

MINUTES OF THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION
February 21, 1983

The House Appropriations Subcommittee on Education met at 8:00 a.m. on Monday, February 21, 1983 in Room 104 of the State Capitol. With Chairman Rep. Esther G. Bengtson presiding, all members were present. Executive action was taken on the budget for the Community Colleges.

A document showing the budget calculations for the Community Colleges with no pay plan increase was distributed by Bill Sykes, LFA; see Exhibit "A." Information on Dawson Community College and Miles Community College was distributed; see Exhibits "B" and "C," bulk testimony file. He said that at 95% of the formula, the general fund would amount to \$3,087,462 in 1984 and \$3,244,721 in 1985. At 90%, the figures would be \$2,924,964 in 1984 and \$3,073,292 in 1985. He said that the OBPP and the LFA agreed on enrollment projections. He added that the enrollment projections were revised, when the fall and winter enrollment figures had been received by the LFA. The Chairman said that the Colleges were in agreement with the projections also, and the only issue was if 100% of the formula was going to be funded.

Rep. Peck wanted to know, if the enrollments were below the projections, was there a return on the funds. Mr. Sykes said that any funds left over at the end of the fiscal year would reduce the mandatory levy in the next fiscal year. Rep. Peck submitted that they could also spend all of the money.

The Chairman said that the Committee would like to fund the Colleges at 100% of the formula, but it was hard to say whether or not the money would be available to do this.

The Chairman asked the Presidents of the three Community Colleges how they projected their enrollments.

Don Kettner, President of Dawson Community College, said they based their projections on the enrollment for the preceding year, and the fall and winter enrollments of the present year. They are presently at 410 FTE, 30 higher than next year's projection. They do not project a decrease in enrollment, as the LFA tables indicate..

Don Gatzke, Flathead Valley Community College President, said they were currently looking at an enrollment of 814 FTE for the year. He submitted that the projection of 792 for next year would be low. They have perceived a steady increase in enrollment in the past three years. They are not using a flat percentage in their projections; they are using the projections as justification to prove their figures.

Jud Flower, Miles Community College President, said they were holding steady in their projections; there may be a slight enrollment increase. They have not entered any new factors into their projections.

Rep. Peck submitted that the three units had projected enrollments differently. Mr. Gatzke replied that all of the projections had been conservative, and the past record proved this out.

The Chairman brought up the subject of the on-site locations in Sidney and Baker, plus the ongoing program at Colstrip and Billings. She pointed out that, in Dawson's enrollment projections, about 20 students from Sidney and Baker had been included. Rep. Peck said he was in support of satellite operations, and Sen. Tveit and Rep. Ernst also rose in support of the service provided in this approach. Rep. Peck pointed out that no one was suggesting that actual facilities be established in the satellite communities, however.

Rep. Donaldson wanted to know if the LFA or the OBPP had adjusted the inflation factors since they had been estimated initially. Mr. Tom Crosser, OBPP, said that about four months earlier, the OBPP calculated that a 2% reduction overall in the inflation factor would gain about \$2 million Statewide in available general fund monies; if a 4% factor was applied to all areas, including utilities, the \$2 million increase would result. Mr. Sykes said the LFA had not changed the advised inflation numbers for 1984-5.

Sen. Tveit moved that the Committee adopt the LFA's 100% cost factor. \$3,249,960 in 1984 and \$3,415,193 in 1985 would be the funding levels. The Chairman said this would be adopted with the understanding that the level might have to be reduced if revenues weren't sufficient to cover 100% funding. The question was called for; motion carried unanimously.

Mr. Flower pointed out that if the 95% figure was used, it would bring the per FTE funding level to less than the current level. Mr. Kettner suggested that if funding needed to be reduced, the Community Colleges should be frozen at the current level, which would amount to about 98%. Mr. Sykes confirmed that 90% and 95% would be lower than their appropriated cost factors, but the actual 1982 cost per FTE was \$1,516.70, in general fund. Mr. Crosser said the 1982 appropriation was based on 1,450 enrollment, but the actual enrollment was 1,644. If this is divided into the total general fund budget, it is a much lower cost factor per FTE than what they were appropriated.

Mr. Gatzke pointed out that when enrollments were higher than estimated, there were additional costs for teachers which had to be paid for with equipment and maintenance, etc. monies. He said the accreditation associations frown on their putting their money into teaching, and not maintaining equipment purchases.

The Chairman wanted to know if the Colleges had raised their

tuition. Mr. Flower said that raises had been submitted to the Regents. Mr. Kettner said that Dawson raised their tuition 30% in the fall of 1982. Mr. Gatzke said they had the highest rate.

Rep. Donaldson brought up the subject of service area concepts being developed. He wanted to know if there was any enthusiasm for this kind of concept. Mr. Flower said he hoped that ultimately something would come of this, but it was a long campaign. Mr. Gatzke said that if such a thing was developed, Libby would approve it immediately. However, for the first two years they would be supporting it themselves.

Mr. Bill Lannan, University System, said he had been communicating with people in the Hamilton area regarding a proposed Community College in Hamilton. He feels that the Community College Education Center did several important things for the State: (1) it provided educational programs for people who were frozen to their locale. (2) For the State it is a tremendous utilization of resources because they are not building buildings, and students don't have to commute long distances. (3) There is a maintenance of the standard of the quality of education. Discussion took place regarding the positive aspects of an outreach program.

Mr. Lannan outlined the process involved in starting up a new Community College: first, they have to satisfy requirements regarding the number of high school students in the proposed district and the taxable valuation of the district. Also, the referendum process is necessary. 20% of the voters have to sign a petition. Then the Board of Regents calls for an election. If a majority approves the proposal, then they have essentially told the State they want a Community College. The Board of Regents makes a recommendation to the Legislature. The Legislature has the final authority.

Rep. Donaldson rose in support of satellite programs rather than establishing new schools.

The meeting was adjourned at 9:00 a.m.

Esther G Bengtson Chair
Rep. Esther G. Bengtson - Chairman

VISITORS' REGISTER

HOUSE LEGISLATIVE COMMITTEE ON EDUCATION

~~BILL~~ WORK SESSION

Date 3/29/83

SPONSOR

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
Don Gatzke	Kalispell	Flathead Valley Community College	-	
Vid Flower	Miles City	Miles Community College	✓	
Pat Fairbanks	Helena	Montana Federation of Teachers		
D.H. Kettner	Blanchard	Dawson Community College	✓	
Charles Kintz	Colstrip	" " "	"	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Community Colleges	
Budget with Zero Percent Pay Plan	
Overall Inflation of 1.89 Percent	
<i>→ LPA of with fund of pay plan</i>	
<i>✓✓</i>	

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	792 x	3,500 =	2,772,000 x	53 =	1,469,160
Miles	580 x	3,500 =	2,030,000 x	53 =	1,075,900
Total	1,752		\$6,132,000		\$3,249,960
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Fiscal 1985					
<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	827 x	3,566 =	2,949,082 x	53 =	1,563,013
Miles	580 x	3,566 =	2,068,280 x	53 =	1,096,188
Total	1,807		\$6,443,762		\$3,415,193
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- 29.7%
increase
over '83 U.

BS:rc:f(3)

1985 Biennium - Pay Plan (6%) would require \$412,493 in
General Fund.

EXHIBIT "A"
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