

MINUTES OF THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION
January 29, 1983

The House Appropriations Subcommittee on Education met on Saturday, January 29, 1983 at 8:00 a.m. in Room 104 of the State Capitol. With Chairman Rep. Esther G. Bengtson presiding, all members were present. Sen. Hammond was excused until 9:00 a.m. The Vo-Techs' budget, Secondary Vocational Education, and the School Lunch Program were worked on.

Ms. Pam Joehler, LFA, distributed a spread sheet showing the budget of the Vo-Techs. adjusted with a pay plan and adjusted with no pay plan. See Exhibit "A," bulk testimony file. She went over the sheet: (1) Formula-current level. The expenditure portion is what is in the LFA book. The changes on the funding side reflect the OBPP millage the Committee had approved, and tuition at \$165 per quarter. Federal funds were the OPI recommendation, and coal tax estimates were OPI's also. (2) Formula-adjusted no pay plan. This reflects the FTE increase for the Butte Vo-Tech. Also, in 1985 Butte is allowed an increase in operating expenses. (3) Formula-adjusted with pay plan. This reflects Section 2, but with a 4.5% pay increase each year. She said she felt there was sufficient money in this budget for pay increases, if the caps were applied, and provided that inflation was built in. Those centers that get the 5% floor benefit more than those that get the 10% ceiling.

Francis Olson (OBPP) then distributed a spread sheet which contained the local millage estimates; see Exhibit "B," bulk testimony file.

Ms. Joehler stated that the Butte budget in Exhibit "A" included funding for a summer school in 1984-5, and the move into the new center in 1985. The equipment the Committee approved is also included. In response to the Chairman, Ms. Joehler listed the amount of increase being applied to each center: Billings receives 10% each year of the biennium over the 1983 appropriated amount and the 1984 capped formula. Butte receives a 5% floor in the first year and a 10% cap the second year, due to the additional FTE. Great Falls receives 10% both years. Helena receives 5% the first year and 10% the second. Missoula receives 5% each year. She pointed out that Exhibit "A" was uncapped; the caps were applied in Exhibit "C." In addition, a sheet showing how expenditures fit into the caps was distributed; see Exhibit "D." \$16,464,561 was the former expenditure level (original LFA current level formula); the new level of \$17,940,883, which included: (1) speculation about the pay plan, (2) the Butte summer program at 28 FTE/year, (3) the new Butte center, and (4) audit costs. The general fund level before the changes were made (but reflecting revenue estimate changes) was \$9,350,626 (see Exhibit "A"), and after it was \$10,771,013 (See Exhibit "D"). It is higher than without the caps because of the pay plan.

Ms. Joehler stated that audit costs were considered separately for the purpose of capping. However, they are included in the total costs listed on Exhibit "A."

Sen. Haffey submitted that the difference was about \$300,000 in total funding between the formula adjusted for the pay plan increase and the formula adjusted for the pay plan increase with floor and ceiling caps. He moved to approve everything on columns five and six of Exhibit "C," for a total of \$17,940,883.

The Chairman expressed concern about providing for a 4.5% pay plan increase. Sen. Haffey said language could be put in to provide for adjustment for the pay plan if it was approved at a different level. Rep. Ernst stated that he would rather vote the budget in with no pay plan provision.

Rep. Peck said the problem he had with formulas was that they operated like a percent of increase. The rich keep getting richer and the poor poorer because of this approach. He felt capping was a justified approach.

Rep. Donaldson pointed out that capping increased the general fund contribution by \$300,000. The Chairman submitted that this was acceptable to her because it helped bring about equity. It was brought out that the necessary changes for the Butte Vo-Tech. were taken care of in the formula without the capping. However, the formula does not take into consideration the higher cost programs; neither are the smaller units adjusted for being higher cost. Ms. Joehler said that during the study process, program costs had been addressed. The student/faculty ratio and salaries were the main difference between the program costs. Rep. Donaldson expressed concern about causing a situation whereby the centers were discouraged from taking on high-cost programs.

Discussion took place regarding the pay plan and the final decision regarding how it would affect the figures in this and other agencies' budgets. It was brought out that the State pay plan was being used as a reference point. Rep. Peck asked Ms. Joehler if she felt that within the capped formula there was some recognition of possible pay increases. She said she did feel this was the case. On Exhibit "D," the capped formula includes the pay plan. Part 2 on Exhibit "A" was capped, and had no pay plan adjustment. The Centers with the 5% floor would have money for a pay plan. The ceiling Centers would not, because in essence they would receive less with the caps than from the formula without caps. Rep. Peck pointed out that the ceiling centers would simply have less of an increase, but there would still be room for a pay plan. Rep. Bengtson rose in support of providing sufficient funds to cover the pay plan.

The question was called for on the motion to approve the formula, adjusted with a 4.5% pay plan and the caps.

Rep. Peck made a substitute motion to table the motion.
Motion carried unanimously.

The Committee took a five-minute recess.

Rep. Donaldson moved to take the motion to approve the formula, adjusted with pay plan and caps, off the table. Ms. Joehler said that the general fund increase would amount to a 15% system-wide increase from the 1983 biennium to the 1985 biennium.

Rep. Doanldson made a substitute motion that the general fund of \$10,771,013 be adjusted to the original LFA budget of \$10,258,915 and that the pay plan be adjusted downward to compensate that. He submitted that this would still offer about a 15% increase in the total budget. The Chairman stated that the pay plan was still being addressed, but by a lesser percentage than 4.5%. The general fund appropriation would be about \$500,000 less. The Butte summer school would be taken into consideration, and the move into the new center is also addressed in the motion.

Sen. Jacobson said she felt this approach was unrealistic. Trying to raise mill levies would not work because of the state of the economy. Rep. Donaldson said he felt a 15% increase was relatively substantial.

The question was called for; motion carried with Sen. Jacobson opposed.

Secondary Vocational Education was then taken up. Chairman Bengtson stated that the options were to either appropriate \$3 million or the current level at \$1.5 million, or somewhere in between. Sen. Hammond moved that \$1.5 million be appropriated for the biennium. Motion carried with Sen. Tveit opposed.

Mr. Gene Christiaansen, OPI, spoke up. A biennial appropriation is preferred by OPI. The Chairman told him that the motion would reflect this.

The School Lunch Program was disucssed. Rep. Donaldson moved that the Committee's action of January 28th, on the School Lunch Program, be reconsidered. He then moved that the LFA recommendation of \$659,787, which is the amount needed to meet the federal match, be accepted.

Mr. Nichols expalined that the cheese package could still be produced, but it would be available at the full cost.

Sen. Jacobson stated that during the Special Session, supplemental funding for this Program had been discussed, but OPI didn't want to do this. 10% of the people involved in the program were lost, and 90% of this was due to the increase in the cost. She rose in support of approaching full cost in a less drastic manner. She expressed concern that this would lead to the loss of free lunches.

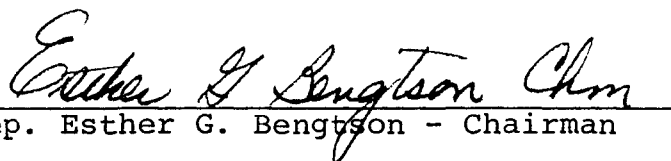
Rep. Donaldson agreed with Sen. Jacobson, but he felt that the motion would take care of the free lunches and the reduced lunches.

The Committee took a five-minute recess.

The Committee reconvened and the question was called for on Rep. Donaldson's motion to approve the LFA recommendation. Motion carried, with Sen. Jacobson and Rep. Bengtson opposed.

Copies of House Bill 105 were distributed for the Committee members to study in relation to the Adult Basic Education budget. Sen. Haffey, who had been excused during the vote on the School Lunch Program, stated that he wished to record a "no" vote. He also wished to register a "no" vote on the Vo-Tech budget.

The meeting was adjourned.


Rep. Esther G. Bengtson - Chairman

VISITORS' REGISTER

HOUSE Education

SUB-COMMITTEE

BILL work session

Date 1/29/83

SPONSOR _____

NAME	RESIDENCE	REPRESENTING	SUP-PORT	OP-POSE
<i>Joan Agui</i>	<i>Great Falls</i>	<i>U-V-Tech</i>		
<i>Dem Christensen</i>	<i>Helena</i>	<i>OKI</i>		

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

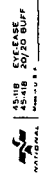
Adjusted Formula - Pay plan included, audits excluded from comp

EDUCATION
 1/29/83
 CRPS TOTAL W/PAID

	83comp	84	85	83comp	84	85			
Revised	1424839 (140)	1624053	1758819	1424839 (121)	1567323 (109)	1724055 (109)		1584823	1724055
Auto	1192494 (4.5)	1138500	1386300	1192494 (10.7)	1252119 (58)	1377331 (59)		1269619	1377331
PAID	1327783 (17.9)	1564924	1670941	1327783 (14.4)	1460561 (69)	1606617 (69)		1478061	1606617
Revised	2026505 (4.8)	2124638	2276864	2026505 (7.0)	2127830 (59)	2276864 (79)		2145330	2276864
7m revised	2072327 (7.5)	1916486	2062742	2072327 (5.2)	2175943 (59)	2284740 (59)		2193443	2284740
SYSTEM		8368603	9155666		8583776	9269607		8671276	9269607
audit		27500			87500				
TOTM		8456103	9155666		8671276	9269607			
		17611769			17940883			17940883	

BEST COPY AVAILABLE

LX141011 'D'
 EDUC SERVICEMEM
 12-5/83



	1	2	3	4	5	6	7	8	9	10	11
	Formula	8C	84	85			Formula	84	8C	84	Formula
Billing	Personal Services	1243724	1347030	1219500	1320073	Helium	1605077	1714005	1605465	1714005	1714005
	Operating Exp	337034	349004	317470	361655	OE	491291	504251	451910	504251	504251
	Equipment	29293	42180	28373	42315	EQ	70270	58628	70375	58628	58628
	Audit	17500	-	17500	-	Audit	17500	-	17500	-	-
	TOTAL EXPEND	1641553	1758819	1584923	1724055	Total Expend	2142138	2276864	2145350	2276864	2276864
	General Fund	893718	985992	836986	951228	General Fund	1410764	452844	137946	452844	452844
	OTHER FUNDS	747835	772827	747835	772827	Other Funds	731384	824000	731384	824000	824000
	TOTAL FUNDS	1641553	1758819	1584923	1724055	TOTAL FUNDS	2142138	2276864	2145350	2276864	2276864
Bills	Personal Services	939531	1121553	1031875	1116012	Personal Services	1453180	1562502	1453180	1562502	1562502
	OE	187980	253448	206475	230030	OE	424454	461743	461743	461743	461743
	EQ	109891	11319	10529	11319	EQ	50850	50694	37675	50694	37675
	Audit	17500	-	17500	-	Audit	17500	-	17500	-	-
	TOTAL EXPEND	1156000	1386310	1249619	1377381	Total Expend	1933986	2145350	1933986	2145350	2145350
	General Fund	648122	847831	761741	838282	General Fund	1155163	1202479	1414600	1414600	1414600
	Other Funds	507878	539069	507878	539069	Other Funds	77823	360263	77823	360263	360263
	TOTAL FUNDS	1156000	1386310	1249619	1377381	TOTAL FUNDS	1933986	2145350	1933986	2145350	2145350
GI Falls	Personal Services	124753	1306312	1143760	1255492	Personal Services	6424267	7039190	6451284	7122756	7122756
	OE	290102	320963	269795	308125	OE	1958863	1907389	1755000	1755000	1755000
	EQ	50071	43666	47000	43666	EQ	211473	207987	211473	207987	207987
	AUDIT	17500	-	17500	-	Audit	17500	-	17500	-	-
	TOTAL EXPEND	1584226	1670941	1478061	1606617	Total Expend	9456103	9756666	9456103	9756666	9756666
	General Fund	867803	977773	762438	913449	General Fund	4915160	5465339	5199733	5465339	5465339
	OTHER FUNDS	716423	693168	711623	693168	Other Funds	3480543	4691327	3480543	4691327	4691327
	TOTAL FUNDS	1584226	1670941	1478061	1606617	TOTAL FUNDS	8456103	9756666	8456103	9756666	9756666