

MINUTES OF THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION  
February 11, 1983

The House Appropriations Subcommittee on Education met at 8 a.m. on Friday, February 11, 1983 in Room 104 of the State Capitol. With Chairman Rep. Esther G. Bengtson presiding, all members were present. The budget for the Commissioner of Higher Education was heard, including the WICHE and WAMI programs.

Bill Sykes, LFA, gave his analysis of the Commissioner's Office budget. The LFA provides for current level services in the 1985 biennium. In the Administration Program, the general fund increase is 10.4% in the 1985 biennium. FTE for Personal Services differences result from the deletion of the Bargaining Agent position, which hadn't been filled during the 1983 biennium even though sufficient funds were available for the position. In addition, the Commissioner's office budgeted 1983 salaries \$4,059 higher than was authorized by the State pay plan. He referred the Committee members to P. 651 of the LFA Narrative. The LFA used the Commissioner's FY 1983 operations plan for Operating Expenditure projections for 1984-5. This was used in lieu of the 1982 actual base because the plan reduced levels of operating expenditures made in response to the loss of federal funds at the end of FY 1982.

Tom Crosser, OBPP, then gave his analysis. The major difference between the OBPP and LFA budgets is in the one FTE which the LFA didn't include and the OBPP did include, in the budget. OBPP made some minor base adjustments for what was considered one-time expenditures, within the Operating category.

Dr. Irving Dayton, Commissioner of Higher Education, then spoke. There are several issues. The first is that of the Bargaining Agent position which was left vacant. He submitted that this was a forced vacancy. In Operations, his office took an approach similar to "O-based" budgeting. In terms of staffing, they have a program improvement request.

Mr. Jack Noble, Deputy Commissioner for Management and Fiscal Affairs, Commissioner's office, spoke. See Exhibits "A" and "B."

Dr. Dayton pointed out that the vacancy savings concept was designed to be applied to large groups of people and in that kind of situation it worked, but in smaller offices it was not effective. He referred the Committee members to the Regents' budget book (Exhibit "A," Feb. 3, 1983); under the CHE tab was located a modified request for a Facilities Planner position.

In response to Rep. Bengtson, Dr. Dayton explained that

the position which Dr. Schramm filled was generated from the attorney situation of two years ago. He was initially hired on as Assistant Chief Counsel, and was promoted to Chief Counsel when that position became vacant. If the office had not found someone with Schramm's expertise in labor relations, they would be distinctly short-handed. In response to Rep. Bengtson, Dr. Dayton said that UM and MSU had facilities planners, although only MSU's employee carried that title. He submitted that the Commissioner's office was getting by without a Facilities Planner, but it could do much better with one.

Mr. Noble then discussed the operating costs portion of the Commissioner's budget; see Exhibit "B."

In response to Sen. Haffey, Mr. Noble said that if no vacancy savings were applied in 1984-5, they could hire the Facilities Planner without additional funding, providing the bargaining agent position wasn't dropped. Dr. Dayton said they felt they had the labor relations position covered in the person of Dr. Schramm. 16.6 FTE and no vacancy savings would enable them to hire a Facilities Planner.

Rep. Donaldson wanted to know if there was any way in which vacancy savings could be reverted so that the FTE level appropriated for could be supported, in the small agencies. Under the present system, vacancy savings is taken out even if there is no turnover, in effect reducing the personal services budget. Mr. Sykes said this could be done. He stated that his problem had been that in FY 1982 the Commissioner's office vacancy savings rate was 15.94%, approximately \$100,000. \$60,000 of that amount was spent in Equipment and Operations. It was impossible to track where the money went. Dr. Dayton said they had no intention of expanding their operating base in that manner. He pointed out that even if a position is vacant, the function had to continue oftentimes; therefore, vacancy savings could work another way than it had for them.

Rep. Donaldson said he wanted to know if a position was not filled, could the amount be line-itemed and reverted, so that the money could be accounted for.

In response to Rep. Peck, Dr. Dayton said that the Commissioner's office had two staff on hand for labor relations, to deal with 17 unions. The negotiating with the blue collar classified unions is done in conjunction with the Dept. of Administration, and campus personnel. The negotiating with the faculty unions combines the Regents, the Commissioner's office, and the campuses. Rep. Peck stated that the Havre unions had trouble scheduling meetings with the Commissioner's office

staff. Rep. Bengtson said the same problem had been reported at EMC. Rep. Peck wanted to know how much freedom the local units had in relation to local concerns. Dr. Dayton replied that unique situations had to be balanced against the question of equity from campus to campus. Rep. Peck wanted to know how consistent the faculty contracts were from campus to campus in terms of salary ranges and work loads. Dr. Dayton said that although the patterns were fairly consistent, each campus was also driven by its historic base and differential treatment by the Legislature.

Mr. Jeff Morrison, Chairman of the Board of Regents, stated that they had problems even with the administration regarding local issues. Policies needed to be applicable on a system-wide basis. Oftentimes the Regents were not in agreement with either the administration or the campuses.

The budgets for the Student Assistance Programs of WICHE, WAMI, and etc. were then heard.

Mr. Sykes gave his analysis of the programs. The main difference between the programs lies with the WICHE Program. The LFA used the 1983 WICHE enrollment distribution to project the budget for 1984-5. The Commissioner's office projected enrollments to increase by 7 in FY 1984 and another 10 in 1985. The general fund cost of the increase is \$45,900 in FY 1984 and \$95,600 in FY 1985. He referred the Committee members to P. 661 of the LFA Narrative. The amounts in the issue have been adjusted. He reviewed the issue of Physician Education (pp. 657-661). The increase in this program results from an increase in enrollment of approximately 2.6% and an increase in support fees of 17.1% in the coming biennium. Option A in the issue would remove funding for five beginning students for each year of the 1985 biennium. The OBPP and the LFA have come up with different projections regarding the level of coal tax revenue for the Regents. The revenues depend on the outcome of several bills before the Legislature. For the total budget, general fund will decrease by 12.2% as the coal tax funds a greater portion of the Student Assistance Program.

Mr. Tom Crosser, OBPP, said the OBPP budget included the requested number of slots in the WICHE Program, and this accounted for the main difference between theirs and the LFA's budget. OBPP and the LFA agree that the coal tax estimate will mean a decrease in the general fund commitment under either budget.

Dr. Dayton then spoke. There are two sets of issues: (1) the general question of access, and (2) the individual programs in the WICHE budget and the individual students

which would be impacted by some of the proposals. Regarding Issue No. 1, access, he distributed a memo; Exhibit "C," and referred the Committee members to P. 659 in the LFA Narrative. The first column of the chart on P. 1 of Exhibit "C" is the same as the last column on P. 659 of the Narrative. He submitted that Montana should increase its access for Montana students to medical school, not decrease it.

Regarding the pay-back issue, Dr. Dayton said that Wyoming did not require any kind of payback for WICHE students. He was opposed to a pay-back proposal. He submitted that if any more expenses were imposed on medical students, those without wealth would be unable to afford medical school. He added that if medical students had to pay off large debts they would enter high-paid specialties in out-of-State locations rather than move to Montana.

Mr. Noble then presented an analysis of the WICHE student support program. See Exhibit "D." Dr. Dayton pointed out that over the years his office had adjusted the number of students in programs to conform to the trends taking place within the professions. He pointed out that sufficient "lead time" was needed in order to adjust the levels of enrollment. Those students who applied to school in the fall of 1982 are now being accepted, and he submitted that it would be unfair to "turn off" programs that had been open last fall. Adjustments need to be made in the coming year.

Mr. Sykes pointed out that there was no difference between the LFA, OBPP and the Regents' projections regarding the WAMI Program. He distributed a sheet comparing the three budgets; see Exhibit "E." He explained that the WAMI Program was a pact between Washington, Montana, Idaho and Alaska. The general fund increase in this program was 11%. Four medical students are admitted to school through the Minnesota Rural Dentistry Program. The WICHE fee is accepted by the University of Minnesota. There are two federal student assistance programs. He pointed out that the WICHE Program did not guarantee student acceptance into WICHE participating schools, while the WAMI Program is guaranteed 20 slots for Montana per year.

Rep. Peck wanted to know where the students had been cut. Discussion took place regarding the press release made by the Commissioner's office regarding possible cuts in the WICHE Program. The Chairman pointed out that the LFA recommendations were only options.

Sen. Bill Thomas then rose in support of the OBPP budget. He emphasized that the WICHE Program was a workingman's

program. He pointed out that the baby boom would be seeking access into professional schools soon, and the demand for slots in WICHE and other programs would be increasing. He suggested that a service agreement or some kind of residency requirements could be established so that the State of Montana could be guaranteed a return on its investment. Regarding WAMI, the fact that students attend MSU in their first year helps increase the chances that the students will return to the State after their education is completed.

Rep. Donaldson wanted to know how well the mechanisms to try to get students back to their home states were working in other states. Sen. Thomas suggested that it might be worthwhile for the Subcommittee to look into some of the options available in this area. He said that WAMI students seemed to return to the State more often than WICHE students. Discussion took place regarding setting up service agreements or other incentives for students to return to the State. Sen. Jacobson pointed out that although Montana was losing some of its students, it was getting students from other areas coming into the State. In the WAMI Program, students from four States are coming to Montana for residency work. She asked, "Are we going to allow Montana kids to get a medical education?" Sen. Thomas said the main problem area was getting rural family practitioners to come to Montana.

Rep. Bob Bachini then spoke. He read a letter from a WICHE student; see Exhibit "F."

Robert Walker, a pre-med. student from Carroll College, spoke. Several students introduced themselves: Al Olszewski, John Unkel, Mark Elliott, Chris Kahr, Roger Bradley, Julie Heil, Jay Larson, Mari Fripo, Tim McInnis, Dean Hendrickson, Bert Hoyt, Mike Boespflug, and John Kalbfleisch. Mr. Walker stated that what they all had in common was they were from middle class families. For them, a medical education is unobtainable without financial assistance. He pointed out that the WICHE Program was not a full-ride scholarship; students have to pay the regular State tuition or 1/3 of the private tuition, with WICHE subsidizing the rest. He added that all of the students at the hearing planned to return to Montana upon the completion of their schooling.

Mr. Olszewski stated that he had four alternatives: WICHE, WAMI, the military, or public health. WICHE and WAMI are the only two that give him an equal opportunity at a chance to get into medical school. State help is needed in order to even try to get into medical school. He said that if he was accepted into the WICHE Program he would be willing to sign a contract saying he would return to the State. He pointed out that if he utilized the public health program, he would have to sign an agreement to set up practice in a rural area for a set number of years.

Jeanne Rankin, who was applying for veterinary school, spoke. She read a letter from the Pre-Veterinary Club at Montana State University; see Exhibit "G."

Rep. Dave Brown, Butte, was in support of the WICHE Program; see Exhibit "H," which was presented by Chairman Bengtson.

Roy Turley, Butte, emphasized the access problems in veterinary medicine schools. There are 26 schools in the U.S. and each with the exception of one has contracts with specific states. If the prospective student is not a resident of the States with the agreements, admission is not granted. There is one school which accepts students from any state in the country; tuition there runs \$20,000 per year.

Lee Purdy, representing the Associated Students of Montana State University, spoke up in support of the student acquisition portion of the Commissioner's budget, as well as the entire budget.

Julie Fosbender, representing the Associated Students of the University of Montana, spoke up in support of the Commissioner's budget for the WICHE and WAMI Programs.

Dr. Dayton presented some statistics regarding the question of how to get students to return to the State. 39 physicians, 3 who have been supported by WAMI and 36 who have been supported by WICHE, have returned to Montana. He submitted that there was a time when the return was low, but this did not appear to be the case any longer.

The Chairman wanted to know if the LFA or the OBPP had considered any options whereby any students already accepted into professional schools or in the process of being accepted would not be affected by cuts made in the budget. Mr. Sykes replied that one of the problems was the funding of the continuing students in 1984, and he had met with the OBPP and Mr. Noble and worked on this issue. He expressed willingness to work with them further if there were any students who had already been accepted into the program and are not accounted for in the budget. The Chairman stressed that this needed to be addressed.

Mr. Noble said the schedule the Committee had been provided (Exhibit "D.") would provide the "decision table" for the analyst's option. \$100,000 would be cut out of Table II's entering students. Cutting five students from the medical program would cause a problem, because eight students have already been accepted into the program. Dr. Dayton said that

if the Committee felt the number of entering students should be lowered, this could be done, but it needed to be done in a manner whereby no dislocations were caused. Mr. Sykes said he had presented the option of cutting the WICHE Program back because of the large increase in the cost of the WICHE Program, coupled with the budget constraints.

Rep. Peck wanted to know what the procedure was if more students than the quota were accepted into medical school; were WICHE funds shared equally or were the extra students denied funding? Dr. Dayton said they fully funded those that were funded. The only criterion was order of acceptance, and was not need-based.

Sen. Jacobson wanted to know if it was possible to add more slots to the WAMI Program. Dr. Dayton said the University of Washington felt it was already at capacity. In addition, the first-year program provided at MSU is geared to only 20 students. A detailed analysis would be needed.

The Chairman complimented those students who were striving for excellence in such a stress-related and competitive field.

The hearing on the Commissioner of Higher Education budget was closed.

The meeting was adjourned at 10:05 a.m.

  
Rep. Esther G. Bengtson - Chairman

## VISITORS' REGISTER

HOUSE Approps on Education Sub COMMITTEEBudge +  
~~BILL~~Commissioner of Higher Ed.  
INCL WICHE + UAMTDate Feb 11, 1983

SPONSOR \_\_\_\_\_

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
Jeanne Rankin	Bozeman	MSU-PRE-VET Club		X
Cliff Manley	Bozeman	SOLE MSU Pre-Vet		/
Chuck Smith	Helena	University of Montana		X
Stuart Kneep	Bozeman	MSU		
Jack Parlin	Bozeman	MSU		
Cynthia Jones	Bozeman	Carroll Student		X
...	...	...		X
...	...	...		X
Bert A. Hoyt	Rollings	Carroll Pre-Vet		X
Bruce D. Crosser	Helena	Carroll Student		X
...	...	...		X
Mae Thompson	Bozeman	Carroll Student		X
...	...	...		X
ROBERT WALKER	HELENA	Carroll Student		X
Dean Henderson	Chasler	Carroll Pre-Vet		X
AL OLSZEWSKI	GREAT FALLS	CARROLL Student		X
...	...	...		
Mark New...	Bozeman	MSU-UAMT		
...	...	...		X
...	...	...		X

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.



## VISITORS' REGISTER

HOUSE COMMITTEE

BILL

Date \_\_\_\_\_

SPONSOR

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.



THE MONTANA UNIVERSITY SYSTEM

33 SOUTH LAST CHANCE GULCH  
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EXHIBIT A  
Education Subcomm.  
2/11/83

COMMISSIONER OF HIGHER EDUCATION

TO: Commissioner Dayton  
FROM: Jack Noble *JN*  
Deputy Commissioner for  
Management and Fiscal Affairs  
DATE: February 7, 1983  
SUBJECT: Analyst's Recommendation

COMMISSIONER OF HIGHER EDUCATION ADMINISTRATION PROGRAM

I. Staffing

The analyst is correct when he says that the additional authorized position was not filled during this biennium. The reason for leaving the position unfilled was not provided in his report. The committee should be informed of the reasons.

a) The Education Subcommittee appropriated to the office administration program in H. B. 500 federal funds in the amount of \$26,705 and \$27,458 for 1982 and 1983 respectively. We had stated our concern last session that the funds would probably not be forthcoming. As it turns out, only \$17,030 was available in 1981-82 and -0- was available in the current year. Thus, our office had \$27,458 less than appropriated to provide for staffing in the current fiscal year.

b) House Bill 840 (state pay plan) applied a 3.5% vacancy savings factor against the staffing in the Commissioner's office. This required that approximately \$19,000 in vacancy savings be generated from the 16.6 FTE.

Thus, we had to absorb approximately \$46,400 of lost federal funding or vacancy savings. This more than exceeds the amount appropriated (\$31,630), for additional staffing. The fact that we did not or could not fill the position should not be interpreted as a lack of need.

c) Our priorities on the additional position have changed from labor relations to facilities planner for the following reasons.

1) Subsequent to the last session, Dr. LeRoy Schramm joined our staff. He was hired as a staff attorney and then promoted to Chief Counsel in the summer of 1981. Since he was the Chief of the Labor Relations Bureau for Montana prior to joining our staff, we attained some staff labor relations expertise that we did not anticipate during the session.

Memo

TO: Commissioner Dayton  
FROM: Jack Noble  
DATE: February 7, 1983  
SUBJECT: Analyst's Recommendation

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- 2) Conversely, the person who served as the Regents' facility planner for the system was unable to continue in that capacity. He was primarily employed by MSU and served the Commissioner and the Regents with a time sharing arrangement with the other campuses. His duties were required on a full time basis at MSU. Our high priority at this time is in the facilities area.

The Analyst recommends a one FTE cutback (from 16.6 to 15.6), with an applied vacancy savings factor of 3.5%. This would require that an additional position be cut back in order to generate the required vacancy savings.

I hope that the committee does not cut back our FTE and apply a vacancy savings factor to our office.

JHN/11t

entities shall be clearly identified in the state budgeting and accounting system.

Programs for the university budgets include instruction, organized research, public service, academic support, student services, institutional support, and operation and maintenance of plant.

Included within other appropriated funds to the six institutions is the sum of \$12,428,450 in fiscal year 1982 and \$13,579,452 in fiscal year 1983 from revenues generated under the provisions of House Bill 191, 46th legislature.

The amounts shown for critical area faculty salary adjustments are appropriated to the colleges and universities contingent upon approval by the board of regents of a salary distribution plan or negotiated agreement for each campus. It is the legislature's intent that the critical area faculty salary adjustment funds be expended in those academic disciplines where difficulty is experienced recruiting or retaining faculty due to external market conditions.

	Fiscal Year 1982		Fiscal Year 1983	
	General	Appropriated Other	General	Appropriated Other
	Fund	Funds	Fund	Funds
BOARD OF REGENTS		23,029		25,104
COMMISSIONER OF HIGHER EDUCATION				
1. Office Administration	624,554	26,705	633,221	27,458
2. WAMI	1,491,997		1,625,272	
3. WICHE - Student Assistance	627,100	911,000	500,800	1,143,000
4. WICHE - Administrative Dues	46,300		50,000	
5. University of Minnesota - Rural Dentistry	153,600		168,000	

HOUSE BILL NO. 500



# THE MONTANA UNIVERSITY SYSTEM

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**EXHIBIT "B"**  
**Education Subcomm.**  
**2/11/83**

COMMISSIONER OF HIGHER EDUCATION

TO: Irving Dayton  
Commissioner of Higher Education

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

DATE: February 9, 1983

SUBJECT: Operating Costs - 1985 Biennium

I have analyzed the Governor's and the Analyst's budget recommendation for the operating costs of our office budget. I have reviewed each category of operating costs and I would offer these alternatives.

## CONTRACTED SERVICES (2100)

<u>Actual</u> <u>1981-82</u>	<u>OBPP</u> <u>FY 84</u>	<u>LFA</u> <u>FY 84</u>	<u>Noble</u> <u>FY 84</u>	<u>OBPP</u> <u>FY 85</u>	<u>LFA</u> <u>FY 85</u>	<u>Noble</u> <u>FY 85</u>
<u>\$43,446</u>	\$54,097	\$46,448	\$48,000	\$48,644	\$40,755	\$43,000

This category will be higher the first year of the biennium due to audit costs and printing. Every other year we reprint employee contracts at a cost of over \$6,000. We can get lower printing rates through higher volume discounts by printing every other year. Printing comprises over \$14,000 of our contract service category. Data processing costs were almost \$11,000 last fiscal year. Since then we have added an ATMS data processing system so the costs will increase. In addition, we have started to microfilm regents' minutes for more efficient record-keeping and retrieval. This is a new cost of approximately \$1,000 per year.

## OFFICE SUPPLIES (2200)

<u>Actual</u> <u>1981-82</u>	<u>OBPP</u> <u>FY 84</u>	<u>LFA</u> <u>FY 84</u>	<u>Noble</u> <u>FY 84</u>	<u>OBPP</u> <u>FY 85</u>	<u>LFA</u> <u>FY 85</u>	<u>Noble</u> <u>FY 85</u>
\$13,942	\$14,544	\$ 7,455	\$ 9,500	\$15,418	\$ 7,902	\$10,000

Since the base year (1981-82) had some one time purchases of legal reference materials and other library costs, I feel we can operate at a level less than OBPP recommends. Library reference materials continue to increase in cost and the LFA recommendation is too low.

Memo  
TO: Irving Dayton  
FROM: Jack Noble  
DATE: February 9, 1983  
SUBJECT: Operating Costs - 1985 Biennium

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COMMUNICATIONS (2300)

<u>Actual</u> <u>1981-82</u>	<u>OBPP</u> <u>FY 84</u>	<u>LFA</u> <u>FY 84</u>	<u>Noble</u> <u>FY 84</u>	<u>OBPP</u> <u>FY 85</u>	<u>LFA</u> <u>FY 85</u>	<u>Noble</u> <u>FY 85</u>
\$24,195	\$26,733	\$23,771	\$26,000	\$29,959	\$27,099	\$29,000

Telephone and postage costs will increase over the next two years even with a new phone system.

TRAVEL (2400)

<u>Actual</u> <u>1981-82</u>	<u>OBPP</u> <u>FY 84</u>	<u>LFA</u> <u>FY 84</u>	<u>Noble</u> <u>FY 84</u>	<u>OBPP</u> <u>FY 85</u>	<u>LFA</u> <u>FY 85</u>	<u>Noble</u> <u>FY 85</u>
\$26,618	\$26,733	\$29,274	\$28,000	\$27,886	\$30,326	\$28,000

Because many of our duties are performed on the campuses or at other locations outside of Helena, travel is expected to remain fairly constant as it appears unlikely that the Legislature will increase per diem rates. We can operate below the Analyst's recommendation.

RENT -(2500)

<u>Actual</u> <u>1981-82</u>	<u>OBPP</u> <u>FY 84</u>	<u>LFA</u> <u>FY 84</u>	<u>Noble</u> <u>FY 84</u>	<u>OBPP</u> <u>FY 85</u>	<u>LFA</u> <u>FY 85</u>	<u>Noble</u> <u>FY 85</u>
\$68,884	\$77,400	\$75,041	\$69,500	\$82,044	\$79,544	\$71,500

The only portion of our rent that will increase is that portion that includes the maintenance, cleaning, and snow removal section. Thus, we can operate below both the Analyst's and the Governor's recommended level.

UTILITIES (2600)

<u>Actual</u> <u>1981-82</u>	<u>OBPP</u> <u>FY 84</u>	<u>LFA</u> <u>FY 84</u>	<u>Noble</u> <u>FY 84</u>	<u>OBPP</u> <u>FY 85</u>	<u>LFA</u> <u>FY 85</u>	<u>Noble</u> <u>FY 85</u>
\$ 5,317	\$ 7,026	\$ 7,275	\$ 7,500	\$ 8,880	\$ 9,021	\$ 9,500

My gut reaction is that all three of our estimates will be low. Our utility bill from 9/81 thru 1/82 as compared to the billing period for 9/82 thru 1/83 increased by 35.6% in spite of mild weather. The cost for the 9/82 to 1/83 was \$3,003.44 for 1/3 of a year. Our computing equipment additions undoubtedly created some of the additional cost.

Memo  
 TO: Irving Dayton  
 FROM: Jack Noble  
 DATE: February 9, 1983  
 SUBJECT: Operating Costs - 1985 Biennium

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REPAIR AND MAINTENANCE (2700)

<u>Actual</u> <u>1981-82</u>	<u>OBPP</u> <u>FY 84</u>	<u>LFA</u> <u>FY 84</u>	<u>Noble</u> <u>FY 84</u>	<u>OBPP</u> <u>FY 85</u>	<u>LFA</u> <u>FY 85</u>	<u>Noble</u> <u>FY 85</u>
\$ 2,651	\$ 2,978	\$ 2,388	\$ 7,500	\$ 3,156	\$ 2,531	\$ 8,000

We have the following maintenance agreements in effect at the present time:

Computer Terminals	\$ 1,368.00 yr.
Electric Typewriters	276.36 yr.
Xerox 5600	<u>5,556.00 yr.</u>
TOTAL	<u>\$ 7,200.36 yr.</u>

Since we have some equipment that isn't covered by contract, the balance needed would be for other repair and maintenance.

OTHER (2800)

<u>Actual</u> <u>1981-82</u>	<u>OBPP</u> <u>FY 84</u>	<u>LFA</u> <u>FY 84</u>	<u>Noble</u> <u>FY 84</u>	<u>OBPP</u> <u>FY 85</u>	<u>LFA</u> <u>FY 85</u>	<u>Noble</u> <u>FY 85</u>
\$15,954	\$12,954	\$ 6,335	\$ 9,500	\$13,372	\$ 6,713	\$ 9,500

Our expenditures for the first half of the current fiscal year are \$6,663. While the 1981-82 cost base had some nonrecurring cost included in it pertaining to candidate searches, we could not operate at the level of the Fiscal Analyst.

SUMMARY

	<u>OBPP</u> <u>FY 84</u>	<u>LFA</u> <u>FY 84</u>	<u>Noble</u> <u>FY 84</u>	<u>OBPP</u> <u>FY 85</u>	<u>LFA</u> <u>FY 85</u>	<u>Noble</u> <u>FY 85</u>
Contract Services	\$ 54,097	\$ 46,448	\$ 48,000	\$ 48,644	\$ 40,755	\$ 43,000
Supplies & Materials	14,544	7,455	9,500	15,418	7,902	10,000
Communications	26,048	23,771	26,000	29,959	27,099	29,000
Travel	26,733	29,274	28,000	27,886	30,326	28,000
Rent	77,400	75,041	69,500	82,044	79,544	71,500
Utilities	7,026	7,275	7,500	8,880	9,021	9,500
Repair & Maintenance	2,978	2,388	7,500	3,156	2,531	8,000
Other	12,954	6,335	9,500	13,732	6,713	9,500
TOTAL	<u>\$221,780</u>	<u>\$197,987</u>	<u>\$205,500</u>	<u>\$229,719</u>	<u>\$203,891</u>	<u>\$208,500</u>

Memo  
TO: Irving Dayton  
FROM: Jack Noble  
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The net effect of my recommendations calls for a \$7,513 adjustment to the Analyst's budget in FY 84 and a \$4,609 adjustment for FY 85. The budgeted increase for FY 85 biennium as compared to the 1981-82 actual is very conservative.

<u>Actual</u> <u>1981-82</u>	<u>Noble</u> <u>1983-84</u>	<u>Noble</u> <u>1984-85</u>	<u>%</u> <u>FY 84</u>	<u>%</u> <u>FY 85</u>
\$201,007	\$205,500	\$208,500	2.2%	1.5%

JHN/11t





# THE MONTANA UNIVERSITY SYSTEM

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EXHIBIT - uca  
Education Subcomm.  
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COMMISSIONER OF HIGHER EDUCATION

February 10, 1983

TO: Representative Esther Bengtson  
Chairman, Education Subcommittee

FROM: Irving E. Dayton  
Commissioner of Higher Education

SUBJECT: Access to Medical Education

*Irving E. Dayton*

The Legislative Fiscal Analyst has raised the issue of access of Montanans to medical education. Some additional data may help put the situation in perspective.

The analyst takes as a comparison group the four WICHE states which do not have medical schools and hence are sending states (Table 3, page 659). However, the analysis does not take into account the fact that the population of these states differs by more than a factor of two. The data in Table 3 can be extended as shown below, with the first column below being the last column in Table 3.

<u>FY 82 State</u>	<u>Total Medical Students Supported</u>	<u>1980 Population</u>	<u>Medical Students Supported per Million Population</u>
Montana	117	786,690	149
Alaska	51	400,481	127
Wyoming	114	470,816	242
Idaho	100	943,935	106
<u>FY 83</u>			
Montana	119	786,690	151
Alaska	50	400,481	125
Wyoming	119	470,816	253
Idaho	100	943,935	106

It thus appears that Wyoming is supporting medical students at about twice the rate of the average of the other three states. Alaska has a policy of supporting all students who are accepted in a WICHE school, so enrollment is limited by student acceptances, not state funding.

The above analysis misses the point that most states provide for access to medical education by having their own medical schools. The following table

MEMO TO: Esther Bengtson  
 FROM: Irving E. Dayton  
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provided by WICHE shows how access to medical schools compares in the WICHE region and with the United States as a whole.

<u>State</u>	<u>Enrollments in Entering Medical Class Per 1,000 High School Graduates Four Years Earlier</u>		<u>Percent of U.S. Ratio</u>	
	<u>77-78</u>	<u>79-80</u>	<u>77-78</u>	<u>79-80</u>
Hawaii	6.32	7.75	110%	133%
Nevada	8.27	7.54	144	129
Wyoming	6.13	5.52	107	95
Colorado	4.92	5.25	86	90
Utah	5.02	5.32	87	91
California	4.63	5.20	81	89
Oregon	4.39	4.72	76	81
New Mexico	4.97	4.80	87	82
Arizona	5.07	4.74	88	81
Washington	3.38	3.76	59	64
Alaska	3.50	3.73	61	64
Montana	3.42	3.36	60	58
Idaho	2.67	2.56	47	44
WICHE Combined	4.57	4.97	80	85
U.S.	5.74	5.84		

Note that the states of Montana, Alaska and Idaho are at the bottom of the WICHE region and substantially below the national average. This data would justify a substantial increase in support of medical students in these three states. Even Wyoming, which is high for the WICHE region, is just about at the national average.

IED:jw



THE MONTANA UNIVERSITY SYSTEM

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EXHIBIT "D"  
Education Subcomm  
2/11/83

COMMISSIONER OF HIGHER EDUCATION

TO: Irving Dayton, Commissioner of Higher Education  
FROM: Jack Noble, Deputy Commissioner *JH*  
SUBJECT: WICHE Budget Presentation

Because the analysis of the WICHE budget requires the review and comparison of different numbers of students, different programs, and different rates, it is sometimes difficult to keep all the numbers straight.

I met with Mr. Bill Sykes and Mr. Tom Crosser and discussed the problem. We agreed that the following method would provide the sub-committee with a means of deciding the level of support it wants to commit to WICHE student assistance.

- Step 1 - Reconcile the differences in the continuing student category - (see table I)
- Step 2 - Decide on the number of beginning students in each field for FY 84 - (see table II)
- Step 3 - Construct the continuing students for FY 85 - (see table III)
- Step 4 - Decide on the number of beginning students by field in FY 85 - (see table IV)

This approach should provide everyone with a clear understanding of how the dollar amount relates to the number of students supported.

JN/jw

TABLE I  
CONTINUING STUDENTS FY 84

<u>FIELD</u>	<u>REGENTS/ OBPP</u>	<u>ANALYST</u>	<u>NET COST DIFFERENCE</u>
Medicine	28	28	-0-
Dentistry	10	10	-0-
Veterinary Medicine	38.5	38.5	-0-
Optometry	18	18	-0-
Occupational Therapy	2	2	-0-
Public Health	2	2	-0-
Podiatry	<u>3</u>	<u>3</u>	<u>-0-</u>
TOTALS	101.5	101.5	-0-

TABLE II  
BEGINNING STUDENTS FY 84

<u>FIELD</u>	<u>RATE</u>	<u>REGENTS/ OBPP</u>	<u>ANALYST</u>	<u>NET COST DIFFERENCE</u>
Medicine	\$20,000	10	10	-0-
Dentistry:				
Regular	10,500	1	1	-0-
Accelerated	14,000	2	2	-0-
Veterinary Medicine	13,100	13	12	\$13,100 Analyst under
Optometry	5,600	6	3	16,800 Analyst under
Occupational Therapy	3,500	2	2	-0-
Public Health	4,900	2	0	9,800 Analyst under
Podiatry	6,200	<u>1</u>	<u>0</u>	<u>6,200</u> Analyst under
TOTALS		37	30	\$45,900 Analyst under

TABLE III  
CONTINUING STUDENTS FY 85

<u>FIELD</u>	<u>REGENTS/ OBPP</u>	<u>ANALYST</u>	<u>NET COST DIFFERENCE</u>
Medicine	30	30	-0-
Dentistry	9	9	-0-
Veterinary Medicine	39	38	\$13,600 Analyst under
Optometry	17	14	17,100 Analyst under
Occupational Therapy	4	4	-0-
Public Health	3	1	9,800 Analyst under
Podiatry	<u>4</u>	<u>3</u>	<u>6,500</u> Analyst under
TOTALS	106	99	\$47,000 Analyst under

TABLE IV  
BEGINNING STUDENTS FY 85

<u>FIELD</u>	<u>RATE</u>	<u>REGENTS/ OBPP</u>	<u>ANALYST</u>	<u>NET COST DIFFERENCE</u>
Medicine	\$21,000	10	9	\$21,000 Analyst under
Dentistry:				
Regular	10,500	1	1	-0-
Accelerated	14,000	2	1	14,000 Analyst under
Veterinary Medicine	13,600	13	12	13,600 Analyst under
Optometry	5,700	6	6	-0-
Occupational Therapy	3,700	2	2	-0-
Public Health	4,900	2	2	-0-
Podiatry	6,500	<u>2</u>	<u>2</u>	<u>-0-</u>
TOTALS		38	35	\$48,600 Analyst under

EXHIBIT E  
 FEB 1985  
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# STUDENT SERVICES PROGRAM

<u>Program</u>	<u>Regent's FY 1984</u>	<u>OBPP FY 1984</u>	<u>Analyst FY 1984</u>	<u>Difference</u>
WICHE - Dues	\$ 50,000	\$ 50,000	\$ 50,000	\$ -0-
WICHE Assistance	1,790,317	1,790,317	1,744,417	45,900
WAMI	1,636,332	1,636,332	1,636,332	-0-
Minnesota Dentistry	168,000	168,000	168,000	-0-
S.S.I.G.	385,000	385,000	385,000	-0-
N.D.S.L.	75,000	75,000	75,000	-0-

<u>Program</u>	-----Fiscal 1985-----			
WICHE - Dues	\$ 53,000	\$ 53,000	\$ 53,000	\$ -0-
WICHE Assistance	1,902,667	1,902,667	1,807,067	95,600
WAMI	1,767,423	1,767,423	1,767,423	-0-
Minnesota Dentistry	168,000	168,000	168,000	-0-
S.S.I.G.	385,000	385,000	385,000	-0-
N.D.S.L.	75,000	75,000	75,000	-0-

Education subcommittee  
2/11/83  
EXHIBIT "F"

Februaury 6, 1983

Dear Rep. Bob Bachini:

I recently received a letter from Jacki Wrigg, State Certifying Officer for Montana's WICHE Program, warning me of the possible cutbacks. I strongly urge you to vote against these cutbacks.

I am a 1977 graduate of Havre High School, a 1981 graduate of Rocky Mountain College, and am currently in my second year of Optometry School at Pacific University in Forest Grove, Oregon.

I have received WICHE funding these past two (2) years in Optometry. This funding has been necessary for me to continue MY education and achieve my goal. That which is to be a Doctor of Optometry in the state of Montana.

Tuition here at Pacific is already very high, we are facing a 10% increase next year there by raising tuition to nearly \$8000.00 per year. Without WICHE this amount is nearly impossible to obtain. Federally Insured Loans have a ceiling amount of \$5000.00 per year. Requiring the remaining balance to come from our other sources such as; current interest rate loans, savings from summer employment, and having others take out loans for my benefit. Keep in mind this amount is only for tuition, it does not include books, & equipment, which is costly. I have not even mentioned the cost of living. Think about it, now you can imagine what todays student working three (3) months out of the year faces while attending professional school.

Most of my classmates from Montana plan to return to Montana upon completion of thier education. We are Montana's future. Please, back the future and vote against educational cuts regarding WICHE. Our Education depends on it!

Respectfully Yours,



Gary M. Stremcha

- unanon subcomm  
2/11/83  
EXHIBIT "G"

Pre-Veterinary Club  
c/o MSU-Marsh Laboratory  
Bozeman, MT 59715  
February 10, 1983

Esther G. Bengston, Chairman, et. al.  
Education and Cultural Resources  
Joint Subcommittee  
State Capitol Building  
Helena, MT 59601

Dear Representative Bengston:

We, the undersigned, representing the Pre-Veterinary Club of Montana State University, are writing this letter in view of the recently proposed cutbacks in the funding of the state WICHE program. We are, needless to say, opposed to any reduction in this program, for several reasons.

Students entering such fields as Engineering, Accounting, Chemistry and Physics have the advantage of completing their entire education within the State of Montana, whereas Veterinary students must attend out-of-state universities in order to obtain their Veterinary degree. Because Montana has no veterinary school of its own, the WICHE program provides a substantial portion of the funding needed for students to attend an out-of-state school. For most students, the high cost of veterinary school would be prohibitive if this aid was not available. This program is of great benefit to the State, as Montana has one of the lowest rates of numbers of students entering professional schools per 1,000 high school graduates.

One of the biggest reasons for continued funding is that it eliminates the need for Montana to build its own veterinary school, while still providing Montana with veterinarians. It would cost the State millions of dollars annually just to equip and maintain a veterinary school, whereas the cost of sending students out-of-state is not nearly so high. This means that Montana can educate Montana residents to become veterinarians. These residents, if presented with the opportunity, will likely return to Montana to practice. This acts as a means of reducing the influx of out-of-state veterinarians, and also as a means of utilizing Montana's human resources and educating Montanans.

It has also been shown that the program, in its current funding capacity, shows a very good return on its investment. Colorado State University has done past studies which show the return of veterinarians to the State of Montana is approximately 100%. Most of these people are WICHE funded students, and the



remainder are from other states. This shows that if the program is reduced, Montana will need to encourage out-of-state veterinarians to move here. This seems to be a terrible waste of current state resources.

All in all, these reasons point to the fact that Montana should continue its current level of funding in the WICHE program. We feel that it is an economical, efficient means of utilizing Montana resources to help Montana's future growth.

Sincerely,

PRE-VETERINARY CLUB,  
Montana State University

By

James Ronald Dean  
President

Donna Cady

Vice-President

Kevin Wendlich

Secy./Treasurer

2/11/83

Testimony of Rep. Dave Brown

EXHIBIT "++"  
2/11/83  
strongly in favor of Wiche Program

BEFORE TAKING ANY DIRECT ACTION TOWARD CUTTING THE WICHE PROGRAM, THERE ARE SEVERAL FACETS OF THE EFFECTS THAT MUST BE COVERED. SINCE IT IS THE RESPONSIBILITY OF THE STATE TO PROVIDE FORMS OF HIGHER EDUCATION, EVERY AVENUE FOR STUDENTS TO ATTAIN A HIGHER STATUS OF EDUCATION MUST BE KEPT OPEN. HOWEVER, IF THIS CUT IS MADE IN THE WICHE PROGRAM, THE TOTAL NUMBER OF STUDENTS SUPPORTED IN ALL FIELDS WILL BE DOWN BY ELEVEN IN FISCAL YEAR '84 AND DOWN BY TWENTY-THREE PERCENT IN FISCAL YEAR '85. IN THE MEDICAL FIELD ALONE, SIX FEWER STUDENTS WILL BE ADMITTED, LEAVING ONLY FOUR MEDICAL STUDENT POSITIONS AVAILABLE. ALREADY, MONTANA HAS ACCEPTED SIX STUDENTS THROUGH WICHE FOR NEXT FALL.

ONE OF THE REASONS STATED IN THE FISCAL ANALYST'S REPORT FOR REDUCING WICHE SUPPORT IS THAT MONTANA SUPPORTS MORE STUDENTS THAN THE AVERAGE OF OTHER "SENDING" STATES. HOWEVER, IN A RECENT WICHE SURVEY, MONTANA RATED SECOND TO LAST OF THE THIRTEEN WICHE STATES IN THE NUMBER OF STUDENTS AIDED. MONTANA'S RATIO TO MEDICAL SCHOOL IS ONLY 58% OF THE NATIONAL RATIO FOR ADMISSION.

MONTANA HAS SAVED MILLIONS OF DOLLARS THROUGH THE WICHE PROGRAM BECAUSE MONTANA HAS NOT HAD TO BUILD AND SUPPORT VERY COSTLY MEDICAL, DENTAL AND VETERINARY SCHOOLS. FURTHERMORE, SINCE THE FOCUS OF THE WICHE PROGRAM HAS SHIFTED AWAY FROM THE HEALTH FIELDS AND HAS EXPANDED INTO SUCH AREAS AS LAW, FORESTRY, ARCHITECTURE AND PHARMACY,

TESTIMONY  
FEBRUARY 18, 1983

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MONTANA IS NOW A RECEIVING STATE AS WELL. STUDENTS FROM OTHER WESTERN STATES NOW HAVE THE OPTION TO ATTEND A MONTANA SCHOOL, THUS BENEFITTING THE MONTANA UNIVERSITY GRADUATE PROGRAMS.

PRESENTLY, MONTANANS WHO WANT TO BECOME DOCTORS AND DENTISTS ARE GIVEN AN OPPORTUNITY NEARLY EQUAL TO THE OFFERINGS FOR PROSPECTIVE ENGINEERS, LAWYERS, AND ARCHITECTS. IF THE WICHE PROGRAM IS CUT, HOWEVER, MONTANA PRE-MED STUDENTS WILL HAVE A DIFFICULT TIME SITUATING THEMSELVES IN A MED SCHOOL WITHOUT THE AID OF THE STATE. ~~SOME OF THE STUDENTS THAT ATTEND MED SCHOOL THROUGH WICHE RETURN TO MONTANA AS PRACTISING DOCTORS. THE NUMBER OF DOCTORS MAY EVENTUALLY DECREASE.~~ IF THE WICHE CUTS GO THROUGH, THEREFORE, IT WOULD WORK IN A REGRESSIVE MANNER FOR THE WHOLE MEDICAL FIELD OF MONTANA.

PLEASE CONSIDER THESE ARGUMENTS BEFORE A DECISION TO CUT THE PROGRAM IS MADE. THANK YOU.

DB/MAC