

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

The House Appropriations Subcommittee on Education met at 8 a.m. on Thursday, February 10, 1983 in Room 104 of the State Capitol. With Chairman Rep. Esther G. Bengtson presiding, all members were present. The budget for the Community Colleges was heard.

Bill Sykes, LFA, presented his analysis of the Community Colleges' budget; see Exhibit "A." He explained that the Community Colleges' budget was derived from a formula, with the main driving factors being the FTE enrollment cost factor and the percentage of State support. He kept the percentage of State support at 53%. He added that he had revised Dawson Community College's enrollment to reflect the completion of their new dorm, and the 20 student FTE at Baker and Sidney.

Tom Crosser, OBPP, then spoke. He is in agreement with the FTE cost factor and the enrollment figures, with the pay plan excluded. He said the LFA figures without pay plan were comparable to the OBPP budget. The FTE numbers have changed dramatically from the OBPP projections, although the overall total has only gone up by about 30. The main difference between the LFA and OBPP is in percentage of State support; OBPP limited the growth of the budgets to approximately the growth allowed under the expenditure limitation provision, and lowered the percentage to 50%.

Mr. Sykes explained how the Committee had arrived at the level of 53% for State support of the Community Colleges. The level had been derived from a survey conducted of peer institutions. Montana compared favorably with the average of the peer institutions. Discussion took place regarding how the Community Colleges had been funded historically. Before the formula, the level of State support had been 65%.

Bill Lannan, Community College Coordinator, Commissioner of Higher Education's office, then spoke. He explained that the local share of Community College funding came in the form of student fees, a mandatory levy on the property of the district, and other unrestricted funds that are carried over from the previous year. When the FTE's are multiplied by the cost factor, the unrestricted budget level for the Colleges is determined. If other unrestricted funds come into the budget beyond the established level, the unrestricted carry-over is used to offset the mandatory levy. Mr. Lannan introduced the three Community College Presidents: Don Kettner, President of Dawson Community College, Glendive; Judson Flower, President of Miles Community College, Miles City; and Don Gatzke, President of Flathead Community College in Kalispell.

Dr. Kettner began his testimony. He introduced Wes Eyer, Vice Chairman of Dawson's Board of Trustees, and Charles Kintz, Dean of Administrative Services for Dawson. He pointed out that their head count had increased by some 55% since 1981, and the analyzed FTE by 20%-plus. This is mainly due to the energy development taking place in Eastern Montana. Dawson lost 30-50 students because of the lack of housing. The Board decided to build a dormitory, which was opened in the fall of 1982 for a cost of \$1.4 Million in local funds. It houses 100 students and was filled to capacity. The new dorm coupled with the return of students from the University System helped account for much of the increase in their enrollment.

The Board has now voted to expand Dawson's library and to move ahead with a new student center. The Montana Coal Board assisted them with \$298,000 in this effort. In addition, a fund established by students in 1975 donated \$175,000. Another \$200,000 was raised in addition to the other funding sources for these two projects.

Dr. Kettner pointed out that Dawson had added no faculty in the face of increased enrollment, although the workload had increased considerably. Their administration had been reduced from four to three, and they had incorporated the team approach to institutional government. He stated that in 1982 they went through a process of 0-based budgeting, in an effort to make themselves more fiscally aware and accountable. In 1981, tuition was increased by an average of 30%. In January 1983, the trustees voted another 27% increase in tuition. In 1982, Dawson offered classes in Baker and Sidney, with much success.

Dawson has several concerns: (1) FTE projections. They have more FTE on campus at present than is projected for 1984. However, this has been adjusted to an adequate level. (2) The funding ratio. The local impact at Dawson is about 27 mills. He submitted that the Community Colleges were one of the few opportunities the people in the energy-impacted counties of eastern Montana had to get a return on the investments they made in education. He asked that the Committee retain the level of State support at 53%. In order for the Community Colleges to properly plan ahead, they need to know where their funding levels are at: continuity is needed. (3) The cost factor per FTE. He rose in support of the LFA level with the pay plan included.

Wes Eyer, Vice Chairman of Dawson's Board of Trustees, spoke. The community is proud of Dawson, which provides a needed service in the area's educational program.

Don Gatzke, President of Flathead Valley Community College, then spoke. He introduced George Sirogiannis, Business Manager, and Dr. Bob Zahrobski, Academic Dean.

Dr. Zahrobski spoke. FVCC has a new administration and is utilizing its resources better than ever before. FVCC passed in Sept. 1982 the first mill levies in the area for 13 years. Because of the high unemployment in northwestern Montana, the need for their vocational programs, retraining, and upgrading the working people in their area is greater than ever before. 84% of FVCC students are over 21 years of age. Mr. Sirogiannis distributed a sheet addressing FVCC's enrollments and enrollment projections; see Exhibit "B." He asked that he be given a chance to visit with the OBPP and the LFA in order to seek an adjustment in their funding level. The Chairman said this was agreeable, since the other two Colleges had had this opportunity.

Mrs. Louise Kehoe, Chairman of the FVCC Board of Trustees, then spoke. Formula funding has given them a stable base to work from, and she rose in support of a State support level of 53%. She submitted that Community Colleges were an excellent buy for the State education dollar. She described the type of students FVCC served, and stressed the importance of accurate enrollment projections.

Miles Community College President Jud Flower then spoke. He introduced several Board of Trustee members: Dr. Gerald Rowen, Eilleen Carlson, and Jessica Stickney, and John Cook, a member of the administrative staff. He reviewed MCC's enrollment trends. Their funding base for the current year went to 450, which is compared to 580-85 actual FTE. The gap between projected and actual enrollments for MCC has been widening. They have concurred with their projected enrollments for the 1985 biennium, however.

Regarding their new Power Plant Technology Program, they have had as many as 45-50 students enrolled at one time. They have graduated about 25 students thus far. The Program has become a model program for the region. Their new Data Processing Program has caused an enrollment increase as well. He urged continuance of the 53% level for State support. The local cost for supporting the Community College is heavy, without adding any more to it. He submitted that 53% was not an exceptional share for the State to share in funding the Community Colleges, and was on a par with the other institutions similar to the Community Colleges.

He pointed out that higher enrollment increased funding from the State but also increased the burden on the local

taxpayers. In Custer County, one mill generates \$18,500. In 1981, the mandatory levy for their district was 16.37 mills. They voted a special levy of an additional 4.63 mills. Under the formula in 1981-2, the total was increased to 26.04 mills, and 1982-3 the level is 31.85 mills. To reduce the level of State support to 50% would be a large burden. They are planning to concentrate their efforts on looking for ways to expand the District tax base.

Exhibit "C" was passed out, which outlined the College's modified request for a Coordinator for the Power Plant Technology Program; it was the only modified for any of the Community Colleges approved by the Board of Regents.

Dr. Rowland, a member of the Board of Trustees for MCC, then spoke. He pointed out that all of the people who got their education in Montana and stayed in Montana paid the State back more than was put into their education.

Mr. Lannan then closed. He distributed a sheet listing the Community College tuition and fees; see Exhibit "D." He submitted he felt very comfortable with the enrollment projections for MCC and Dawson, and said he would like to meet with the OBPP and the LFA regarding FVCC's enrollment projections. He pointed out that all three institutions were at or above the projected FY 1984 enrollments at present. He was in support of continuing State funding at 53%, and the LFA proposal outlined on P. 1 of Exhibit "A."

Questions were then asked. The Chairman wanted to know more about Dawson Community College's outreach programs at Sidney and Baker, and if the other Colleges conducted such programs. Dr. Kettner said Dawson had been offering classes in outlying communities for 18 years. As interest grew, Dawson's Board of Directors decided to centralize this in Baker and Sidney, and a fee schedule was set up whereby students paid out-of-district tuition plus three dollars. They used existing staff to teach about 50% of the classes. Qualified people in the areas where the classes were held were also hired to help instruct. He stated that the courses were designed to enable students to obtain a certificate and/or degree in two to five years. Counselling and advising services were set up once a week in the outlying areas. He added that they did not anticipate building any facilities in the outlying areas.

Dr. Irving Dayton, Commissioner of Higher Education, spoke on the subject of how the Regents dealt with requests for instruction away from the home campus, including the University System. Due to the change in the definition of the

typical student, continuing education programs have been instituted. The Commissioner's office is looking at the factors of quality and effective service. Efforts should be concentrated at one or more sites, they concluded.

Dr. Flower said that MCC had an arrangement with the town of Colstrip for continuing education. In addition they have developed some programs to work with the Indian Reservations in their area. However, the numbers involved in the latter endeavor are declining due to the increase in Indian institutions, which are taking over the role.

Dr. Gatzke said they did a lot of outreach work with the Indian reservations in their area for awhile also. They helped found the Blackfeet Community College at Browning through federal Title III funding, as well as the Salish-Kootenai school. They have extension centers at Whitefish, Columbia Falls, and Bigfork. They have been trying to serve Libby as well. Some of the courses taught in Libby are reflected in FVCC's FTE, and some are not.

In response to Sen. Hammond, Dr. Kettner said about 53% of their students came from Dawson County, and a maximum of 6% from out-of-State. Dr. Flower said about 60% of MCC's enrollment was from within the County, and very few out-of-State students. A cost differential is charged to students from outside the County, to help offset the cost to the local taxpayers.

Dr. Kettner pointed out that Dawson was the only Community College which did not incorporate the entire County.

Dr. Gatzke said they had about 6% of their enrollment from outside the County, and only 2-3 students are from out-of-State.

Dr. Gatzke reviewed FVCC's Retention program. The program helped reduce the "revolving door" aspect of their enrollment trends. The program geared itself to the needs of the older student. They have seen an increase in the success of their students.

The Chairman wanted to know how many mills were levied for FVCC and Dawson. Dr. Gatzke said their mandatory levy was about 10 mills, and they have a one-mill special levy to start a nursing program. One mill raises \$80,000-\$85,000. Dr. Kettner said their mandatory levy was 20 or more mills, and the voted levy was from 3.8-5.1 mills. The value of a mill at Dawson is \$25,000.

Rep. Donaldson wanted to discuss capping enrollments. He submitted that a major factor in the 20% general fund increase was due to increasing enrollments. Dr. Flower said one reason enrollments couldn't be controlled was because there wasn't a mechanism for denying anyone admission. The fact that private schools do have this flexibility only puts more pressure on the public institutions. He said the question had to be addressed by someone other than the institutions. He asked, what would one do with the students that are refused, if such a mechanism were to be instituted? He expressed empathy with the desire of the University units to put some quality entrance requirements on. He said MCC didn't have to continue to grow in order to keep being a good institution. He pointed out that if the economy improved, enrollment pressure on the system would be reduced.

Dr. Kettner said he felt Dawson's enrollment was probably leveling off, but it was tied in with coal and oil development in eastern Montana.

Dr. Gatzke said there was a point of economics where a certain number of students is needed for optimum functioning. Bigger isn't necessarily better, but there is an economy of numbers. FVCC limits their enrollment by eliminating programs which aren't attracting enough students, and shifting the money to programs which are growing. Also, they cap enrollments by the size of their facility.

Rep. Donaldson pointed out that the lack of funding and/or facilities was one way to effect capping. He expressed opposition to the philosophy that enrollment exclusively drives the formula. The quality of education needs to be measured by more than enrollment.

Sen. Haffey said there was no specific mechanism for limiting enrollments. He asked which was more important: the openness of access to education or the rate of income taxation.

Dr. Kettner said that open admission at the Community College level could only fit the philosophy of the Community Colleges as they were established. Open admission is very much a part of their role, scope and mission.

Dr. Flower said how far local taxpayer support could go was questionable. He pointed out that in Wyoming the entire state was taxed four mills for post-secondary education. If this approach was taken in Montana, several million dollars would be saved.

Dr. Gatzke submitted that the best return nation-wide on taxation was education. Education should be given top priority. He felt that K - 14 was as fundable as the present K - 12 public school system was.

Discussion continued regarding funding of education, its potential and its limits, and the definition of educational opportunity and its limits.

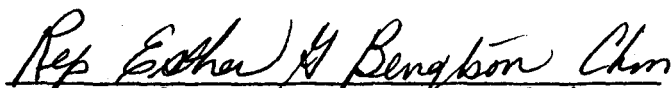
Rep. Donaldson submitted there were limits to the revenue available for education.

In response to Sen. Hammond, Dr. Gatzke stated that about 3% of their student FTE was older than 50 years. He added that the Community Colleges had traditionally dealt with older students.

Discussion took place regarding the amount of fees paid by out-of-district students.

Rep. Peck submitted that the Legislature needed to give some thought to establishing intermediate school districts, because of the tax burden local residents are paying for the Community Colleges and Vo-techs.

The meeting was adjourned at 10:15 a.m.


Rep. Esther G. Bengtson - Chairman

VISITORS' REGISTER

HOUSE EDUCATION

SUB COMMITTEE

~~Budget~~ Community Colleges

Date 2/10/83

SPONSOR _____

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
Charles Kintz	Glendive	Dawson Community College	✓	
Wes Eyer	Glendive	Dawson Community College	✓	
Don Keltner	"	" " "	✓	
Jason Flower	Miles City	Miles Community College	✓	
Jessie Stabing	"	"	✓	
Eileen Carlson	"	"	✓	
Pat Fairbanks	Helena	Montana Federation of Teachers		
John W	MILES CITY	MILES COMM COLLEGE	✓	
Bill Lannan	Helena	Mont Union System	✓	
Louise Kehoe	Bigfork	Foothold Valley CC	✓	
Don Gatzke	Kalispell	" " "	✓	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Community Colleges
Budget with 6 Percent Pay Plan
Overall Inflation of 6 Percent

Budget A - Six Percent Pay Plan

-----Fiscal 1984-----

<u>Colleges</u>	<u>FTE</u>	<u>Cost Factor</u>	<u>Total Unrestr. Budget</u>	<u>% State Support</u>	<u>General Fund</u>
Dawson*	380 x	\$3,641 =	\$1,383,580 x	53 =	\$ 733,297
Flathead	777 x	3,641 =	2,829,057 x	53 =	1,499,400
Miles	<u>580 x</u>	<u>3,641 =</u>	<u>2,111,780 x</u>	<u>53 =</u>	<u>1,119,243</u>
Total	1,737		\$6,324,417		\$3,351,940

-----Fiscal 1984⁵-----

Dawson*	400 x	\$3,860 =	\$1,544,000 x	53 =	\$ 818,320
Flathead	777 x	3,860 =	2,999,220 x	53 =	1,589,587
Miles	<u>580 x</u>	<u>3,860 =</u>	<u>2,238,800 x</u>	<u>53 =</u>	<u>1,186,564</u>
Total	1,757		\$6,782,020		\$3,594,471

*LFA initially budgeted at 335 FTE with a general fund commitment of \$646,460 in fiscal 1984 and \$685,343 in fiscal 1985.

Community Colleges
 Budget with Zero Percent Pay Plan
 Overall Inflation of 1.89 Percent

Budget B - Zero Percent Pay Plan*

-----Fiscal 1984-----

<u>Colleges</u>	<u>FTE</u>	<u>Cost Factor</u>	<u>Total Unrestr. Budget</u>	<u>% State Support</u>	<u>General Fund</u>
Dawson	380 x	\$3,500 =	\$1,330,000 x	53 =	\$ 704,900
Flathead	777 x	3,500 =	2,719,500 x	53 =	1,441,335
Miles	<u>580 x</u>	3,500 =	<u>2,030,000 x</u>	53 =	<u>1,075,900</u>
Total	1,737		\$6,079,500		\$3,222,135
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-----Fiscal 1984 ⁵ -----					
<u>Colleges</u>	<u>FTE</u>	<u>Cost Factor</u>	<u>Total Unrestr. Budget</u>	<u>% State Support</u>	<u>General Fund</u>
Dawson	400 x	\$3,566 =	\$1,426,400 x	53 =	\$ 755,992
Flathead	777 x	3,566 =	2,770,782 x	53 =	1,468,514
Miles	<u>580 x</u>	3,566 =	<u>2,068,280 x</u>	53 =	<u>1,096,188</u>
Total	1,757		\$6,265,462		\$3,320,694
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*"A" budget minus "B" budget for 1985 biennium = A - \$6,946,411
 B - 6,542,829
 \$ 403,582
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Feb 17, 1983

FLATHEAD VALLEY COMMUNITY COLLEGE
ENROLLMENTS AND ENROLLMENT PROJECTIONS

	<u>80/81</u>	<u>81/82</u>	<u>82/83</u>	<u>83/84</u>	<u>84/85</u>
ACTUAL	F - 763 W - 722 S - 596 Annual - 694	F - 766 W - 740 S - 714 Annual - 740	SUM - 126 F - 781 W - 785 S - (714) Annual - (802)		
FWCC projections	Sept'80 694 (base)	725	745	875	949
LFA projections	Sept'80 694 (base)	674	651	777	777

EXHIBIT "B"
Education Subcomm
9/10/83

FWCC requests:

- 1.) Funding for 83/84 at an FTE level that is at least equivalent to what is minimally being produced in 82/83 \Rightarrow 802 FTE
- 2.) Funding for 84/85 at an FTE level which includes growth at less than one-half the existing growth rate \Rightarrow 826 FTE

Item 37-003-R0582, Program Improvement Requests
Montana University System

MILES COMMUNITY COLLEGE

	<u>1984</u>	<u>1985</u>	<u>Total</u>
<u>POWER PLANT TECHNOLOGY PROGRAM</u>			
<u>COORDINATOR</u>	\$31,271	\$31,091	\$62,362

Justification:

Power Plant Technology Program Coordinator (New Service): Miles Community College's Power Plant Technology program is presently offered at the Colstrip and Billings plant sites. There is a need for a person to: (1) coordinate on a continual basis with the corporation on-site instructors, the union apprenticeship committee, and the students enrolled in the programs; and (2) organize/supervise the regular academic coursework required for completion of the A.A.S. We also anticipate that in the future there will be an even heavier emphasis within the program placed on regular academic offerings in the areas of communications, mathematics, science, business, and computer technology. Development/coordination of these offerings in the communities where the plants are located will be vital. In the case of Billings, courses will be offered through or in coordination with Eastern Montana College. This program has been approved by the Board of Regents and addresses industry identified needs for trained entry-level employees. It also sets as the cornerstone to a multi-state effort to interface higher education and the power generation industry.

<u>Cost Detail</u>	<u>1984</u>	<u>1985</u>	<u>Total</u>
Personal Services	\$27,871	\$27,871	\$55,742
Operation	2,800	3,220	6,020
Capital	600	-0-	600
<u>TOTAL</u>	<u>\$31,271</u>	<u>\$31,091</u>	<u>\$62,362</u>

Community College Tuition & Fees

1982-83 Tuition	Flathead Valley Community College	Miles Community College	Dawson Community College
Full Time Students			
In District	\$ 96	\$ 75	\$ 75
Out of District	132	125	125
Out of State	264	250	225
Part Time (per credit hr)			
In District	\$ 8	\$ 8	\$ 8
Out of District	11	12.50	12
Out of State	22	25	22
Fees			
General Fee (Includes Activity Building and/or Other)			
Full Time	\$ 29	\$ 37.50	\$ 50
Part Time (per credit hr)	2	2	4
1983-84 Tuition			
Full Time Students			
In District	\$ 96	\$ 75	\$ 100
Out of District	132	150	150
Out of State	264	250	250
Part Time (per credit hr)			
In District	\$ 8	\$ 8	\$ 10
Out of District	11	15	14
Out of State	22	25	24
Fees (General Includes Activity, Building and/or Other Fees)			
Full Time	\$ 29 31.50 ⁴	\$ 55	\$ 50
Part Time (per credit hr)	- 2.50	3	4

* Amount for a student carrying 15 credits