

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.

Esther G Bengtson Chm

Rep. Esther G. Bengtson - Chairman

VISITORS' REGISTER

HOUSE EDUCATION

Sub-Committee

BILL WIC Session

Date 1/29/83

SPONSOR

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Administrative Formula - pay plan included, audits excluded from cap

EDUC. DECISION

12/9/83

③ Adjusted Formula -

CHPSTANT MNGT

83 APPROV 84 85 83 APPROV 84 85

86 87 88

Excluded

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		Formula		Capped Formula		Formula		Formula		Formula		Formula		
		84	85	84	85	84	85	84	85	84	85	84	85	
Billing	Personal Services	1,26,27,24	1,34,7,0,35	1,21,19,5,0,0	1,32,0,5,2,3	1,60,3,0,7,7	1,71,4,0,0,5	1,60,5,4,6,5	1,71,4,3,0,5	1,60,5,4,6,5	1,71,4,3,0,5	1,60,5,4,6,5	1,71,4,3,0,5	
	Operating Exp	3,31,0,34	3,69,0,0,4	3,19,4,50	3,61,0,25	4,9,1,2,11	5,0,4,2,31	4,9,1,2,10	5,0,4,2,31	4,9,1,2,10	5,0,4,2,31	4,9,1,2,10	5,0,4,2,31	
	Equipment	2,9,29,3	4,21,80	2,83,7,3	4,23,5	7,0,2,7,0	5,86,2,8	7,0,3,7,5	5,86,2,8	7,0,3,7,5	5,86,2,8	7,0,3,7,5	5,86,2,8	
	Audit	1,7,50,0	-	1,7,50,0	-	1,7,50,0	-	1,7,50,0	-	1,7,50,0	-	1,7,50,0	-	
	Total Expenses	1,64,1,55,3	1,75,8,8,3	1,584,92,3	1,74,0,5,5	2,27,1,6,8,4	2,27,1,6,8,4	2,14,5,3,3,0	2,14,5,3,3,0	2,14,5,3,3,0	2,14,5,3,3,0	2,14,5,3,3,0	2,14,5,3,3,0	
General Fund	Personal Services	8,93,7,1,8	9,85,0,9,2	9,36,9,8,3	9,51,1,2,3	General Funds	1,41,0,7,5,4	1,45,2,8,6,4	1,41,3,9,4,6	1,41,2,8,9,1	1,41,2,8,9,1	1,41,2,8,9,1	1,41,2,8,9,1	
	Other Funds	7,47,8,3,5	7,72,2,2,7	7,47,8,3,5	7,72,2,2,7	Other Funds	7,3,1,3,8,4	8,2,7,0,0,0	7,3,1,3,8,4	8,2,7,0,0,0	7,3,1,3,8,4	8,2,7,0,0,0	8,2,7,0,0,0	
	Total Funds	1,6,41,5,3,3	1,7,59,9,1,3	1,7,84,8,2,3	1,7,84,2,5,5	Total Funds	2,1,4,3,1,3,8	2,27,1,6,8,4	2,1,4,3,1,3,0	2,1,4,3,1,3,0	2,1,4,3,1,3,0	2,1,4,3,1,3,0	2,1,4,3,1,3,0	
	Personal Services	9,39,2,3,1	1,12,1,5,3,3	1,03,1,8,7,5	1,11,1,6,0,1,2	Personal Services	1,45,3,1,9,0	1,52,2,3,0,5	1,45,2,4,7,8	1,45,2,4,7,8	1,45,2,4,7,8	1,45,2,4,7,8	1,45,2,4,7,8	
	OE	1,2,19,8,0	2,53,4,4,8	2,06,4,7,5	2,32,0,0,0	OE	4,1,24,5,2	4,0,1,7,4,3	4,0,1,7,4,2	4,0,1,7,4,2	4,0,1,7,4,2	4,0,1,7,4,2	4,0,1,7,4,2	
	EQ	1,0,98,9	1,1,31,7	1,1,31,9	1,1,31,9	EQ	5,0,8,3,0	5,0,6,9,4	5,0,6,7,5	5,0,6,7,5	5,0,6,7,5	5,0,6,7,5	5,0,6,7,5	
	Audit	1,7,50,0	-	1,7,50,0	-	Audit	1,7,32,0	-	1,7,32,0	-	1,7,32,0	-	1,7,32,0	-
	Total Expenses	11,56,0,0,0	13,86,2,0,0	12,97,6,1,9	13,77,3,3,1	Total Expenses	19,33,9,8,6	2,0,6,3,7,4	19,33,4,3,3	19,33,4,3,3	19,33,4,3,3	19,33,4,3,3	19,33,4,3,3	
General Fund	Personal Services	6,48,1,12,2	8,47,8,3,1	7,61,1,7,4,1	8,38,2,6,2	General Fund	1,1,55,1,6,2	1,2,0,3,4,7,9	1,41,4,2,4	1,41,4,4,7,7	1,41,4,4,7,7	1,41,4,4,7,7	1,41,4,4,7,7	
	Other Funds	5,07,8,7,8	5,39,0,6,9	5,07,8,7,8	5,39,0,6,9	Other Funds	7,78,9,2,3	8,6,0,2,6,3	7,78,8,3	8,6,0,2,6,3	7,78,8,3	8,6,0,2,6,3	8,6,0,2,6,3	
	Total Funds	11,56,0,0,0	13,86,2,0,0	13,86,9,6,1,9	13,77,6,3,1	Total Funds	19,33,9,8,6	2,0,6,3,7,4	19,33,4,3,3	19,33,4,3,3	19,33,4,3,3	19,33,4,3,3	19,33,4,3,3	
GT Fall '15	Personal Services	1,2,24,7,5,3	1,3,0,6,3,1,2	1,1,4,3,7,6,0	1,5,5,3,4,9,2	Personal Services	6,4,2,1,2,6,7	7,0,3,7,1,1,0	6,5,1,2,6,6	6,5,1,2,6,6	6,5,1,2,6,6	6,5,1,2,6,6	6,5,1,2,6,6	
	OE	3,90,1,0,2	3,2,0,9,6,3	2,6,9,7,9,5	3,0,8,1,5	OE	1,9,2,6,8,6,3	1,9,2,3,9,9	1,7,5,5,3,0,0	1,7,5,5,3,0,0	1,7,5,5,3,0,0	1,7,5,5,3,0,0	1,7,5,5,3,0,0	
	EQ	1,5,0,0,1,1	4,3,0,6,6	4,7,0,0,0	4,3,0,2,0	EQ	2,1,4,7,3	2,0,7,0,8,7	2,1,1,9,2	2,1,1,9,2	2,1,1,9,2	2,1,1,9,2	2,1,1,9,2	
	Audit	1,7,50,0	-	1,7,50,0	-	Audit	8,1,5,0,0	-	8,1,5,0,0	-	8,1,5,0,0	-	8,1,5,0,0	-
	Total Expenses	1,5,8,2,4,2,6	1,6,7,0,9,4,1	1,4,7,8,0,6,1	1,3,3,6,6,1,7	Total Expenses	8,4,5,6,0,3	2,1,5,5,6,4,6	8,6,7,1,2,7,6	8,6,7,1,2,7,6	8,6,7,1,2,7,6	8,6,7,1,2,7,6	8,6,7,1,2,7,6	
	General Fund	8,67,8,0,3	9,1,7,7,1,3	7,6,2,3,4,3,8	9,1,3,4,4,7	General Fund	4,9,7,5,5,6,0	5,4,6,0,3,3,9	5,1,9,7,3,2,0	5,5,8,0,2,8,0	5,5,8,0,2,8,0	5,5,8,0,2,8,0	5,5,8,0,2,8,0	
	Other Funds	7,1,4,6,2,3	6,9,3,1,6,8	7,1,4,6,2,3	6,9,3,1,6,8	Other Funds	3,4,8,0,5,4,3	3,6,8,9,3,2,7	3,4,8,0,5,4,3	3,6,8,9,3,2,7	3,4,8,0,5,4,3	3,6,8,9,3,2,7	3,4,8,0,5,4,3	
	Total Funds	15,9,2,4,2,6	1,5,7,1,9,4,1	1,4,7,8,0,6,1	1,3,3,6,6,1,7	Total Funds	9,4,4,5,6,1,0,3	2,5,2,6,6,1,6	9,2,6,7,0,1,7	9,2,6,7,0,1,7	9,2,6,7,0,1,7	9,2,6,7,0,1,7	9,2,6,7,0,1,7	