

MINUTES OF THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION  
January 10, 1983

The House Appropriations Subcommittee on Education met at 9:00 a.m. on Monday, January 10, 1983, in Room 104 of the State Capitol, with Chairman Rep. Esther Bengtson presiding. All members were present. Supplemental budget requests for the University System, Office of Public Instruction and the School for the Deaf and Blind were heard. No Executive action was taken.

The meeting started with Tom Crosser from the Executive Budget Office presenting the justification for the University System supplemental requests. First, he explained the supplemental process. The Governor has the authority to move spending authority from the second year to the first of the biennium, and part of the supplementals to be considered were of this type. Secondly, supplementals are requested for anticipated shortfalls in the current year. The Governor is recommending for the University System \$726,056 for the millage deficiency that is anticipated, and \$1,172,696 supplemental appropriation to cover the large enrollment increases. This amount is broken down as follows: MSU - \$486,434; MT Tech - \$357,718; NMC - \$242,967; and EMC - \$85,577. The supplemental request was calculated in the same way as it was in 1981: other available revenue and the 2/3 absorption factor work to reduce the supplemental amount.

Handouts which included both the transportation supplemental request from the Office of Public Instruction and the University Supplemental request were then distributed by Curt Nichols, Fiscal Analyst; see Exhibit "A". Mr. Nichols then explained that \$500,000 was the projected shortfall for the current year. Part of the reason for this was because some counties hadn't returned their vehicle fee replacement funds. This problem is being corrected. Therefore, the shortfall may not be as large as \$500,000; in fiscal 1983 it may be as much as \$150,000 less than that.

In the first year, the support formula was based on 90 percent of the peers, and in the second, the figure used was 97%. Mr. Nichols stated that if the 90% figure had been used again, there wouldn't be a need for a supplemental.

Chairman Bengtson wanted to know what justification the Fiscal Analyst's office had that the problem with the counties paying back the vehicle fee to the State was being corrected. Mr. Nichols replied that the Revenue Oversight Committee had directed a letter to the Department of Revenue to take corrective action. Rep. Donaldson wanted to know what portion of the millage problem was due to non-payment of taxes. Mr. Nichols said his figure of \$357,000 assumed about a 5% non-payment. Rep. Donaldson then wanted to know,

if collections went beyond this figure, would the surplus revert? Mr. Nichols said that if higher collections were anticipated, the mill levy itself would be reduced.

Chairman Bengtson wanted to know if the laws could be changed to avoid having the counties paying part of the vehicle fee back to the State. Mr. Nichols said that one option would be to take the 6-mill levy off the top and eliminate the requirement that the county revert it to the State. This is the procedure some of the counties probably assumed they were to follow, and this is possibly why some of the money hasn't been received from them. Mr. Crosser stated that even identifying the counties which didn't follow the rules would be difficult and the supplemental amount wasn't reduced because of the time frame involved in getting this information. Another problem with millage is that estimates are based on the Governor's estimates of taxable valuation, and it has typically been higher than the actual valuation.

Jeff Morrison, Chairman of the Board of Regents, then spoke. -This request is similar to what was granted two years ago: 1/3 for the second year only, after the tuitions have been deducted, which amounts to a 16% reimbursement of General Fund revenues.

Dr. Irving Dayton, Commissioner of Higher Education, spoke up in favor of processing the request as expeditiously as possible, to relieve the impact from over-enrollment.

William Tietz, President of Montana State University, then spoke. They, at MSU, have been involved in this type of problem for ten years. Although the request refers to only 1/3 of this year, that is not necessarily the unanimous view of the units in the system. In 1981-2, 611 students went unfunded, amounting to \$1.5 million for that year; this money had to be diverted into the instructional program. Therefore, this year started on money taken from other programs. 771 students are unfunded for 1982-3. Money from other programs has had to go towards paying the faculty that is needed to take care of the additional students. An out-of-the-pocket problem amounting to over \$2 million is being talked about.

Jim Erickson, President of Northern Montana College, then testified. In terms of percentage, Northern's problem is more severe even than MSU's. Although their request is almost half of MSU's, their enrollment is not half of MSU's; they are the unit with the largest percentage of impact due to the enrollment shortfall in funding. They have had to halt purchases of library books and capital equipment.

Bruce Carpenter, President of Eastern Montana College, then spoke. Although their request is the smallest, their student-faculty ratio is the highest. These funds can be well spent on equipment.

Dr. Fred DeMoney, President of Montana College of Mineral Science and Technology in Butte, also rose in support of the request for funds. They have been consistently under budget for the past eight years. About six hundred students were underfunded totally in the last biennium. Their institution has been growing at a rate of about 13% per year compounded over the last eight years, and no legislature can appropriate money that fast.

Neil Bucklew, President of the University of Montana, then spoke up. U of M is not being posed for any adjustment on the enrollment supplement. They are being asked to handle an adjustment of about \$3/4 million due to enrollment increases. Their enrollment is 325 above that used for budget development, but they hope to handle the 1/3 instead of asking for a supplement. He rose in support of the supplement for the other four institutions, however.

Dennis Wagner, representing the Associated Students for Montana State University, rose in support of the supplemental request. He stated that it was already difficult for students at MSU to get classes; the available classes are overcrowded.

Joel Hardy, representing the four Montana colleges, also wished to go on record in support of the supplemental budget request.

The hearing was closed.

Questions were then asked.

Rep. Donaldson wanted to know what other factors were involved in the differences in available revenue between the various units. Mr. Nichols explained that out-of-state fees were much higher and schools with more students in this category received more money. Shortfalls are also included; MSU and Mt. Tech are both having shortfalls in indirect cost revenues.

Rep. Bengtson wanted to know if there couldn't be a compromise whereby 93% was used instead of 97% as the figure in the second year formula. Mr. Morrison stated that already funds from the second year had been diverted and no money had been spent in operations and capital. Rep. Bengtson wanted to know how many additional faculty had been hired to cover

the increased enrollment. Mr. Erickson said that five additional faculty had been hired, but they have hired significant numbers of part-time people to prepare for the possibility of declining enrollment in the years to come. Dr. Dayton stated that if the amount that would have been justified by the additional enrollment had been accurately calculated, the appropriation would have amounted to \$12 or \$13 million, while the supplemental request only asks for a little over \$1 million. He stressed that this was the "rock bottom" figure. Dr. Teitz said that the formula was designed to bring them to the average of their peers. Salaries that were called for in the peer analysis were discounted and the State pay plan instead was used. On operations, they went to 90% in the first year, but still they are 3% below average on the second year. At present, the University System isn't very much better off than before they started calculating the formula.

Sen. Hammond wanted to know who had come up with the enrollment projections upon which the budget had been based, and Curt Nichols explained that it had been arrived at by the Commissioner's office and the Fiscal Analyst's office. A number of revisions had been offered, but the committee in 1981 had decided to keep the original estimate, but to allow the university units to reallocate. Discussion followed regarding the difficulties involved in making enrollment projections.

Sen. Haffey wanted to know what the total on the enrollment supplemental, general fund portion, would be if they weren't reducing by eliminating the first year over-enrollment and 2/3 of the second year. Dr. Dayton said the figure would have been \$12 - \$13 million greater than the amount appropriated, if all six units were considered. Mr. Morrison stated that much of the problems caused by underfunding have been absorbed and therefore the full amount is no longer needed.

Rep. Bengtson wanted to know if any of the money to be appropriated would be used to enhance the salaries of the faculty members who have had to absorb the additional student load. President Tietz said that faculty may receive extra compensation if they teach extra classes. However, annual salaries wouldn't be increased. Personal interactions between faculty and students have been lost because of the increased class load. It was explained that teacher-student ratios are calculated three weeks after the beginning of the term.

Rep. Bengtson asked Mr. Crosser if he felt that millage may come in the second year of the biennium to the amount mentioned by the Fiscal Analyst's office. He agreed that part of it could. He added that one other method that could be used is, if the millage supplemental is given, to have the collections from the various sources go to the General Fund.

Dr. Dayton then brought up the subject of vacancy savings. Since faculty turnover was much less than the rest of turnover in State government, the Legislature had set up a \$1.6 million fund to deal with the universities. However, because of the overenrollment problem, this fund has not been sufficient to cover the vacancy savings.

Jack Noble then distributed information regarding the problem; see Exhibit "B." To fully provide for a 3.5% vacancy savings, \$2.7 million would have been required. They had to make a biennial allocation to each campus, because the fund could not fully compensate for a 3.5% vacancy savings. \$570,434 remains in the contingency fund; \$1,300,065 is needed, which amounts to a deficiency of \$729,631. This amount is not included in the supplemental because they were not aware of what the Legislature's intent was in regard to the \$1.6 million. MSU President Tietz stated that the idea of a 3.5% salary savings is not practical. Dr. DeMoney added that at Montana Tech. they couldn't even find the faculty to handle the additional students.

Rep. Bengtson wanted to know how the Executive Budget Office wanted to handle vacancy savings in the coming biennium. Mr. Crosser said that no vacancy savings were being offered on salaries. Mr. Nichols said that the Fiscal Analyst's office had a recommendation for each agency on what they anticipate the vacancy savings to be. For the University System, they don't have any vacancy savings recommendation. Sen. Haffey questioned whether vacancy savings had any meaning when a school was faced with enrollments in excess of what they were budgeted for. Mr. Nichols said he felt it still had meaning, but there was a problem of separating the addition of faculty for additional enrollment and the overfunding of the current faculty.

Rep. Donaldson commented that when the committee had allocated the \$1.6 million, it was understood that it would cover all contracted employees and he wanted to know why the projection had been so far off. Mr. Nichols said that he was unfamiliar with how the \$1.6 million figure had been arrived at, but he feels the \$729,000 shortfall may be questionable. The LFA was unable to verify that the \$1,029,566 in 1982 was totally related to vacancy savings. Mr. Tietz suggested that if Mr. Nichols wished, his people could show him that this amount was totally related to vacancy savings.

The hearing was then opened on the Transportation fund supplemental request from the Office of Public Instruction. Mr. Crosser explained that the request was broken down into both types of supplementals. \$160,000 was transferred to

cover the previous year's budget deficiency. The OPI estimates that the shortfall for the current year is \$190,000 for that fund for reimbursement of travel costs to and from school. The total is \$350,000. See Exhibit "A".

Sen. Haffey wanted to know what the ramifications were because of the underfunding. Who wouldn't get what because the need wasn't properly anticipated. Mr. Nichols said that in the 1981 Legislature there was a shortfall in both years. The first year was absorbed in the District Transportation budget.

Rep. Donaldson commented that even with the supplemental, this wouldn't put the State on a 1/3 basis. It was explained that the fund would be paid. If the State fell short on its share, the money would come out of property tax increases. Rep. Bengtson wanted to know what the consequences would be if the supplemental were not approved. The local taxpayers would pick up the \$350,000 tab, Mr. Nichols said.

Rep. Ernst wanted to know how soon the money was needed. It was replied that the monies would have to be available by June, 1983. Mr. Stockton added that next year, the reimbursement rate of 65 cents per mile would have to jump to 99 cents to meet the State's scheduled requirement of 1/3. The hearing was then closed.

The School for the Deaf and Blind's supplemental request was then heard. Mr. Crosser gave his presentation. Pam Joehler, Fiscal Analyst's Office, distributed information; see Exhibit "C".

The School for the Deaf and Blind received a substantial amount of funding in the last Legislature for new facilities. Construction on these buildings has proceeded ahead of schedule and some of them are incurring power bills in advance of the expected dates. Pam Joehler explained that in 1982 the school did have some program transfers into the utility budget. Their office feels the request is reasonable. \$2.3 million per year is the total school budget.

Robert J. Deming, Superintendent for the School for the Deaf and Blind, then testified in support of the supplemental request. Capital equipment money was moved for utility payment. The building is nine months ahead of schedule.

Questions were then asked. The plan is to tear down the old building, which costs the State of Montana \$220 per day to

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ON EDUCATION  
January 10, 1983

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heat, in cold weather. The hearing was closed.

The meeting was adjourned at 10:30 a.m.

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Rep. Esther Bengtson, Chairman

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VISITORS' REGISTER

HOUSE Appropriations COMMITTEE  
Subcomm. on Education

BILL \_\_\_\_\_

Date 1/10/83

SPONSOR \_\_\_\_\_

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
Vic Burt	Butte	MT. Tech.	X	
Roy Turley	Butte	Montana Tech	X	
Fred W. De Mone	"	" "	X	
Alice Stanley	Helena	Montana University System		
Jeanne-Marie Souvigney	Missoula	ASUM	X	
Lee Phillips Purdy	Bozeman	ASMSU	X	
John Hardy	Billings	Montana Colleges	X	
James Wagner	Bozeman	ASMSU	X	
Julie K. Kobender	Missoula	ASUM	✓	
Robert Bashin	Glacier	N.M.C.	✓	
Sam Morsmoe	Great Falls	MTN News	N/A	
Miral Hamacht	" "	MSDB	X	
Ever-Ghuid	Bozeman	MSU		
Bill Tudy	Bozeman	MSU	X	
Tom Appal	Bozeman	MSU	X	
Paul Stewart	White Sulph Spgs	Regents	X	
Neil Buchler	Missoula	UM	✓	
Debra [unclear]	Missoula	"	✓	
W. Michael [unclear]	Missoula	UM	✓	
[unclear]	Missoula	UM	X	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.



VISITORS' REGISTER

HOUSE Appropriations COMMITTEE  
Subcomm. on Education

BILL \_\_\_\_\_ Date 1/10/83

SPONSOR \_\_\_\_\_

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
<i>P. J. Deming</i>	<i>St. Falls</i>	<i>MD 12</i>	<i>X</i>	
<i>K. W. Suster</i>	<i>HELENA</i>	<i>OP I</i>	<i>X</i>	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.



STATE OF MONTANA  
OFFICE OF BUDGET AND PROGRAM PLANNING  
OPERATIONAL PLAN/BUDGET  
AMENDMENT

EXPLANATION/JUSTIFICATION  
(SEE REVERSE FOR INSTRUCTIONS)

Agency  
Request No.

906

Page

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of

2

RECEIVED  
JAN 18 1983  
OBPP

CODE

NAME

AGENCY

3501

Office of Public Instruction

THE INFORMATION FOLLOWING IS TO SUPPORT THE ATTACHED OPERATIONAL PLAN/BUDGET AMENDMENT REQUEST

The purpose of this request for a supplemental appropriation is to obtain an additional \$350,000 of general fund money for the Distribution of Transportation funds. In accordance with Section 20-10-141, M.C.A. which sets the rate of reimbursement for bus milage and Section 20-10-142 setting the reimbursement schedule for individuals it is estimated that an additional \$190,000 for FY'83 is needed. This is in addition to the \$160,000 that was transferred from FY'82 to FY'83 on budget amendment document #1219 dated 6/17/82.

This request has no other method of funding. This request has neither been considered nor rejected by the Legislature. No FTEs are involved in this request. The criteria for this request is that in order to provide full reimbursement as required in the above stated laws, the supplemental must be approved before the distribution of the funds can occur.

0441

RECEIVED  
FEB 15 1982  
OBPP

December 7, 1982

TO: Tom Chesbro

FROM: Robert W. Stockton



RE: Supplemental Appropriation for Transportation

Please put in a supplemental appropriation for \$350,000.00 for transportation. This is to cover the transfer of \$160,000.00 from this year's appropriation and an anticipated shortage of \$190,000.00 for this year.



THE MONTANA UNIVERSITY SYSTEM

33 SOUTH LAST CHANCE GULCH  
HELENA, MONTANA 59620-2602

(406) 449-3024

RECEIVED

DEC 20 1982

LEGISLATIVE  
FISCAL ANALYST

COMMISSIONER OF HIGHER EDUCATION

TO: Mr. Dave Lewis, Director  
Office of Budget and Program Planning

FROM: Jack Noble *JN*  
Deputy Commissioner for Management  
and Fiscal Affairs

DATE: December 20, 1982

SUBJECT: Supplemental Appropriation Request

Attached is the supplemental appropriation request that the Board of Regents approved on December 10, 1982. The schedule pertains to the general fund appropriation that is required for each campus. All other available funds have been offset against the enrollment supplemental request.

Your earliest consideration and support of the Regents' request would be greatly appreciated.

JHN/llt

xc: ✓Curt Nichols

Item 38-001-R1282 - Supplemental Appropriation  
Montana University System - 1982-83

The Commissioner of Higher Education is recommending that the following supplemental appropriation requests be forwarded to the legislature in January.

MILLAGE REVENUE SHORTFALL:

<u>CAMPUS</u>	<u>PERCENTAGE SHARE OF MILLAGE</u>	<u>1981-82 ACTUAL</u>	<u>1982-83 ESTIMATED</u>	<u>SUPPLEMENTAL TOTAL</u>
MSU	40.6%	\$ 91,779	\$203,000	\$294,779
U of M	32.2%	72,767	161,000	233,767
EMC	12.9%	29,071	64,500	93,571
NMC	5.7%	12,908	28,500	41,408
WMC	2.9%	6,578	14,500	21,078
Tech	5.7%	12,953	28,500	41,453
TOTAL	100.0%	<u>\$226,056</u>	<u>\$500,000</u>	<u>\$726,056</u>

Explanation:

The property tax collections from the university 6 mill levy failed to reach the amount appropriated in H. B. 500 needed to meet the cost of operating the six campuses. General fund money was borrowed from this years appropriation to cover last years millage deficit. The supplemental appropriation is needed to cover the amount transferred last year and to cover the anticipated shortfall for this year.

It has since come to our attention that some counties may not have allocated a portion of the vehicle tax funds to the 6 mill levy account. It may be that if this error is corrected that the current years deficit may be lower than our estimate of \$500,000.

ENROLLMENT SUPPLEMENTAL<sup>(1)</sup> (General Fund Portion Only)

<u>CAMPUS</u>	<u>AMOUNT</u>
MSU	\$ 486,434 (See Schedule A)
Tech	\$ 357,718 (See Schedule B)
NMC	\$ 242,967 (See Schedule C)
EMC	\$ 85,577 (See Schedule D)
TOTAL	<u>\$1,172,696</u>

Explanation:

The calculation was based upon allowing 1/3 of what the enrollment driven formula would have produced if the additional students would have been included

in the budget last session. The method used in calculating the supplemental is similar to that adopted and passed by the last legislature. Admittedly, the method used does not fully compensate the campuses for all the costs associated with the additional enrollment, but rather provides partial relief to what otherwise would create some serious problems in meeting campus obligations Spring quarter.

- (1) Excludes Scholarships and Fellowships.

MONTANA STATE UNIVERSITY  
SCHEDULE OF ENROLLMENT SUPPLEMENTAL REQUEST  
1982 - 83 FISCAL YEAR

Estimated FY FTE Enrollment	10,733
Less: Legislative Budget Estimate (1)	<u>9,962</u>
Unfunded Enrollment	<u><u>771</u></u>
Student/Faculty Ratio (1)	<u>18.37/1</u>
Number of Additional FTE Faculty Per Formula	<u>42</u>
FTE Faculty X Average Salary (1)	<u>\$ 26,792</u>
Total Salaries	1,125,264
Add: Benefits	<u>208,173</u>
Total Personal Services	\$ 1,333,437
 <u>Support Costs:</u>	
Instruction Rate Per FTE (2)	<u>\$ 495.38</u>
Rate X Enrollment	<u>381,937</u>
Other Program Rate Per FTE (2)	<u>\$1,164.00</u>
Rate X Enrollment	<u>897,444</u>
Total Formula Supplement	\$ 2,612,818
Less: 2/3 Absorption	<u>1,742,749</u>
Net Formula Supplement	\$ 870,069
Less: Available Revenue	<u>383,635</u>
General Fund Required	<u><u>\$ 486,434</u></u>

1) 1983 Appropriation Report - Pages 247, 248, and 249.

2) Final Report - College and University Funding Study - Page 74 (97% of 1983 amount).

MONTANA TECH  
SCHEDULE OF ENROLLMENT SUPPLEMENTAL REQUEST  
1982 - 83 FISCAL YEAR

Estimated FY FTE Enrollment	1,964
Less: Legislative Budget Estimate (1)	<u>1,590</u>
Unfunded Enrollment	<u>374</u>
Student/Faculty Ratio (1)	<u>17.77/1</u>
Number of Additional FTE Faculty Per Formula	<u>21</u>
FTE Faculty X Average Salary (1)	<u>\$ 25,274</u>
Total Salaries	530,754
Add: Benefits	<u>98,189</u>
Total Personal Services	<u>\$ 628,943</u>
 <u>Support Costs:</u>	
Instruction Rate Per FTE (2)	<u>\$ 345.00</u>
Rate X Enrollment	<u>129,030</u>
Other Program Rate Per FTE (2)	<u>\$1,374.00</u>
Rate X Enrollment	<u>513,876</u>
Total Formula Supplement	<u>\$ 1,271,849</u>
Less: 2/3 Absorption	<u>848,323</u>
Net Formula Supplement	<u>\$ 423,526</u>
Less: Available Revenue	<u>65,808</u>
General Fund Required	<u><u>\$ 357,718</u></u>

1) 1983 Appropriation Report - Pages 247, 248, and 249.

2) Final Report - College and University Funding Study - Page 74 (97% of 1983 amount).



NORTHERN MONTANA COLLEGE  
SCHEDULE OF ENROLLMENT SUPPLEMENTAL REQUEST  
1982 - 83 FISCAL YEAR

Estimated FY FTE Enrollment	1,613
Less: Legislative Budget Estimate (1)	<u>1,297</u>
Unfunded Enrollment	<u>316</u>
Student/Faculty Ratio (1)	<u>13.98/1</u>
Number of Additional FTE Faculty Per Formula	<u>22.5</u>
FTE Faculty X Average Salary (1)	<u>\$ 24,031</u>
Total Salaries	540,697
Add: Benefits	<u>100,029</u>
Total Personal Services	\$ 640,726
 <u>Support Costs:</u>	
Instruction Rate Per FTE (2)	<u>\$ 409.41</u>
Rate X Enrollment	<u>129,373</u>
Other Program Rate Per FTE (2)	<u>\$1,156.00</u>
Rate X Enrollment	<u>365,296</u>
Total Formula Supplement	\$ 1,135,395
Less: 2/3 Absorption	<u>757,308</u>
Net Formula Supplement	\$ 378,087
Less: Available Revenue	<u>135,120</u>
General Fund Required	<u>\$ 242,967</u>

1) 1983 Appropriation Report - Pages 247, 248, and 249.

2) Final Report - College and University Funding Study - Page 74 (97% of 1983 amount).

EASTERN MONTANA COLLEGE  
SCHEDULE OF ENROLLMENT SUPPLEMENTAL REQUEST  
1982 - 83 FISCAL YEAR

Estimated FY FTE Enrollment	3,434
Less: Legislative Budget Estimate (1)	3,010
Unfunded Enrollment	<u>424</u>
Student/Faculty Ratio (1)	<u>18.57/1</u>
Number of Additional FTE Faculty Per Formula	<u>23</u>
FTE Faculty X Average Salary (1)	<u>\$ 24,031</u>
Total Salaries	552,713
Add: Benefits	<u>102,251</u>
Total Personal Services	<u>\$ 654,964</u>
 <u>Support Costs:</u>	
Instruction Rate Per FTE (2)	<u>\$ 327.22</u>
Rate X Enrollment	<u>138,741</u>
Other Program Rate Per FTE (2)	<u>\$ 1,156.00</u>
Rate X Enrollment	<u>490,144</u>
Total Formula Supplement	<u>\$ 1,283,849</u>
Less: 2/3 Absorption	<u>856,357</u>
Net Formula Supplement	<u>\$ 427,492</u>
Less: Available Revenue	<u>341,915</u>
General Fund Required	<u><u>\$ 85,577</u></u>

1) 1983 Appropriation Report - Pages 247, 248, and 249.

2) Final Report - College and University Funding Study - Page 74 (97% of 1983 amount).

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1/10/83

EXHIBIT "13"

## MONTANA UNIVERSITY SYSTEM

ESTIMATED BIENNIAL COST OF 3.5% VACANCY  
SAVINGS FOR INSTRUCTIONAL FACULTY  
1983 BIENNIUM

	H. B. 500 Projected 1981 - 82	H. B. 500 Projected 1982 - 83	Total Biennium	
MONTANA STATE UNIVERSITY	\$14,909,863	\$16,584,146	\$31,494,009	40.0%
UNIVERSITY OF MONTANA	12,396,869	13,903,622	26,300,491	33.5%
EASTERN MONTANA COLLEGE	4,080,596	4,527,060	8,607,656	10.9%
NORTHERN MONTANA COLLEGE	2,295,496	2,568,015	4,863,511	6.2%
WESTERN MONTANA COLLEGE	1,120,817	1,252,410	2,373,227	3.0%
MONTANA TECH	<u>2,361,585</u>	<u>2,693,198</u>	<u>5,054,783</u>	<u>6.4%</u>
TOTAL	\$37,165,226	\$41,528,451	\$78,693,677	100.0%
Vacancy Savings Factor			.965	
Net Compensation			\$75,939,398	
Total Vacancy Savings (3.5%)			2,754,279	
Contingency Fund (2.0%)			1,600,000	
Vacancy Savings Deficiency (1.5%)			<u>\$ 1,154,279</u>	

RECOMMENDED ALLOCATION OF \$1.6 MILLION  
VACANCY SAVINGS CONTINGENCY FUND

Amount to be Allocated	<u>\$ 1,600,000</u>	<u>100.0%</u>
MSU	\$ 640,000	40.0%
U of M	536,000	33.5%
EMC	174,400	10.9%
NMC	99,200	6.2%
WMC	48,000	3.0%
TECH	102,400	6.4%
TOTAL ALLOCATED	<u>\$ 1,600,000</u>	<u>100.0%</u>

## MONTANA UNIVERSITY SYSTEM

SCHEDULE OF ESTIMATED VACANCY SAVINGS DEFICIENCY  
 INSTRUCTIONAL FACULTY  
 FY 1982 - 83

Amount to be Allocated

\$1,600,000

	<u>Allocated Amount</u>	<u>Distributed 1981 - 82</u>	<u>8/1/82 Balance Remaining</u>	<u>1982 - 83 Estimated Amount Required</u>	<u>1982 - 83 Estimated Deficiency</u>
MSU	\$ 640,000	\$ 487,146	\$ 152,854	\$ 599,792	\$ (446,938)
U.of M	536,000	351,998	184,002	321,791	(137,789)
EMC	174,400	120,000	54,400	164,445	(110,045)
NMC	99,200	33,944	65,256	65,742	(486)
WMC	48,000	36,478	11,522	36,113	(24,591)
TECH	<u>102,400</u>	<u>0</u>	<u>102,400</u>	<u>112,182</u>	<u>(9,782)</u>
TOTALS	<u>\$1,600,000</u>	<u>\$1,029,566</u>	<u>\$ 570,434</u>	<u>\$1,300,065</u>	<u>\$ (729,631)</u>

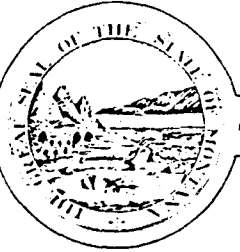
MONTANA SCHOOL FOR THE DEAF AND BLIND SUPPLEMENTAL REQUEST

The Montana School for the Deaf and Blind has requested a general fund supplemental appropriation of \$30,000 caused by utility expenses being higher than appropriate during the 47th Legislature. The cause of the high expenses was cited as the new construction currently under way. The budget was finalized during last session prior to the legislature approving construction of two 40-bed cottages, a food service, and a gymnasium.

Beginning November 1981, the school began paying utilities on the first cottage as it was being constructed. This cottage was occupied by students in October 1982. Other students are living in the old dorm until the second cottage is ready for occupancy next fall. The gymnasium, originally scheduled for completion in early fiscal 1984, will be ready for use this month. The school is also paying utilities on the construction of the second cottage and food service.

In fiscal 1982, utility costs were budgeted at \$65,926; however, \$82,857 was actually spent. The amount appropriated for utilities in fiscal 1983 is \$73,838. In light of the early completion of the gymnasium, the school began paying utilities during the construction phase, and because the budget did consider the construction project, the agency's request for the \$30,000 supplemental appropriation appears to be reasonable. It is suggested the appropriation be required to be identified only for use to pay utility expense and any remainder revert at year end.

# SCHOOL FOR THE DEAF AND THE BLIND



## STATE OF MONTANA

3911 CENTRAL AVENUE

GREAT FALLS MONTANA 59401

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TED SCHWINDEN GOVERNOR

RECEIVED  
DEC 15 1982

December 14, 1982

Mr. Dave Lewis, Director  
Office of the Governor  
Budget & Program Planning  
Capitol Station  
Helena, Mt. 59620

Re: Supplemental Request  
for Funding Utility  
Costs for FY'83 from  
the 1983 Legislature

Dear Mr. Lewis:

You are aware that this agency moved \$18,718 from equipment and operations budgets to pay excess utility costs incurred from new construction in FY'82. We have also moved \$20,000 in FY'83 from equipment and operations to attempt to cover excess utility costs which we feel will be incurred this year.

Historically speaking, during the most recent legislature, our operational budget was approved at present levels, prior to the successful finalization of the long range building program. Through the long range building program, we were allocated a total of 5.7 million dollars for four (4) major buildings. Two (2), forty (40) bed, cottages, a food service building and a recreation/physical therapy facility. Originally, construction was to be eighteen (18) months on Phase I Cottage, which meant utility costs for the agency would be incurred on or about January 1982. However, we went on line, due to construction time lines, as of November 1, 1981. Phase II Cottage, food service and the recreation facility were let to bid April 1982, with 18 months scheduled construction. This would have meant utility costs incurred by the agency as of spring 1983. However, again construction went ahead of schedule, as we have been as of November 1982, incurring additional utility costs for Phase II Cottage, food service and the recreation facility.

Mr. Lewis, please find attached, copies of data generated to my administrative team concerning our additional costs for utilities. I also have alerted our architects to this problem and they have informed me to look at a % increase in total \$'s over budget, which would not include the \$20,000 presently moved to utilities.

LET  
FROM  
K. Tom

Mr. Dave Lewis, Director  
December 14, 1982  
Page 2

Mr. Lewis, this agency requests a supplemental appropriation from the 1983 Legislature for increased utility costs for new construction, in the amount of \$30,000.

Please feel free to request additional data at any time.

Sincerely,

  
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ROBERT J. DEMING, SUPERINTENDENT

RJD/jc

enc.:

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