

MINUTES OF THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION  
January 24, 1983

The House Appropriations Subcommittee on Education met at 8:00 a.m. on Monday, January 24, 1983 in Room 104 of the State Capitol. With Chairman Rep. Esther G. Bengtson presiding, all members were present. The budget for the State Vocational Technical Centers was heard.

Pam Joehler (LFA) presented her office's analysis of the budget. The primary difference in the approach between the Governor's office and the LFA was that the LFA used a formula which the Finance Committee recommended after examining the funding process for the Vo Tech Centers (HJR 46, 1981 Legislature). Costs incurred at the Centers were broken down into five different areas. (See LFA Budget Analysis, Vol. II.) Across-the-board there is no allowance for pay increase. This is the same approach that the LFA used for all State agencies. The Vo Techs are supported by revenue from tuition, millage, federal funds and the General Fund. A fifth possible funding source would be Coal Tax monies. At present, this is not a source. Another revenue source is the "voted levy." This revenue, not appropriated by the Legislature, and wasn't considered in the 1985 budget. The student FTE conversion factor was changed. Centers still report contact hours but the factor has been adjusted to make the hours more realistic. It was changed to 1,000 hours instead of 750. An estimated 2.85% increase in student populations per year was used in the calculations. The budget has two options as to how to address the instruction cost component: (1) current level option -- this was used in 1981; it is a flat rate per student. (2) Finance Committee alternative -- program-wide cost; this approach considers the cost per student by program and how it relates to the other programs for the entire State. The effects of this formula per center were outlined. Distribution of federal funds was changed from prior years' practices during the development of the budget. The Butte Vo-Tech received a 9% decrease in funding; however, they will be receiving more of the federal funds. The Missoula Vo-Tech received a 5.5% decrease; the remainder of the Vo-Techs received increases.

Frances Olson (OBPP) then gave his analysis. The Governor's office used an incremental approach. Personnel services for each center were projected forward from the 1983 base, with adjustments for benefits and insurance. Operational costs used the 1982 fiscal year as the base and inflation factors were applied. Equipment amounts in each center's budget were projected from the equipment budget contained in the 1983 budget. No inflation factors were applied to these figures. Modified requests weren't included in the Executive budget; however, it does include a reserve for elected officials and those modifications of elected officials that are approved by the Legislature.

The chairman announced that she and Rep. Donaldson had sat on the Finance Committee Interim Committee that worked on this problem during the interim. It is incumbent on the Committee to use the formula that was applied by the LFA's office, she stressed.

Questions were then asked by Committee members. In regards to federal fund distribution, Ms. Joehler explained that in the past it was based on total expenditures for each center relative to the system total. Now it is based on four different factors: (1) relative ability to pay; (2) relative concentration of low income population; (3) unemployment rate of the county; and (4) service, defined as that portion of the enrollment generated by the Center compared to the system total for the immediate past year. She added that Mr. Gene Christiaansen had developed the formula. The bottom-line amount to the centers doesn't change--only the mix changes. In response to Rep. Bengtson, Ms. Joehler explained that the flat fee generated more for the entire system: about \$12,000 more per year, out of \$8 million per year.

Rep. Bengtson wanted to know if she felt that the program weighted formula provided more equity than the flat fee. Ms. Joehler commented that it shifted money around from center to center a lot more, but she wasn't sure that it was more equitable. The formula itself is fairly complicated. If the base year is changed every biennium, then the formula will change every biennium.

Rep. Donaldson said his concern wasn't particularly with current funding, but with future projections. If a weighted program isn't used, will centers be reluctant to take on high-cost programs? Regarding federal fund distribution, if the current method is used for each center, it doesn't make much difference how federal money is distributed. Ms. Joehler stated that it only made a difference to the federal government.

Rep. Donaldson wanted to know if tuitions had been compared with other states or with the proposed tuition increase by the Board of Regents. Ms. Joehler said she had compared tuitions about a year ago and she hadn't compared them with the Board of Regents proposal.

Rep. Peck wanted to know what percentage of the total cost of the Vo-Tech centers was from General Fund monies. Ms. Joehler replied that system-wide it was 65%. In addition, they are all voting special levies. She agreed to make available to the Committee members her report of a year previous.

Gene Christiaansen, Assistant State Superintendent for Vocational Educational Services, Office of Public Instruction, then began his testimony. After a considerable amount of dialogue with the federal government, the OPI found that their old federal fund distribution procedure was unacceptable, and a new one had to be written. The new distribution procedure is required to consider new programs. Because of this hold-up, the new five-year program hasn't received formal approval from the federal government. Therefore, the State doesn't have its 1983 award yet. The differences between OPI's budget proposal and the LFA and/or OBPP budget revolve around the question of the pay plan and also around revenue in terms of whether or not HB 105 or the coal tax interest income will be realized, or whether or not federal funds will come through as the LFA has predicted or as the OBPP has predicted. Also, there is a question as to the amount of additional funds from tuition, and the General Fund question. The other issue regards what constitutes an FTE, and how this relates to the other elements. A large issue that is paramount is that of the salary differential that the local district has to vote upon. He referred the Committee members to the Office of Public Instruction's budget proposal; see Exhibit "A". He submitted that it was not intended to be a separate approach but rather it was an attempt to inform the Committee as to how they saw the dollars that would be necessary to support the Vo Tech Centers, how they would be distributed, and where they would come from.

The major emphasis of the Centers this year is a concentration on equipment. The equipment requests had been much higher than what he had worked out. The equipment requested by the OBPP budget included the items listed in this budget. He explained that OPI had looked at the overall budgets and balanced the requests against anticipated revenues. They are confident that their tuition and FTE's would be met, with tuition going from \$150 to \$165 per quarter. He felt confident that federal funds would come through, since the federal budget in this area had been increased. His concern was that when averaging is done, someone has to pay, and it ended up being Butte. The local impact has to be considered. He presented three scenarios: see pp. 22-24, Exhibit "A". He stressed that it was crucial to realize that there was an increasing amount of dollar support which the Vo-Techs were asking for. This has to be considered when the budget process is gone through. The overall increase is 23.9-plus percent.

Several questions were then asked by the Committee members. Rep. Bengtson wanted to know if Ms. Joehler had accommodated for the increase to 53% in federal funds in the LFA budget. She replied that she had received an estimate of federal funds from Mr. Christiaansen, and she allocated more funds than he originally told her.

Rep. Bengtson wanted to know how Mr. Christiaansen connected the failure of maintenance of effort to not getting the 1983 allocation from the federal government. He replied that the cash basis being used in the OPI showed expenditures accrued in one year and transferred to another. This made it look like the succeeding year's dollars expended were higher. Consequently, the next year went down. This caused the federal government to question whether there had been maintenance of effort. The ledgers were reviewed extensively and it was found that they did maintain effort. They are awaiting a decision on the federal level.

Rep. Donaldson wanted to know what the OPI projected for enrollment increases. Mr. Christiaansen said that the average was probably about 6%. Chairman Bengtson wanted to know what Mr. Christiaansen considered to be fair in regards to the conversion factor. He replied he had several concerns: (1) if the hours of instruction are raised to 1,000, this will affect the base support. Ms. Joehler stated that this had been accommodated for in the LFA analysis. \$1,454 was an appropriated amount before the caps and it was based on a 750 student contact hour conversion. When the conversion was changed to 1,000, the cost per unit went up because the number of students seemed to go down. The bottom line doesn't change at all. What the centers actually spent in 1982 was considerably less than what they were appropriated, because the students increased. Therefore, the cost per student went down. The combination of that and changing the student FTE conversion were both taken into consideration in development of the budget; she stressed that the base support has not been decreased. The cost per student would seem to have gone down only because the number of students increased.

Mr. Christiaansen stated that Ms. Joehler was partially correct. But the problem at the heart of the situation was that the centers were allocated \$1,454 based on 3,248 FTE's for the total system. 3,416 were actually generated. However, they didn't come in for the supplemental between what was expected to be generated and what was. They can either request the supplemental to get to the 1,454 level or get less dollars because they appear to be more efficient.

Dr. John Jourdonnais, State Advisory Council on Vocational Education, then spoke up in favor of the OPI budget. He presented three assumptions: (1) the job market is changing profoundly and a great impact will be made on future jobs by a number of factors. This has resulted in an increase in emphasis on post-secondary vocational education; (2) the need for training and retraining citizens is a human need; (3) the funding base needs to be expanded to provide flexibility in training programs.

Minutes of the House Appropriations Subcommittee on Education  
January 24, 1983  
Page Five

Sanny Tobin, also a member of the Advisory Council, also rose in support of the OPI budget.

Dr. Harold Wenaas, representing the superintendents, spoke. For three years the Vo-Techs have been on SBAS: they have a unified accounting system. They have been meeting with the State Superintendent of Public Instruction and since that office has taken over the direction of the Vo-Techs, they have seen a lot of cooperation and improvement. The communities support them in a county-wide and a voted levy. The school trustees do care and want to be involved. They are coordinated, governed, and managed, and want to continue in this way.

Rep. Fritz Daily from Butte rose in support of the vocational educational system in Montana. He asked the Committee to not only look at the funding formula, but also to look at each center individually. They all have unique problems which cannot be addressed simply through a formula. Since he has been connected with vocational education, every year the funding formula is changed. The Butte center enrollment has remained stable since 1979, and if they receive a cut it will be devastating to the Butte economy. Training and re-training needs to be done in this area.

Bob Moodry, Chairman of the Board of Trustees, School District No. 1, in Butte, spoke up on behalf of the districts throughout the State. In Butte, in particular, they have funding problems. They need more funding. The center is going to be taxed in the coming years because of the dying industry there. To ask the people of Butte to pay more through taxes or to train themselves is very hard to do. If the Butte center isn't able to train people for new industry, new industry will not come to Butte. It will be catastrophic to Vo-Tech funding in Montana when people refuse to pay more taxes to support it.

Kathryn Penrod, Executive Director of the Montana Advisory Council for Vocational Education, rose in support of a 24% increase in funding for the postsecondary Vo-Tech centers; see written testimony Exhibit "B."

Rod Brewer, Data Processing Manager for Lewis and Clark County rose in support of the Vo-Techs as an employer of the by-product of that system.

Jim Murry, Executive Secretary of the Montana State AFL-CIO, then rose in support of increased funding for post-secondary vocational education; see written testimony Exhibit "C."

Marge Mulholland, a 1974 LPN graduate from the Helena Vo-Tech, spoke. The program she graduated from is an excellent one; placement is between 95 and 100%. Board certification is also high. The benefits of this type of education are fantastic for those unable to afford college.

Maynard Olson then read written testimony from Rep. James Schultz, Lewistown, who was unable to attend the hearing; see Exhibit "D."

The Vo-Tech center Directors then testified.

R.E. Bauer, President of the Billings Vo Tech spoke first. The loss of CETA money resulted in the loss of four instructors in the Billings center. Their support level has been down for several years. It behooves them to have as modern equipment as possible. At present, their business area has not much more than a high school program would have.

Harry Freeborn, Butte Vo-Tech, then spoke. He concurred with the OPI recommendations, but cannot support any of the three recommendations, especially due to the recent closure of the pit in Butte. He presented a copy of the Butte Vo-Tech proposed budget; see Exhibit "E." Personal services they propose to increase by 8.32% in FY 1984. In operations there is a 6.54% increase. In going into the new facility, in 1985, personal services will increase 11%, and 12.28% in operations. He doesn't see how they can take a 9% decrease going into a new center. The shortfall overall between what their needs are and what the Governor's budget proposes amounts to \$592,495; with the LFA budget, \$384,089; and with the OPI budget, \$278,629. They haven't asked for any equipment in 1984 or 1985: because of the appropriation for the new center, they will have \$1.4 million plus, and they don't feel the need for new equipment. He added that 50% of the equipment in the new center would be paid for by the local citizens. The modifications were then addressed. See Appendix "B", Exhibit "E."

Pat Geary, a retired data processing manager for the Anaconda Co, presented the justification for the computer specialist/microdata instructor modified request. The new facility in Butte is a perfect opportunity to try to put a computer training program together, especially one built around microcomputers.

Loren Frazier, Great Falls Vo-Tech, then spoke. It is up to the Committee to decide how important the Vo-Techs really are to the State. He expressed disappointment that the Governor's plan for improvement in the State didn't include Vocational Education in a higher budget rating.

Dr. Alex Capdeville, Helena, Vo-Tech, then testified. He supports the concept to equalize funding between the institutions. Their budget requests three new staff members. In the past three years the Helena Vo-Tech has grown in response to the community's short-term needs. The OPI's budget request has a pared-down version of their \$400,000 equipment request. Although a 15% increase is indicated in operations, for Helena their increase for the biennium is only \$4,900, far short of 15%. Another concern they have is the differential factor. They project for 1984 that the differential will be \$150,000 to \$175,000; the following year it will be \$200,000 to \$225,000.

Dennis Lerim, Center Director for Missoula, then spoke. He stated the following assumptions: (1) The recommended staffing pattern presented in the OPI budget is found acceptable; (2) enrollment projections are something to be realized; i.e., that is their objective; and (3) the three proposed budgets would realize no change in this direction. If this is the case, he proposed to illustrate what would be required from the local districts to maintain current level. The OPI budget for 1984 would require a local voted levy of about \$315,000, and \$425,000 in 1985. The Governor's budget would require \$408,000 in 1984 and \$585,000 in 1985. The LFA budget would require \$560,000 in FY 1984 and \$710,000 in FY 1985. These figures contain no pay plan consideration. At present, the law requires that they go to the voters for salary differentials only. The OPI budget for operations they feel is livable. The Governor's proposal would require that they defer expenses but this will work for a few years only.

Earl Johnson, President of the Helena Bank, had written testimony which Kathryn Penrod read to the Committee members on his behalf; see Exhibit "F."

Sen. George McCallum, Niarada, then testified. A student can go into the Vo-Techs and study for a few years and come out with a trade that can make them useful, taxpaying citizens.

Questions were then asked by the Committee members.

Chairman Bengtson wanted to know the status of the new federal job-training and education program. Mr. Christiaansen explained that federal law stated that existing service delivery mechanisms shall be used. Therefore, the Vo-Techs should be used to carry forth this act. The Governor has to seek nominations from various groups and appoint a coordinating committee. This will be followed by private industry counsels in the service delivery area that are going to be adopted in the State. There will be two proposals: one for the entire State and the other to create two areas. At this point he wasn't sure what was happening. In regards to how the Vo-Techs would be getting involved, if a cap would be put on

Minutes of the House Appropriations Subcommittee on Education  
January 24, 1983  
Page Eight

the Vo-Techs' budgets, they would be excluded from performing under these programs. The estimate at present for revenue from this source is \$9 to \$12 million; 70% of that would be going into training programs, which could be offered by any number of different agencies at this point.

In response to another question from Rep. Bengtson, Mr. Christiaansen stated that the job placement rate was actually above 76% for the Vo-Techs. Eighty-four percent of the jobs are in the State and 16% are out-of-state.

Rep. Ernst wanted to know what efforts had been made to secure some of the Vo-Techs' equipment from the private sector. Dr. Capdeville replied that the Helena center had received some small equipment. As a result of General Motors using the Helena and Billings Vo-Techs as training sites, they receive both equipment and students. He stressed that efforts in this area were being made. Mr. Bill O'Connor, Assistant Vo-Tech Director in Butte, stated that they had contacted the ARCO Co. for any equipment they may leave behind. Also, they have citizen drives. Mr. Lerim said that Missoula routinely solicits donations from business and industry, and they have fared reasonably. Mr. Bauer said that during the course of the past year the Billings Vo-Tech was able to get two John Deere diesel engines.

Sen. Tveit wanted to know more about Mr. Freeborn's 50% local funding which the other Vo-Techs don't have. He replied that this was a result of the bond issue for the new center. The citizens of Butte will be paying for 50% of the cost of the new center. This is the only time the local taxpayers have paid 50%; the rest of the communities are 100% State funded.

Chairman Bengtson wanted to know if Mr. Christiaansen endorsed the funding formula the interim committee had come up with. She submitted that it was going to be very difficult for the Committee to operate with the formula if the Vo-Techs haven't addressed it. Mr. Christiaansen replied that originally, a staffing pattern was discussed with each of the centers and with the Superintendent. They concurred with the first draft. The final decision boiled down to sitting down and setting parameters on staffing. He submitted that an equalization basis needed to be started with a staffing pattern. One instructor per 18 FTE was accepted in HB 400. Support staff needs vary from center to center, however. He rose in support of the staffing pattern that was developed, but added that there were inherent problems due to variables such as tenure, which couldn't be taken into account. There is trouble when arriving at average costs because the centers have not grown up in an average manner.

Rep. Peck asked Mr. Bauer to comment on the ultimatum which the Billings Board of Trustees had delivered to the Legislature in a letter to the editor. He replied that the Board's position was now more in a state of flux. There are members of the Board who are beginning to evaluate the economy and what the Vo-Tech centers do, and possibly the salary differential issue will be put on the ballot as a separate item. He added that thought needed to be given as to where the responsibility lies--is it the local board of trustees or the State or a combination?

Rep. Peck then brought up the statement that had been made regarding the fact that two of the districts specifically voted for the Vo-Techs, and the rest put it all together. Mr. Christiaansen replied that the law allowed the local districts to either present the issue combined with elementary and secondary mill levies or with the high school; it is their choice. Great Falls and Butte are voting specific mill levies. Dennis Kraft, Missoula County High School Vo-Tech Superintendent, stated that Missoula County would be voting the mill levies separately.

Chairman Bengtson wanted to know if the Butte Vo-Tech modifications had been addressed in the OPI budget. Mr. Christiaansen stated that 1.5 additional custodial staff had been granted in 1985. Ms. Joehler stated that due to a misunderstanding, the LFA's budget that had been developed for Butte didn't reflect a necessary increase.

The Chairman requested Mr. Christiaansen to meet with Ms. Joehler to iron out any differences by the following morning. She asked that the modifications for the Butte Vo-Tech be addressed.

Sen. Jacobsen wanted to know if the LFA had made any provisions for easing into the new formula, as had been done with the Community Colleges and the University System, and Ms. Joehler replied that this had not been done. Sen. Jacobsen rose in support of this approach.

Mr. Christiaansen stated that if HB 105 passed, there would be additional revenue which the LFA hadn't taken into consideration.

Sen. Haffey suggested that it would be helpful if the three main proposals could be laid out for the Committee the following morning, using the variables which made the proposals different.

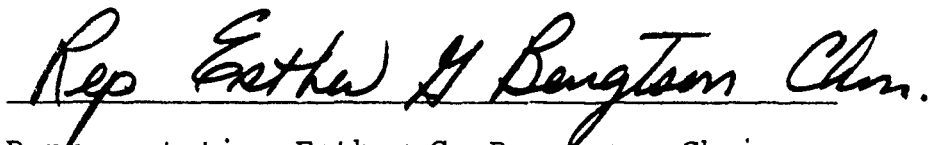
Discussion took place in regards to the Helena Vo-Tech's request for additional FTE. Mr. Olson (OBPP) stated that the Governor's office had on several occasions requested a list of equipment for the Centers. When the Helena Vo-Tech budget was under consideration, these lists were not available.

Sen. Haffey wanted to know where in the Executive's total economic development program the Vo-Techs fit. He requested a statement on this for the following day's work session.

In response to a question from Rep. Bengtson, Ms. Joehler stated that the funding formula was used for current level only. The Vo-Techs presented the same modified requests to the LFA as were presented to the OBPP. Mr. Olson stated that his office had not considered any modifications. Ms. Joehler pointed out that any modified requests that would be incorporated into the upcoming biennium budget would then become part of the base for the next budget. Chairman Bengtson wanted to know if there was any way these requests could be put in the form of modifieds so the Committee could properly address them. Mr. Olson said he would provide the Committee with the list given to the Governor's office from OPI. He added that some of the modifications presented in the hearing by the centers did not coincide with what his office had received.

The Chairman assured those present that the Committee would come up with the best formula that could be offered, but that they would work within the confines of the formula worked up by the Interim Committee.

The meeting was adjourned at 10:45 a.m.

A handwritten signature in cursive script that reads "Rep Esther G Bengtson Chm." The signature is written in dark ink and is positioned above the printed name of the representative.

Representative Esther G. Bengtson, Chairman

## VISITORS' REGISTER

HOUSE Education Sub - COMMITTEEBILL VO-TECH BudgetDate 1/24/83

SPONSOR \_\_\_\_\_

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
B. H. Milligan	Butte	School Dist. No. 1	✓	
Bob Moodry	Butte	School Dist. No. 1	✓	
Sanny Tobin	Helena	Adm. Council	✓	
Rod Brewer	Helena	Lewis & Clark County	✓	
Marge McCallister	Helena	L.P.N.	✓	
John McKeown	Helena	Mont. AFL-CIO	✓	
Patricia McConna	Helena	Mont. Ad Council VoEd	✓	
Kristine H. Kelly	Helena	Mont. Ad Council VoEd	✓	
Bob Arce	Helena	A.P.		
W. J. Dubois	Butte	Butte Vo-Tech	✓	
J. G. Anderson	B.F.	MAFCUE	✓	
Harold W. Winters	Gr. Falls	Gr. Falls Public Schools	✓	
Greg Christensen	Helena	OPE	✓	
Thomson, Charles	Helena	OPE	✓	
Norman Hays	Great Falls	Vo-Tech Center	✓	
Paul Daly	Butte	Representative Dist 87	✓	
Don Brown	Butte	" 83	✓	
Carl Sprunt	B.F.	Vo-Tech Center	✓	
R. E. Bauer	BLUGS	Vo-Tech Center	✓	
Einar Brosten	Helena	Vo-Tech Center	✓	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

## VISITORS' REGISTER

HOUSE \_\_\_\_\_ COMMITTEE \_\_\_\_\_

BILL \_\_\_\_\_

Date \_\_\_\_\_

SPONSOR \_\_\_\_\_

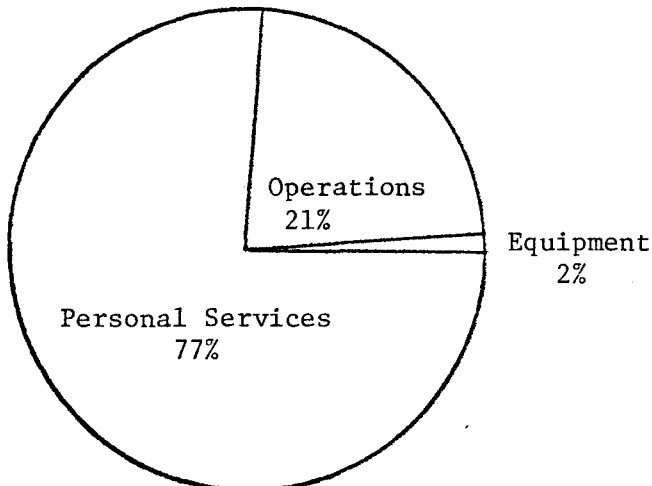
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VOCATIONAL TECHNICAL CENTERS

1983 BIENNIUM  
15.2 million

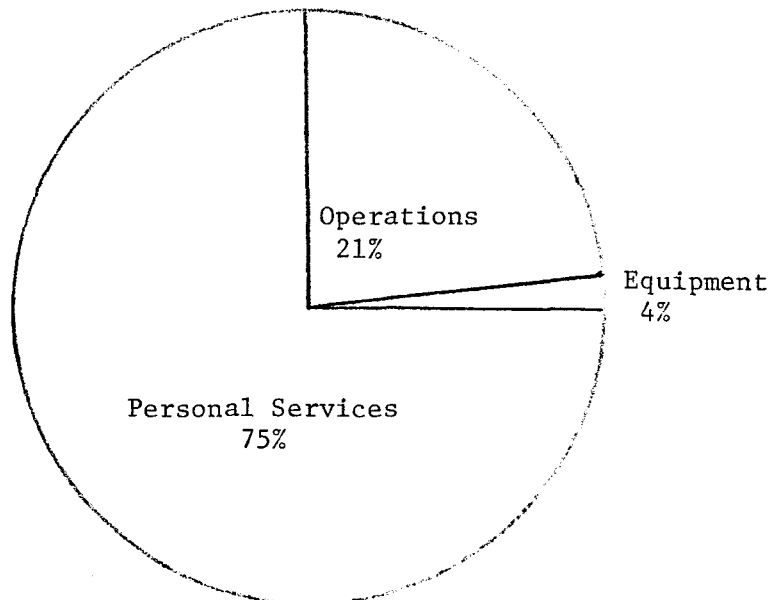


➤ Salary differential paid by districts was \$1,031,100.

WHAT THE FUNDS DID:

- Provided vocational education to 6,792 student FTE.
- Employed 258.8 instructional and support personnel.
- Provided graduates and completers with an average placement rate of 76%.
- Provided employers with well trained personnel.
- Provided increased earning for successful graduates and completers.

1985 BIENNIUM  
18.8 million



WHAT THE FUNDS WILL DO:

- Provide vocational education for 7,204 student FTE.
- Provide employment for 275.35 instructional and support personnel.
- Provide funds for updating and new equipment.
- Provide for a state systems approach to staffing patterns and uniformity in programs.
- Provide economic growth potential.

The Butte Vocational Center completion and operation in 1984-1985.

➤ Salary differential estimated to be placed before the electorate in the Biennium: \$1,676,000.

POSTSECONDARY VOCATIONAL TECHNICAL CENTER  
BIENNIUM FUNDING 1979-1985

1979 BIENNIUM		PERCENT OF BUDGET
General Fund	\$ 7,042,721	66.98
Federal Funds	2,247,362	21.37
Millage	915,800	8.71
Tuition	<u>309,241</u>	<u>2.94</u>
TOTAL	\$10,515,124	100.00

1981 BIENNIUM		
General Fund	7,391,027	60.02
Federal Funds	2,226,656	18.08
Millage	1,436,790	11.67
Tuition	<u>1,258,468</u>	<u>10.23</u>
TOTAL	12,312,941	100.00

1983 BIENNIUM		
General Fund	9,666,332	63.42
Federal Funds	2,043,602	13.41
Millage	1,569,834	10.32
Tuition	<u>1,956,881</u>	<u>12.85</u>
TOTAL	15,236,649	100.00

1985 BIENNIUM		
General Fund	11,424,751	60.50
Federal Funds	2,257,064	11.95
Millage	1,719,287	9.11
Tuition	2,924,469	15.49
Coal Tax Interest	<u>557,500</u>	<u>2.95</u>
TOTAL	18,883,071	100.00

### Postsecondary Vocational Technical Centers

The original Center funding requests for the 1985 Biennium received by the Office of Public Instruction amounted to \$23,152,213 in addition to Department of Administration construction funds of \$2,593,808. In accordance with Montana statutes, the Office of Public Instruction reviewed budgets in light of anticipated revenue and reduced the total Center requests from \$23,152,213 to \$18,883,071 or a reduction of 22.6 percent. Requests for facility construction and renovation were prioritized by the Office of Public Instruction and transmitted to the Department of Administration for inclusion in the State Long Range Building Program. None of the building requests received consideration in the allocation of Long Range Building Plan projects for 1983-1985.

The Center budgeting process involved District Superintendents, Center Directors and staff in addition to OPI personnel. Recognition was given to the disparity of staffing patterns which grew out of the former semi-autonomous posture of the Centers in addition to extraneous factors of influence caused by the loss of federal funds under CETA and prior legislative support for the Centers.

The District Superintendents resolved with the Office of Public Instruction that a four-year plan of equalizing instructional and support staffing was necessary based upon recommended staffing patterns from the "Postsecondary Policies and Procedures" handbook. The staffing pattern recommendations are replicated below for reference.

#### OFFICE OF PUBLIC INSTRUCTION STAFFING RECOMMENDATIONS

Fixed Personnel	FTE
Center Director	1.0
Administrative Secretary	1.0
Assistant Director	1.0
Secretary	1.0
Receptionist	1.0
Business Manager/Financial Manager	1.0
Manager	
Accountant/Bookkeeper/Inventory	
Clerk	1.0
Data Processing Programmer/Operator	1.0
Media Center/Librarian	1.3
Clerical	<u>.5</u>
subtotal	9.8

Variable Personnel	Center Size	
	1-500 FTE	500-1000 FTE
Student Services		
Admissions Officer	.65	
Financial Aids Officer	1.0	1.3
Counselors: based upon a ratio of 1.3 to 300 FTE		
Placement Officer	.65	1.3
Clerical	1.0	1.0
Plant		
Custodians: based upon a ratio of 1.0 to 25,000 square feet		
Instructional: based upon a ratio of 1:18 FTE students.		

This staffing pattern was utilized at each Center for the 1985 Biennium as the first phase of a four-year effort to reach parity.

The staffing pattern was the first consideration of a formula development for the Centers in order to effect a systems approach. The second element of a formula approach involved determination of an FTE student based funding level.

The 47th Legislative Session determined that basic support for students (FTE) should be at a level of \$1,454 and \$1,584 for fiscal years 1982 and 1983 respectively. These levels were determined from 1980 expenditures and were based upon 750 hours annually or 250 hours per quarter divided into the actual instructional contact hours provided by each Center; ARM 10.41.101, 21(a) 1979-80. The projected FTE student attainment was 3,248 for each year of the 1983 biennium. Actual FTE students generated was 3,395 in 1982 and approximately the same for 1983. Funding levels were based upon the projections and were not corrected for the increased performance levels. The Office of Public Instruction did not seek 1983 supplementals for the difference.

Actual expenditures for 1982, as reported in the LFA Budget Analysis--1985 Biennium, Volume II, page 587, notes that instructional costs averaged \$1,649. The Office of Public Instruction calculates the cost to be \$1,549.

The 1982 base support projected for 1984 and 1985, predicated upon ARM at 750 hours per FTE calculations, should reflect realistic inflation of instructional supplies costs plus salary increases reflective of the differences between the appropriated 1982 level of \$1,454 and actual expenditures of \$1,549. Support at \$1,784 for fiscal 1984 and \$1,891 for fiscal 1985 is requested.

FY 84      \$1,785    x    3,534 FTE    =    \$6,304,656

FY 85      \$1,891    x    3,670 FTE    =    \$6,939,970

All revenue sources as outlined on the following pages were allocated on a system basis to insure the first phase of equalization between the Centers as detailed by each Center.

Revenue projections were based upon these assumptions:

1. Federal fiscal 1984/85 funds for vocational education center efforts were projected to \$949,508 for each of the two years based upon an anticipated national funding level of \$625 million.

On December 21, 1982, the President signed the continuing resolution for education which appropriated \$728.7 million for national funding of vocational education. Of this, 6.5 million was appropriated to State Advisory Councils, thus reducing the State's appropriations to \$722.2 million.

The national funding level in FY 83 was \$634,813,648 of which Montana received \$2,363,678. The allocation factor is .00372 times the national funding level.

Applying this factor to the 1984 national appropriation of \$722.2 million results in an anticipated Revenue for Montana of \$2,686,584.

The federal funds are divided into five subparts:

1. Basic Grants which have been 78.3 percent of Montana's allocation;
2. Program Improvement at 14.3 percent;
3. Disadvantaged at 2.26 percent;
4. Consumer and Homemaking at 4.58 percent;
5. State Planning at .56 percent.

The basic grant funds are that portion of the federal budget allocation from which centers derive their support. The total 1984 anticipated revenue for this subpart is \$2,103,598 of which \$1,128,532 (53.6 percent) is to be allocated to the centers. Historically this support has been 40 percent influenced largely by legislative actions. Due to the loss of funds in the emerging and emergency category for 1983 and 1984, a greater percent could be allocated to the centers.

2. County millage revenue was based upon an approximate 6.4 percent increase from 1983 appropriations for 1984 and 1985 resulting in \$855,706 anticipated in FY 1984 and \$863,581 in FY 85 for the system. These revenues are adjusted for loss of business inventory tax revenue.
3. Tuition revenue estimates were based upon an anticipated growth of 6.06 percent for the biennium from 6,792 for the 1983 Biennium to 7,204 in the 1985 Biennium. An increase of ten percent in tuition is included.

5,908 head count x \$495 = 2,924,469

4. General fund revenues were projected at approximately six (6) percent above the appropriated FY 83 figure for each year of the biennium or \$11,424,751.

Distribution of general funds is requested as follows:

FY 1983 Appropriation	\$5,250,455	FY 1984	\$5,454,832	+	3.89 percent
		FY 1985	\$5,969,919	+	8.88 percent

5. A new source of revenue has been proposed for consideration. This source of funding would come from the Educational Trust Fund interest revenue which is currently reinvested in the Trust Fund. This revenue would amount to \$217,500 fiscal year 1984 and \$340,000 in fiscal year 1985. These funds will be used for new programs and a portion of equipment purchase and replacement.

Comparison with Legislative Fiscal Analyst

	<u>1985 Biennium</u>	
General Funds	\$ 10,258,915	
Other Funds	<u>6,205,646</u>	
	\$ 16,464,561	(without pay plan)
		(without Coal Tax interest revenue)
		(without increased federal funds)
		(with student FTE increase of 5.7 percent)

Office of Public Instruction Summary

General Funds	11,424,751	
Other Funds	7,458,320	
Millage		
Tuition		
Federal		
Coal Tax Interest		
	<u>18,883,071</u>	
Center Allocations	<u>18,883,071</u>	(with 8 percent per year per pay plan)
		(with student FTE increase of 6.06 percent)

Center Budget Differences:	<u>Executive Budget</u>	<u>LFA Current Level</u>	<u>OPI</u>
	15,872,146	16,464,561	18,883,071
FTE Employees	240.58	251.23	275.35
Biennium percent increase	+4.17	+8.06	+23.93

1983 Biennium

\$15,236,649  
FTE 258.8

Alternative option to reduce dependency on general funds:

Increase student tuition by 20 percent to \$180 per quarter. This will generate an additional \$265,860 in tuition revenue. General fund differences between the OPI and LFA would be reduced to \$899,976.

POSTSECONDARY VOCATIONAL TECHNICAL CENTERS

<u>BILLINGS CENTER</u>	Biennium 1983 Appropriation 2,694,260	Biennium 1985 Appropriation 3,531,786 +30.43
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Fund Source

	<u>1983 Biennium</u>		<u>1985 Biennium</u>		<u>Biennium Change</u>
	<u>Actual Fiscal 1982</u>	<u>HB 2 Fiscal 1983</u>	<u>Fiscal 1984</u>	<u>Fiscal 1985</u>	
General Fund	618,732	717,075	917,257	981,269	+42.13
Federal Funds	210,000	150,987	156,178	156,178	-13.47
Millage	278,022	292,424	313,668	316,382	+10.45
Tuition	<u>176,236</u>	<u>264,353</u>	295,543	308,128	+37.01
Coal Tax Int.	<u>1,282,990</u>	<u>1,424,839</u>	<u>38,194</u> 1,720,840	<u>48,989</u> 1,810,946	<u>+100.0</u>
Add'l Mill.					
Sal. Differ.	<u>74,786</u>	<u>140,312</u>			
	1,357,776	1,565,151			

Expenditure by Object

Personal Serv.	1,048,485	1,008,973	1,257,644	1,358,254	+27.14
Operations	284,285	402,382	364,790	401,223	+11.56
Equipment	<u>11,436</u>	<u>13,484</u>	<u>98,406</u>	<u>51,469</u>	<u>+501.42</u>
	1,344,206	1,424,839	1,720,840	1,810,946	

FTE Empl.	48.05	44.90	52.7	52.7
FTE Student	692	702	728	759

Added Staff

1.5 custodians  
1.0 clerical  
1.0 media/printer  
1.0 sec.sci.instr.  
1.0 diesel instr.  
1.3 drafting instr.  
1.0 auto mech. instr.

\$167,952

# BILLINGS

The 1985 Biennium request includes expenditures for 38.4 instructors and 14.3 support personnel.

Based on staffing recommendations, the Center will remain below recommended staffing patterns by 2.9 instructors and 7.49 support personnel for the 1985 Biennium.

Billings major emphasis in the 1985 Biennium is to retain staffing and to meet equipment needs.

Center overview:

Size: 120,500 square feet of building located on 39 acres

Enrollment information:

Enrollees matriculate from 56 counties  
Average age of the student body is 25 years  
1982 placement rate: 76 percent

Number of programs/options: 32

Construction concern: The Billings Center is currently on a well water supply and lagoon sewage system, neither of which is adequate. Requests from the Department of Administration for long range planning included cost for hooking up to city sewer and water. The Center was not considered for the longrange building plans of the D.O.A.

Equipment requests include:

<u>New</u>	<u>Replacement</u>	<u>Age of Replacement</u>	<u>Cost</u> <u>1984</u>	<u>1985</u>
	2 IBM Typewriters	14 yrs.	\$ 1,600.00	
	4 Filmstrip projectors	11 yrs.	1,400.00	
2 Filmstrip Projectors		N/A	900.00	
1 Front Brake Grinder		N/A	495.00	
1 Armature Lathe		N/A	3,223.00	
1 Infra-Red		N/A	4,213.00	
1 Valve Refacer		N/A	1,875.00	
1 Glass Bead Machine		N/A	2,500.00	
	1 Oscilloscope	13 yrs.		\$ 7,107.00
	36 IBM Typewriters	7 yrs.	21,268.00	
	1 Sharp Copier	8 yrs.	3,295.00	
2 IBM Electronic Typewriters		N/A		3,432.00
1 IBM Correcting Typewriter		N/A		760.00
2 Word Processors				15,000.00
1 Teacher's Desk		N/A	251.28	
1 Teacher's Chair		N/A	113.60	
1 Four Drawer File		N/A	121.45	
6 L-Shaped desks		N/A	828.00	
6 Secretary Chairs		N/A	744.00	
10 Califone Tape Recorders		N/A	750.00	
	8 Welding Machines	13 yrs.	7,600.00	

BILLINGS

<u>New</u>	<u>Replacement</u>	<u>Age of Replacement</u>	<u>Cost</u> <u>1984</u>	<u>1985</u>
2 Welding Machines		N/A	\$ 5,800.00	
1 Bug O Line Burner		N/A	1,200.00	
	5 Idealarc Welding Machines	11 yrs.		\$ 4,000.00
	1 Welding Machine	10 yrs.		3,000.00
	1 Heath Pattern Cutter	10 yrs.		1,500.00
1 Lincoln Feed Unit		N/A		1,100.00
3 Detroit Diesel Engines		N/A	12,300.00	
2 3/4 Ton Rear Axle Assembly		N/A	1,200.00	
1 3/4 Ton Front Axle Assembly		N/A	450.00	
1 1/2 Ton Rear Axle Assembly		N/A	350.00	
2 205 New Process Transfer		N/A	800.00	
2 203 New Process Transfer		N/A	800.00	
2 Straight Steer Axle Assembly		N/A	400.00	
3 Detroit Diesel Engines		N/A		12,300.00
1 Reference Desk		N/A	800.00	
2 Drafting Machines		N/A	560.00	
1 Portable Storage Cabinet		N/A	650.00	
1 Reference Desk		N/A		830.00
1 Track Drafting Machine		N/A		420.00
1 Singer Filmstrip Projector		N/A		250.00
15 Desks with storage unit		N/A	9,675.00	
15 Drafting stools		N/A	1,852.00	
15 Drafting Lamps		N/A	1,074.30	
10 24" Drafting Machines		N/A	2,352.00	
5 Track-type Drafting Machines		N/A	2,031.40	
15 sets of tools		N/A	3,750.00	
1 Teacher's Desk		N/A	250.00	
1 Teacher's Chair		N/A	140.00	
	1 16mm Movie Projector	13 yrs.	950.00	
1 Recorder and Playback		N/A	42.95	
1 RCA TV Monitor		N/A		375.00
1 Player, RCA Video Recorder		N/A		795.00
			\$ 98,406.00	\$ 51,469.00

POSTSECONDARY VOCATIONAL TECHNICAL CENTERS

<u>BUTTE CENTER</u>	Biennium 1983 Appropriation 2,227,527		Biennium 1985 Appropriation 2,671,852 + 19.95		
Fund Source					
	<u>1983 Biennium</u>		<u>1985 Biennium</u>		<u>Biennium Change</u>
	<u>Actual Fiscal 1982</u>	<u>HB 2 Fiscal 1983</u>	<u>Fiscal 1984</u>	<u>Fiscal 1985</u>	
General Fund	679,549	835,402	744,912	889,788	+ 7.9
Federal Funds	176,040	118,806	251,900	251,900	+70.86
Millage	78,156	82,922	81,538	82,417	+ 1.79
Tuition	<u>100,453</u>	<u>155,364</u>	<u>180,233</u>	<u>189,164</u>	+44.40
	1,034,198	1,192,494	1,258,583	1,413,269	+19.95
Add'l Mill	<u>115,359</u>	<u>105,438</u>			
Salary Diff.	<u>1,149,557</u>	<u>1,297,932</u>			

Expenditure by Object

Personal Serv.	977,474	991,281	1,070,583	1,201,738	+15.42
Operations	149,683	179,063	188,000	211,531	+21.53
Equipment	<u>22,400</u>	<u>22,150</u>	<u>-0-</u>	<u>-0-</u>	-100.0
	1,149,557	1,192,494	1,258,583	1,413,269	
FTE Empl.	37.33	39.76	39.76	41.26	
FTE Students	430	432	444	466	
				<u>added staff</u>	
				1.5 custodial	

\$45,508

The 1985 Biennium request includes expenditures for 25.47 instructors and 15.79 support personnel. The Butte Center will remain below staffing patterns in support by 1.44 for the 1985 Biennium.

Major emphasis areas:

Butte will move to new facilities in the summer of 1984 which will reflect a change in support personnel and operations. The present facility is 60,000 square feet compared to the new facility at 92,700 square feet located on 40 acres.

BUTTE

Center Overview:

Size:        old 60,000 sq. ft.        new 92,700 sq. ft. on 40 acres

Enrollment Information:

Enrollees matriculate from 15 counties

Average age of the student body is 26 years

1982 Placement Rate: 76 percent

Number of programs/options: 16

Center Concerns:

The Butte economy has suffered during 1982 and 1983. High unemployment rates will effect tax revenues. The Butte Center may be required to meet greater educational demands for training and retraining of area residents.

Equipment Detail:

<u>New</u>	<u>Replacement</u>	<u>Age of Replacement</u>
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The funds allocated for construction of the Butte Center included 1.5 million for equipment and furnishings. There is a potential for funds beyond this amount due to the low construction bids. The Center did not request equipment funds for the 1985 biennium.

POSTSECONDARY VOCATIONAL TECHNICAL CENTERS

<u>GREAT FALLS CENTER</u>	Biennium		Biennium	
	1983	Appropriation	1985	Appropriation
		2,496,077	3,295,315	+32.02

Fund Source

	<u>1983 Biennium</u>		<u>1985 Biennium</u>		<u>Biennium Change</u>
	<u>Actual</u> <u>Fiscal 1982</u>	<u>HB 2</u> <u>Fiscal 1983</u>	<u>Fiscal 1984</u>	<u>Fiscal 1985</u>	
General Fund	692,016	859,451	831,576	972,902	+16.31
Federal Funds	195,720	142,457	226,711	226,711	+34.08
Millage	134,784	141,766	152,479	153,877	+10.77
Tuition	132,074	198,109	273,248	384,211	+68.88
Coal Tax Int.			102,916	70,684	+100.00
	1,187,792	1,341,783	1,586,930	1,708,385	+32.02
Add'l Mill.					
Sal. Differ.	<u>36,198</u>	<u>84,932</u>			

Expenditure by Object

Personal Serv.	936,844	981,706	1,166,762	1,260,103	+26.49
Operations	209,904	296,177	347,136	373,914	+42.48
Equipment	<u>38,020</u>	<u>49,900</u>	<u>73,032</u>	<u>74,368</u>	<u>+67.65</u>
	1,184,768	1,327,783	1,586,930	1,708,385	
FTE Empl.	45.1	45.1	50.1	50.1	
FTE Student	650	652	673	700	

Added Staff  
 1.0 Bus. Mgr.  
 2.0 Instructors  
     Inh. Ther. Tech.  
2.0 Clerical  
 \$106,520

GREAT FALLS

The 1985 Biennium request includes expenditures for 31.8 instructors and 18.3 support personnel.

Based on staffing recommendations, the Center will remain below recommended staffing patterns by 6.34 instructors and 4.29 support personnel for the 1985 Biennium.

Great Falls major emphasis is the continuance of the Respiratory Therapy program which was funded with federal funds during the 1983 Biennium. As a result of the special session of the legislature, these funds were depleted and are not a portion of the 1984-1985 plan for federal funding.

Center overview:

Size: 118,000 square feet of building located on 39 acres

Enrollment information:

Enrollees matriculate from 41 counties.  
Average age of the student body is 25 years.  
1982 placement rate: 77 percent

Number of programs/options: 18

Construction concern: The Great Falls Center has not completed the original building program and currently has approximately 9,800 square feet in the shell stage. Requests of the Department of Administration for long range planning included completion of the building along with weatherization concerns. The Center was not considered in the state building program.

Equipment Requests Include:

<u>Quantity</u>	<u>New</u>	<u>Replacement</u>	<u>Age of Replacement</u>	<u>Cost</u>
7	Micro computers		N/A	\$ 20,000
	Final payment of IBM 34		N/A	7,000
5		Typewriters	10 yrs.	10,000
1	Word processor		N/A	5,000
1	Cut off saw		N/A	3,000
1	Letter quality computer printer		N/A	5,000
1	Disk storage for IBM 34		N/A	12,000
2	Wire feed inert gas welders		N/A	3,000
1	Smokeater air clearing welding exhaust system		N/A	5,032
1		Timing machine	20 yrs.	2,000
1		Dental handpiece	10 yrs.	1,000
				<u>\$ 73,032</u>

GREAT FALLS

FY 1985

<u>Quantity</u>	<u>New</u>	<u>Replacement</u>	<u>Age of Replacement</u>	<u>Cost</u>
5	Micro computers		N/A	\$ 15,000
3	Word processors		N/A	15,000
10		Typewriters	11 yrs.	20,000
1	Smokeater air cleaning welding exhaust system		N/A	11,168
2	Wire feet inert gas welders		N/A	3,000
	Additional core for IBM 34		N/A	3,000
1		Hospital bed	15 yrs.	2,000
2		Dental handpieces	10 yrs.	2,000
2	Watchmaking staking sets		N/A	1,200
	Library shelving		N/A	<u>2,000</u>
				\$ 74,368

POSTSECONDARY VOCATIONAL TECHNICAL CENTERS

HELENA CENTER	Biennium 1983 Appropriation 3,803,683		Biennium 1985 Appropriation 4,680,450 +23.05		
Fund Source					Biennium Change
	1983 Biennium		1985 Biennium		
	Actual Fiscal 1982	HB 2 Fiscal 1983	Fiscal 1984	Fiscal 1985	
General Fund	1,191,935	1,454,369	1,485,491	1,561,615	+15.15
Federal Funds	298,800	218,284	261,977	261,977	+1.33
Millage	85,487	89,915	93,990	94,965	+ 7.73
Tuition	185,956	278,937	375,877	386,024	+63.88
Coal Tax Int.			38,195	120,339	+100.00
	1,762,178	2,041,505	2,255,530	2,424,920	
Add'l Mill.					
Sal. Differ.	89,000	98,000			
	1,851,178	2,139,505			
Expenditure by Object					
Personal Ser.	1,409,253	1,447,191	1,611,278	1,771,069	+18.41
Operations	380,032	514,464	512,985	520,843	+15.58
Equipment	57,600	64,850	131,267	133,008	+115.82
	1,846,885	2,041,505	2,255,530	2,424,920	
FTE Empl .	57.16	57.5	59.5	60.8	
FTE Student	903	909	926	951	
			Added Staff	Added Staff	
			1.0 Electronics	1.3 LPN Inst.	
			1.0 Data processing		
			\$ 48,312	\$30,889	

HELENA

The 1985 Biennium requests include expenditures for 42.12 instructors and 18.68 support personnel.

Based on staffing recommendations, the Center will remain below recommended staffing patterns by 10.01 instructors and 7.78 support personnel for the 1985 Biennium.

Construction concern.: Helena has exceeded its facility capacity and has incorporated the use of four relocatable buildings in order to meet enrollment demands. The facilities lack adequate access for handicapped in addition to the lack of ceiling insulation. The Department of Administration request for construction planning which included improving access and insulation was met; however, the Center was not considered in the state building program.

Center overview:

Size: 114,000 square feet in six (6) buildings with 5 acres of land.

Enrollment information:

Enrollees matriculate from 58 counties.

Average age of the student body is 26 years.

1981 placement rate: 84 percent

Number of programs/options: 23

Equipment Detail:

<u>New</u>	<u>Replacement</u>	<u>Age of Replacement</u>	<u>Cost</u> <u>1984</u>	<u>1985</u>
	1 Diesel Pump	15 yrs.	\$ 19,000.00	
	1 Drill Press	17 yrs.		\$ 1,500.00
	1 Hot Tank	39 yrs.	3,500.00	
	1 Knurling Set	15 yrs.		500.00
	2 Portable Battery Charger	17 yrs.	1,300.00	
	1 Pressure Washer	11 yrs.		2,800.00
	2 Seat Grinder	15 yrs.		2,000.00
	1 Valve Refacer	15 yrs.	2,400.00	
	1 Generator Run-up stand	35 yrs.		8,500.00
	1 Heavy Duty Drill Press	17 yrs.		2,000.00
2 Donable T35 Jet Engines		N/A	5,000.00	
	1 Tune-up Scope	14 yrs.		8,000.00
	2 Floor Jacks	12 yrs.	1,300.00	
	1 Battery Charger	17 yrs.	650.00	
	2 Table Saw	6 yrs.		2,000.00
	1 Jig Saw	17 yrs.		500.00
	1 Belt Sander	15 yrs.		550.00
	1 Used Passenger Bus	21 yrs.	2,000.00	

HELENA

<u>New</u>	<u>Replacement</u>	<u>Age of Replacement</u>	<u>Cost</u> <u>1984</u>	<u>1985</u>
2 System 34 Terminals		N/A	\$ 4,400.00	
	4 Gearhead Lathes	15 yrs.	30,000.00	
2 Two-Way Radio Monitors		N/A		\$ 18,000.00
1 Digital Inst. Trainer		N/A	12,000.00	
1 Spectrum Analyzer		N/A	15,000.00	
1 Word Processor		N/A		28,000.00
1 Printer		N/A		6,000.00
4 Terminals		N/A		17,600.00
1 Engine Dynamometer		N/A	31,000.00	
	2 MIG Welders	16 yrs.	2,500.00	
	1 Drill Press	15 yrs.	1,500.00	
	10 AC/DC Welders	14 yrs.	3,800.00	4,200.00
			<u>\$135,350.00</u>	<u>\$134,650.00</u>

POSTSECONDARY VOCATIONAL TECHNICAL CENTERS

<u>MISSOULA CENTER</u>	Biennium 1983 Appropriation 3,955,302	Biennium 1985 Appropriation 4,704,068	+18.93
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<u>Fund Source</u>	<u>1983 Biennium</u>		<u>1985 Biennium</u>		<u>Biennium Change</u>
	<u>Actual Fiscal 1982</u>	<u>HB2 Fiscal 1983</u>	<u>Actual Fiscal 1984</u>	<u>Fiscal 1985</u>	
General Fund	1,200,800	1,384,151	1,475,596	1,564,745	+17.62
Federal Funds	319,440	213,148	231,766	231,766	-12.97
Millage	187,970	197,706	214,031	215,940	+11.49
Tuition	<u>183,920</u>	<u>277,315</u>	309,728	322,313	+37.03
Coal Tax Int.			<u>38,195</u>	<u>99,988</u>	+100.0
	1,892,130	2,072,327	2,269,316	2,434,752	15.36
Add'l Mill.					
Sal. Differ.	<u>127,075</u>	<u>160,000</u>	<u>315,376</u>	<u>427,332</u>	
	2,019,205	2,232,327			

Expenditure by Object

Personal Serv.	1,570,326	1,574,154	1,673,690	1,807,585	+10.71
Operations	402,934	447,458	492,204	521,864	+19.25
Equipment	<u>45,407</u>	<u>50,715</u>	<u>103,422</u>	<u>105,303</u>	+117.15
	2,018,630	2,072,327	2,269,316	2,434,752	
FTE Empl.	67.19	68.39	67.34	67.34	
FTE Student	730	732	763	794	

Staff Loss

-1.05 support

\$ 26,396

MISSOULA

The 1985 Biennium requests include expenditures for 43.86 instructional and 23.48 support personnel. This reflects a reduction of 1.05 support personnel based upon the staffing pattern recommendations.

The Missoula Center's major emphasis involves replacing equipment and new purchases.

Center overview:

Size: 135,000 square feet in four buildings on 16 acres.

Enrollment information:

Enrollees matriculate from 38 counties.

Average age of student body is 24 years.

1981 placement rate: 82.7

Number of programs/options: 27

Equipment Detail:

<u>New</u>	<u>Replacement</u>	<u>Age of Replacement</u>	<u>Cost</u> <u>1984</u>	<u>1985</u>
Micro Film Reader			500	
	Tractor/Mower	10		6,000
	Vacuum Cleaner	12		1,200
	Carpet Ex Tractor	10		1,303
	16 mm Projector(s)	12	1,200	1,200
Sound/Slide Projector				580
VCR Cabinet			375	
Laminator				1,920
Mini-Computer (Card Catalog)			2,625	
	15 Pass. Van	11	15,000	
Automatic Level				2,000
Theodolite				4,000
Respirator				4,500
Surgical Instrument Set			1,172	
	Food Service Fry Line	12	5,000	

(continued)

MISSOULA

<u>New</u>	<u>Replacement</u>	<u>Age of Replacement</u>	<u>1984</u>	Cost	<u>1985</u>
Computer Terminals (6)			5,400		5,400
	Classroom Type- writers (30)	8-10	12,000		12,000
Memory Typewriters (2)			1,500		1,500
	Oscilloscopes (6)	8-14	3,000		3,000
Microprocessors (2)			3,500		3,500
	Arc Welders (4)	4-5	1,600		1,600
Electric Hoist			1,750		
	TIG Welders (2)	12 & 13	2,000		2,000
Fuel Pump Test Stand			17,000		
Roosa Master Fuel Pump			1,200		
	Front End Loader	6	25,000		
	Grader	7			25,000
	Motor Cycles (2)	12	2,000		
	Boat Motors (2)	11			2,000
	Office Typewriters (4)	8-10	1,600		1,600
Copy Center					25,000
TOTAL			<u>103,422</u>		<u>105,303</u>

POSTSECONDARY CENTER BALANCE SHEET  
1985 Biennium

FISCAL YEAR	GEN. FUND		FED. FUNDS		MILLAGE		TUITION		COAL TAX, INT.		TOTAL
	84	85	84	85	84	85	84	85	84	85	
BILLINGS	917,257	981,269	156,178	156,178	313,668	316,382	295,543	308,128	38,194	48,989	3,531,786
BUTTE	744,912	889,788	251,900	251,900	81,538	82,417	180,233	189,164	0	0	2,671,852
GREAT FALLS	831,576	972,902	226,711	226,711	152,479	153,877	273,248	284,211	102,916	70,684	3,295,315
HELENA	1,485,491	1,561,615	261,977	261,977	93,990	94,965	375,877	386,024	38,195	120,339	4,680,370
MISSOULA	1,475,596	1,564,345	231,766	231,766	214,031	215,940	309,728	322,313	38,195	99,988	4,704,068
TOTALS	5,454,832	5,969,919	1,128,532	1,128,532	855,706	863,581	1,434,629	1,489,840	217,500	340,000	18,883,071

### Pay Plan Effect Upon Local District Taxes

The 1985 Biennium budget analysis would not be complete without consideration of the pay plan effects upon local districts in which Centers are located. It is a well known fact that the instructors of the vocational technical Centers are hired on the local district salary schedules and that the differences between the state pay plan and those negotiated by the local teacher unions are made up through the Montana law allowing the salary differential levy. This proviso has become an increasingly demanding financial concern for local districts. In the 1983 Biennium, districts paid \$1,031,100 in additional support.

In order to present to the Legislature the impact of the added mill salary differential, three scenarios are provided in the following pages.

#### SCENARIO I

Assumption: all districts negotiate a nine (9) percent per year contract increase for 1984 and 1985.

<u>Center</u>	<u>Biennium Amounts</u> Added mill salary differential based upon three levels of state pay plan for the 1985 Biennium		
	<u>State Pay Plan Percent</u>		
	<u>No Increase</u>	<u>4% Per Year</u>	<u>8% Per Year</u>
Billings	600,240	455,890	315,217
Butte	515,874	378,126	243,887
Great Falls	466,496	332,526	201,970
Helena	625,718	431,642	242,510
Missoula	<u>802,268</u>	<u>584,458</u>	<u>372,198</u>
Totals	3,010,596	2,182,642	1,375,783

SCENARIO II

Assumption: all districts negotiate an eight (8) percent per year contract increase for 1984 and 1985.

<u>Center</u>	<u>Biennium Amounts</u> Added mill salary differential based upon three levels of state pay plan for the 1985 Biennium		
	<u>State Pay Plan Percent</u>		
	<u>No Increase</u>	<u>4% Per Year</u>	<u>8% Per Year</u>
Billings	563,808	420,377	280,624
Butte	481,108	344,237	210,876
Great Falls	432,684	299,567	169,864
Helena	576,735	383,895	196,000
Missoula	<u>724,832</u>	<u>530,873</u>	<u>320,000</u>
Totals	2,779,167	1,978,949	1,177,364

SCENARIO III

Assumption: all districts negotiate a six (6) percent per year contract increase for 1984 and 1985.

<u>Center</u>	<u>Biennium Amounts</u> Added mill salary differential based upon three levels of state pay plan for the 1985 Biennium		
	<u>State Pay Plan Percent</u>		
	<u>No Increase</u>	<u>4% Per Year</u>	<u>8% Per Year</u>
Billings	491,633	350,041	212,127
Butte	412,234	277,118	145,512
Great Falls	365,699	234,289	106,292
Helena	479,697	289,330	103,907
Missoula	<u>638,391</u>	<u>424,743</u>	<u>216,644</u>
Totals	2,387,654	1,575,521	784,482

Assumptions are always tempered with reality and the scenarios are hypothetical given the dynamics of negotiations. The Missoula District for 1984 is beyond the scope of the three cases presented. The negotiated increase for Missoula, as a result of a two (2) year contract, for 1984 is 16 percent. Therefore, given the best possible potential of an eight percent per year state pay plan will still result in an anticipated salary differential of over \$324,000 in 1984 and over \$400,000 in 1985.

The failure of such a levy would have obvious and serious ramifications for the Center.

Every other Center, in turn, has a similar problem to a lesser degree in terms of dollars but equal effect upon programs and opportunities, or the lack thereof, for people to become trained, retrained or upgraded.

The problem is complex as it is viewed in the context of the 1985 Biennium budget.

Educ. Subcomm  
1/24/83  
EXHIBIT "B"

## MONTANA ADVISORY COUNCIL FOR VOCATIONAL EDUCATION

Kathryn M. Penrod  
Executive Director

January 20, 1983

TO: Representative Esther Bengtson, Chairman  
Joint Subcommittee on Education & Cultural Resources

FROM: The Montana Advisory Council for Vocational Education  
Kathryn Penrod, Executive Director

RE: Funding for the Postsecondary Vocational-Technical Centers



The Legislature must invest and spend taxpayers' dollars in useful ways that benefit people throughout the state of Montana. The Montana Advisory Council for Vocational Education (MACVE) represents business, industry, labor, the general public, and educators. This general public group enthusiastically supports at least a 24% increase in funding for the postsecondary Vocational-Technical Centers. We seriously think that equalization of staffing patterns at the Centers should be a priority. In addition, allocations for equipment purchases are a second priority. It is vital that the Centers have equipment on which students have the opportunity to develop skills that are salable in the market place. A 24% increase in funding for the Vocational-Technical Centers is a reasonable request and a good investment of state tax dollars. There will be a larger return on the invested dollar in that the money is being invested in people who are preparing to be employed, people who will start new small private businesses, and people who will be productive members of Montana's workforce. For these reasons, MACVE members think the State Legislature should make this investment in human capital through its support of postsecondary vocational-technical education.

When you are considering the funding of the Vocational-Technical Centers, you are considering educational training programs such as Licensed Practical Nursing, Consumer Electronics, Business Data Processing, Respiratory Therapy Technology, Aviation Mechanics, Accounting and Bookkeeping, Auto Mechanics and many more. The more support provided will allow increases in new programs and needed program flexibility. According to a national survey, by 1987 over four million new jobs will require additional skilled workers. These jobs are in areas for which Montana's Vocational-Technical Centers presently offer educational training programs. The Vocational-Technical Centers are also anxious to initiate programs in other areas where new jobs are predicted. It is predicted that skilled worker shortages will be one of the biggest problems facing business and industry in the next decade.

During vocational-technical schooling, students learn and practice skills and abilities they can and will use on the job. Recognize that today and everyday of your lives you rely on people who use skills that are taught at Montana's Vocational-Technical Centers. You expect these people to be competent and skillful. These are people who manage and process data and information for you and repair or maintain your personal property. You expect new graduates to have relevant and up-to-date skills. Graduates of Vocational-Technical Centers become employed members of Montana's workforce. Last year the average Billings Vocational-Technical graduate earned over \$11,000 the first year after school and, consequently, paid the appropriate state income tax.

Graduates of vocational-technical education rate their experience very highly and encourage others to seek initial vocational-technical training. Many people also need and desire technical retraining because of unexpected or forced career changes. Our changing technological world demands the availability of vocational-technical training if people are to be competent workers and remain employed.

Nationally, postsecondary vocational-technical education is growing and states are recognizing the value of this kind of investment, evidenced by increased state support. North Carolina's economic stability has increased dramatically during the last decade because the state has invested heavily in postsecondary vocational-technical training. Because of the good training and technical education programs available in the state, business and industry are attracted to North Carolina.

The federal government has also identified the value of vocational-technical education as an investment in people and has recognized the need to prepare educated workers. The Federal Bureau of Labor Statistics reports that "80% of new jobs through 1985 will require specialized training, but only 20% will require college."

Montana's Vocational-Technical Centers need equipment and materials for student practice and skill development. Additional and expanding opportunities for instructors to participate in inservice education are also essential. Presently the Vocational-Technical Centers are in desperate need of more state funds. The Vocational-Technical Centers provide an important service to Montana and, in return, deserve financial security and an opportunity to grow. The Office of Public Instruction's budget request provides for some of this needed security and growth.

State revenue should be invested wisely such that there will be a good return on that investment. Members of MACVE think that vocational-technical education at the postsecondary level is a good investment because the profits are manifest in the development of the skills and abilities of the people who live and work in Montana. The Montana Advisory Council for Vocational Education strongly urges your support of a 24% increase in funding for the Vocational-Technical Centers. We sincerely believe it is one of the best investments the Legislature can make.



JAMES W. MURRY  
EXECUTIVE SECRETARY

Box 1176, Helena, Montana

ZIP CODE 59624  
406/442-1708

Education Comm.  
1/24/83  
EXHIBIT "C"

Testimony of James W. Murry  
Montana State AFL-CIO

Before the House Joint Subcommittee on Education and Cultural Resources  
January 24, 1983

I am Jim Murry, Executive Secretary of the Montana State AFL-CIO. I am here to testify in support of the Montana postsecondary vocational-technical centers. Adequate funding of the centers is essential if they are to continue to offer a sound system of vocational-technical education to the people of our state.

Organized labor has traditionally supported vocational education. In 1981, the national AFL-CIO Executive Council stated, "The AFL-CIO reaffirms its historic concern with the development of the vocational education system. At present, approximately three million young people complete vocational education programs that enable them to be successful in finding employment related to their training."

At that time in 1981, the AFL-CIO urged adequate funding at the federal level, saying, "We ask that the same resources that are allotted to college-bound students be allocated to those students in the vocational education system. For too long this system has been considered inferior to the general education offerings. We continue to believe a vocational education system that offers a quality program of basic education and general skills will make a significant contribution to alleviating youth unemployment."

The Montana State AFL-CIO believes that a quality vocational education system is even more important now than it was at that time. Because of the economic recession, unemployment in Montana is skyrocketing. There are almost 38,000 unemployed workers in our state. Department of Labor and Industry Commissioner Dave Hunter warns that this could go as high as 50,000 in the coming months. Even when the economy improves, many of those jobs will never be available again. Workers must be retrained for new jobs, requiring new skills. Vocational education is essential for this retraining.

In addition, drastic cutbacks in assistance for college education prevent many workers' children from going to a four year college. Vocational education centers offer a viable alternative for these students who wish to pursue post-secondary education.

Montana's vocational education system has provided benefits to youth, workers and indeed all the people of Montana. Adequate funding will allow the system to continue its valuable programs.

The Montana State AFL-CIO urges your support for increased funding for post-secondary education centers.

Thank you very much.

EDUC SUBCOMM  
1/24/83  
EXHIBIT "D"

POST SECONDARY VOCATIONAL EDUCATION

Madam Chairman, Members of the Committee

For the Record, my name is James Schultz, Rep.  
District 48, Lewistown, Montana.

One of the major problems facing the nation today is unemployment and with this terrible unemployment rate is the loss of job classifications in the work place. Jobs in the primary industries of mining, steel, coal, vehicle manufacturing and many others are gone! They will never return!

To be employable, these people must be retrained for new jobs in new industries, some just emerging.

Where is a better place to retrain Montana workers than in their home towns or cities nearby?.

I personally feel that the next two years are going to show the biggest increase in post secondary education in years.

I think that we have finally convinced Montanans that marketable skill in the job market is just as good as a four year sheep skin that qualifies you for a profession that may not have any openings for you.

Representative JAMES SCHULTZ  
District 48

JS/lr



First National Bank and Trust Company  
On Last Chance Gulch at Sixth Avenue  
P.O. Box 1709  
Helena, Montana 59601  
406 442-2540

Educ. Subcomm  
1/24/83  
EXHIBIT "F"

January 18, 1983

EARL W. JOHNSON  
PRESIDENT

Rep. Esther Bengston, Chairman  
Subcommittee on Education & Cultural Resources  
State Capitol Building  
Helena, MT 59620

Dear Representative Bengston:

I wanted to write you concerning the necessity for continuing the funding for Postsecondary Vocational education, a program that is not only beneficial to particularly our youth, but is a program which is needed now more than ever. A substantial portion of our unemployed lack the necessary skills, thus preventing their entrance into the labor market. This, among other reasons, is why I believe we should continue to fund the Vo Tech programs in Montana.

My experience with the Vo Tech centers over the past ten years involves those located in Missoula and in Helena. My contact with them has been twofold. Firstly I have known the administrators and some of the instructors in both schools and have found them to be qualified and dedicated in their disciplines. Secondly I have had the opportunity to hire graduate students from both schools, particularly those enrolled in the office skills curriculum. These students became productive quickly and were a real asset to our business. Generally they are more mature when entering the work force and are much better able to relate to the working environment. The best testimonial I can give is that we continue to seek out Vo Tech graduates with the appropriate skills for employment in our business.

I firmly believe the citizens of Montana will readily support the Vocational Educational program and I urge you in your deliberations to insure that they are generously funded.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Earl W. Johnson', written over a circular stamp.  
EARL W. JOHNSON  
President