

MINUTES OF THE MEETING OF THE JOINT APPROPRIATION SUBCOMMITTEE  
ON EDUCATION

February 22, 1981

The Executive Session meeting on the Agricultural Experiment Station of the Joint Appropriation Subcommittee on Education was called to order at 1:05 p.m. on Sunday, February 22, 1981 was called to order by Chairman Donaldson in Room 104, Capitol Bldg., Helena, Montana.

All members were present including Curt Nichols and Bruce Shively, Fiscal Analysts.

CURT NICHOLS reviewed where the committee is at in regard to the Agricultural Experiment Station's funding. (See EXHIBIT B of 1-24-81 minutes.) He also explained the faculty FTE changes. (EXHIBIT A)

DR. JAMES WELSH reviewed his reply which provided background information for the committee. See BULKY TESTIMONY, Agricultural Experiment Station 1983 Biennium Budget. He stated that they are forming an Agricultural Advisory Committee. The next discussion was in regard to the Operations and Support staff for the Experiment Station's modifications. (EXHIBIT B) Dr. Welsh explained the 10% replacement schedule for Equipment along with a 33% trade in value. They replace the oldest first. The original total cost is \$3,371,000. They look at each piece of equipment on a reasonable basis. They do look at the oldest first but it doesn't always mean that it will be the hulk of the items that come out. This is only capital equipment replacement. There is not a figure that has anything to do with buying new items or scientific equipment.

DR. WELSH pointed out that his argument would be that the current level of \$115,000 and \$136,000 if using his calculation would come a far distance from a 10% replacement.

SENATOR NELSON asked how many hours their tractors run.

DR. WELSH stated that it would depend entirely on the use. Some are used for special experiment operations. There are others that are used for general farming operations that have more hours.

DR. WELSH gave a current tractor inventory which includes the replacement costs. (EXHIBIT C)

SENATOR JACOBSON moved to allow \$150,000 each year of the biennium for the Equipment modification for the Agricultural Experiment Station. MOTION PASSED UNANIMOUSLY.

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The committee discussed the GRA's, Classified and Hourly staff.

CURT NICHOLS pointed out that last session GRA's were funded at 17.56, classified at 153.05, hourly at 21.77, administrative at 5.10 and faculty at 97.38.

SENATOR JACOBSON moved to allow \$251,481 for FY 82 and \$251,481 for FY 83 for the modification to reflect the FTE level of 17 GRA's, 150 classified, and 25 hourly for the Agricultural Experiment Station. MOTION PASSED UNANIMOUSLY.

The committee discussed Operations.

REP. BENGTON moved to add \$125,000 each year of the biennium for Operating Expense Modification. MOTION PASSED with SENATOR HAFLEY excused.

The COOPERATIVE EXTENSION SERVICE was the next item of discussion in regard to Personal Services. (EXHIBIT E)

The Operations budget in regard to a base adjustment was discussed. (EXHIBIT F)

REP. BENGTON moved to accept the Operational Base Adjustment for the Extension Service for \$48,656 for FY 82 and \$51,516 for FY 83. MOTION PASSED with SENATOR HAFLEY excused.

DR. HOFFMAN reviewed the faculty he has lost in the past due to the salaries being so low. (EXHIBIT E) He stated that it is a serious problem and it is dismantling them.

DR. TIETZ stated that this is a critical area and that there is not one in the system that is more critical.

REP. BENGTON moved to accept the Board of Regent's recommendation for a base adjustment for salaries for \$164,566 for FY 82 and \$164,566 for FY 83 for the Cooperative Extension Service.

REP. BENGTON withdrew the motion.

REP. BENGTON moved to accept the fact that they will adjust the base for salaries for the Cooperative Extension Service.

REP. THOFT made a substitute motion to reword the motion for the salary to be labeled an "Critical Area" base adjustment for \$164,566 for each year of the biennium.

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on Education


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REP. BENGTON withdrew the motion.

REP. THOFT withdrew the substitute motion.

Meeting adjourned at 5:05 p.m.

  
REP. GENE DONALDSON, Chairman

pb

Montana Agricultural Experiment Station  
Faculty FTE Changes 1976 - 1981  
(Excluding Livestock & Range Research Station)

1976 Faculty FTE (AY) 85.84

Changes

1. Entomology/Weeds:

Weed specialist	1.22	
Entomologist	1.22	
Entomologist	<u>1.22</u>	3.66

2. Western Triangle Research

Superintendent	1.22	
Scientist Position	<u>1.22</u>	2.44

3. Vet Lab

Immunologist	<u>1.22</u>	<u>7.32</u>
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1981 Faculty FTE (AY) 93.16

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1. Monies were appropriated with FTE unspecified by State Legislature
  2. Same as 1.
  3. Subsequent to 1978 Legislature, Hatch funds were increased for FY 1978 over the amount authorized in the state appropriations. USDA-SEA-CR stated that about \$50,000 of the increase was to be used for new and expanded research in livestock production.

Operations and Support Staff Distribution For  
the Agricultural Experiment Station Program  
Modifications in the 1983 Biennium

<u>Activity</u>	<u>Operations</u>	<u>FTE</u>		
		<u>GRA</u>	<u>Classified</u>	<u>Hourly</u>
Safflower Breeding	30,000		1.00	2.00
Beef Cattle Nutrition	30,000	1.00		1.00
Soil Borne Crop Disease	25,000	1.00		2.00
Western Triangle	40,000		1.00	1.00
Ag Econ Computerization	24,000	1.00		
Off Station small grain tests	20,000			4.00
Sheep Breeding and Research	30,000	1.00	1.00	1.00
Dairy	20,000	.55		1.00
Saline Seep	40,000	.50	1.00	1.00
Alternate Crops	30,000			1.00
Soil Compaction	30,000	.50		1.00
No-Till	20,000			2.00
Range Work	50,000	1.00	1.00	
Animal Disease Control	40,000	1.00		1.00
Specialty Crops	40,000			2.00
Foundation Seed	40,000		1.00	3.00
General Support	<u>34,579</u>			<u>2.28</u>
<b>Total</b>	<b>543,579</b>	<b>7.55</b>	<b>6.00</b>	<b>25.28</b>

Appendix - Table 14.

Montana Agricultural Experiment Station  
 Development of a "First-in First-Out" 10% Inventory  
 Replacement Schedule with a 33% current value  
 trade-in allowance for Tractors

## A. Current tractor inventory (original cost basis):

<u>Year--</u>	<u>#</u>	<u>Cost</u>	<u>Year</u>	<u>#</u>	<u>Cost</u>
older than 1967	21	32,192	1974	12	82,875
1967	0	0	1975	9	37,283
1968	2	2,074	1976	5	23,246
1969	2	3,234	1977	8	65,954
1970	4	10,771	1978	4	22,013
1971	1	825	1979	2	22,487
1972	2	7,081	1980	2	31,462
1973	4	12,980	1981	0	0
Total Inventory units and dollar value				78	\$352,477

## B. For 1982 tractor replacement, calculate 10% of original inventory cost or 35,247

<1967	32,192	x	244.4	78,677	
1968	2,074	x	229.8	4,766	
1969	<u>981</u>	x	218.0	<u>2,139</u>	85,582
Less 33% trade-in					<u>28,242</u>
1982 Replacement Cost					\$57,340
Subtract inventory replaced					<u>35,247</u>
Add new inventory value					<u>85,582</u>
1982 Inventory value					\$402,812

## C. For 1985 tractor replacement, calculate 10% of 1982 inventory value or \$40,281

1969	2,253	x	218.0	4,912	
1970	10,771	x	205.8	22,166	
1971	825	x	197.4	1,628	
1972	7,081	x	191.1	13,531	
1973	12,980	x	179.9	23,251	
1974	<u>6,382</u>	x	162.1	<u>10,345</u>	\$75,933
				<u>40,281</u>	
Less 33% trade-in					<u>25,058</u>
1985 Replacement Cost					\$50,875
Subtract inventory replaced					<u>40,281</u>
Add new inventory value					<u>75,933</u>
1985 Inventory value					\$458,464

Montana Agricultural Experiment Station  
Professional/Administrative FTE Changes 1976-1981  
(Excluding Livestock and Range Research Station)

1976 Professional/Administrative FTE (FY) 5.13

Changes

1. FTE moved from Classified	6.50 <sup>1</sup>	
2. Administration	.42 <sup>2</sup>	
3. Entomology/Weeds	<u>1.00<sup>3</sup></u>	<u>7.92</u>
1981 Professional/Administrative FTE (FY)		13.05

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<sup>1</sup> Positions changed to professional from classified because of level of responsibility: Animal & Range - 4.5; Ag Engineering - 1; Southern Ag Research Center - 1.

<sup>2</sup> Additional .27 through recharges and .15 University Administration.

<sup>3</sup> Appropriated funds for new program.

ANALYSIS OF COOPERATIVE EXTENSION SERVICE  
PERSONAL SERVICES BUDGET

Since July 1, 1978, the Montana Cooperative Extension Service has lost 19 professional staff members to other land-grant institutions and to business and industry because its salaries are among the lowest in the nation. The list does not include individuals who retired, accepted positions of greater responsibility, or quit to start a family or follow their spouses to new locations.

Specifically, 13 individuals accepted positions comparable to those they were holding at the time they resigned. The only difference is they received an average increase of \$3,563 plus moving expenses.

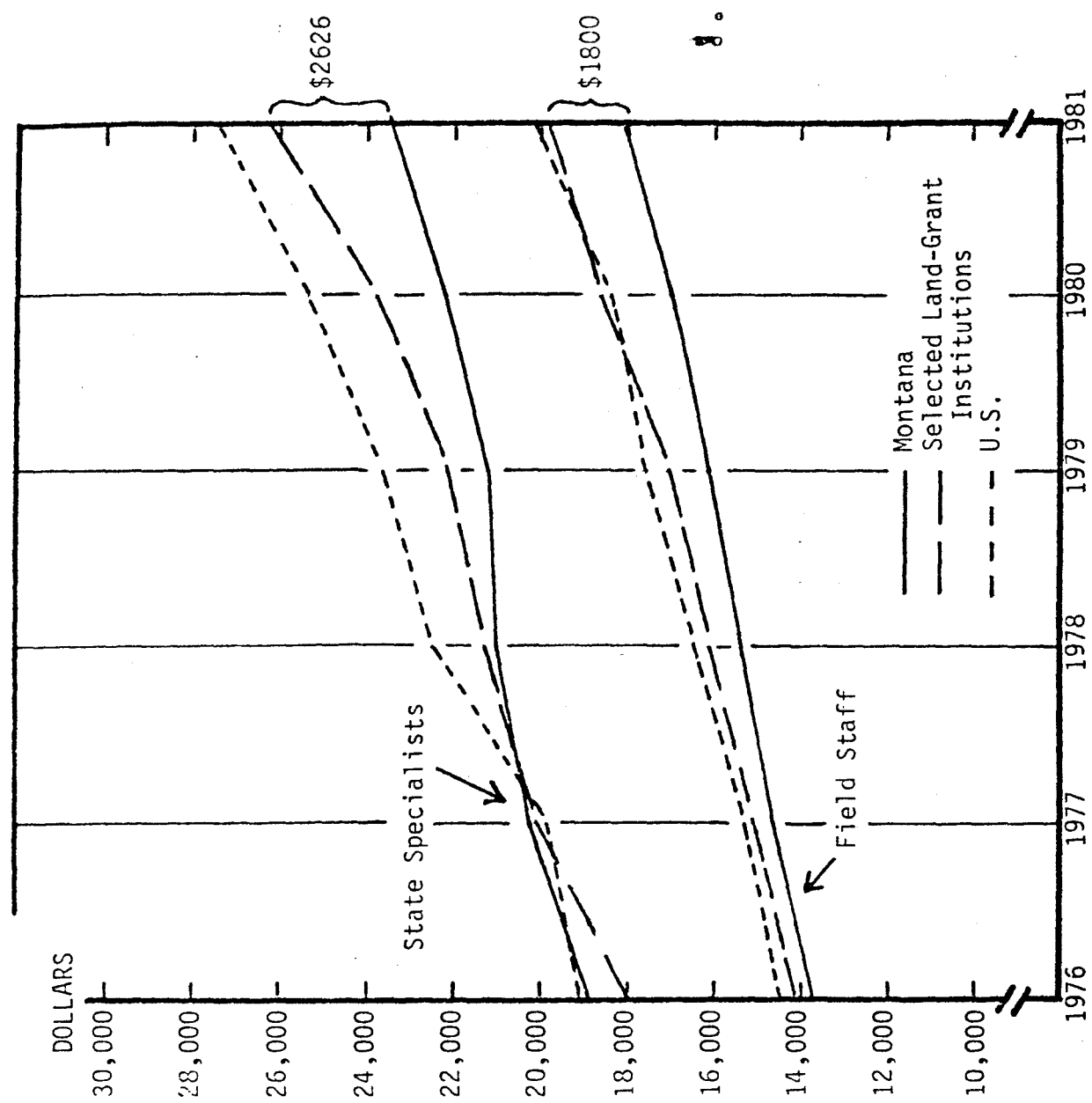
Of the remaining six individuals, one obtained a local distributorship to handle products sold by a national retail firm, four accepted positions with agri-business firms within the state at an average salary increase of \$3,805, and one received a \$6,000 increase for joining the staff of an urban planning council in Washington State.

Today, the Montana Cooperative Extension Service is known as a trainer of Extension personnel for other states and for agri-business. What is more, it has been unable to fill a number of vacant positions because the salary it can pay is too low to attract qualified applicants.

The difference in salary between faculty members teaching on campus at MSU and faculty members serving as state Extension specialists is another comparison that needs to be made. Both groups are officed on campus, hold academic rank, and are professional educators. Yet the average salary of Extension specialists on a twelve-month basis is \$3,033 below that of the teaching faculty. Such a differential cannot be justified, particularly in light of the fact that a number of individuals hold joint teaching-extension appointments.



AVERAGE EXTENSION SALARIES

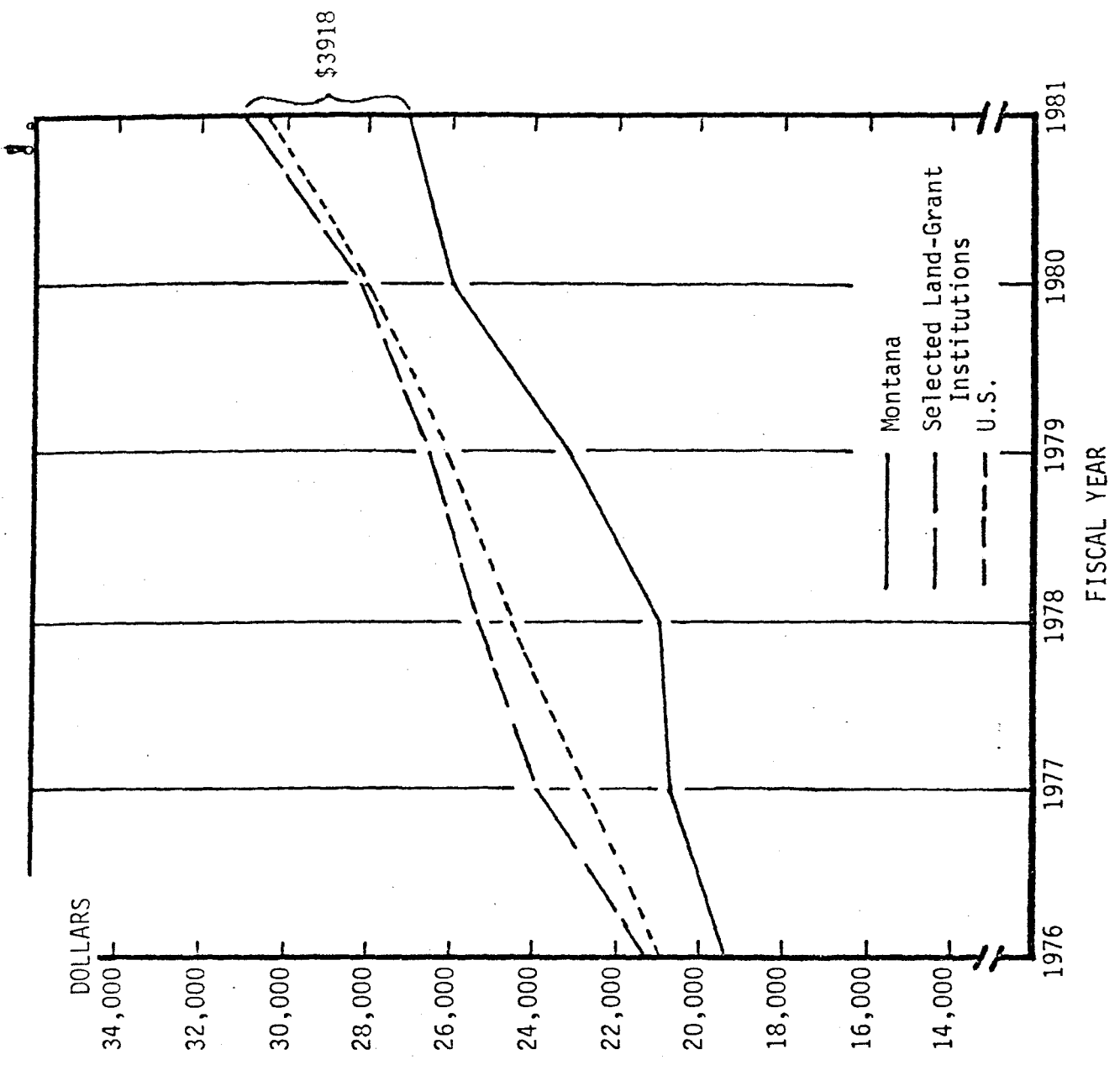


Selected Land-Grant Institutions

- Colorado State University
- University of Idaho
- University of Nevada (Reno)
- New Mexico State University
- North Dakota State University
- South Dakota State University
- Utah State University
- University of Wyoming

AVERAGE EXTENSION SALARIES--DISTRICT STAFF (SUPERVISORS)

Selected Land-Grant Institutions  
 Colorado State University  
 University of Idaho  
 University of Nevada (Reno)  
 New Mexico State University  
 North Dakota State University  
 South Dakota State University  
 Utah State University  
 University of Wyoming



BOARD OF REGENTS' RECOMMENDATION  
TO BRING MONTANA COOPERATIVE EXTENSION SERVICE SALARIES  
UP TO AVERAGE OF PEER INSTITUTIONS

	<u>1979-80</u> Average Peer Compensation (1)	<u>1980-81</u> Appropriated Rate Increase (2)
<u>State Specialists</u>		
Salary (FY)	\$23,879	\$25,383
Benefits (3)	<u>3,104</u>	<u>3,300</u>
Total	\$26,983	\$28,683
 <u>Field Staff</u>		
Salary (FY)	\$18,649	\$19,824
Benefits (3)	<u>2,424</u>	<u>2,577</u>
Total	\$21,073	\$22,401
 <u>Area Supervisors</u>		
Salary (FY)	\$28,210	\$29,987
Benefits (3)	<u>3,667</u>	<u>3,898</u>
Total	\$31,877	\$33,885

(1) Source: SEA-Extension, U.S. Department of Agriculture, December 1980.

(2) Percentage Differential in Average Salary in HB 483 (6.3%).

(3) Benefits Average 13% of Salary.

Base Adjustment Required to Bring Montana Cooperative  
Extension Service Salaries Up to Average of Peer Institutions

	Personal Services <u>FY 1980-81</u>
Total Amount	2,419,315
Less 5% Vacancy Savings	(120,966)
Amount Budgeted in HB 483	<u>2,298,349</u>

<u>Budgeted (by Category)</u>	<u>FY 1980-81 (HB 483)</u>	<u>Amount Required to Reach Average of Peer Institutions<sup>a/</sup></u>	<u>Difference</u>
State Specialists	738,214	822,342	84,128
Field Staff	794,277	925,385	131,108
Area Supervisors	122,040	135,540	13,500
Support Staff	643,818	643,818	-0-
Total	<u>2,298,349</u>	<u>2,527,085</u>	<u>228,736<sup>b/</sup></u>

<sup>a/</sup> Computed by taking average salary paid by peer institutions in FY 1979-80 and multiplying it by 6.3% to establish the adjusted base for FY 1980-81.

<sup>b/</sup> Assumes no vacancy savings.

Base Adjustment Required to Bring Montana Cooperative  
Extension Service Salaries Up to Average of Peer Institutions

<u>Budgeted (by Category)</u>	<u>FY 1980-81 (HB 483)</u>	<u>Amount Required to Reach Average of Peer Institutions<sup>a/</sup></u>	<u>Difference</u>
State Specialists	738,214	851,470	113,256
Field Staff	794,277	925,055	130,778
Area Supervisors	122,040	139,748	17,708
Support Staff	643,818	643,818	-0-
Total	<u>2,298,349</u>	<u>2,560,091</u>	<u>261,742<sup>b/</sup></u>

<sup>a/</sup> Computed by taking average salary paid by peer institutions in FY 1980-81.

<sup>b/</sup> Assumes no vacancy savings.

BUDGET RECOMMENDATIONS  
Submitted By  
BOARD OF REGENTS AND LEGISLATIVE FISCAL ANALYST  
For  
COOPERATIVE EXTENSION SERVICE

Fund Source	Appropriated	Recommended			
	HB 483 1980-81	Regents 1981-82	Fiscal Analyst 1981-82	Regents 1982-83	Fiscal Analyst 1982-83
General Fund	1,389,400	1,964,646	1,535,545	2,304,254	1,672,710
Smith-Lever (Unrestricted)	1,361,306	1,548,656	1,561,193	1,601,516	1,700,613
Total Funds	<u>2,750,706</u>	<u>3,513,302</u>	<u>3,096,738</u>	<u>3,905,770</u>	<u>3,373,323</u>
<u>Expenditures by Object</u>					
Personal Services	2,298,349	2,791,847	2,485,192	3,098,935	2,715,909
Operations	430,401	523,029	463,275	584,546	514,536
Base Adjustment	-0-	48,656	-0-	51,516	-0-
Capital	21,956	20,094	18,595	20,094	22,335
Sub-Total	2,750,706	3,383,626	2,967,062	3,755,091	3,252,780
AGNET Program	-0-	129,676	129,676	150,679	120,543
Total	<u>2,750,706</u>	<u>3,513,302</u>	<u>3,096,738</u>	<u>3,905,770</u>	<u>3,373,323</u>

Analysis of Differences Between the Two Budgets

1. Personal Services

The Regents are recommending that the base salaries of state specialists, field agents, and area supervisors be adjusted to the average of peer institutions and increased by 12 percent for FY 1981-82. To this they have added 11 percent for FY 1982-83. Recommended for support staff is also a 12 percent increase for FY 1981-82 and an 11 percent increase for FY 1982-83, but no base adjustment is recommended.

The Fiscal Analyst, on the other hand, does not recommend any base adjustment in salary for state specialists, field agents or area supervisors. Instead, built into the budget is a three percent vacancy savings figure of \$107,087, which is subtracted from the personal services base before computing a nine percent annual salary increase for all Extension personnel.

2. Operations

Recommended by the Regents for FY 1981-82 is an increase of \$141,284 in operations over the current year (FY 1980-81). Of this amount, \$48,656 represents a base adjustment to offset increased travel costs and other operating expenses. In FY 1982-83, the increase over FY 1981-82 is \$64,377.

The Fiscal Analyst's budget contains an increase of only \$32,874 over the amount appropriated in FY 1980-81. The Analyst points out, however, that "because most travel costs have statutory limits which we adhere to, adequate increases are not included in the recommended travel budgets. Particularly in agencies where travel is an integral part of the mission, budgets will need augmentation when statutory changes are determined."

3. Capital

The recommendations of the Regents and the Fiscal Analyst differ little with regard to capital.

4. AGNET

Both the Regents and the Fiscal Analyst are recommending the AGNET program be continued with full state support in FY 1981-82. The Fiscal Analyst, however, recommends that the user pick up 20 percent of the cost in FY 1982-83.

	<u>Amount</u>	<u>Percentage Increased (Decreased)</u>
Expended in 1978-79	511,824	
Appropriated in H 483 for 1979-80	<u>424,346</u>	
Amount Increased (decreased)	(87,478)	(17.09)
Appropriated in HB 483 for 1979-80	424,346	
Appropriated in HB 483 for 1980-81	<u>430,401</u>	
Amount Increased (decreased)	6,055	1.43

Board of Regents Recommendation  
for  
1981-83 Biennium

	<u>Appropriated HB 483 1980-81</u>	<u>1981-82</u>	<u>1982-83</u>
Existing Base	430,401	523,029	584,546
Base Adjustment <sup>a/</sup>	- 0 -	<u>48,656</u>	<u>51,516</u> passed
Total	430,401	571,685	636,062

<sup>a/</sup> Determined by applying inflation factor guidelines established by Executive Budget Office.

*Dist. 1st*  
*February 1983*

MONTANA AGRICULTURAL EXPERIMENT  
STATION  
1983 BIENNIUM BUDGET REQUEST