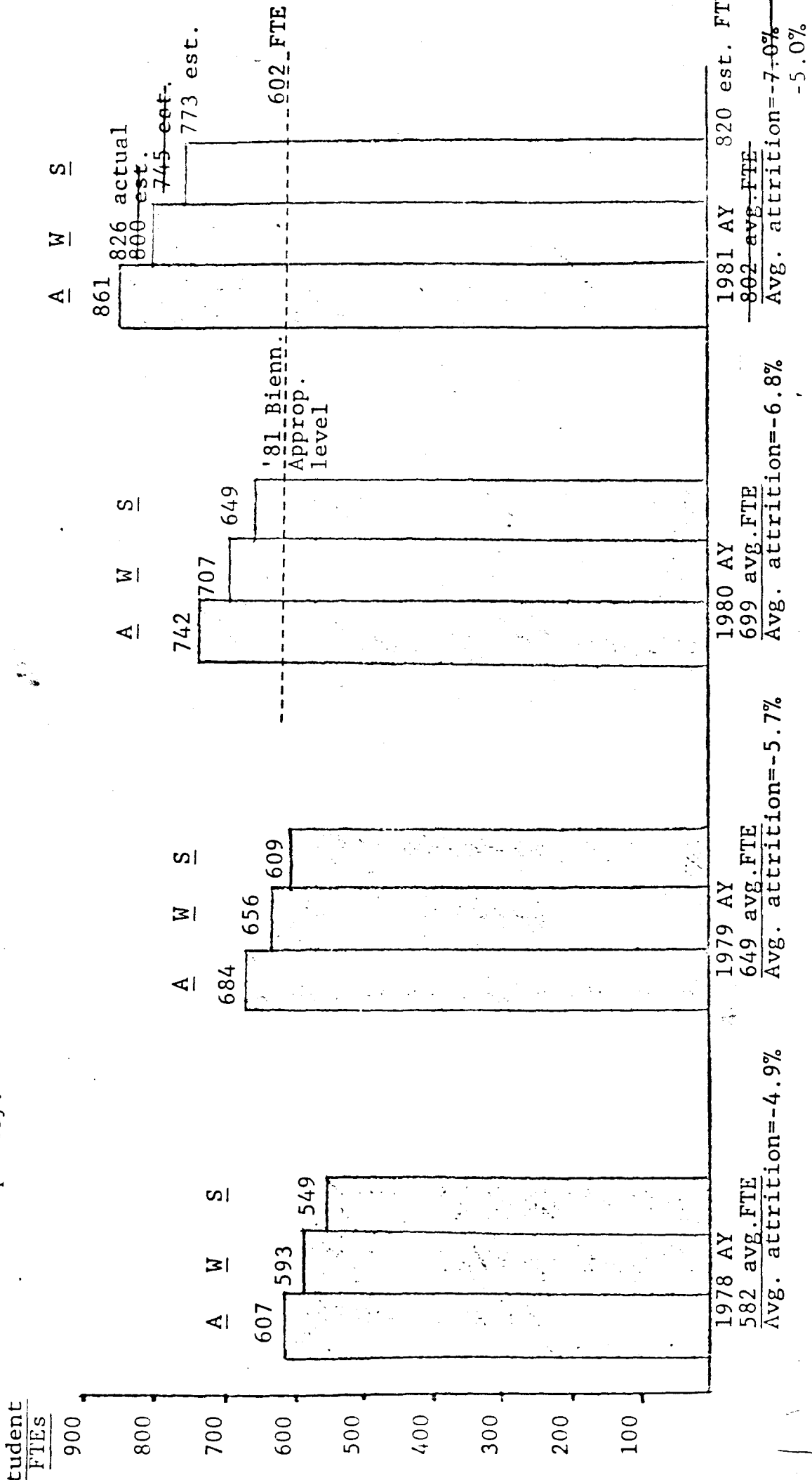
- Head Count (Fall)
- - - Full Time Equivalent (Fiscal Year)
- ..... Fiscal Year Appropriation (1979-1981)



WESTERN MONTANA COLLEGE ENROLLMENTS

Student FTEs

Each Quarter has one-third the summer included in accordance with standard enrollment determination policy.



WESTERN MONTANA COLLEGE  
OF THE  
MONTANA UNIVERSITY SYSTEM  
DILLON

AVERAGE FACULTY COMPENSATION PROPOSALS

Although several issues of concern to Western are presented in the narrative, nothing is of greater concern than the faculty salary recommended for Western Montana College by the Fiscal Analyst.

For this reason, we feel it is essential you be made aware of how the recommended salary for Western and the other units compares to the negotiated faculty compensation mandated by HB 483, the appropriation bill for the current biennium.

AVERAGE FACULTY COMPENSATION

	<u>1981 (HB 483)</u>	<u>1982 (Recommended)</u>	<u>Increase</u>
UM	\$25,572	\$29,037	+14%
MSU	\$25,572	\$29,037	+14%
TECH	\$24,128	\$29,674	+23%
EMC	\$22,945	\$26,159	+14%
NMC	\$22,945	\$24,336	+6%
WMC	\$22,945	\$24,336	+6%

The average faculty compensations include about 17% in fringe benefits which are made up of social security, retirement and hospitalization payments.

The average compensation for Northern and Western is currently 90% of the two Universities' compensation. The level recommended above is only 84% of the Universities'.

As a matter of information, the Board of Regents recommended an average faculty compensation of \$27,004 for Northern and Western. This equates to 93% of the Universities. This percentage is the national average of Class IIA Units to Class I Units.

COMPARISON OF WMC BASE SALARY  
AND  
PUBLIC SCHOOL BASE SALARIES

BASE SALARIES WITH MASTERS

			<u>Difference</u>	<u>Percentage</u>
WMC 11,418	Billings	12,776	+1358	+11.9
	Great Falls	12,376	958	8.4
	Helena	12,370	952	8.3
	Kalispell	13,185	1767	15.5
	Miles City	12,460	1042	9.1
	Missoula Elementary	12,331	913	8.0
	Columbia Falls	14,672	3254	28.5

Note: 1980-81 Salary Schedule

### COMPARISON OF FACULTY COMPENSATION

#### ASSOCIATE PROFESSORS

	<u>WMC</u>	<u>Billings</u>	<u>Diff</u>	<u>%</u>	<u>Great Falls</u>	<u>Diff</u>	<u>%</u>	<u>Helena</u>	<u>Diff</u>	<u>%</u>
1	23,706	23,881	175	0.7	24,292	586	2.4	22,890	(816)	(03.4)
2	18,953	23,881	4928	26.0	23,092	4139	21.8	22,890	3937	20.8
3	16,214	16,406	192	1.2	17,238	1024	6.3	16,390	176	1.1
4	20,173	23,881	3708	18.4	23,092	2919	14.5	22,890	2717	13.5
5	21,694	18,706	(2988)	(13.8)	20,170	(1524)	(03.0)	18,990	(2704)	(12.5)
6	24,618	23,881	(737)	(03.0)	24,292	(326)	(01.3)	22,890	(1728)	(07.0)
7	22,426	18,706	(3720)	(16.6)	20,170	(2256)	(10.1)	18,990	(3436)	(15.3)
8	22,338	23,881	1543	6.9	24,292	1954	8.7	22,890	552	2.5

#### ASSISTANT PROFESSORS

	<u>WMC</u>	<u>Billings</u>	<u>Diff</u>	<u>%</u>	<u>Great Falls</u>	<u>Diff</u>	<u>%</u>	<u>Helena</u>	<u>Diff</u>	<u>%</u>
1	16,526	23,881	7355	44.5	23,092	6566	39.7	22,890	6364	38.5
2	18,805	23,881	5076	27.0	23,092	4287	21.7	22,890	4085	21.7
3	15,596	20,696	5100	32.7	20,271	4675	30.7	20,940	5344	34.3
4	19,375	23,881	4506	23.3	23,092	3717	19.2	22,890	3515	18.1
5	16,960	18,706	1746	10.3	20,170	3210	18.9	18,990	2030	12.0
6	14,273	16,406	2133	14.9	17,238	2965	20.8	16,390	2117	14.8
7	18,235	23,881	5646	31.0	23,092	4857	26.6	22,890	4655	25.5
8	15,816	17,556	1740	11.0	18,699	2883	18.2	17,960	2144	13.6
9	15,956	18,131	2175	13.5	19,434	3478	21.8	18,940	2384	14.9
10	16,029	20,696	4667	29.1	20,271	4242	26.5	20,940	4911	30.6
11	15,386	18,706	3320	21.6	20,170	4784	31.1	18,990	3604	23.4
12	16,556	17,556	1000	6.0	18,699	2143	12.9	17,690	1134	6.8
13	18,732	23,881	5149	27.5	23,092	4360	23.3	22,890	4158	22.2
14	18,805	23,881	5076	27.0	23,092	4287	22.8	22,890	4085	21.7

NOTE: 1980-81 Salary Schedule

CONTINUED ON NEXT PAGE

ASSOCIATE PROFESSORS

	<u>Kalispell</u>	<u>Diff</u>	<u>%</u>	<u>Miles</u> <u>City</u>	<u>Diff</u>	<u>%</u>	<u>Msla</u> <u>Elem</u>	<u>Diff</u>	<u>%</u>	<u>Columbia</u> <u>Falls</u>	<u>Diff</u>	<u>%</u>
1	25,800	2094	8.8	22,630	(1076)	(04.5)	24,349	643	2.7	25,654	1948	8.2
2	25,300	6347	33.5	22,630	3677	19.4	23,749	4796	25.3	25,654	6701	35.4
3	17,535	1321	8.1	16,120	(94)	(00.6)	16,869	655	4.0	18,718	2504	15.4
4	25,800	5627	27.9	22,630	2457	12.2	23,749	3576	17.7	25,654	5481	27.2
5	20,360	(1334)	(06.1)	18,720	(2974)	(13.7)	19,621	(2073)	(09.6)	21,030	(664)	(03.1)
6	25,800	1182	4.8	22,630	(1988)	(08.1)	24,349	(269)	(01.1)	25,654	1036	4.2
7	20,360	(2066)	(09.2)	18,720	(3706)	(16.5)	19,621	(2805)	(12.5)	12,030	(1396)	(06.2)
8	25,800	3462	15.5	22,630	292	1.3	24,349	2011	9.0	25,654	3316	14.8

ASSISTANT PROFESSORS

	<u>Kalispell</u>	<u>Diff</u>	<u>%</u>	<u>Miles</u> <u>City</u>	<u>Diff</u>	<u>%</u>	<u>Msla</u> <u>Elem</u>	<u>Diff</u>	<u>%</u>	<u>Columbia</u> <u>Falls</u>	<u>Diff</u>	<u>%</u>
1	25,300	8774	53.1	22,630	6104	36.9	23,749	7223	43.7	25,654	9128	55.2
2	25,800	6995	37.2	22,630	3825	20.3	23,749	4944	26.3	25,654	6849	36.4
3	23,025	7429	47.6	21,550	5954	38.2	21,646	6050	38.8	23,342	7746	49.7
4	25,800	6425	33.2	21,550	2175	11.2	23,749	4374	22.6	25,654	6279	32.4
5	20,360	3400	20.0	18,720	1760	10.4	19,621	2661	15.7	21,030	4070	24.0
6	17,535	3262	22.9	16,120	1847	12.9	16,869	2596	18.2	18,718	4445	31.1
7	25,300	7065	38.7	22,630	4395	24.1	23,749	5514	30.2	25,654	7419	40.7
8	18,950	3134	19.8	17,420	1604	10.1	18,245	2429	15.4	19,874	4058	25.7
9	19,655	3699	23.2	18,070	2114	13.2	18,933	2977	18.7	20,452	4496	28.2
10	23,025	6996	43.6	21,550	5521	34.4	21,646	5617	35.0	23,342	7313	45.6
11	20,360	4974	32.3	18,720	3334	21.7	19,621	4235	27.5	21,030	5644	36.7
12	18,950	2394	14.5	17,420	864	5.2	18,245	1689	10.2	19,874	3318	20.0
13	25,800	7068	37.7	22,630	3898	20.8	23,749	5017	26.8	25,654	6922	37.0
14	25,800	6995	37.2	22,630	3825	20.3	23,749	4944	26.3	25,654	6849	36.4



TENTATIVE BUDGET  
1981-1983 BIENNIUM  
WESTERN MONTANA COLLEGE

Introduction

The following pages present a broad, tentative allocation of funds for the 1981-83 biennium for Western Montana College as proposed by the Legislative Fiscal Analyst. The administration of the college has supported the Fiscal Analyst's Office in relating expenses of Higher Education in Montana to that of peer institutions in the surrounding states. From the beginning, it has been understood that each campus differs sufficiently from the peer averages so that final allocations must sufficiently allow for these differences. There are several facts relating to the peer comparisons as they pertain to Western Montana College.

1. Not only is Western Montana College the smallest of the six Montana System Units, but is among the smallest of the institutions used in the peer comparisons. To be specific, peer institutions used for the Colleges averaged 2,600 students in enrollment, whereas WMC is an institution of less than 1,000.
  
2. In matters of salary, although ten states were represented in the survey of the entire system, the smaller units were compared with peer institutions in the states of North Dakota, South Dakota, New Mexico and Nebraska. The distortion of this limited and skewed comparison requires WMC to support the peer institution comparison of the College and University Personnel Association

(CUPA) survey as proposed by the Board of Regents and presented by the Commissioner of Higher Education.

3. The proposal of contingency funds to supplement unexpected enrollments during the coming biennium is certainly a welcome addition compared to past practices. It is requested that there be, however, a review of the projected enrollment for Western Montana College for the biennium based upon current statistics. Recent trends and student application pools strongly reflect a continuing upward movement in enrollment for at least the first year of the biennium. This is in contrast to earlier projections. It is believed to be in the best interest of all concerned that the most realistic projections for the coming biennium be implemented into the funding formula up front.

#### Instruction

Obviously, high academic standards of instruction must be maintained and improved. Currently, Western Montana College provides for its students competent, full-time instructors who participate in the community life, counseling services, and out-of-class activities. Consequently, the need for competitive salaries to maintain and attract quality personnel is a key factor. No aspect of funding is more critical. The sparse salary increments mandated by the Federal government for the current biennium coupled with double digit inflation have necessitated cut backs and stifled growth in this crucial area. For this reason, Western Montana College strongly advocates the peer salary comparisons as reported by CUPA and proposed by the Regents, rather than the limited sample of peer institutions reflected in the Legislative Fiscal Analyst's proposals.

Currently, the average annual compensation for the WMC faculty is \$22,085. The current negotiated average compensation wage is \$22,945. The difference between actual and negotiated is due to the resignations of experienced faculty members prior to the Autumn Quarter, 1980. The Legislative Fiscal Analyst's recommended faculty wage for AY 1982 is \$24,336. This is an increase of 6% from the negotiated rate, which will be extremely difficult to defend at the upcoming bargaining table. Similarly, the validity of enrollment projections for the coming biennium is most pertinent to budgeting for the total number of faculty members. Therefore, the administration repeats the request that a hard look at current reports and trends be reviewed before totals are made final.

The ensuing charts reflect the LFA's projected enrollment decline, and the necessarily implied adjustments to faculty levels. WMC's data strongly undermines the enrollment assumptions, and hence presents the budget most tentatively at this point in time.

PROGRAM: Instruction

	1980-81		1981-82		1982-83	
	FTE	Amount	FTE	Amount	FTE	Amount
Faculty FTE	40.53	\$873,136	39.29	\$956,161	39.29	\$1,042,246
GTA FTE	1.04	13,260	1.04	14,294	1.04	15,751
Staff FTE	3.48	36,545	3.48	39,626	3.48	43,192
TOTAL FTE	45.05	\$922,941	43.81	\$1,010,081	43.81	\$1,101,189
Personal Services	45.05	\$922,941	43.81	\$1,010,081	43.81	\$1,101,189
Operations		91,828		98,991		104,630
Capital		19,946		21,502		22,000
TOTAL	45.05	\$1,034,715	43.81	\$1,130,574	43.81	\$1,227,819

Academic Support

The academic budget provides for the functions of the Academic Dean, the Dean of Education, the Dean of Continuing Education, the Art Gallery, and the Library.

Development of the library is a particular challenge. The recently approved programs in Human Resource Management and Natural Heritage need adequate funding. The proposed budget is based on the American Library Association Standards for College Libraries. Currently, Western is at a low "C" level according to the standards. Present strategy calls for purchases sufficient to bring the library to a high "B" level within the next five years. Such a thrust will require not only major incremental resources for purchasing of publications but funds for technical processing personnel.

Western Montana College is fully committed to joining with other units of the system in establishing a modern, technically sophisticated inter-library network.

PROGRAM Academic Support

	1980-81		1981-82		1982-83	
	FTE	Amount	FTE	Amount	FTE	Amount
Faculty FTE						
GTA FTE						
Staff FTE	7.74	\$159,835	8.57	\$199,717	8.57	\$217,692
TOTAL FTE	7.74	\$159,835	8.57	\$199,717	8.57	\$217,692
Personal Services	7.74	\$159,835	8.57	\$199,717	8.57	\$217,692
Operations		38,891		41,925		45,698
Capital		24,953		25,000		30,000
TOTAL	7.74	\$223,679	8.57	\$266,642	8.57	\$293,390

The following chart breaks out the total Library budget from the Academic Support program:

PROGRAM Library

	1980-81		1981-82		1982-83	
	FTE	Amount	FTE	Amount	FTE	Amount
Faculty FTE						
GTA FTE						
Staff FTE	2.44	\$40,250	2.44	\$43,390	2.44	\$47,295
TOTAL FTE	2.44	\$40,250	2.44	\$43,390	2.44	\$47,295
Personal Services	2.44	\$40,250	2.44	\$43,390	2.44	\$47,295
Operations		11,749		12,665		13,805
Capital		24,953		25,000		30,000
TOTAL	2.44	\$76,952	2.44	\$81,055	2.44	\$91,100

Student Services

The student services budget reflects costs of maintaining offices of the Registrar, the Information Office, Financial Aids Office, the Admissions Office, and Offices of Counseling and Dean of Students. In addition, the charts present a separate accounting for Intercollegiate Athletics.

It should not be surprising that the College administration questions the validity of supporting Intercollegiate Athletics on a per capita student enrollment basis. The rich heritage in small college Intercollegiate Athletics for Western complements its traditional mission to train, among other teachers, coaches for the secondary schools of the region. It has carried on its tradition with pride and excellence,

and the endorsement of the intercollegiate program by the faculty along with the direct contribution of the student body to its sustenance are tributes to the importance of the program. To field intercollegiate teams in women's volleyball, basketball and track and men's football, basketball, wrestling and track strains the resources of the College, the Student Body, and general constituency. As was suggested in the earliest recommendation of the Fiscal Analyst, it makes a great deal of sense to fund intercollegiate athletics separately and with an eye to the programs sponsored, rather than on a per capita basis.

PROGRAM Student Services

	1980-81		1981-82		1982-83	
	FTE	Amount	FTE	Amount	FTE	Amount
Faculty FTE						
GTA FTE	.26	\$ 3,315	.26	\$ 3,574	.26	\$ 3,896
Staff FTE	17.38	312,767	16.38	312,269	16.38	340,373
TOTAL FTE	17.64	\$316,082	16.64	\$315,843	16.64	\$344,269
Personal Services	17.64	\$316,082	16.64	\$315,843	16.64	\$344,269
Operations		70,146		75,617		82,423
Capital		4,000		4,312		4,700
TOTAL	17.64	\$390,228	16.64	\$395,772	16.64	\$431,392

The following Chart breaks out the Intercollegiate Athletics budget from the Student Services program:

PROGRAM Intercollegiate Athletics

	1980-81		1981-82		1982-83	
	FTE	Amount	FTE	Amount	FTE	Amount
Faculty FTE						
GTA FTE	.26	\$ 3,315	.26	\$ 3,574	.26	\$ 3,895
Staff FTE	4.71	98,229	4.21	99,093	4.21	108,011
TOTAL FTE	4.97	\$101,544	4.47	\$102,667	4.47	\$111,906
Personal Services	4.97	\$101,544	4.47	\$102,667	4.47	\$111,906
Operations		39,343		42,412		46,229
Capital		3,840		4,140		4,512
TOTAL	4.97	\$144,727	4.47	\$149,219	4.47	\$162,647

Institutional Support

The Institutional Support budget provides for offices of the President, the Business Office, the Computer Center, and the Development programs. Administrators of student services and institutional support are, at WMC, on the low end of the salary spectrum. The Board of Regents has set minimum salaries for various officers in the institutions, and Western Montana College's administrators in the positions of Director of Fiscal Affairs, Director of Physical Plant, Director of Computer Services, Librarian and Director of Information are substantially below minimum levels. It is imperative that these inequities be addressed during the upcoming biennium in fairness to the capable, faithful service these officers render.

PROGRAM Institutional Support

	1980-81		1981-82		1982-83	
	FTE	Amount	FTE	Amount	FTE	Amount
Faculty FTE						
GTA FTE						
Staff FTE	13.03	\$264,572	13.4	\$293,950	13.4	\$320,406
TOTAL FTE	13.03	\$264,572	13.4	\$293,950	13.4	\$320,406
Personal Services	13.03	\$264,572	13.4	\$293,950	13.4	\$320,406
Operations		60,986		65,743		71,660
Capital		3,810		4,107		4,477
TOTAL	13.03	\$329,368	13.4	\$363,800	13.4	\$396,543



Operation and Maintenance of Plant

The WMC plant and grounds are among the best maintained in the System, thanks to diligent services of our maintenance personnel who have for years rendered services in excess of standard job descriptions. The costs of utilities, supplies and materials make the ongoing excellence of such maintenance a critical concern. It is estimated that utilities will increase during the upcoming biennium from an estimated \$162,000 in the current year to \$191,160 in the 1981-82, and to \$225,568 in 1982-83, a two year projected increase of almost 40%.

PROGRAM Operation & Maintenance of Plant

	1980-81		1981-82		1982-83	
	FTE	Amount	FTE	Amount	FTE	Amount
Faculty FTE						
GTA FTE						
Staff FTE	11.80	\$215,875	11.80	\$232,713	11.8	\$253,657
TOTAL FTE	11.80	\$215,875	11.80	\$232,713	11.8	\$253,657
Personal Services	11.80	\$215,875	11.80	\$232,713	11.8	\$253,657
Operations		191,520		206,459		225,040
Capital		16,637		9,000		10,920
TOTAL	11.80	\$424,032	11.80	\$448,172	11.8	\$489,617

Scholarships and Fellowships

We have considerable concern about the projected discretionary aid to students as proposed by the LFA formula. Discretionary waivers in the current year amounted to \$33,000, which supports 99 resident students in tuition waivers. The projection of \$27,055 in 1982 will support only 64 resident students. The projection of \$28,024 discretionary waivers in 1983 will support only 59 resident students. Although the proposed budget reflects the precise amount suggested in the LFA formula, this relative decline in student support will require careful consideration as we make final budgets for 1981-82 on the campus.

PROGRAM Scholarships & Fellowships

	1980-81		1981-82		1982-83	
	FTE	Amount	FTE	Amount	FTE	Amount
Faculty FTE						
GTA FTE						
Staff FTE						
TOTAL FTE						
Personal Services						
Operations						
Capital						
TOTAL		\$38,628		\$27,055		\$28,024

## Conclusions

The following summary of budgets presented herein is as follows:

<u>PROGRAM</u>	<u>1982</u>	<u>1983</u>
Instruction	\$1,130,574	\$1,227,819
Academic Support	266,642	293,390
Student Services	395,772	431,392
Institutional Support	363,800	396,543
Op & Maintenance of Plant	448,172	489,617
Scholarships & Fellowships	<u>27,055</u>	<u>28,024</u>
Total	\$2,632,015	\$2,866,785

It is re-emphasized that this summary is an allocation of funds as proposed by the LFA formula and enrollment projections. Current early trends in application pools, compared to previous years, strongly suggest an enrollment level of at least 850 FTE for 1981-82. However, if only the current year's level of 800 FTE is maintained, it will represent an increase of 50 student FTE which, by the proposed contingency formula, translates as follows:

### Calculation of Contingency Appropriation

Underestimate Student FTE	50
Avg. Gen. Fund Variable Cost per FTE X <u>\$2,295</u>	
Amount from Contingency Fund	\$114,750

This \$114,750 will fund 4.72 additional faculty members. These additional faculty when added to the current level represent a much more realistic projection of WMC's staffing needs for 1981-82.

In conclusion, it is requested the Legislature give serious consideration to the equitable level of faculty support in

Montana Higher Education, and pursue the track in future years of funding, not to average support of higher education but creatively identify resources supportive of quality higher education.

D

EASTERN MONTANA COLLEGE

Program Academic Support

NARRATIVE

In this area funds will be allocated above the inflation and salary increases in order to meet a partial list of positions included in our program modification requests approved by the Regents and submitted for your consideration. The Library at Eastern is seriously understaffed and we will in part address this problem. A portion of the funds would be used to narrow the gap between the number of professional librarians on the staff and the number recommended by the American Library Association. We are presently advertising for a new Library Director, whose salary will be above that of the acting incumbent, and the new Director will have the responsibility of selecting the additional staff in those areas considered to be most critical.

We will add a Dean of the School of Business and Economics and clerical support for that position. For the past two years, the Academic Vice President has doubled as an Acting Dean while we have watched the School of Business and Economics grow to approximately 1,000 majors. In order to have that school develop in a consistent and controlled fashion and relate well to the business community of Billings and Eastern Montana the Dean's position is critical.

The Library as the center of academic support for the campus and the School of Business and Economics as the rapidly growing academic unit will thus be significantly strengthened in a manner that will affect the entire campus and community. The footnotes below indicate the sums allotted for Library acquisitions and show the total budget.

	1980-81		1981-82		1982-83	
	FTE	Amount	FTE	Amount	FTE	Amount
Faculty	-	-	-	-	-	-
GTA	.77	\$ 10,000	.77	\$ 10,900	.77	\$ 11,881
Staff	27.29	557,183	31.29	725,416	31.29	789,917
Total						
Personal Services	28.06	\$567,183	32.06	\$ 736,316	32.06	\$ 801,798
Operations		\$ 95,839		\$ 110,340		\$ 120,271
Capital		172,079		192,728		199,922
Total		\$835,101 <sup>(1)</sup>		\$1,039,384 <sup>(2)</sup>		\$1,121,991 <sup>(3)</sup>

- 1) Includes \$124,000 for library book acquisition & total library budget of \$412,551
- (2) Includes \$138,880 for library book acquisition & total library budget of \$510,804
- (3) Includes \$146,075 for library book acquisition & total library budget of \$548,664

EASTERN MONTANA COLLEGE

Program Student Services

NARRATIVE

After adjusting the Student Services budget for inflation we propose some modest staff additions in this area. We plan to add a Women's Coach in response to our Title IX obligations, a Financial Aid Counselor to absorb some of the significantly increased load generated by expanded student loan programs, and a part-time Data Entry Technician to help with the computerized student records system.

Student Services at Eastern Montana College is in a precarious position since both our remedial program and the special programs for minority and women students are entirely dependent upon federal funding. Should that funding be lost with contraction of the federal budget we would face immediate reduction in the size of the program and internal reallocation to keep it alive.

The footnotes below indicate the amount assigned for Inter-collegiate Athletics in this proposed budget. That sum is an adjustment for inflation plus a Women's Coach.

	1980-81		1981-82		1982-83	
	FTE	Amount	FTE	Amount	FTE	Amount
Faculty						
GTA	.58	\$ 7,000	.58	\$ 7,630	.58	\$ 8,317
Staff	29.17	502,152	31.67	584,965	31.67	636,564
Total Personal Services	29.75	\$509,152	32.25	\$ 592,595	32.25	\$ 644,881
Operations		\$419,644		\$ 470,002		\$ 512,302
Capital		830		930		930
Total		\$929,626 <sup>(1)</sup>		\$1,063,527 <sup>(2)</sup>		\$1,158,113 <sup>(3)</sup>

(1) Includes \$262,029 for intercollegiate athletics

(2) Includes \$306,122 for intercollegiate athletics

(3) Includes \$333,563 for intercollegiate athletics

EASTERN MONTANA COLLEGE

Program: Institutional Support

NARRATIVE

The percentage of the budget committed to Institutional Support will, under this proposal, decrease slightly. We will add some part-time help for Data Entry and clerical support, but the major commitments of this total proposal are in other programs.

The institutional support capital budget has been reduced in the second year of the biennium in order to assure sufficient funds for a 9% inflation factor in operations and 15% in utilities as discussed earlier.

	1980-81		1981-82		1982-83	
	FTE	Amount	FTE	Amount	FTE	Amount
Faculty	-	-	-	-	-	-
GTA	-	-	-	-	-	-
Staff	42.81	\$ 740,215	44.10	\$ 819,842	44.10	\$ 891,631
Total Personal Services	42.81	\$ 740,215	44.10	\$ 819,842	44.10	\$ 891,631
Operations		\$ 362,005		\$ 405,446		\$ 441,936
Capital		\$ 63,385		\$ 70,991		\$ 46,303
Total		\$1,165,605		\$1,296,279		\$1,379,870

EASTERN MONTANA COLLEGE

Program Operation and Maintenance of Plant

NARRATIVE

We will reestablish a Groundskeeping position previously lost and add the three Custodial positions for new space added since the last Legislative Session as a modest staffing increase for the Physical Plant. With the above alterations, the percentage of the budget committed to the Physical Plant would decline. We show an increase, however, since we project a 30% rise in utilities for the first year and a 15% rise in the second year. The dramatic first year rise relates to Eastern's location as the only university unit served by MDU which is just now beginning dramatic price increases.

The capital budget in this category has been reduced in the second year of the biennium to cover the projected 9% inflation factor in operations and 15% for capital. Physical Plant has been designated for reductions in order to preserve the capital budget in the instructional program and the library.

	1980-81		1981-82		1982-83	
	FTE	Amount	FTE	Amount	FTE	Amount
Faculty	-	-	-	-	-	-
GTA	-	-	-	-	-	-
Staff	29.32	\$ 429,172	33.32	\$ 509,356	33.32	\$ 554,576
Total Personal Services	29.32	\$ 429,172	33.32	\$ 509,356	33.32	\$ 554,576
Operations		\$ 785,134		\$ 962,110		\$1,074,191
Capital		69,543		77,888		51,200
Total		\$1,283,849 <sup>(1)</sup>		\$1,549,354 <sup>(2)</sup>		\$1,679,967 <sup>(3)</sup>

(1) Includes utility costs of \$311,435

(2) Includes \$ 19,989 utility costs for new facilities and total utility costs of \$424,855

(3) Includes utility costs of \$488,583



EASTERN MONTANA COLLEGE

Program Scholarships and Fellowships

NARRATIVE

Mandatory Fee Waivers are deleted since it is proposed that funds for those fee waivers will be appropriated to the Commissioner's Office for distribution to the units.

	1980-81		1981-82		1982-83	
	FTE	Amount	FTE	Amount	FTE	Amount
Faculty						
GTA						
Staff						
Total Personal Services						
Operations						
Capital						
Fee Waivers		\$180,612		\$110,137		\$116,931
Total		\$180,612		\$110,137		\$116,931

## EASTERN MONTANA COLLEGE

### SUMMARY

Planning this very tentative two year internal distribution of funds for the new biennium has proved valuable for us, and we trust it provides you with the information you need. This budget would have a significant impact on the quality of our service to Montana students. We will begin to address the serious staffing problem in the Library, provide the essential leadership for the School of Business and Economics, bring the student/faculty ratio back in line, and slightly increase support in other areas. But three major problems remain.

First, the Budget Analysis does not address the continuing lag of faculty salaries. The expectation created by the interim study is not met when faculty salaries continue to increase more slowly than inflation, and when the average compensation remains at 90% of the universities.

Second, this presentation should illustrate clearly that there are not sufficient funds to cover replacement of the computer and the other large cost items.

Third, we are very concerned by the need to cut capital in the second year of the biennium rather than increase it by an appropriate inflation factor. We run the risk of falling behind again only one year after the adjustment provided by the interim study.

Overall, I have tried to present a careful, balanced account of what we can see as Eastern's future with this budget. I do not want to minimize the significant improvement this proposal represents. Thank you for this opportunity to testify.

## RESPONSE TO THE EDUCATION SUBCOMMITTEE

I. Introduction

The University of Montana is pleased to respond to the request for information regarding allocation of the funds generated through application of the formula concepts. We wish to emphasize that, although we have devoted a great deal of time and have attempted to involve appropriate people in developing these allocations, they remain tentative. To determine the best possible use of the additional funds generated by the formula, the University must continue analysis of the needs of each unit. In addition, the uncertainties of collective bargaining introduce a further complication. Under these circumstances it is imperative that the Legislature permit the University maximum flexibility in the allocation of resources.

Although we have indicated how we would allocate the funds generated by the Legislative Fiscal Analyst's recommendation, the University of Montana strongly advocates the Board of Regents' budget request.

The Board of Regents has requested a twelve percent salary increase each year of the biennium. We believe this level of increase is extremely important. Only at this level can salaries within the University System keep pace with inflation.

The Regents have requested funding of program modifications for the System and the University of Montana each year of the biennium. Those requested for the System include research, library acquisitions, the cooperative MBA program in Billings and the Washington Library Network. The requests for the University include increases for organized research, computing and data entry equipment and start-up costs for a Masters in Social Work. The Legislative Fiscal Analyst's budget does not address these requests.

The Legislative Fiscal Analyst's budget includes approximately one million dollars per year to be apportioned among the campuses for added maintenance. The University's probable share of this amount would only allow us to continue our current level of routine maintenance. It would not address our extensive problem of deferred maintenance.

Therefore, we request favorable consideration of the Regents' program modifications for the System as a whole and those for the University of Montana, including our request for deferred maintenance.

In the following sections we have specified expenditures for each of the programs for each year of the biennium, listed the number of FTE employees, and the division of expenditures among personal services, operations and capital. We have separately indicated potential expenditures for libraries, library acquisitions and athletics.

To compensate for inflation already experienced as well as anticipated, certain across-the-board adjustments have been proposed for the respective programs. Those adjustments are: (1) a 25 percent increase to the FY 81 base for operations in all enrollment-driven programs; (2) a doubling of the temporary and part-time FY 81 base budgets in enrollment-driven programs; (3) a 25 percent addition to the FY 79 capital expenditure base for libraries plus a 10 percent increase to that base for each year of the biennium; (4) a 9 percent increase in all salaries for each year of the biennium; (5) a 10 percent increase in operations for each year of the biennium and; (6) a 20 percent increase in utilities for each year of the biennium. Fringe benefits were estimated at 18 percent in both years of the biennium. The major increases above these adjustments are addressed in a brief summary for each program.

The Committee only requested us to indicate how we would allocate the proposed LFA budget. However, we must call your attention to a major problem. We believe the income estimates developed by the Fiscal Analyst for the non-general fund sources are substantially higher than will be realized. The LFA budget includes \$98,550 and \$107,100 respectively for the two years of the biennium for indirect cost recoveries that are not applied against the formula generated costs and these amounts were included in our preliminary budgets for the enrollment-driven programs. However, the Legislative Fiscal Analyst is projecting indirect costs at \$657,000 during FY 82 and \$714,000 during FY 83; we anticipate recovering \$550,000 and \$580,000 respectively which means a projected shortfall of \$107,000 in FY 82 and \$134,000 in FY 83.

We disagree not only with the indirect cost recovery estimates, but the total non-general fund income projections for the University of Montana. The total of all non-general fund sources as estimated by the Fiscal Analyst is \$6,572,379 for FY 82 and \$7,074,398 for FY 83; our comparable estimates are \$6,375,731 and \$6,865,671 respectively, or a projected non-general fund shortfall of \$196,648 in FY 82 and \$208,727 in FY 83. If our projections are correct, it would mean that the University could not fund \$405,375 of the budget proposed by the Legislative Fiscal Analyst for the 1981-83 biennium.

## II. Program: Instruction

The University proposes 448.10 FTE (424.33 + 23.77) teaching faculty for the first year of the biennium and 448.60 FTE (424.83 + 23.77) for the second year. The average compensation level for faculty would be \$29,037 in the first year and \$31,650 the second year. This would achieve the adjustment as proposed by the LFA as well as the 9 percent increase each year of the biennium. The University would allocate a portion of the increase as a "normal" increment each year to continuing faculty. A significant amount of the increase would be available for promotion, merit adjustments, and market adjustments. Responding to meritorious performance and to the extraordinary national market pressures in such disciplines as accounting, geology, computer science, etc., is absolutely crucial. We would propose less than normal increases in those cases where performance did not meet standards.

We reiterate the importance of achieving the Regents' proposed salary increase for the faculty in order to maintain quality in our academic programs.

Staff (secretarial personnel, technicians, laboratory support personnel, temporary and part-time, etc.) would increase 19.07 FTE. This would be achieved through the across-the-board adjustment in temporary and part-time help discussed in the Introduction as well as selective additions for secretarial support, technicians, and laboratory support personnel in programs experiencing strong student demand.

As described in the Introduction, the operations budget for instructional units would be increased by the 25 percent base adjustment plus the 10 percent increase for each year of the biennium. Additional selective increases would be made to reflect enrollment increases, e.g., Business, certain special cost increases, e.g., laboratory supplies, opportunities for faculty to travel to present research findings, etc.

Most of the \$202,365 capital base for 1980-81 is being held as a reserve. The allocation of \$155,105 and \$157,416 would permit a modest capital base for the instructional program.

Our expenditure plan would provide a faculty slightly increased from present size. A significant step toward better compensation would be achieved. There would be better staff support for direct instruction. A major restoration of the capability of programs to buy supplies and services would occur through the significantly increased operations budgets. There would be a modest, but important, allocation for capital acquisition to the instructional programs.

II. Program: Instruction, continued

	<u>1980-81</u>		<u>1981-82</u>		<u>1982-83</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Faculty	409.95	\$10,243,610	424.33	\$12,321,183	424.83	\$13,445,766
GTA	49.67 <sup>1</sup>	633,300	23.77 <sup>2</sup>	690,297	23.77	752,424
Staff	94.54	1,303,780	113.61	1,651,105	113.61	1,802,148
TOTAL	<u>554.16</u>	<u>\$12,180,690</u>	<u>561.71</u>	<u>\$14,662,585</u>	<u>562.21</u>	<u>\$16,000,338</u>
Personal Services	554.16	\$12,180,690	561.71	\$14,662,585	562.21	\$16,000,338
Operations		976,558		1,499,525		1,672,403
Capital		202,865		155,105		157,416
TOTAL	<u>554.16</u>	<u>\$13,360,113</u>	<u>561.71</u>	<u>\$16,317,215</u>	<u>562.21</u>	<u>\$17,830,157</u>

<sup>1</sup> GTA FTE are presently based on \$12,750 per 1.00 FTE according to guidelines from the Commissioner of Higher Education.

<sup>2</sup> The actual number of GTAs does not change, but to avoid confusion in comparing total faculty FTE with the LFA recommendation, the FTE for GTAs has been calculated by dividing the anticipated GTA budget by \$29,037.

III. Program: Research

The budget for research is devoted primarily to organized research units such as the Bureau of Business and Economic Research and the Wood Chemistry Laboratory. These units already have made significant contributions over a wide spectrum of topics such as various aspects of the Montana economy, forest fire control and the use of forest waste products and respiratory illnesses. The present budget also makes provision for research development and provides equipment matching funds when that becomes necessary under a contract or grant.

Even with the special additions of \$50,000 and \$100,000 in the current biennium, support for these units is at a minimal level. Some units, such as the Bureau of Business and Economic Research, can not respond to many requests for service and help because of limited resources. The proposed budget does not make any major additions beyond inflation; it barely maintains these units at a minimal level. There is no provision for increased service to the State. For this reason we strongly urge favorable consideration of our program modification request for organized research of \$75,000 each year of the biennium.

III. Program: Research

	<u>1980-81</u>		<u>1981-82</u>		<u>1982-83</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Personal Services	11.63	\$230,657	11.67	\$254,433	11.67	\$277,331
Operations		73,616		84,531		96,156
Capital		33,000		35,000		35,000
TOTAL	<u>11.63</u>	<u>\$337,273</u>	<u>11.67</u>	<u>\$373,964</u>	<u>11.67</u>	<u>\$408,487</u>

IV. Program: Public Service

Public service, along with instruction and research, is one of the three primary functions of a university. The Public Service Program is intended to provide educational activities and services beyond traditional classroom instruction to the people of Montana, both on the campus and throughout the state. The major University of Montana public service activities are the Montana Repertory Theatre, the public radio station KUFM, the Western Montana Health Education Council, Public Relations and University Relations.

The LFA recommendations for the Public Service Program do not make any additions beyond inflation. There is no provision for new or expanded services, and in some cases activities would be forced to continue to offer services at minimal levels.

IV. Program: Public Service

	<u>1980-81</u>		<u>1981-82</u>		<u>1982-83</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Personal Services	4.69	\$96,459	4.71	\$105,553	4.71	\$115,516
Operations		75,502		64,931		70,750
Capital		-0-		-0-		-0-
TOTAL	<u>4.69</u>	<u>\$171,961</u>	<u>4.71</u>	<u>\$170,484</u>	<u>4.71</u>	<u>\$186,266</u>



V. Program: Academic Support

The across-the-board adjustment in temporary and part-time, plus certain selective additions, would increase the staff by 14.09 FTE in the first year and an additional 2.12 FTE in the second year. These would be directed toward strengthening academic administration, both centrally and at the deans' level, and adding support personnel in areas such as libraries and Instructional Materials Service.

The 25 percent base adjustment plus the 10 percent per year increase would be applied to the operations base. Selective increases beyond those levels would be allocated to meet certain problems such as faculty development, recruitment costs in high demand areas, increased student access to computer terminals, etc.

The across-the-board increases discussed in the Introduction would represent a 56 percent increase in the capital base for both libraries (Mansfield and Law). Despite that dramatic increase, the importance of the University System program modification requests which address supplementation of library collections and participation in the Washington Library Network should be emphasized. Neither need would be covered within this proposed allocation.

Apart from the library capital adjustment, an increase could be available for the Instructional Materials Service and other academic support programs. The intent in allocating the increases in the academic support area would be to: 1) begin to restore the capabilities of the libraries for an acceptable acquisitions program; 2) add personnel in a very selective fashion to provide improved service to students (in libraries, in academic administrative offices, etc.) and to provide strength to academic administration for a more efficient and better managed program; and 3) provide a significant increase in operations to compensate for inflation. The emphasis is not on new efforts but on providing support to perform current services.

V. Program: Academic Support

	<u>1980-81</u>		<u>1981-82</u>		<u>1982-83</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Personal Services	84.86	\$1,703,093	98.95	\$2,174,288	100.07	\$2,381,43
Operations		174,879		262,481		289,08
Capital		521,250		1,063,206		1,150,09
TOTAL	<u>84.86</u>	<u>\$2,399,222</u>	<u>98.95</u>	<u>\$3,499,975</u>	<u>100.07</u>	<u>\$3,820,61</u>

Academic Support, continued

Libraries:

	1980-81		1981-82		1982-83	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Staff	46.71	\$ 899,562	58.07	\$1,001,866	59.07	\$1,104,434
Operations		45,982		63,226		69,548
Acquisitions		500,750		767,542		860,111
Other Capital		<u>16,000</u>		<u>45,000</u>		<u>33,685</u>
Total Capital		<u>516,750</u>		<u>812,542</u>	59.07	<u>893,796</u>
TOTAL	<u>46.71</u>	<u>\$1,462,294</u>	<u>58.07</u>	<u>\$1,877,634</u>	<u>59.07</u>	<u>\$2,067,778</u>

VI. Program: Student Services

Under the LFA budget we tentatively allocated \$2,496,971 and \$2,708,050 to Student Services for FY 82 and FY 83 respectively. After making the adjustments described in the Introduction, \$259,681 is available in the first year and \$261,198 in the second year to address critical issues related to student services. Most of the available dollars would be spent in addressing two major problems: compliance with Title IX (precludes sex discrimination in intercollegiate athletics) and adequate staffing for the burgeoning student financial aid program and its attendant problems of adherence to federal regulations, including auditing, collections and documentation. Also, money would be allocated to strengthen the Admission's Office and the counseling program for students. In the case of Admissions, the University could achieve the goal of a timely response to inquiries and prompt notification of a student's admission status.

VI. Program: Student Services

	<u>1980-81</u>		<u>1981-82</u>		<u>1982-83</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Personal Services	69.29	\$1,217,753	80.06	\$1,534,389	80.06	\$1,672,484
Operations		596,763		931,182		1,024,266
Capital		19,450		31,400		11,300
<b>TOTAL</b>	<u>69.29</u>	<u>\$1,833,966</u>	<u>80.06</u>	<u>\$2,496,971</u>	<u>80.06</u>	<u>\$2,708,050</u>

As requested by the Committee, the proposed budget for intercollegiate athletics is detailed below (it also was included in the program totals shown above).

Intercollegiate Athletics:

	<u>1980-81</u>		<u>1981-82</u>		<u>1982-83</u>	
	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>
Staff	18.94	\$405,949	25.06	\$ 552,860	25.06	\$ 602,617
Operations	-	293,623	-	463,832	-	510,182
Capital	-	-0-	-	11,300	-	11,300
<b>TOTAL</b>	<u>18.94</u>	<u>\$699,572</u>	<u>25.06</u>	<u>\$1,027,992</u>	<u>25.06</u>	<u>\$1,124,099</u>

VII. Program: Institutional Support

Under the LFA budget we propose making a tentative allocation of \$3,015,783 and \$3,254,563 respectively in FY 82 and FY 83 for institutional support. After making the adjustments described in the Introduction, the remaining funds to address major problems are \$309,402 and \$295,145 in FY 82 and FY 83 respectively. This allocation provides a total of 104.20 full-time equivalent employees for both years of the biennium or an increase of approximately 16 FTE.

Institutional support represents a diverse group of activities ranging from some central administrative offices to those providing support services such as Publications and Media Relations, Mail Service and Security. The across-the-board increases and the remaining funds would enable the University to add support personnel in the President's Office, Mail Service, Internal Audit and the Controller's Office. The proposal also allows us to develop and sustain an adequate program to inform prospective students of the academic programs available at the University. In addition, we propose reserving a small amount of the total for accrued annual and sick leave benefits for faculty and contract professionals when they terminate employment.

As is the case elsewhere in the University, the capital budget has declined relatively and absolutely over the past several years as we borrowed from this area to cover inflationary increases and other unexpected expenditures. Thus, the final major goal is to provide some of these administrative and support offices with modern equipment such as automated stamp posting machines, security communications and computer terminals and the replacement of some routine types of equipment such as typewriters and calculators.

VII. Program: Institutional Support

	<u>1980-81</u>		<u>1981-82</u>		<u>1982-83</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Personal Services	88.33	\$1,463,708	104.20	\$1,954,186	104.20	\$2,125,560
Operations		684,708		994,763		1,096,067
Capital		41,258		66,834		32,936
<b>TOTAL</b>	<u>88.33</u>	<u>\$2,189,674</u>	<u>104.20</u>	<u>\$3,015,783</u>	<u>104.20</u>	<u>\$3,254,563</u>

VIII. Program: Operation and Maintenance of Physical Plant

The Physical Plant is a non-enrollment driven program within the LFA budget. This budget provides an 18.6 percent increase from FY 81 to FY 82 and a 9.5 percent increase from FY 82 to FY 83. Assuming a 20 percent per year increase in the cost of utilities (over the revised base which includes the supplemental) sufficient dollars remain in the first year of the biennium to increase the FY 81 capital and operations base, excluding utilities, by 10 percent and salaries by 9 percent. In the second year the budget would be \$119,224 short of the amount required to provide the 10 percent increase in operations and the 9 percent increase in salaries available to other programs.

Also, this program will not be increased by the 25 percent across-the-board adjustment in operations or the doubling of temporary and part-time help included in the enrollment-driven programs. The impact of not having any across-the-board increases for Physical Plant is very serious. For example, the level of custodial services has been reduced almost every year since 1973. The University is now at the point that offices are not cleaned regularly, windows are not even washed once a year and carpets are cleaned only once a year.

In short, the LFA budget (excluding the allocation from the Commissioner's Office) will preclude us from restoring services to previous levels and addressing any additional routine or deferred maintenance problems. Further, in the second year of the biennium an already meager level of service would be reduced. Finally, even presuming that approximately \$355,000 of the amount suggested for the System would be allocated to the University, over one-half of that amount could be used in the custodial and grounds area without addressing maintenance. Consequently, the program modification request continues to be a high priority for the University.

VIII. Program: Operation and Maintenance of Physical Plant

	<u>1980-81</u>		<u>1981-82</u>		<u>1982-83</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Personal Services	47.41	\$769,054 <sup>1</sup>	47.71	\$823,480	47.71	\$897,593
Operations		2,144,874 <sup>1</sup>		2,634,354 <sup>2</sup>		2,890,063 <sup>2</sup>
Capital		38,528		42,381		46,619
<b>TOTAL</b>	<u>47.41</u>	<u>\$2,952,456</u>	<u>47.71</u>	<u>\$3,500,215<sup>3</sup></u>	<u>47.71</u>	<u>\$3,834,275<sup>3</sup></u>

<sup>1</sup> Includes utility supplemental.

<sup>2</sup> Includes new space costs.

<sup>3</sup> Excludes UM share of maintenance appropriation to System.

IX. Program: Scholarships/Fellowships

We support the LFA recommendation to appropriate mandatory fee waivers to the office of the Commissioner of Higher Education. An analysis indicates that the formula proposed by the LFA for discretionary waivers would allow us to offer approximately the same number of waivers as are currently budgeted.

IX. Program: Scholarships/Fellowships

	<u>1980-81</u>		<u>1981-82</u>		<u>1982-83</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Operations		\$554,373		\$545,078		\$578,212

## Summary

As our responses for the various program areas indicate, the budget proposed by the Legislative Fiscal Analyst will provide the following:

1. In Instruction:
  - a. Inflation adjustments in personal services and operations
  - b. A faculty slightly increased in size
  - c. A significant step toward better compensation
  - d. Increased staff support
  - e. A major restoration of funds for supplies and services
  - f. A modest, but important, allocation for capital
2. In Research:
  - a. Inflation adjustments in personal services and operations
  - b. A small increase in capital
3. In Public Service:
  - a. Inflation adjustments in personal services
4. In Academic Support:
  - a. Inflation adjustments in personal services, operations and capital
  - b. A major restoration of the libraries' acquisitions program
  - c. Selective personnel additions to strengthen academic administration
  - d. Possible additions of capital in Instructional Materials Service and other academic support programs
5. In Student Services:
  - a. Inflation adjustment in personal services and operations
  - b. Compliance with Title IX in Athletics
  - c. Added staffing in financial aids
  - d. Strengthening the admissions and counseling programs for students
6. In Institutional Support:
  - a. Inflation adjustments in the categories of personal services and operations
  - b. An increase in capital to replace and add equipment
  - c. Additional support personnel in the President's Office, Mail Service, Internal Audit, Publications and Media Relations and Controller's Office
  - d. A reserve for accrued sick and annual leave benefits due faculty and contract professionals when they leave the employment of the University

7. In Physical Plant:

- a. Inflation adjustments for the first year of the biennium in personal services and operations and the dollars to partially fund such an adjustment in the second year
- b. Inflation adjustments for capital in the biennium

8. In Scholarships and Fellowships:

- a. Funds to offer approximately the same number of discretionary waivers as are currently budgeted

The proposed budget will not provide the following:

1. In Instruction:

- a. The level of salary increase for faculty proposed by the Regents (12 percent)

2. In Research:

- a. Funds necessary to increase organized research and expand service to the State

3. In Public Service:

- a. Funds for new or expanded services to the State

4. In Academic Support:

- a. Funds to supplement library collections and participation in the Washington Library Network

5. In Physical Plant:

- a. Funds to complete the inflation adjustments in personal services and operations during the second year of the biennium
- b. Increased dollars to restore custodial services to pre-1973 levels
- c. Funds to address deferred maintenance or increase routine maintenance above present levels

6. In Scholarships and Fellowships:

- a. The addition of discretionary waivers above the present level

As we have indicated, certain critical needs are not addressed in the proposed budget. Therefore, we urge the Committee to consider favorably:

1. The Regents' salary request of 12 percent per year
2. The System and the University program modification requests,



especially those that deal with maintenance, libraries and organized research

3. The Long Range Building Program that will provide funding for major maintenance projects and new construction

Finally, we must again point out to the Committee that our income projections suggest a biennial shortfall of \$405,375. We recommend that staff from the Commissioner's Office, the University and the Office of the Legislative Fiscal Analyst be convened to resolve the differences in revenue estimates.

Statement of Howard Reinhardt, Professor of Mathematics and  
President of the University Teachers' Union, University of  
Montana, Missoula

Recent work by our Bureau of Business and Economic Research shows that in 1970 the University payroll was (1972 dollars) \$15.9 million. This had dropped by 1979 to \$14.3 million (measured again in 1972 dollars.) The enrollments in the fall quarter of these two years were, respectively, 8,393 and 8,376.

We were serving the same number of students, but with fewer staff members and at lower salaries. Data for the current year will show more students and a further reduction of resources. The reduction in resources without a corresponding reduction in demand affects all parts of the University. We are here this week to give further testimony to the need for and the return of investment by the state in the University system.

Let me comment briefly on how each area of the budget impacts the work of the professor and his or her mission in the University.

In the area of instruction, such things as test tubes and calculators are in short supply. Parttime help for assistance in laboratories, clerical duties and paper grading would free the professor for other activities. There has been essentially no travel budget in the College of Arts and Sciences for the last two years. Travel to share newest developments with others in our disciplines has an immediate effect on our students.

The research budget supports research which is sometimes of direct and immediate use to Montanans--much of the work of the Bureau of Business and Economic Research is of this nature. Work of a young colleague in operations research has resulted in a large increase in the efficiency of the Great Falls school bus system. These are only two of the better known examples.

In addition to benefits to the state, research immediately touches our students. Reciting learning comes only from an informed and enthusiastic faculty.

In the area of academic support, let us take the matter of the library acquisition. The library collection is the heart of the University, and must remain strong for the health of the University. This fall I was told by my chairman I could order one book for the library, and when I suggested a recent \$40 monograph, I was told he hadn't meant a book that expensive. The cost of library materials has increased more rapidly than inflation itself. Similarly, the needs in computer capability are great--particularly for the training of students who are entering an adulthood when computers will influence every aspect of our lives.

Our Admissions Office, our Registrar's Office, Our Physical Plant provide fewer services than are required in a modern university. Photographs of my own building look like illustrations for an expose of slum life in an urban ghetto.

The University has asked for program modifications--for organized research, for deferred maintenance, for computer equipment, and for starting costs for a graduate program in social work. All of these are important matters not addressed through formula funding. I would be pleased to answer specific questions you might have about these programs.

The University has served the state well and I am thankful to be a part of that service; but we cannot continue to provide that service without support from the state. The support is measured in good wishes--which I am sure you give us--but also in an appropriation adequate to do that job.

We are sometimes asked what the state can expect in return

for its investment. I would say not only good accountants, excellent lawyers and good advice about farm woodlots, but also something more important. Benjamin Disraeli said that a university is a place of light, liberty and learning. These three "L"s are our major product. The enlightened, educated and free young men and women are the greatest gift the state can give itself.

VISITORS' REGISTER

HOUSE JOINT APPROPRIATION SUBCOMMITTEE

EL WMC, EMC, UofM

ON EDUCATION

Date February 10, 1981

SPONSOR

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPO
Tom Briggs	Dillon, Mt.	Western	—	
W. Brummen	Helena MT	<del>Self</del> Self + UofM	✓	
Katy Nelson	"	U of M	—	
Margie Donovan	Helena, Mt.	U of M	✓	
E. Johnson	Helena, Mt.	U of M	✓	
Steve Carey	Helena	AS U M	Q	
Wald Shanahan	Helena	U of M alumni	✓	
Howard Lehto	Missoula	Faculty U of M	✓	
ALAN STEPHANIEK	MISSOULA	U of M	✓	
John Apores	Missoula	U of M	✓	
Tom Schwank	Missoula	alumni	✓	
Tom Davis (Assistant)	Missoula		✓	
Archie J. Steinhilber	Missoula		✓	
Beth L. St. John	Missoula (Hotel)		✓	
Shel Doyle	Missoula		✓	
GAIL V. JOHNSON	Missoula	MSIA BUSINESS	✓	
J. Altman	MISSOULA	MSIA BUSINESS	✓	
Paul B. Blomgren	Missoula	U of M	—	
Raymond Murray	Missoula	U of M	✓	
Dr. M. Sawyer	Missoula	MSIA Business	✓	
Deanna W. Sheriff	MISSOULA	U OF M	✓	
Alma S. Jacobs	Helena	self	✓	
Leslie M. Mitchell	Missoula	EMU	✓	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

HOUSE \_\_\_\_\_

COMMITTEE \_\_\_\_\_

Date \_\_\_\_\_

SPONSOR \_\_\_\_\_

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPO
Virvan Heltemes	Missoula	U of M Alumni	✓	
Jayne Shaw	Bellings	EMC	✓	
Carv E. Holmquist	Missoula	UM Alumni	✓	
Juan Stout	Missoula	student UTM	✓	
Phyllis J Stout	Missoula	UM Sc of Forestry	✓	
Olive Haugen	Missoula	Local Educative Board	✓	
Julie Gray	Missoula	Alumni	✓	
Leslie Brown	Missoula	UM Advocate	✓	
John Phillips	Missoula	Missoula Community	✓	
Dirk Brown	Missoula	University of Montana	✓	
Mike Dahlem	Helena	A.S.U.M.	✓	
John Best	Helena	UM	✓	
Daniel Kimms	Missoula	District 94	✓	
Casper Schmitt	Missoula	UM	✓	
Donald Heltemes	Missoula	UM	✓	
Jim Marabe	Bozeman	Students of MSU	✓	
Bob Hedding	Missoula	Wt Wood Products Coon	✓	
Marvin Dunder	Helena	ASMSU	✓	
Hal Stearns	Helena	Alons	✓	
David Sexton	Helena	MEF	✓	
W. H. Harshbarger	Missoula			

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