

MINUTES OF THE MEETING OF THE JOINT APPROPRIATION SUBCOMMITTEE
ON EDUCATION

March 5, 1981 .

The Executive Session meeting of the Joint Appropriation Subcommittee on Education was called to order at 7:10 a.m. on Thursday, March 5, 1981 by Chairman Donaldson in Room 104, Capitol Bldg., Helena, Montana.

All members were present except Senator Jacobson who was excused. Curt Nichols, John Bebee, and Bruce Shively, Fiscal Analysts were also present.

CURT NICHOLS explained the wording for the bill. (EXHIBIT A) He also gave a handout of the complete budget. (EXHIBIT B)

The committee discussed the Fire Services Training School and the use of the Great Falls Vo-Tech on the weekends.

REP. THOFT moved to accept the language on Page 1 regarding the Board of Public Education being provided space in the building rented by the Commissioner of Higher Education.

REP. THOFT moved to amend his motion to include weekend janitorial service for the Fire Services Training School at the Great Falls Vo-Tech. MOTION PASSED UNANIMOUSLY.

CURT NICHOLS reviewed the language on Page 7 for Higher Education. They would like the July 1 date changed to September 1 for submitting operating budgets.

REP. THOFT moved to accept the three paragraphs on Page 7 for the language in the bill. MOTION PASSED UNANIMOUSLY.

REP. THOFT requested that the committee go back to the Fire Services Training School.

REP. THOFT moved to insert the language "inclusive of weekend janitorial services" for the Fire Services Training School. MOTION PASSED UNANIMOUSLY.

The committee discussed the Agricultural Experiment Station on Page 3 regarding the 19.8 FTE's which were added on and the benefits which should have been given but were not now included.

REP. THOFT moved to accept the \$43,456 per year for the benefits for the 19.8 FTE's which were added to the Agricultural Experiment Station. MOTION PASSED UNANIMOUSLY.

Minutes of the Meeting of the Joint Appropriation Subcommittee
on Education PAGE 2


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The committee discussed the computer system for Eastern, Northern, and Montana Tech.

REP. THOFT moved to add funding for the Computer Systems of \$66,000 for Eastern, \$43,500 for the University of Montana, and \$40,500 for Montana Tech for each year of the biennium.
MOTION PASSED UNANIMOUSLY.

CHAIRMAN DONALDSON discussed the salaries and whether or not it would be appropriate to plug the pay plan into the University faculty salaries.

Meeting ajourned at 7:35 a.m.


REP. GENE DONALDSON, Chairman

pb

3-5-81

BOARD OF PUBLIC EDUCATION

	<u>1981</u> <u>Biennium</u>	<u>1983</u> <u>Biennium</u>	<u>%</u> <u>Increase</u>
General Fund	\$405,771	\$510,008	25.69
Other Funds	<u>7,646</u>	<u>-0-</u>	<u>(100)</u>
Total	<u>\$413,417</u>	<u>\$510,008</u>	<u>23.36</u>
Pay Plan		<u>63,328</u>	
REVISED TOTAL	<u>\$413,417</u>	<u>\$573,336</u>	<u>38.68</u>
FTE	7.00	8.00	

The appropriation to the board of public education includes funds for board travel and per diem, office administration and the fire service training school.

The board of education was funded at current level plus \$2,400 to provide travel for the student representative on the board.

The fire service training school is located in Great Falls. It has been continued at current level with the addition of one FTE for a regional representative located in eastern Montana. Due to the distance involved for travel the training needs of eastern Montana fire departments would be better addressed by an eastern representative.

Summary

The general fund appropriation is \$67,636 above the LFA recommendation and \$41,210 below the executive budget.

PUBLIC SCHOOL SUPPORT (Special Education Only)

	<u>1981</u> <u>Biennium</u>	<u>1983</u> <u>Biennium</u>	<u>%</u> <u>Increase</u>
General Fund	\$48,260,000	\$52,232,004	8.2

The committee recommends special education be funded to allow increases of 10 percent in fiscal 1982 and nine percent in fiscal 1983. The ceiling on state funded special education expenditures is set at \$52,232,004. The ceiling is to prevent a statewide deficiency levy for special education. The committee recommendation includes a \$1,000,000 contingency fund to address unforeseen emergencies that could occur in district special education programs.

The superintendent is allowed to contract for audiological services to a maximum of \$688,614 in fiscal 1982 and \$750,589 in fiscal 1983. It is anticipated part of this will be contracted to the department of health. This arrangement should bring savings in the future as the department of health may more efficiently carry out audiological screening.

VOCATIONAL-TECHNICAL CENTERS

	1981 <u>Biennium</u>	1983 <u>Biennium</u> ²	<u>% Increase</u>
General Fund	\$ 7,614,329 ¹	\$ 9,634,294	26.52
Other Funds	<u>4,701,486</u>	<u>5,799,825</u>	<u>23.37</u>
Total	\$12,315,815 =====	\$15,434,119 =====	25.32 =====
Pay Plan		<u>21,476</u>	
REVISED TOTAL	<u>\$12,315,815</u> =====	<u>\$15,455,595</u> =====	

¹Includes general fund supplemental of \$235,645.

²Nine percent salary increases are included in the 1983 biennium appropriation.

The committee developed a formula to determine the budgets of the five vocational-technical centers. This was in response to perceived inequities in the current budget distribution.

The main emphasis of this formula is to have a center's budget be somewhat reflective of its enrollment. Each center's budget is divided into instruction and support services. Support services are: administration, instructional support and supervision, student services, plant operation and maintenance and equipment. The support service costs are treated as fixed costs and increased with inflation factors. Instructional costs are generated by FTE enrollment. A projected number of FTE for each year of the biennium is multiplied by a calculated instructional cost per FTE for each year.

The support services cost and the instructional cost are added together to get each center's total budget.

The instructional cost per FTE is a systemwide amount. Some centers are currently above this cost and others below it. The centers that are above this cost would have reductions in their budgets while the ones

below this cost would receive increases.

It is not the committee's desire either to give an inordinate increase or drastically reduce any center's budget. This results in parameters being used to maintain reasonable budget levels at the centers. No center was appropriated an increase greater than 15 percent or lower than 10 percent each year of the biennium above their 1981 fiscal year appropriated level. Other significant features of the appropriations for vocational-technical centers are:

1. A contingency fund of \$197,400 is appropriated to the office of budget and program planning for increased enrollments.

2. Butte center receives \$50,688 general fund for a summer school program in fiscal year 1983.

3. The office of budget and program planning is appropriated \$44,000 general fund to be distributed if CETA funds utilized by the Billings center are unavailable in fiscal 1982.

4. Audit costs of \$71,000 general fund are included for the biennium.

5. The appropriation contains pay plan increases.

6. Included in other appropriated funds are federal funds, student fees and millage.

In order for the student fees to meet the appropriated fee revenue it will be necessary for student tuition to be raised from \$80 per quarter currently to \$100 per quarter in 1982 to \$120 per quarter in 1983.

The receipt of state funds appropriated to the centers is contingent upon each county in which the center resides levying 1.5 mills each fiscal year. The millage received from this 1.5 mills over \$765,101 in fiscal year 1982 and \$804,733 in fiscal year 1983 will revert a like amount

of general fund. This provides a buffer for the centers against delinquent and protested taxes that may be collected in subsequent years.

The committee allows the superintendent of public instruction to transfer funds between personal services, operations and equipment within each vocational education center or between vocational education centers. The intent is that these appropriated funds will not provide for salary increases at the vocational education centers above the state pay plan for fiscal 1982 and 1983.

Summary

The general fund appropriation is \$820,636 above the LFA recommendation and \$141,449 above the executive budget.

OFFICE OF PUBLIC INSTRUCTION

	1981 <u>Biennium</u>	1983 <u>Biennium</u>	% <u>Increase</u>
General Fund	\$3,330,997	\$ 3,442,114	3.34
Other Funds	<u>6,603,081</u>	<u>6,514,395</u>	(1.34)
Total	\$9,934,078 =====	\$ 9,956,509 =====	.23 =====
Pay Plan		<u>1,061,514</u>	
REVISED TOTAL	\$9,934,078 =====	\$11,018,023 =====	10.91 =====
FTE	165.1	154.1	

The new superintendent of public instruction submitted budget revisions to the committee. These revisions were considered in developing the offices budget.

The committee continued programs funded entirely with general fund at current level. Other programs are continued based on federal revenue estimates received from the office of public instruction. General funds are not used to replace federal funds in programs in which federal funds are decreasing. This results in an overall reduction of eleven FTE.

The increase in general fund in the 1983 biennium is quite small as:

1. Federal funds for special education administration increases from \$200,000 per year to \$300,000 per year for the 1983 biennium. This reduces general fund support needed to continue this program at current level.

2. There was a one time general fund appropriation for the purchase of a computer spent in the 1981 biennium.

General fund for a consultant and a secretary for the gifted and talented program is approved by the committee.

The audio-visual library that distributes films to school districts receives \$50,000 general fund per year of the biennium to purchase films and equipment.

Audit costs are included in fiscal year 1983 for \$50,000 of general fund.

The committee requested the office of public instruction to submit a budget organized into six programs. The six programs are chief state school officer, basic instructional skills, vocational education, financial services, administrative services and special education. Operational plans will be submitted to the office of budget and program planning for each of these programs. This will provide for a clearer picture of the office of public instruction's activity in the 1983 biennium.

Summary

The general fund appropriation is \$269,024 above the LFA recommendation and \$469,079 below the executive budget.

TRANSPORTATION

	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>% Increase</u>
General Fund	\$7,909,000 ¹	\$9,743,695	23.20
FTE	N/A	N/A	

¹Includes \$500,000 supplemental appropriation for fiscal year 1981.

The recommendation is based upon an increase in reimbursement rates for bus transportation from 55 cents per mile plus 2 cents for each seat over 50 seats in fiscal 1981 to 60 cents per mile plus 2.5 cents in fiscal 1982 and 65 cents per mile plus 2.5 cents in fiscal 1983.

Summary

The general fund appropriation is equal to the LFA recommendation and \$219,625 above the executive budget.

SCHOOL LUNCH

	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>% Increase</u>
General Fund	\$1,316,895	\$1,538,943	16.86
FTE	N/A	N/A	

The number of school lunches served decreased from fiscal 1979 to fiscal 1980. The recommendation for fiscal 1982 is based on a return to the 1979 level of lunches served. A two percent increase in lunches served is used for the fiscal 1983 recommendation. A five percent increase per year in the reimbursement rate is anticipated.

Summary

The general fund appropriation is equal to the LFA recommendation and \$251,127 above the executive budget.

ADULT EDUCATION

	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>% Increase</u>
General Fund	\$214,585	\$254,732	18.71
FTE	N/A	N/A	

The state level of support for adult education continues at current level.

Summary

The general fund appropriation is equal to the LFA recommendation and \$30,732 above the executive recommendation.

SECONDARY VOCATIONAL EDUCATION

	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>% Increase</u>
General Fund	\$1,500,000	\$1,500,000	0.0
FTE	N/A	N/A	

The 46th legislature appropriated 1.5 million through HB 537 in the 1981 biennium to expand secondary vocational educational funding. This amount is over and above the funds provided for secondary vocational education through the foundation program. The \$1.5 million is again recommended for the 1983 biennium.

Summary

The general fund appropriation is equal to the executive recommendation and \$276,918 below the LFA budget.

TRAFFIC AND SAFETY EDUCATION

All revenues received in the state traffic education account under provision of 20-7-504, MCA are appropriated to be distributed as provided in section 20-7-506, MCA. These revenues are collected through driver's license fees and highway patrol fines. Estimates are \$1,088,119 in fiscal 1982 and \$1,153,405 in fiscal 1983.

ADVISORY COUNCIL FOR VOCATIONAL EDUCATION

	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>% Increase</u>
General Fund	\$156,408	\$188,000	20.20
FTE	2.00	2.00	

The advisory council for vocational education is given appropriation authority for federal funds anticipated in the 1983 biennium.

In the 1981 biennium the council anticipated and received legislative authority for \$150,000 of federal funds. Additional funds became available and operating authority was obtained by budget amendment.

The council anticipates increased monitorings of state agency evaluations of vocational education. They also will be providing more technical assistance to local advisory committees with the additional funds.

No FTE will be added to the current staff.

STATE LIBRARY COMMISSION

	<u>1981</u> <u>Biennium</u>	<u>1983</u> <u>Biennium</u>	<u>%</u> <u>Increase</u>
General Fund	\$ 679,750	\$ 773,543	13.7
Other Funds	<u>1,336,787</u>	<u>1,722,588</u>	<u>28.8</u>
Total	\$2,016,537 =====	\$2,496,131 =====	23.8 =====
Pay Plan		<u>147,092</u>	
REVISED TOTAL	<u>\$2,016,537</u> =====	<u>\$2,643,222</u> =====	23.8 =====
FTE	24.50	25.50	

The appropriation to the state library commission funds all current level operations. In addition, the appropriation provides \$24,447 in fiscal 1982 and \$24,420 in fiscal 1983 for a coordinator of volunteer services in the library's blind and physically handicapped program (1 FTE). This appropriation contains \$20,000 general fund to cover the costs of relocating to the law and justice building. The appropriation includes funding for membership in the Washington library network (WLN). Membership in WLN is financed with coal funds earmarked for networking.

Total funding for the state library commission increases 23.8 percent over the previous biennium. The general fund increases 13.7 percent while other appropriated funds increase 28.8 percent. The relatively slight increase in general fund is due to the use of earmarked coal funds to finance part of the state library operations. The increase in other appropriated funds reflects substantial increases in anticipated coal revenues generated pursuant to section 15-35-108(2)(i).

Summary

The general fund appropriation is \$253,611 over the legislative fiscal analyst (LFA) recommendation and \$99,518 under the executive budget.

HISTORICAL SOCIETY

	<u>1981</u> <u>Biennium</u>	<u>1983</u> <u>Biennium</u>	<u>%</u> <u>Increase</u>
General Fund	\$1,032,156	\$1,430,482	38.6
Other Funds	<u>1,051,132</u>	<u>1,149,634</u>	<u>9.4</u>
Total	<u>\$2,083,288</u> =====	<u>\$2,580,116</u> =====	<u>23.8</u> =====
Pay Plan		<u>241,758</u>	
REVISED TOTAL	<u>\$2,083,288</u> =====	<u>\$2,821,874</u> =====	<u>35.5</u> =====
FTE	34.50	40.25	

¹Includes \$37,488 supplemental appropriation for fiscal 1981.

The appropriation to the historical society results in a 23.8 percent increase in total spending added 5.75 FTE. The general fund increases 38.6 percent while other appropriated funds increase 9.4.

Spending increases are due to several modifications.

1. The historical society lost federal indirect cost revenues that had funded .75 FTE in the administration program. The indirect cost revenues funded portions of the salaries of the director, business manager, accountant, and administrative assistant. This appropriation includes \$28,842 general fund to replace the loss of indirect cost revenues.

2. The appropriation includes \$13,552 general fund for payment of trustee per diem and travel expenses.

3. The appropriation includes \$61,535 general fund to staff and operate the original governor's mansion (one FTE).

4. The appropriation includes \$116,964 general fund to add two positions (curator and cataloger) and operating costs to the museum program (two FTE).

5. The appropriation authorizes the expenditure of \$150,000 of federal/private revenues for the continuation of an educational outreach program.

6. The appropriation includes \$43,600 to fund a photographic technician in the archives program. The cost of this position to the general fund is \$32,000 for the biennium. The remainder of the costs will be funded from a revolving fund.

7. The appropriation includes \$71,989 general fund support for Montana: The Magazine of Western History. This appropriation is premised on state support of 22.1 percent of program costs.

Summary

The general fund appropriation is \$210,732 over the LFA recommendation and \$195,621 under the executive budget.

ARTS COUNCIL

	<u>1981</u> <u>Biennium</u>	<u>1983</u> <u>Biennium</u>	<u>%</u> <u>Increase</u>
General Fund	\$150,016	\$201,991	34.6
Other Funds	<u>406,786</u>	<u>456,398</u>	<u>12.1</u>
Total	\$556,802 =====	\$658,389 =====	18.2 =====
Pay Plan		<u>28,600</u>	
REVISED TOTAL	\$556,802 =====	\$686,989 =====	23.4 =====
FTE	4.00	4.00	

The appropriation to the arts council funds all current level operations. The administrative costs of the council and its staff are divided equally between the general fund and federal funds.

Included in this appropriation is \$40,550 general fund to finance the arts council program of local community grants.

The state grant funds are available to assist Montana communities in sponsoring performances by touring arts companies, and to match available federal funds.

This appropriation also includes \$26,100 in general funds to finance state participation in the 'artists in the schools' program. The program is currently financed by federal funds matched by local funds from participating school districts. The general fund support will permit the arts council to offer the program to an additional 20-25 schools across the state.

Summary

The general fund appropriation is \$27,081 above the LFA recommendation and \$39,404 under the executive budget.

SCHOOL FOR THE DEAF AND BLIND

	<u>1981</u> <u>Biennium</u>	<u>1983</u> <u>Biennium</u>	<u>%</u> <u>Increase</u>
General Fund	\$2,639,727 ¹	\$3,042,690	15.3
Other Funds	<u>1,206,831</u>	<u>1,025,235</u>	<u>(15.0)</u>
Total	<u>\$3,846,558</u> =====	<u>\$4,067,925</u> =====	<u>5.2</u> =====
Pay Plan		<u>546,979</u>	
REVISED TOTAL	<u>\$3,846,558</u> =====	<u>\$4,614,904</u> =====	<u>19.9</u> =====
FTE	96.05	98.05	

¹Contains \$266,288 general fund supplemental for fiscal 1981.

The appropriation to the school for the deaf and blind maintains all current level operations. The general fund increase is due to the loss or reduction of other funding sources for the school's interpreter-tutor and Title VI-C programs.

This appropriation includes \$247,900 general fund to finance 8.10 FTE in the school's interpreter-tutor program. The school received a supplemental appropriation of \$124,095 for the current year to continue the program when federal and local funds were terminated.

This appropriation includes \$50,352 in general fund to finance 1.28 FTE in the school's Title VI-C program. The Title VI program provides services to 13 multihandicapped deaf/blind children on campus and to another 11 children resident at Boulder river school and hospital. This appropriation also authorizes the expenditure of federal funds to finance two vocational education teachers in the school's education program.

Summary

The general fund appropriation is \$312,053 over the LFA recommendation and \$101,811 under the executive.

BOARD OF REGENTS

	<u>1981</u> <u>Biennium</u>	<u>1983</u> <u>Biennium</u>	<u>%</u> <u>Increase</u>
General Fund	\$38,940	\$48,133	23.6
FTE	N/A	N/A	

The increase in general fund reflects inflationary adjustment to current level expenditures. Principal expenditures include per diem and travel reimbursements for board members. Operational costs of the board are paid by the office of the commissioner of higher education.

Summary

The general fund appropriation reflects the LFA recommendation and is \$6,800 over the executive.

COMMISSIONER OF HIGHER EDUCATION

	<u>1981</u> <u>Biennium</u>	<u>1983</u> <u>Biennium</u>	<u>%</u> <u>Increase</u>
General Fund	\$6,204,220	\$6,476,844	4.4
Other Funds	<u>2,066,642</u>	<u>2,531,347</u>	<u>22.5</u>
TOTAL	<u>\$8,270,862</u> =====	<u>\$9,008,191</u> =====	<u>8.9</u> =====
Pay Plan		<u>161,251</u>	
REVISED TOTAL	<u>\$8,270,862</u> =====	<u>\$9,169,442</u> =====	<u>10.8</u> =====
FTE	15.60	16.60	

Office Administration

The office of commissioner of higher education is funded to maintain all full-time equivalent employees paid from the general fund during the 1981 biennium. This appropriation includes \$31,500 in fiscal 1982 and \$31,630 in fiscal 1983 to allow the commissioner's office to add a labor relations specialist (one FTE).

Student Assistance

Student assistance consists of the WICHE and WAMI programs, the Minnesota rural dentistry program, the state student incentive grant program, and the national direct student loan program.

WAMI is a cooperative medical education program with the state of Washington, Alaska, Montana, and Idaho. Students take their first year of medical school in state and the remaining three years at the University of Washington. This appropriation provides funding for 60 medical students at the University of Washington - 20 in each class. The total biennial appropriation for WAMI is \$3,117,269 general fund.

WICHE is a cooperative program between 13 western states to provide graduate and professional education in selected disciplines. The total cost to the state to participate in the WICHE program is \$3,278,200 for the biennium. This appropriation includes \$1,224,200 general fund for WICHE. The majority of the funding for WICHE (\$2,054,000) is generated from interest received from the coal tax educational trust fund.

Minnesota rural dentistry is funded for all continuing students and four entering freshman each year at a cost of \$321,600 general fund for the biennium.

Student incentive grants are funded at \$175,000 general fund for each year of the biennium and \$211,592 federal funds.

NDSL general fund is provided to match available federal funds on a 9:1 basis.

Summary

The general fund appropriation is \$80,855 over the LFA recommendation and \$786,834 below the executive budget.

COMMUNITY COLLEGES

	<u>1981</u> <u>Biennium</u>	<u>1983</u> <u>Biennium</u>	<u>%</u> <u>Increase</u>
General Fund	\$4,020,838	\$5,332,542*	32.6
Pay Plan		<u>77,290</u>	
TOTAL REVISED	<u>\$4,020,838</u> =====	<u>\$5,409,832</u> =====	<u>34.5</u> =====
FTE	N/A	N/A	

* Biennial appropriation includes 9 percent salary increase.

The community college appropriation is based on a funding formula developed by the legislative finance committee. The formula used enrollment multiplied by the cost per full-time equivalent (FTE) student. Enrollments and cost per student used to develop the 1983 biennium appropriations are shown below.

<u>Community College</u>	<u>Enrollment</u>		<u>Cost per student</u>	
	<u>FY'82</u>	<u>FY'83</u>	<u>FY'82</u>	<u>FY'83</u>
Dawson	310	310	3,574	3,895
Flathead Valley	674	651	3,155	3,435
Miles	466	450	3,155	3,435

The appropriation for Dawson community college is determined by multiplying the enrollments shown above by \$3,574 per FTE in fiscal 1982 and \$3,895 per FTE in fiscal 1983. The higher levels of expenditure per FTE for Dawson community college are used to phase Dawson community college onto the formula and avoid drastic reductions.

General fund is appropriated for 53 percent of the total budget.

In addition to the amounts generated by the formula, the appropriation includes \$21,200 in general fund for building rent to house the arts program at Flathead Valley community college, and \$51,953 to cover additional operating costs associated with new buildings at Miles community college.

For fiscal 1983 a enrollment contingency fund of \$122,007 is recommended to be appropriated to the office of budget and program planning.

Summary

This general fund appropriation is \$645,586 above the LFA recommendation and \$832,063 higher than the executive budget.

BUREAU OF MINES

	<u>1981</u> <u>Biennium</u>	<u>1983</u> <u>Biennium</u>	<u>%</u> <u>Increase</u>
General Fund	\$1,817,582	\$2,525,327	38.9
Other Funds	<u>383,508</u>	<u>297,400</u>	<u>(22.5)</u>
TOTAL	<u>\$2,201,090</u> =====	<u>\$2,822,727</u> =====	<u>28.2</u> =====
Pay Plan		<u>291,277</u>	
REVISED TOTAL	<u>\$2,201,090</u> =====	<u>\$3,114,004</u> =====	<u>41.5</u> =====
FTE	30.48	37.66	41.5

The committee recommends a significant expansion for the bureau of mines. Ground water research is expanded with 4.25 FTE and an added \$310,986 general fund in the biennium. This research was supported in the current biennium with \$110,000 of renewable resource funds. Through this program the bureau works cooperatively with the department of natural resources to evaluate quantity and quality of ground water resources. This was the bureau's highest priority request.

The committee increases funding for cooperative studies with the United States geological survey by \$66,000 in the biennium. This expansion is targeted on ground water work relating to expected development of the Stillwater complex, a potential mining development in Stillwater county.

The committee recommends addition of \$92,998 in the biennium for mineral resource studies. This should allow assessment of the western Montana mineral belt to determine location and mineability of mineral resources.

The committee recommends \$85,974 in the biennium to allow the bureau to add a mineral economist. This economist will study of the tax structure's effect on the mineral industry in Montana.

The committee adds \$114,054 to bring salaries of bureau of mines' professionals to the level of the college faculty.

Summary

The committee's general fun recommendation is \$13,899 over the executive and \$733,562 over the LFA recommendation.

AGRICULTURAL EXPERIMENT STATION

	<u>1981</u> <u>Biennium</u>	<u>1983</u> <u>Biennium</u>	<u>%</u> <u>Increase</u>
General Fund	\$6,546,205 ¹	\$8,932,351	36.5
Other Funds	<u>6,619,566</u>	<u>6,463,657</u>	<u>(2.4)</u>
TOTAL	<u>\$13,165,771¹</u>	<u>\$15,396,008</u>	<u>16.9</u>
Pay Plan		<u>1,841,604</u>	
REVISED TOTAL	<u>\$13,165,771</u>	<u>\$17,237,612</u>	<u>30.9</u>
FTE	285.61	305.46	30.9

¹Includes supplemental appropriation of \$60,000 general fund and \$127,633 other funds.

The committee continues all current activities of the experiment station and allows a major increase to expand research programs. 19.85 FTE are added in the biennium. \$153,426 is appropriated to bring faculty salaries paid at the experiment station to the level of the university faculty. Another \$550,000 is added for equipment and expanded operations as the station reinstates research programs dropped or curtailed in the past several years.

The U.S. range station at Miles City is maintained at current level. It is funded from earmarked revenues earned primarily from sales of live-stock. During the next biennium the experiment station is to evaluate the range station operations to determine if it can remain a self-supporting operation.

Summary

The committee's general fund recommendation is \$973,529 above the executive and \$1,574,915 above the LFA recommendation.

COOPERATIVE EXTENSION SERVICE

	<u>1981</u> <u>Biennium</u>	<u>1983</u> <u>Biennium</u>	<u>%</u> <u>Increase</u>
General Fund	\$2,595,834 ¹	\$3,391,628	30.7
Other Funds	<u>2,750,171¹</u>	<u>3,246,738</u>	<u>18.1</u>
TOTAL	<u>\$5,346,005</u> =====	<u>\$6,638,366</u> =====	<u>24.2</u> =====
Pay Plan		<u>886,587</u>	
REVISED TOTAL	<u>\$5,346,005</u> =====	<u>\$7,524,953</u> =====	<u>40.8</u> =====
FTE	121.76	129.37	

¹Includes supplemental appropriations of \$118,708 general fund and \$47,000 other funds.

The committee recommends state funding for AGNET, a computer system with local terminals which provide analysis capabilities for many agricultural problems. The cost is \$280,355 in the biennium. Users are to pick up ten percent of the cost or \$15,068 in fiscal 1983. In future biennia, the users will gradually assume full financial responsibility for the system. The program had been funded in the past by grants from the old west regional commission.

The committee continues all other operations of the extension service and recommends \$100,172 be added to the base for operation and \$373,616 in the biennium be added to bring salaries to the level of similar services in the western states. The extension service was experiencing difficulty in retaining trained, experienced county agents.

Summary

The recommendation is \$720,997 over the executive and \$817,392 over the LFA recommendation.

FORESTRY AND CONSERVATION EXPERIMENT STATION

	<u>1981</u> <u>Biennium</u>	<u>1983</u> <u>Biennium</u>	<u>%</u> <u>Increase</u>
General Fund	\$563,809	\$1,095,180	94.2
Pay Plan		<u>144,472</u>	
REVISED TOTAL	<u>\$563,809</u>	<u>\$1,239,462</u>	<u>119.2</u>
FTE	10.60	22.26	

The committee recommends a major expansion of the forestry experiment station. This expansion will allow the station to use the Lubrecht experimental forest to test management regimes to maximize forest production and assist small forest land owners in getting the most benefit from their holdings.

The twelve added FTE includes two faculty positions which will provide release time to carry out research projects. The number of faculty affected will be greater as the release time is spread over a number of individuals. An operator for an inductively coupled plasma spectrometer (ICPS) is included. This person will operate the (ICPS) which is to be purchased from a federal grant. In the future this position will be funded through user charges. The remaining employees primarily work at the Lubrecht forest.

Summary

The committee's recommendation is \$486,277 above the executive and \$500,750 above the LFA recommendation.

COLLEGES AND UNIVERSITIES

	1981 <u>Biennium</u>	1983 <u>Biennium</u>	% <u>Increase</u>
General Fund	\$ 85,813,160 ¹	\$104,451,743	21.7
Other Funds	<u>54,202,029¹</u>	<u>66,282,213</u>	<u>22.3</u>
TOTAL	<u>\$140,015,189¹</u> =====	<u>\$170,733,956</u> =====	<u>21.9</u> =====
Pay Plan		<u>20,835,619</u>	
REVISED TOTAL	<u>\$140,015,189</u> =====	<u>\$191,569,575</u> =====	<u>36.8</u> =====

¹Includes supplemental appropriation of \$4,024,058 general fund and \$1,551,071 other funds.

The committee recommends substantial increases for college and universities. These budgets are based on a formula developed by the legislative finance committee. The committee made several adjustments to formula generated figures to address particular problems.

The pay plan amount shown above must be entirely financed from the general fund. The pay plan costs when included would make the general fund \$125 million, a 46 percent increase over the 1981 biennium. The committee action is summarized for each of the schools below.

Unit	1980	Committee Recommends ¹	
	<u>Actual</u>	<u>1982</u>	<u>1983</u>
MSU	\$26,292,552	\$33,393,031	\$34,686,879
UM	22,413,038	27,512,615	28,704,993
EMC	7,984,594	9,782,675	9,788,849
NMC	3,439,516	4,632,828	4,818,586
WMC	2,097,958	2,665,448	2,784,134
MCMST	<u>3,858,946</u>	<u>5,708,373</u>	<u>6,255,545</u>
	\$66,086,604	\$83,694,970	\$87,038,986

¹Does not include state pay plan increases.

Enrollment - A major factor influencing decisions on college funding is the enrollment. Enrollment under the formula determines the number of faculty needed, support costs and the estimate of available tuition revenues to be received. Below are listed the enrollment projections used by the committee. As the table shows, college enrollments are expected to decline over the next several years.

	1980	1981	-----1982-----	3 Year	-----1983-----	3 Year
	<u>Actual</u>	<u>Projected</u>	<u>Projected</u>	<u>Average</u>	<u>Projected</u>	<u>Average</u>
MSU	9691	10228	10034*	9984	9624	9962*
UM	7843	8145	8043*	8010	7968	8052*
EMC	2911	3078	3040*	3010	2912	3010*
NMC	1235	1353	1294*	1294	1244	1297*
WMC	692	820	795*	769	767*	794
MCMST	1247	1531	1565	1448	1590*	1562
TOTAL	23619	25155	24771		24105	

* Enrollment figure used to calculate budget.

This follows the trend of high school enrollments which have been falling for several years.

The highest of the three year average or actual projected enrollment was used in budget calculations by the committee. Use of the three year average provides a buffer to schools with declining enrollment as they are funded for more students than are anticipated to actually enroll. This procedure is beneficial for five of the units in fiscal 1983.

Faculty compensation - Faculty compensation is continued at the "guideline" rates set in the previous legislature. The committee recommends adding to these guidelines an amount to allow the schools to increase compensation in academic areas where it is difficult to hire or retain faculty. The use of guideline compensation as a base puts EMC, NMC and WMC at 90 percent of the university level. The base compensation and the critical area adjustment are listed for each campus below. The adjustment for

MCMST is proportionally much larger as it has been particularly difficult for them to hire and retain special engineering faculty. The critical area adjustment for MCMST will bring their base to 102 percent of the universities guideline base. Statewide pay plan amounts would be added to these figures for 1982 and 1983.

	1981 Guideline Compensation *	Critical Area Adjustment	
		1982	1983
MSU	\$25,440	\$315,000	\$342,000
UM	25,440	245,000	266,000
EMC	22,900	66,000	72,000
NMC	22,900	16,000	17,500
WMC	22,900	8,000	9,000
MCMST	24,043	174,115	187,506

* Compensation includes benefits. Rates are based on nine month academic year, faculty that work the full year receive 1.33 times the academic year salary.

Support - The support area of the college budgets includes funds for academic support, deans, libraries, student services, registration and admission offices, intercollegiate athletics, institutional support, business offices and other administrative offices. The formula proposed by the interim finance committee based support on the expenditure per FTE student of peer schools. The committee recommends phasing in to the support amount indicated by the formula, going to 90 percent of the peers in fiscal 1982 and 97 percent in fiscal 1983. This avoids rapid expansion followed by reduction as enrollments fall.

The committee recommends several additions to support areas they felt were not covered in the formula support figures. All colleges are funded to join the Washington library network (WLN), a computerized network for interlibrary loan and shared cataloguing. Several schools are allowed to purchase computer equipment as listed below:

Subcommittee Recommendations
(for biennium)

	<u>WLN</u>	<u>Computers</u>
MSU	\$ 93,430	
UM	92,850	\$175,000
EMC	47,661	400,000
NMC	52,516	
WMC	40,521	
MCMST	<u>41,317</u>	<u>175,000</u>
Total	\$368,295	\$750,000

The current unrestricted operating account includes its share of legislative audit costs with separate line item appropriations.

Physical plants - The committee recommends physical plants be funded to cover all current level costs plus amounts for facilities added since last session plus the allocation of \$1,090,000 in fiscal 1982 and \$1,188,100 in fiscal 1983 to improve the maintenance and repair of facilities.

The committee recommendation for physical plants is the same as that of the formula study. The maintenance improvement funds were allocated by the commissioner of higher education as follows:

<u>Unit</u>	Fiscal Year	
	<u>1982</u>	<u>1983</u>
MSU	\$ 408,532	\$ 445,300
UM	379,429	413,577
EMC	82,186	89,583
NMC	52,211	56,910
WMC	78,262	85,306
MCMST	<u>89,380</u>	<u>97,424</u>
Total	\$1,090,000	\$1,188,100

MONTS - The committee recommends that MONTS (Montanans on a new track for science) be funded from the 15 percent of the indirect cost revenues which are not considered in meeting formula generated budgets.

This is a five year state-federal program designed to stimulate research. Federal funds of \$2.3 million are expected over the five year period. The project began in fiscal 1981. The state share in the 1983 biennium is \$500,000.

Summary

The committee's general fund recommendation is \$6,368,089 below the legislative fiscal analyst and \$9,992,454 above the executive budget.

B

E. OTHER EDUCATION

	--Fiscal Year 1982---		--Fiscal Year 1983---	
	General	Other	General	Other
	<u>Fund</u>	<u>Funds</u>	<u>Fund</u>	<u>Funds</u>
BOARD OF PUBLIC EDUCATION				
1. Administration				
	79,104		79,020	
2. Fire Services Training School				
	<u>178,478</u>		<u>173,406</u>	
Total Board of Education	257,582		252,426	

The board of public education shall be provided office space free of charge in the building leased by the state and paid from the appropriation to the commissioner of higher education. The fire service training school shall be provided office, classroom, and storage space in the Great Falls vocational-technical center at no charge.

PUBLIC SCHOOL SUPPORT

1. Special Education	23,824,307	25,968,494
2. Special Education Emergency Contingency	500,000	500,000
3. Audiological Services	<u>688,614</u>	<u>750,589</u>
Total Public School Support	25,012,921	27,219,083

Item 1 is for foundation and permissive support of the maximum-budget-without-a-vote for special education.

Item 2 is for emergencies that may arise in special education programs at local districts. A district's board of trustees may apply for an allocation from these funds by presenting a child study team report and an individual

educational plan for each child relating to this unforeseen expense and a current listing of programs, case loads, and related costs to the superintendent of public instruction. The appropriation in item 2 is for the biennium and the specific amounts may be transferred between fiscal years.

Item 3 is for purchase of audiological services by the office of public instruction.

Notwithstanding other provisions of law, the superintendent may not approve a maximum-budget-without-a-vote for special education which, in the aggregate, exceeds \$52,232,004 in the 1983 biennium.

Federal funds to support special education programs in excess of \$5,110,000 during the 1983 biennium shall be placed in a reserve fund and not spent until appropriated by the 1983 legislature.

SUPERINTENDENT OF PUBLIC
INSTRUCTION, VOCATIONAL-
TECHNICAL CENTERS

1. Billings Center

a. Personal Services	434,969	490,694	487,031	521,942
b. Operating Expenses	133,475	166,368	194,230	208,152
c. Equipment	6,288	7,196	6,454	7,030
d. Audit Costs	14,000			

2. Butte Center

a. Personal Services	588,475	304,643	663,762	327,519
b. Operating Expenses	76,437	46,300	119,901	59,162
c. Equipment	14,637	7,513	14,833	7,317
d. Audit Costs	13,000			

3. Great Falls Center

a. Personal Services	539,848	360,799	602,669	379,037
b. Operating Expenses	128,719	86,028	176,418	119,759

c. Equipment				
d. Audit Costs	23,449	15,751	31,182	18,718
			14,000	
4. Helena Center °				
a. Personal Services	898,055	429,643	990,168	457,023
b. Operating Expenses	254,922	121,958	347,259	167,205
c. Equipment	38,958	18,642	44,438	20,412
d. Audit Costs			15,000	
5. Missoula Center				
a. Personal Services	917,631	526,547	997,856	576,298
b. Operating Expenses	217,738	133,548	283,644	163,814
c. Equipment	56,276	32,194	32,102	18,613
d. Audit Costs				15,000
6. Office of Budget and Program Planning				
a. CETA Contingency Funds	44,000			
b. Enrollment Contingency	94,510		102,960	
Total Vocational-Technical Centers	4,510,387	2,747,824	5,123,907	3,052,001

The superintendent of public instruction may transfer funds between personal services, operations and equipment within each vocational-education center or between vocational-education centers. The intent of the legislature is that these appropriated funds will not provide for salary increases at the vocational-education centers above the state pay plan for fiscal years 1982 and 1983.

Receipt of state funds appropriated to the five technical centers is contingent upon each county in which the center resides levying 1.5 mills each fiscal year. Millage received by the centers from the 1.5 mill levy

over \$765,101 in fiscal 1982 and \$804,733 in fiscal 1983 will revert a like amount of general fund each year.

Item 6.a. is to be distributed to the Billings center if CETA funds are not available to the center in fiscal 1982.

Item 6.b. may be distributed according to the following formula to the vocational-technical centers.

Vocational Education Centers
FTE Projected Enrollment

	<u>FY '81</u>	<u>FY '82</u>	<u>FY '83</u>
Billings	638	638	638
Butte	426	426	426
Great Falls	596	596	596
Helena	868	868	868
Missoula	720	720	720

The budget director shall calculate the fiscal 1982 and fiscal 1983 contingency allocation for each center as follows:

For fiscal 1982. The fiscal 1981 actual FTE enrollment must exceed the fiscal 1981 projected FTE enrollment by six percent. The actual 1981 FTE enrollment in excess of 106 percent of the 1981 projected enrollment listed above shall be multiplied by the fiscal 1982 instructional cost per FTE of \$1,454 to determine the amount of calculated contingency allocation for each center.

For fiscal 1983. The fiscal 1982 actual FTE enrollment must exceed the fiscal 1982 projected FTE enrollment by six percent. The actual 1982 FTE enrollment in excess of 106 percent of the 1982 projected enrollment listed above shall be multiplied by the fiscal 1983 instructional cost per FTE of \$1,584 to determine the amount of calculated contingency allocation for each center.

If the calculated contingency allocations exceeds the appropriation each center's allocation shall be reduced by the same percentage. Prior to the release of contingency funds by the office of budget and program planning the office of public instruction shall certify the FTE enrollment figures are accurate and any unused funds shall revert at fiscal year end.

OFFICE OF PUBLIC INSTRUCTION

1. Office of Public Instruction				
	1,683,647	3,220,444	1,708,467	3,293,951
a. Audit Costs			50,000	
2. School Transportation	4,724,445		5,019,250	
3. School Lunch	731,494		807,449	
4. Adult Education	121,881		132,851	
5. Secondary Vocational Education	<u>1,500,000</u>			
Total Office of Public Instruction	8,761,467	3,220,444	7,718,017	3,293,951

Other appropriated funds in item 1 contains \$369,182 in fiscal 1982 and \$374,735 in fiscal 1983 for internal transfers of indirect costs. In the amount indirect costs in excess of these amounts are recovered, general fund money shall revert.

Item 5 is for the biennium.

All revenues received in the state traffic education account under provisions of 20-7-504, MCA are appropriated to be distributed as provided in 20-7-506, MCA.

ADVISORY COUNCIL FOR VOCATIONAL EDUCATION

94,000

94,000

STATE LIBRARY

1. General Operations	335,895	762,494	417,771	809,245
2. Administration Program - Moving Costs	20,000			
3. Library Networking Operations	<u> </u>	<u>77,300</u>	<u> </u>	<u>73,549</u>
Total State Library	355,772	839,794	417,771	882,794

Item 2 is for the biennium ending June 30, 1983.

Item 3 consists of earmarked funds generated under section 15-35-108 (2)(i), MCA. These funds are appropriated for networking operations at the state library. All other funds generated pursuant to this section shall be distributed to the library federations.

MONTANA HISTORICAL SOCIETY

1. Administration, Library, Archives and Museum Programs	615,133	100,800	625,805	100,800
2. Historic Sites Program	57,301	57,302	60,254	60,254
3. Publications Program	35,162	123,944	36,827	129,812
4. Merchandising Program	<u> </u>	<u>285,559</u>	<u> </u>	<u>291,163</u>
Total Montana Historical Society	707,596	567,605	722,886	582,029

Item 4 contains \$20,000 in fiscal year 1982 and \$20,000 in fiscal year 1983 for internal transfers of profits generated by the merchandising program.

MONTANA ARTS COUNCIL

1. General Operations	79,722	225,770	81,719	230,628
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2. Local Community Grants	<u>20,275</u>	<u> </u>	<u>20,275</u>	<u> </u>
Total Montana Arts Council	99,997	225,770	101,994	230,628
SCHOOL FOR THE DEAF AND BLIND	<u>1,501,843</u>	<u>510,988</u>	<u>1,540,847</u>	<u>514,247</u>
TOTAL OTHER EDUCATION	41,207,565	8,206,425	43,096,931	8,649,650

F. HIGHER EDUCATION

For units of the university system other than the office of the commissioner of higher education, the appropriations made under the column heading "Other Appropriated Funds" are from funds within current unrestricted funds unless otherwise indicated.

All funds, other than plant funds and those specifically appropriated herein, may be spent and are appropriated contingent upon approval by the board of regents by July 1 of each year of a comprehensive program budget containing a detail of revenues and expenditures and anticipated fund balances of current funds, loan funds, and endowment funds. All movement of funds between the current unrestricted subfund and the designated subfund accounting entities shall be clearly identified in the state budgeting and accounting system.

Programs for the university budgets include instruction, organized research, public service, academic support, student services, institutional support and operation and maintenance of plant.

Included within other appropriated funds to the six institutions is the sum of \$12,488,450 in fiscal year 1982 and \$13,579,452 in fiscal year 1983 from revenues generated under the provisions of House Bill 191, 46th legislature.

	--Fiscal Year 1982---		--Fiscal Year 1983---	
	General	Other	General	Other
	<u>Fund</u>	<u>Funds</u>	<u>Fund</u>	<u>Funds</u>
BOARD OF REGENTS				
	23,029		25,104	

COMMISSIONER OF
HIGHER EDUCATION

1. Office Administration	630,554	26,705	633,221	27,458
2. WAMI			20	
	1,491,997		1,625,272	
3. WICHE - Student Assistance	627,100	911,000	500,800	1,143,000
4. WICHE - Administrative Rules	46,300		50,000	
5. University of Minnesota Rural Dentistry	153,600		168,000	
6. SSIG	175,000	211,592	175,000	211,592
7. NDSL	<u>100,000</u>	<u> </u>	<u>100,000</u>	<u> </u>
Total Commissioner of Higher Education	3,224,551	1,149,297	3,252,293	1,382,050

COMMUNITY COLLEGES

1. Miles Community College	804,258		846,164	
2. Dawson Community College	587,208		639,498	
3. Flathead Valley Community College	1,140,279		1,193,128	
4. Office of Budget and Program Planning - Contingency Fund	<u> </u>		<u>122,007</u>	
Total Community Colleges	2,531,745		2,800,797	

The above appropriation provides 53 percent of the total unrestricted budgets for the community colleges that shall be approved by the board of regents. In the event that a college qualifies for a contingency fund allocation, the general fund appropriation plus the contingency fund allocation shall represent 53 percent of the total unrestricted budget that shall be approved by the board of regents.

Item 4 is for the purpose of funding enrollment increases in excess of the enrollment funded by the legislature. Any unused funds will revert at the end of fiscal 1983. If the calculated contingency allocation exceeds the appropriation, the amount of contingency for each community college shall be reduced an equal percentage.

Community College Funded Enrollments (FTE)	<u>FY '82</u>
Miles Community College	466
Dawson Community College	310
Flathead Valley Community College	674

The budget director shall calculate the fiscal 1983 contingency allocation for each community college as follows:

1. The fiscal 1982 actual enrollments must exceed the funded enrollments for fiscal 1982 by three percent.

2. The actual 1982 FTE enrollment in excess of 103 percent of the 1982 funded enrollment listed above shall be multiplied by the fiscal 1983 cost per FTE of \$1,821 to determine each colleges allocation.

The FTE enrollments for each college must be certified as accurate by the commissioner of higher education prior to the release of contingency funds by the office of budget and program planning.

BUREAU OF MINES

1,253,470	141,600	1,271,857	155,800
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AGRICULTURAL EXPERIMENT STATION

1. Agricultural Experiment Station	4,405,120	2,275,276	4,527,231	2,359,167
2. United States Range Station		<u>901,926</u>		<u>927,288</u>

Total Agricultural
Experiment Station

4,405,120	3,177,202	4,527,231	3,286,455
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43,456
6

COOPERATIVE EXTENSION SERVICE				
	1,714,510	1,561,193	1,677,118	1,685,545

FORESTRY AND CONSERVATION EXPERIMENT STATION			°	
	500,773		594,407	

MONTANA STATE UNIVERSITY

1. Montana State University	19,706,214	13,654,942	20,131,584	14,544,670
2. Audit Costs				
	<u>31,875</u>	<u> </u>	<u>10,625</u>	<u> </u>
Total Montana State University	19,738,089	13,654,942	20,142,209	14,544,670

UNIVERSITY OF MONTANA

1. University of Montana	17,059,194	10,421,546	17,523,029	11,171,339
2. Audit Costs				
	<u>31,875</u>	<u> </u>	<u>10,625</u>	<u> </u>
Total University of Montana	17,091,069	10,421,546	17,533,654	11,171,339

EASTERN MONTANA COLLEGE

1. Eastern Montana College	6,363,004	3,408,533	6,087,262	3,678,975
2. Audit Costs				
	<u>11,138</u>	<u> </u>	<u>22,612</u>	<u> </u>
Total Eastern Montana College	6,374,142	3,408,533	6,109,874	3,678,975

NORTHERN MONTANA COLLEGE

1. Northern Montana College	3,269,274	1,343,866	3,327,047	1,484,977
2. Audit Costs				
	<u>19,688</u>	<u> </u>	<u>6,562</u>	<u> </u>
Total Northern Montana College	3,288,962	1,343,866	3,333,609	1,484,977

WESTERN MONTANA COLLEGE

1. Western Montana College	1,797,062	861,824	1,824,047	940,399
2. Audit Costs	<u>6,562</u>	<u> </u>	<u>19,688</u>	<u> </u>
Total Western Montana College	1,803,624	861,824	1,843,735	940,399

MONTANA COLLEGE OF MINERAL
SCIENCE AND TECHNOLOGY

1. Montana College of Mineral Science and Technology	3,422,383	2,269,115	3,736,643	2,502,027
2. Audit Costs	<u>16,875</u>	<u> </u>	<u>16,875</u>	<u> </u>
Total Montana College of Mineral Science and Technology	3,439,258	2,269,115	3,753,518	2,502,207 ⁰²⁷

TOTAL HIGHER EDUCATION	65,388,342	37,989,118	66,865,406	40,832,417 ²³⁷
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